

Effective September 1, 1964, Tenneco
Oil Company purchased this well from
Delhi-Taylor Oil Corporation

4-1-77- Cordillera Corp. assumed operations

FILE NOTATIONS

Entered In NID File Prior OGCC Checked by Chief _____
Entered On S R Sheet _____ Copy NID to Field Office _____
Location Map Pinned _____ Approval Letter _____
Card Indexed _____ Disapproval Letter _____
I W R for State or Fee Land _____

COMPLETION DATA:

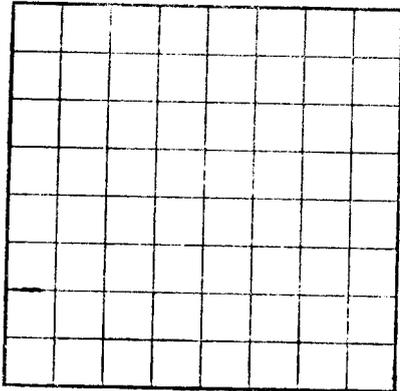
Date Well Completed 8-7-52 Location Inspected _____
OW _____ WW _____ TA _____ Bond released _____
GW OS _____ PA _____ State of Fee Land _____

LOGS FILED

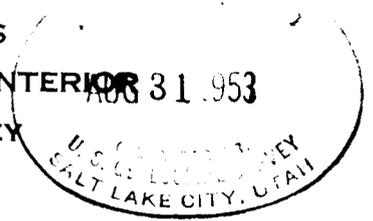
Driller's Log 7-3-61
Electric Logs (No.) 1
E I _____ E-I _____ GR _____ GR-N _____ Micro _____
Lat _____ Mi-L _____ Senie _____ Others _____

Form 9-390

U. S. LAND OFFICE
SERIAL NUMBER None (see land)
LEASE OR PERMIT TO PROSPECT _____



UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY



LOG OF OIL OR GAS WELL

LOCATE WELL CORRECTLY **R 7 E**

Company Three States Natural Gas Company Address Price, Utah
Lessor or Tract Utah Fuel Co. Field Clear Creek State Utah
Well No. 3 Sec. 32 T. 13 N. R. 7 E. Meridian Salt Lake County Carbon
Location 142 ft. N. of S Line and 1675 ft. W. of E Line of Sec 32 Elevation 859 ft.
(Derrick floor relative to sea level)

The information given herewith is a complete and correct record of the well and all work done thereon so far as can be determined from all available records.

Signed _____

Date December 3, 1952 Title _____

The summary on this page is for the condition of the well at above date.

Commenced drilling June 5, 19 52 Finished drilling August 7, 19 52

OIL OR GAS SANDS OR ZONES

(Denote gas by G)

No. 1, from 4070 to 4082 G No. 4, from 4260 to 4280 G
No. 2, from 4105 to 4135 G No. 5, from 4310 to 4330 G
No. 3, from 4150 to 4175 G No. 6, from 4370 to 4399 G

IMPORTANT WATER SANDS

No. 1, from _____ to _____ No. 3, from _____ to _____
No. 2, from _____ to _____ No. 4, from _____ to _____

CASING RECORD

Size casing	Weight per foot	Threads per inch	Make	Amount	Kind of shoe	Cut and pulled from	Perforated		Purpose
							From—	To—	
<u>13 3/8</u>	<u>48</u>	<u>8 round</u>	<u>J&L</u>	<u>169</u>	<u>Outside</u>	<u>(15' collar to 32')</u>			<u>Surface Production</u>
<u>7 1/2</u>	<u>23</u>	<u>8 rd</u>	<u>J&L</u>		<u>Outside</u>				

MUDDING AND CEMENTING RECORD

Size casing	Where set	Number sacks of cement	Method used	Mud gravity	Amount of mud used
<u>13 3/8</u>	<u>18'</u>	<u>170</u>	<u>Ballburton</u>		
<u>7 1/2</u>	<u>4057-4061</u>	<u>850</u>	<u>Ballburton</u>		

PLUGS AND ADAPTERS

Heaving plug—Material _____ Length _____ Depth set _____

FOLD MARK

SHOOTING RECORD

Size	Shell used	Explosive used	Quantity	Date	Depth shot	Depth cleaned out

TOOLS USED

Rotary tools were used from 0 feet to 4399 feet, and from _____ feet to _____ feet
 Cable tools were used from _____ feet to _____ feet, and from _____ feet to _____ feet

DATES

August 7, 1938 Put to producing _____, 19____
 The production for the first 24 hours was _____ barrels of fluid of which _____ % was oil; _____ % emulsion; _____ % water; and _____ % sediment. Gravity, °Bé. _____
 If gas well, cu. ft. per 24 hours 48,000 MCF Gallons gasoline per 1,000 cu. ft. of gas None
 Rock pressure, lbs. per sq. in. 1266.6

EMPLOYEES

Frank Vetere _____, Driller Joe Robertson _____, Driller
Andy Hendricks _____, Driller Jay Hendricks _____, Driller

FORMATION RECORD

FROM—	TO—	TOTAL FEET	FORMATION
0	810	810	Sandstone, med. hard light to dark gray friable, calcareous, carbonaceous.
810	1990	1180	Heavy sandstone- Interbedded sandstone shale and coal.
1990	2230	240	Sandstone- Med. hard friable, light gray fine grained calcareous, carbonaceous.
2230	2730	500	Siltstone-Med. hard, gray to black, calcareous, carbonaceous, siltstone.
2730	2770	40	Shale-hard dark gray silty, calcareous carbonaceous shale.
2770	3040	270	Siltstone and shale interbedded - as above
3040	4050	1010	Shale- hard dark gray silty calcareous carbonaceous.
4050	4399	350	Sandstone-Very hard light gray very fine grained calcareous glauconitic with shale stringers.
			Bottom of 9" hole with mud @ 4162'.

DETAIL LOG: Under Remarks give details on all oil and gas shows, drill stem tests, straight hole tests, core descriptions, electric logs, casing and cementing, plug back, lost circulation, fishing jobs, material left in hole, perforating, completion, initial potential test, formation tops, etc.

FORMATION DESCRIPTION	FROM	TO	REMARKS
Sand-rock and surface rock	0	205'	Moved in Rotary Rig and completed rigging up on June 4, 1952. Spudded Well on June 5, 1952, at 8:00 A.M., started drilling 12-1/4" hole, drilling w/mud materials.
Sand	205'	302'	Drilled surface hole from 0' to 205' w/12-1/4" bit and then reamed to 17-1/4" to 205'. Ran 5 joints - 169' of 13-3/8" OD Std. thd., 48.00%, Grade J-55, 2-2, JCL, Casing, set casing at 183' from K.B., Cemented with 170 sacks of cement, plugged down at 3:30 A.M.
Sand w/shale stringers	302'	821'	Slope test 3/4" @ 215'. Drilling ahead with 9" bit.
Coal and sand.	821'	874'	1" @ 760' Top of BERRY at 810'
Sand	874'	1084'	1" @ 790'
<u>TOP OF BERRY AT 810'</u>			1-3/4" @ 811'
Sand and Coal	1084'	1077'	1-1/4" @ 840'
Sand and shale	1077'	1299'	1-1/2" @ 903'
Sand	1299'	1308'	2" @ 935'
Coal w/some sand streaks	1308'	1321'	2" @ 1030'
Sand and shale w/coal stringers at 1404' and 1447'.	1321'	1602'	2" @ 1133', 1200'
			1-3/4" @ 1225'
			2" @ 1255', 1350'
			2-1/4" @ 1381'
			2" @ 1410'
			1-3/4" @ 1440'
			1-1/2" @ 1532', 1618'
Sand, Shale and Coal to Sand and Coal	1602'	1709'	Slope test 1-1/4" @ 1675', 1750', 1760'.
Sand w/shale stringers	1709'	2422'	3/4" @ 1810'
			1-1/4" @ 2050'
			1" @ 2080'
			3/4" @ 2150', 2320'
			1/4" @ 2370'
			Lost circulation at 2090', 2422', and 2465'. (No cement)
			Lost lots of mud from 2090' - 2465'.
			With the total depth 2422', plugged back from 23 with 50 sacks of cement, circulated at three stand off bottom. Checked for top of plug, no plug. Cemented with 50 sacks of cement again. Also an additional 10 sacks of cement after two hours W.P.C., the circulation while running cement. W.P.C. 8 hours could not find top of cement.
			Plugged with 20 sacks of Jol, 5 sacks of State Seal, plug also with 50 sacks of cement and 1 Calcium Chloride. W.P.C. for 4 hours. Top of cement at 2317'. Circulated to bottom

Coal
Shale
Sand

TOP OF FERROUS 4050'

4050'
4055'
4060'

4055'
4060'
4162'

Sand
Sand w/someshale stringers

4162'
4184'

4184'
4399' TD

1-3/4" @ 2775'
2" @ 3120'
2-1/2" @ 3218'
2" @ 3260'
1-3/4" @ 3330'
1-1/2" @ 3390'
1" @ 3405'
1-3/4" @ 3756' Top of Ferron at 4050'
1-1/2" @ 4050'

Ran Schlumberger Electrical Log and Micro Log:
Electrical Log from 164' -to- 4162'
Micro Log from 4040' -to- 4162'

Electrical Log shows TOP OF FERROUS AT 4050'. "GAS"

Ran Johnston Test tool on July 15, 1952:
Packer set at 4055', tested to TD: 4162'
Tool open one hour, Tool shut-in 15 minutes;
Gas with string blow to surface in 5 minutes.
Recovered 450' of Gas Cut Mud.
F.P.P. 1250%
B.P.P. 1275%
G.E.P. 1500%
H.P. 2000%
In hole circulating. Preparing to run 7" casing.

Ran 4029.86' of 7"OD, Ord. thd., 17.00% and 23.00%,
J-55 and H-40, R-2 and R-3, casing. A total of 4029.86'
set at 4057' with 250 sacks of cement, by Halliburton.
Plugged down at 10:00 A.M. W.C.C.
9" hole drilled to 4162'.

Hipping up to drill-in with Natural Gas open hole. Will
drill-in with 6-1/4" bit.

Displaced mud with Natural Gas. Well Gauged at 4173' -
9,117 MCF and at 4203' - 12,087 MCF

Well gauges at :

4231' - 12,816 MCF

4241' - 19,120 MCF

Reamed to bottom and cleaned out. Hit total depth of well
at 10:00 P.M., August 4, 1952.

On August 6, 1952 ran Lane Wells Gamma Ray and Neutron
Logs: 100' -to- TD:4399'.

Blowed well for two and one-half hours through two
3" lines. Tested well through 3" line, w/side static
pressure 65%, Gauge - 29,294 MCF/D.

Ran 142 Joints - 4355.45' of 2-3/8"OD, EUE Ord. thd.,
4.70%, Grade J-55, R-2, tubing. Tubing Hanger 12.00'
below K.D., Tubing set at 4367'. Well head pressure
100% ...

WD: 4399'

SUPPLEMENTAL WELL HISTORY

Work-Over and Deepen Well - May 6, 1954

Started moving in and completed rigging up Rotary Tools on May 6, 1954. From top of rotary table to tubing hanger 15.60'.

Pumped 25 bbls of diesel oil and 185 bbls of mud thru tubing to kill well. Circulating Gas out of Mud. Whipping up and pulling 2-1/2" tubing.

4399'

4430'

Picked up 3-1/2" drill pipe, reaming and washing to bottom, reamed tight hole at 4275'. Firing mud with approx 20% lost circulation material. Drilled ahead with 6-1/4" bit. Lost 36 bbls of mud at 4423', lost 10 bbls of mud at 4430'. Dressing core barrel, preparing to start coring. Ran magnet to bottom. Cutting 6-1/8" cores.

Feet
21

4430'

4451'

Drilled 21' and recovered 21':

Sandstone Very hard, fine grained - very fine grained, red gray, calc, all carbonaceous tite,

4451'

4472'

Circulating condition mud, using 10% lost circulation material. reamed to 6-1/4" hole to 4451'.

Drilled 21' recovered 21': Coring at 1' per 35 minutes.

Sandstone calc as core 1 core 3 1/2" and 1 1/2" long, on calc. 1/2" long, 1/2" wide.

19

4472'

4481'

Lost 10 bbls of mud at 4465', in cutting cone #2.

Drilled 9' recovered 9': Lost 15 bbls of mud.

Sandstone Very hard, red gray to dark gray, very fine grained, clay w/strains of black shale, very blue.

1

Sandstone and shale Shale is black carbonaceous, sandstone is very blue with thin shaly.

6

4481'

4487'

Drilled 6' recovered 6': Lost 25 bbls of mud.

Sandstone Very hard, tite, red gray, very fine grained, very fractured.

6

CORE #6

13'

4490'

4503'

Drilled 13' recovered 13': Lost 8 bbls of fluid.
Sandstone Very hard red tan, very fine grained, shaly, calcareous and calc. Shale from 4491 to 4495' hard tan, very very fine grained calc. shale.

CORE #7

15

11

3

4503'

4532'

Drilled 29' recovered 29': Lost 108 bbls of fluid.
Shale and siltstone Hard, black calcareous, very sandy, calc. w/ some fairly preserved fossils. streaks of fine dark gray siltstone.
Sandstone very hard, red gray, very fine grained to very very fine grained, shaly calcareous w/streaks of black shale.
Shale Very hard, black sandy.

CORE #8

17 1/2

4532'

4562'

Drilled 30' recovered 17 1/2': Lost 155 1/2 bbls of fluid.
Lost circulation at 4553'.
Shale hard black less sandy than above w/ few thin streaks of siltstone in upper 5', w/few coarse fractures and sand fractures.

sand w/shale stringers

4562'

4564' TD

Laying down core barrel preparing to run Schlumberger.
Ran Schlumberger Electrical Log: from 4165' to- 4560'.
Ran Schlumberger Micro Log: from 4160' to- 4555'.
Went in hole w/6 3/4" bit reamed to bottom and made additional 2'.
Ran 19 joints - 576.52' - 5"OD 15.00", Open Extreme Line Casing,
Ran casing w/Brown Well service tool, set at 4560'. Top of casing
hang in 7" casing at 3987.41'. Float Collar at 4532'. Cemented
w/5 sacks of Bridget and 73 sacks of Cement. Plug-down at 4:00 AM.
323' of cement in Casing, Casing pressure 2400#. Reversed Circulation
While running Halliburton Wire Line to test depth of hole, dropped
13 fts. of tubing in hole. With little difficulty fished tubing out.

Ran tubing to wash cement out of 5" Line, washed out 37'.

Ran 4-1/8" bit found top of cement at 4024', drilled cement to
P.B.TD:4540'. Ran Lane Wells Gamma Ray and Neutron Log from 3900' to
4536'.

Preparing to Drill Stem Test.

DETAIL LOG: Under Remarks give details on all oil and gas shows, drill stem tests, straight hole tests, core descriptions, electric logs, casing and cementing, plug back, lost circulation, fishing jobs, material left in hole, perforating, completion, initial potential test, formation tops, etc.

FORMATION DESCRIPTION	FROM	TO	REMARKS
		1561' TD	<p>Run Nano Wells Radioactivity Log - Gamma Ray and Neutron Logs from 3900' -to- 4536'.</p>
			<p>July 30, 1954, Jan Halliburton well stem test #1 D.S.T. #1</p>
			<p>Packer set at 4055'. P.D.TD:4540'. Test tool open 15 minutes, shut-in 30 minutes, tool opened with a string blow. Gas to surface in 5 sec minutes. recovered 275' of drilling mud.</p> <p>E.S.P. 1420' E.S.P. 691' E.S.P. 812' E.S.P. 1171' E.S.P. 1670'</p>
			<p>Central packer at 3900', squeeze job w/100 sacks of Cement, (-2) sacks out side of line (-). Drilled cement plug from 4070' - 4075', made a reaction to clean 5" zone. Drilled cement set to 4140'.</p>
			<p>Run Nano Wells Radioactivity; Gamma Ray and Neutron Logs.</p> <p>4070' - 4100' 70' water in 20'. 4100' - 4130' 1 1/2' water in 20'. 4130' - 4160' 2 1/2' water in 20'. 4160' - 4190' 3 1/2' water in 20'. 4190' - 4220' 4 1/2' water in 20'. 4220' - 4250' 5 1/2' water in 20'. 4250' - 4280' 6 1/2' water in 20'. 4280' - 4310' 7 1/2' water in 20'. 4310' - 4340' 8 1/2' water in 20'. 4340' - 4370' 9 1/2' water in 20'. 4370' - 4400' 10 1/2' water in 20'.</p>
			<p>D.S.T. #2</p> <p>Running drill stem test tool, lost 2 1/2' of tool while going in at 1000'/hr, tool bit lost while casing. Packer set at 4055'. P.D.TD:4540'. Shut over 36 hours, tool shut-in - zero. Tool opened with a string blow. Gas to surface in 5 sec minutes. recovered 275' of drilling mud. Drilled cement set to 4140'.</p>

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FORMATION DESCRIPTION	FROM	TO	REMARKS
			<p>Blowing and cleaning out well, running hurble bomb, and test well. Rigging up to Acidize well: Acidize with 5,000 gallons HCl Acid, 150 gallons of Morflow, 30 Bbls of Diocel went in on Vacuum. Job completed at 9:00 P.M. U.S.A.</p> <p>Blowing well and pumping in mud in casing. Blowing well.</p> <p>Released Rig at 8:00 A.M. June 15, 1954.</p> <p><u>Well test:</u> 11,600 MCF/D through 1 1/2" Orifice, with 310' tubing Pressure, 917' Casing Pressure stabilized. Shut Well In.</p> <p>June 29, 1954, Initial Potential was run by Utah Natural Gas Co.</p> <p>Shut-In Pressure: SEPT-1061 1/2 psig; SEPT-1061 psig. Absolute Open Flow: 24,500 MCF/D Wellhead Potential: 13,000 MCF/D @ 2" tubing.</p> <p>A bottom hole bomb was run prior to casing. Results showed a B.H.P. of 1172 psig and a B.T.P. of 1092 at 1362'. (No fluid indicated at this depth.).</p> <p>The HCl treatment through perforations in the sands show this increased production approximately three times over that of before treatment.</p>

Amg

Copy to UIC

RFB

Form 9-831a
(Feb. 1961)

Budget Bureau No. 42-R358.4
Approval expires 12-31-60.

(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office
Lease No.
Unit Utah Fuel

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....		SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....		SUBSEQUENT REPORT OF SHOOTING OR ACIDIZING.....	
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....		SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO REDRILL OR REPAIR WELL.....	X	SUBSEQUENT REPORT OF RE-DRILLING OR REPAIR.....	
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	X	SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....		SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....			

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

June 15, 1961

Well No. 3 is located 1942 ft. from N/S line and 1675 ft. from E/W line of sec. 32

NW/4 Sec. 32 T-13-S, R-7-E
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)

Carbon Utah
(Field) (County or Subdivision) (State or Territory)

The elevation of the ~~drill hole~~ 2. B. above sea level is 8459 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Isolate the two lower sands if water productive, and acidize or fracture the remaining productive sands.

I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company Delhi-Taylor Oil Corporation

Address P. O. Drawer 1198

Farmington, New Mexico

By J. F. Berry
Title Dist. Engineer

N

June 22, 1961

Delhi-Taylor Oil Corporation
P. O. Drawer 1198
Farmington, New Mexico

Attn: J. F. Berry, Dist. Eng.

Re: Well No. Utah Fuel #3,
Sec. 32, T. 13 S., R. 7 E.,
Carbon County, Utah

Gentlemen:

We would like to thank you for sending us the Notice of Intention to Repair and Acidize the above mentioned well.

As this well was drilled before September of 1955, and the establishment of this Commission we do not have any other information on it. If you should happen to have extra copies of the Driller's Log and/or Electric Logs for said well, we would greatly appreciate receiving them.

We will be most grateful for any assistance you may be able to give us in this regard.

Very truly yours,

OIL & GAS CONSERVATION COMMISSION

ANN W. GLINES,
RECORDS CLERK

AWG

DELHI-TAYLOR OIL CORPORATION
CORRIGAN TOWER
DALLAS 1, TEXAS

DIRECT REPLY TO
FARMINGTON DISTRICT OFFICE
P. O. BOX 1175
FARMINGTON, NEW MEXICO

June 28, 1961

State of Utah
Oil & Gas Conservation Commission
310 Newhouse Building
Salt Lake City, Utah

Gentlemen:

Attached are copies of electrical log and well record on the Utah Fuel #3, Sec. 32, T-13-S, R-7-E, Carbon County, Utah, as requested in your letter of June 22, 1961.

This well was drilled by Three States Natural Gas Company, however, Delhi-Taylor Oil Corporation has now acquired all of Three States' assets (effective June 1, 1961) and notice of change of ownership has now been submitted.

If any further information is needed, please advise.

Yours very truly,

DELHI-TAYLOR OIL CORP.

By: J. F. Berry
J. F. Berry
District Engineer

JFB:g
Encls: 2

WORKOVER HISTORY

WELL NAME: Utah Fuel No. 3

A.F.E. No.: PD-3

LOCATION: NW/4 SE/4 Section 32, T-13-S, R-7-E, Carbon County, Utah

ELEVATION: 8459 K.B.

CONTRACTOR: Lawrence Drilling

TUBING RECORD:

<u>From</u>	<u>To</u>	<u>Jts.</u>	<u>Description</u>
0	12	KB	
12	3967	130	2-7/8" EUE 8RT 6.50# J-55
3967	3968	-	Crossover 2-7/8" to 2-3/8" EUE
3968	4091	4	2-3/8" EUE 8RT 4.70# J-55
4091	4097	1	2-3/8" EUE 8RT Perf. Nipple

DAILY HISTORY:

- 8-9-61 Moving in workover tools.
- 8-10-61 Finished rigging up. Blew well to atmosphere. Pumped 50 bbls. water in casing. Nipped down to Nipped up BOP. Stripped tubing hanger thru BOP and removed. Well started blowing out tubing. Pumped in 50 bbls. water. Well wouldn't die. Now preparing to set plug in tubing on wire line.
- 8-11-61 Pumped total 300 bbls. water trying to kill well while waiting on wireline tubing plug. Rigged up DOT wireline truck, run gauge ring in tubing and then set GB slip type tubing plug. Picked 6 stands tubing off rack and tagged bottom at 4541'. Strapped out of hole. Ran 3-7/8" bit and scraper. Blew hole 3 hours; still making 3" stream of water. Pulled out of hole to run Lynes straddle packer.
- 8-12-61 Ran Lynes straddle packer assembly w/45-1/2' spacer and straddled perms. at 4070 to 4082. Opened circulating valve found fluid at 2700'. Opened tool between packers had medium blow. Filled casing with water and pressured up to 1050#. Pressure bled to 225# in 1 hour 40 minutes indicating small casing leak. Swabbed tubing drv. Tubing remained dry indicating no communication around top of liner. Opened circulating valve and swabbed down to 2700'. Released packer reset straddling perforations 4426 to 4466. Opened circulating valve, swabbed and blew hole dry for 30 minutes. Turned off supply gas and flowed well 3-1/2 hours. Well stabilized producing dry gas at 23# on 1-1/2" orifice casing pressure 225 psi.

RECEIVED
DEPT. OF OIL & GAS OPERATIONS
AUG 28 1961
U. S. GEOLOGICAL SURVEY
SALT LAKE CITY, UTAH

NOTED — HARSTEAD

DAILY HISTORY (Continued):

- 8-12-61
(Cont'd) SI 20 minutes casing pressure 560 psi. Now preparing to open tool between packers.
- 8-13-61 Opened tool between packers to test 4426-66. Made 11 swab runs recovered 45 BW in 3 hours 40 minutes, fluid level at 3300. Made small amount of gas. Casing pressure declined from 480 to 460#. Open below tool recovered 4 bbls. water no gas 3 swab runs. Opened between packers again and pumped in 30 bbls. with no TP and no increase in casing pressure. POH rigged up McCullough wireline and set HDWCO DC bridge plug at 4419. Perf. 4184-4200 EL measured w/4 jets per ft. Ran bit and scraper to 4414. POH to run straddle packer assembly.
- 8-14-61 Ran straddle packer assembly w/45-1/2 spacer set of 4357-1/2 and 4407. Swabbed tubing dry below bottom packer, waited 1 hour found tubing dry and tubing dead. Reset packer at 4326-1/2 and 4372. Treated perf. 4396-4402 w/600 gals. 15% MCA displaced w/25-1/2 bbls. water. Pressure broke after 200 gals. acid in formation. Maximum pump pressure 2,000# average rate 2.6 BPM maximum 3.1. SI 30 minutes ran swab 8 times recovered 26 bbls. water blowing 56# of 1/8" plate after 3-1/2 hours. Opened between packers to treat perf. at 4343-49 and 4355-63 w/1050 gal. 15% MCA flush w/26 bbls. No pressure break average rate 5 BPM, maximum pressure 2,000#. Ran swab 5 times well started flowing 24# of 1/2" plate. Test 4 hours still blowing 1/2" stream spent acid water. Casing pressure on above 2 test declined 475# to 450 due to casing leak only. Reset packer 4311 and 4265-1/2 treated perfs. 4294-4302 w/600 gals. 15% MCA average rate 6 BPM maximum pressure 2600# casing pressure increased from 475# to 600#. Released packer and reset at 4214-59-1/2 treated perfs. 4216-56 w/2400 gals. MCA average rate 6 BPM. Maximum pressure 2100# casing pressure increased from 450 to 670. Now preparing to straddle perfs. 4070-4082 to test packers and acidize.
- 8-15-61 Tried to release packer at 4214 and 4259, would not release. Swabbed tubing dry released packer reset at 4094-4148-1/2. Packer wouldn't set pressure to 2000# tool plugged. Pulled tool out of hole, found it plugged with shale and sand. Ran new packer set at 4048-94. Treat perf. 4070-82 w/900 gal. 15% MCA average rate 4.4 BPM maximum pressure 2000# casing pressure held steady throughout at 450#. Reset packer at 4098

DAILY HISTORY (Continued):

- 8-15-61
(Cont'd) to 4144. Treated perf. at 4106-30 w/1800 gals. MCA average rate 6 BPM maximum press. 1700# casing pressure increased to 700#. Decreased to 625# after 3 minutes SI. Reset packer at 4164-4210 treat perms. 4184-4200 w/1450 gal. MCA average rate 6 BPM maximum pressure 1720# casing pressure increased to 575. Now swabbing acid water and preparing to test all zones together.
- 8-16-61 When attempted to release packer after acidizing perf. 4184-4200 packer would not come loose. Worked 4 hours packer came free. Tagged bottom at 4382. POH found tool and tubing plugged w/shale. Ran bit and scraper and cleaned out to 4413. Blew hole 2 hours still making a mist of acid water. POH and ran Baker full bore set at 4049, tubing blanked off with Otis SS plug. Pulled Otis plug testing well. Well flowed against 1-1/2" orifice at 10# (578 MCF/day) and against 1-1/4" orifice at 22#, (835 MCF/day). Producing 57 gal. acid water (Ph. 5.5) per hour through 1" line. Have tested 3 hrs. will continue to test.
- 8-17-61 Tested for 5 hours, making 980 MCF/day and 55 gal. acid water/hour. Released packer set plug, pressured plug plug leaked, attempted to pull plug, couldn't latch on pulled tubing and found 6" frac sand on plug. Leak found to be across plug. Lost 2 slip segments from Baker packer in hole. Ran packer to 4320, pulled Otis plug. Frac w/4300# and 8600 gals. flush 1600 gals. Breakdown pressure 2800, broke to 2200#. Increased from 2200 to 3200# during frac. Flushed at 3200# Final I.R. 4 b/m attempted to release packer, packer stuck, turned gas into annulus packer released, run Otis plug, pulled tubing and packer. Bottom slips were locked in set position. Redressed packer to go in hole for final frac job.
- 8-18-61 Free to 3800. Set full bore packer at 4050' pulled SS plug pumped in at 2500, went on vac, frac w/38,400 gal. slick water and 35,300# sand, 10#/1000 gal. WG-4, 10#/1000 gal. WLC-2, 2% CaCl pH-6, with 38,400 gal. out tubing pressure increased 2800-4200, casing pressure increased from 600-1500, tubing pressure declined to 3100 and then up to 3800. Stopped sand and pumped 738 gal. flush. Casing pressure still increasing, stopped pump tried to reverse,

DAILY HISTORY (Continued):

8-18-61
(Cont'd)

open circulating valve, tried to reverse to 1500#, tried to release packer no results, tried to break safety joint, no results, pumped down casing 1000# 2500# on tubing no circulation, held 2500#.. Ran McCullough free joint, found free at 3800', sand inside at 3800', backed off at 3770', pulled up 48 stands, it took this to break circulation, blowing hole dry.

8-19-61

Pulled 40 stands before breaking circulation. Circulated to top of fish, shut down one hour circulated slight show of water. Top of fish at 3764', 285' of fish in hole, 4 stands, 1 single and 12-1/2' of tool, backed off, pin looking up. Ran McCullough hydraulic clean out tool, screwed in fish, ran 60' 1-3/4" wash out pipe on wire line, circulated out to 3824. Pulled wire line to pick up more pipe, well started flowing. Turned gas to tubing and casing alternately, rocked well in. Cleaned well through casing 5 hours, making gas, water and frac sand. Opened well through tubing, now cleaning up through tubing. Casing pressure stabilized at 425#.

8-20-61

Cleaned well for 4 hours, stabilized casing pressure, at 432# making occasional heads of water. 32# back pressure on 1-1/2" orifice. Closed well in, backed off at 3764. B & R set an Otis "W" choke at 3750', pulled out of hole to take off McCullough ported nipple. Went back in hole and screwed into fish, blowing through casing, made large amount of frac sand, some shale and water. Set down on tool, opened unloader, making more sand from casing. Worked tool one hour and it came loose. Set Otis "W" choke in tubing, started out, tool stopped at 4035', released and stopped at 4005'. Worked 2 hours and came free. Came out with all of fish. Went in hole w/bit, tagged bottom at 4404, circulated out to 4414. Now coming out of hole to run completion equipment.

8-21-61

Pulled out of hole with bit. Rigged up lubricator to run 7" packer. Well flowing thru 2-1/2" line off casing at 150 psi. 7" packer would not go in hole due

DAILY HISTORY (Continued):

8-21-61
(Cont'd)

to high gas flow rate. Ran 6' 2-3/8 OD perf. Nipple, 4 jts. 2-3/8 EUE tubing, and 130 jts. 2-7/8" EUE tubing total 4084.78' landed at 4097'. Removed BOP installed well head equipment. Opened well on 1-1/2" orifice in orifice well tester, casing pressure 460# tubing pressure 180# after 1 hour. Installed 1" plate orifice pressure 195 psi tubing pressure 250 psi. Approximately 4,560 MCF flow rate per day.

8-22-61

Tied well into separator released rig. Flowing well into sales line at rate of 2180 MCF/day with 510# TP 517# CP. Producing 1 gallon water per hour. Will run four point back pressure test.

APPROVALS:

D. J. Higginbotham
District Superintendent

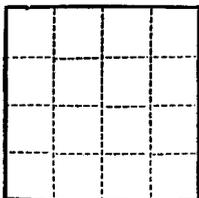
8/24/61
Date

Jack F. Berry
District Engineer

Aug. 23, 1961
Date

E. A. Jans
District Clerk

Aug 23, 1961
Date



(SUBMIT IN TRIPLICATE)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

Land Office
Lease No.
Unit Utah Fuel

SUNDRY NOTICES AND REPORTS ON WELLS

NOTICE OF INTENTION TO DRILL.....	SUBSEQUENT REPORT OF WATER SHUT-OFF.....	
NOTICE OF INTENTION TO CHANGE PLANS.....	SUBSEQUENT REPORT OF ABANDONMENT ACIDIZING.....	X
NOTICE OF INTENTION TO TEST WATER SHUT-OFF.....	SUBSEQUENT REPORT OF ALTERING CASING.....	
NOTICE OF INTENTION TO RE-DRILL OR REPAIR WELL.....	SUBSEQUENT REPORT OF REPAIR REPAIR.....	X
NOTICE OF INTENTION TO SHOOT OR ACIDIZE.....	SUBSEQUENT REPORT OF ABANDONMENT.....	
NOTICE OF INTENTION TO PULL OR ALTER CASING.....	SUPPLEMENTARY WELL HISTORY.....	
NOTICE OF INTENTION TO ABANDON WELL.....		

(INDICATE ABOVE BY CHECK MARK NATURE OF REPORT, NOTICE, OR OTHER DATA)

August 29, 1961

Utah Fuel
Well No. 3 is located 1942 ft. from N line and 1675 ft. from NW line of sec. 32

NW/4 Sec. 32 T-13-S R-7-E
(1/4 Sec. and Sec. No.) (Twp.) (Range) (Meridian)
Carbon Utah
(Field) (County or Subdivision) (State or Territory)

K. B.
The elevation of the ~~surface~~ above sea level is 5459 ft.

DETAILS OF WORK

(State names of and expected depths to objective sands; show sizes, weights, and lengths of proposed casings; indicate mudding jobs, cementing points, and all other important proposed work)

Pumped 300 bbls. water into well to kill, re-perforated 4184-4200 w/4 jets per foot.
Treated perforations as follows:
4396-4402 w/600 gals. MCA acid
4343-4349, 4355-63 w/1050 gals 15% MCA acid
4294-4302 w/600 gals 15% MCA acid
4216-56 w/2400 gals 15% MCA acid
4070-82 w/900 gals 15% MCA acid
4106-30 w/1800 gals 15% MCA acid
4184-4200 w/1450 gals 15% MCA acid

Packer set at 4320, frac w/4300# sand and 8600 gals water, flush 1600 gals. Break down pressure 2800#, IR 4 bbls. per minute. Packer set at 4050', frac w/38,400 gals slick water & 35,300# sand, 738 gals. flush. Blew well clean, re-run 2-3/8" tubing landed at 4097'. Well tested as follows: (See reverse side)
I understand that this plan of work must receive approval in writing by the Geological Survey before operations may be commenced.

Company DELHI-TAYLOR OIL CORPORATION

Address P. O. Drawer 1198
Farmington, New Mexico

Original signed by
By G. T. HIGGINBOTHAM
G. T. Higginbotham
Title District Superintendent

MCF/D

Tbg. Press. psia

1982	494
2072	486
3810	209
3815	316
7660	147

Now flowing well into sales line at rate of 2180 MCF/D with 510# TP and 517# CP.

AUG 30 1955

R/S

DELHI-TAYLOR OIL CORPORATION
CORRIGAN TOWER
DALLAS 1, TEXAS

DIRECT REPLY TO
FARMINGTON DISTRICT OFFICE
P. O. BOX 1175
FARMINGTON, NEW MEXICO

August 29, 1961

~~U. S. Geological Survey
457 Federal Building
Salt Lake City, Utah~~

Re: Utah Fuel No. 3
Carbon County, Utah

Dear Sir:

Attached hereto original and two copies of Form 9-331a
"Subsequent Report of Acidizing, and Subsequent Report
of Repair", covering the above subject well located in
Section 32, T-13-S, R-7-E, Carbon County, Utah.

Yours very truly,

DELHI-TAYLOR OIL CORPORATION

By: Original signed by
G. T. HIGGINBOTHAM
G. T. Higginbotham
District Superintendent

GTH:mac

Attach.

cc: Oil Conservation Commission - Salt Lake City, Utah ✓
~~J. D. Cooper - Baker~~

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

LAND OFFICE Utah
LEASE NUMBER
UNIT Clear Creek Unit



LESSEE'S MONTHLY REPORT OF OPERATIONS

State Utah County Carbon & Emery Field Clear Creek

The following is a correct report of operations and production (including drilling and producing wells) for the month of September, 1975

Agent's address 1200 Lincoln Tower Bldg. Company Tenneco Oil Company
Denver, Colorado 80203 Signed [Signature]
Phone 292-9920 Agent's title Production Clerk

SEC. AND 1/4 OF 1/4	TWP.	RANGE	WELL NO.	DAYS PRODUCED	BARRELS OF OIL	GRAVITY	CU. FT. OF GAS (In thousands)	GALLONS OF GASOLINE RECOVERED	BARRELS OF WATER (If none, so state)	REMARKS (If drilling, depth; if shut down, cause; date and result of test for gasoline content of gas)
<u>SW SE</u> <u>8</u>	<u>14S</u>	<u>7E</u>	<u>1</u>			<u>Geo. W. Deck "A"</u>	<u>10,746</u>		<u>150</u>	<u>P</u>
<u>NW SW</u> <u>32</u>	<u>14S</u>	<u>7E</u>	<u>1</u>			<u>T. F. Kearns Jr. "A"</u>				<u>SI</u>
<u>NW NE</u> <u>17</u>	<u>14S</u>	<u>7E</u>	<u>1</u>			<u>H. E. Walton</u>	<u>9,803</u>		<u>150</u>	<u>P</u>
<u>NE SW</u> <u>30</u>	<u>14S</u>	<u>7E</u>	<u>3</u>			<u>H. E. Walton "A"</u>				<u>SI</u>
<u>SE SW</u> <u>19</u>	<u>14S</u>	<u>7E</u>	<u>1X</u>			<u>P. T. Walton</u>				<u>SI</u>
<u>SE SW</u> <u>5</u>	<u>14S</u>	<u>7E</u>	<u>1</u>			<u>Utah Fuel</u>				<u>SI</u>
<u>SW SW</u> <u>32</u>	<u>13S</u>	<u>7E</u>	<u>2</u>							<u>SI</u>
<u>NW SE</u> <u>32</u>	<u>13S</u>	<u>7E</u>	<u>3</u>							<u>P</u>
<u>SW SW</u> <u>30</u>	<u>13S</u>	<u>7E</u>	<u>4</u>							<u>SI</u>

NOTE.—There were runs or sales of oil; M cu. ft. of gas sold

..... runs or sales of gasoline during the month. (Write "no" where applicable.)

NOTE.—Report on this form is required for each calendar month, regardless of the status of operations, and must be filed duplicate with the supervisor by the 6th of the succeeding month, unless otherwise directed by the supervisor.

August 19, 1977

Cordillera Corporation
2334 East Third Ave.
Denver, Colorado 80206

Re: Clear Creek Field
Carbon & Emery Counties,
Utah

Gentlemen:

This letter is in receipt of a letter stating official change of operator in reference to above mentioned Field. According to a "Monthly Report of Operations" received by this office, a number of wells in Clear Creek Unit (formerly Tenneco) have been taken over by your Corporation.

In order to keep our records accurate and complete, please include effective date of this change and all wells included.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,



Kathy Ostler
Records Clerk

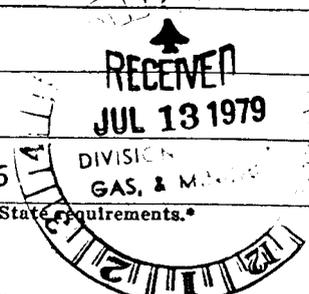
UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLE
(Other Instructions
verse side)

Form approved.
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER			5. LEASE DESIGNATION AND SERIAL NO. patented
2. NAME OF OPERATOR Cordillera Corporation			6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 2334 East Third Avenue, Denver, CO 80206			7. UNIT AGREEMENT NAME Clear Creek
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* At surface 1,942' FSL, 1,675' FEL, SEC. 32, T13S, R7E			8. FARM OR LEASE NAME Utah Fuel
14. PERMIT NO.	15. ELEVATIONS (Show whether DF, RT, CR, etc.) 8,459 DF	9. WELL NO. 3	10. FIELD AND POOL, OR WILDCAT Clear Creek - Ferron
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 32, T13S, R7E	12. COUNTY OR PARISH Carbon
			13. STATE Utah

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <input type="checkbox"/>	
(Other) <input checked="" type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

17. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Move in rig-up pulling unit. Pull rods and pump, tubing if necessary. Clean hole. Swab for rate. Check for any fillup. Run pump and rods with nylon guides. Move out pulling unit.

18. I hereby certify that the foregoing is true and correct

SIGNED [Signature] TITLE Engineer DATE 7/9/79

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

Harry P. McClintock

Gas Consultant

July 6, 1990

PHONE
214-233-9640 OFFICE
233-5137 RESIDENCE

6350 LBJ FREEWAY • SUITE 162
DALLAS, TEXAS 75240

43-007-16011

Mr. Michael Laine
State Of Utah
Dept. of Natural Resources
Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center Suite 350
Salt Lake City, Utah 84180-1203

Cordillera Corporation

Utah Fuel #'s 1, 2, 3, 8
Utah Mineral State # 1
Clear Creek Field
Carbon County, Utah

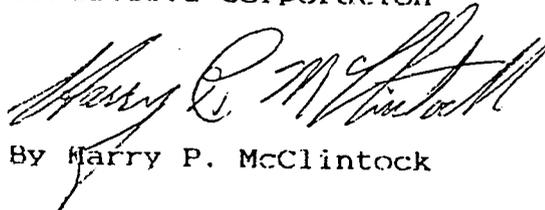
Dear Mr. Laine:

With reference to your letter of October 23, 1989 to the Cordillera Corporation and our subsequent phone conversations, we would like to advise that the signs on the leases that you requested have been put in place. We have cleared the trash from the well locations that you pointed out and have attempted to place the production equipment in a less hazardous position.

If you find that this placement is not satisfactory, please advise the writer direct and I'll arrange for you to meet with our field representative.

Yours Very Truly,

Cordillera Corporation



By Harry P. McClintock

cc: Lettie Flower

Reau Graves

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
 355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84180-1203

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

UTAH ACCOUNT NUMBER: N0270

LETTIE FLOWER
 CORDILLERA CORPORATION
 5000 S QUEBEC ST #450
 DENVER CO 80237

REPORT PERIOD (MONTH/YEAR): 12 / 95

AMENDED REPORT (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
✓	UTAH FUEL #1							
4300716009	02550	14S 07E 5	FRSD					
✓	UTAH FUEL #2							
4300716010	02550	13S 07E 32	FRSD					
✓	UTAH FUEL #3							
4300716011	02550	13S 07E 32	FRSD					
✓	UTAH FUEL #4							
4300716012	02550	13S 07E 30	FRSD					
✓	UTAH FUEL #5							
4300716013	02550	13S 07E 31	FRSD					
✓	UTAH FUEL #8							
30716015	02550	13S 07E 19	FRSD					
✓	UTAH FUEL #10							
4300716016	02550	14S 07E 5	FRSD					
✓	H.E. WALTON #1							
4300716017	02550	14S 07E 17	FRSD					
✓	UTAH MINERAL STATE							
4300730102	02550	13S 07E 29	FRSD					
✓	UTAH FUEL A-1							
4301516021	02550	14S 07E 6	FRSD					
TOTALS								

COMMENTS: _____

I hereby certify that this report is true and complete to the best of my knowledge.

Date: _____

Name and Signature: _____

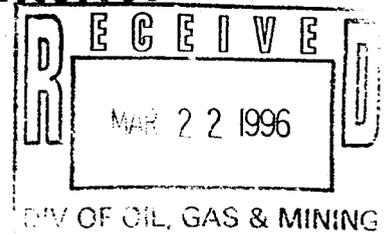
Telephone Number: _____

COPY

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



March 20, 1996

Anschutz Exploration Corporation
2400 Anaconda Tower
555 Seventeen Street
Denver, Colorado 80202

Re: Clear Creek Unit
Carbon & Emery Counties, Utah

Gentlemen:

On March 15, 1996, we received an indenture whereby Cordillera Corporation resigned as Unit Operator and Anschutz Exploration Corporation was designated as Successor Unit Operator for the Clear Creek Unit, Carbon & Emery Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby accepted effective March 20, 1996. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Clear Creek Unit Agreement.

Your nationwide (Colorado) oil and gas bond No. 1040 will be used to cover all operations within the Clear Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: District Manager - Moab (w/enclosure)
~~Division of Oil, Gas & Mining~~
Division of Lands and Mineral Operations U-942
File - Clear Creek Unit (w/enclosure)
MMS - Data Management Division
Agr. Sec. Chron
Fluid Chron

U-922:TAThompson:tt:03-20-96

WELL STATUS REPORTS
UTAH STATE OFFICE

INSPECTION ITEM	API NO.	WELL NUMBER	QTQT	SEC	TWN	RNG	WELL STATUS	LEASE NAME	OPERATOR
** INSPECTION ITEM 891003512A		CLEAR CREEK FE							
891003512A	430071601700S1	1	NWNE	17	14S	7E	PGW	UTU02354	CORDILLERA CORPORATION
891003512A	430071600900S1	1	SESW	5	14S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430071601600S1	10	NWNE	5	14S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430073010200S1	12561	SNNW	29	13S	7E	GSI	FEE ML-1256	CORDILLERA CORPORATION
891003512A	430151601800X1	16	NESW	29	14S	7E	ABD	UTU02353	CORDILLERA CORPORATION
891003512A	430153005300X1	17	SWNE	20	14S	7E	ABD	UTU02353	CORDILLERA CORPORATION
891003512A	430151602100S1	1A	SWSW	6	14S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430151602400X1	1X	NESW	19	14S	7E	ABD	UTU01740	CORDILLERA CORPORATION
891003512A	430071601000S1	2	SWSW	32	13S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430071601100S1	3	NWSE	32	13S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430071601200S1	4	SWSW	30	13S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430071601300S1	5	SWSW	31	13S	7E	GSI	FEE	CORDILLERA CORPORATION
891003512A	430071601400X1	7	SESW	17	13S	7E	ABD	FEE	CORDILLERA CORPORATION
891003512A	430071601500S1	8	NENW	19	13S	7E	PGW	FEE	CORDILLERA CORPORATION
891003512A	430151121700X1	A1	NWSW	32	14S	7E	ABD	UTU01481	CORDILLERA CORPORATION
891003512A	430151030600X1	A1	NESW	5	15S	7E	P+A	FEE H-01339	CORDILLERA CORPORATION
891003512A	430151602300X1	A3	NESW	30	14S	7E	ABD	UTU02353	CORDILLERA CORPORATION

DESIGNATION OF SUCCESSOR UNIT OPERATOR

Clear Creek Unit Area
Counties of Carbon and Emery
State of Utah
Unit Agreement No. 14-08-001-3512

THIS INDENTURE, dated as of the fourth day of October 1995, by and between Anschutz Exploration Corporation, hereinafter designated as "First Party," and the owners of unitized working interests, hereinafter designated as "Second Parties,"

WITNESSETH:

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U. S. C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, the Secretary of the Interior, on the 13th day of March 1957, effective January 1, 1957, approved a Unit Agreement for the Clear Creek Unit Area, wherein Cordillera Corporation is designated as Unit Operator, and

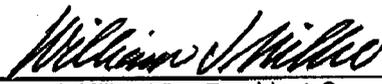
WHEREAS said, Cordillera Corporation has resigned as such Operator and the designation of a successor Unit Operator is now required pursuant to the terms thereon; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Unit Operator, and said First Party desires to assume all the rights, duties, and obligations of Unit Operator under the said Unit Agreement;

NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First Party hereby covenants and agrees to fulfill the duties and assume the obligations of Unit Operator under and pursuant to all the terms of the Clear Creek Unit Agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Unit Operator, pursuant to the terms and conditions of said Unit Agreement; said Unit Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Unit Agreement were expressly set forth in this instrument.

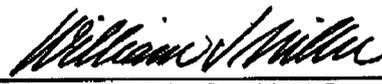
IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

FIRST PARTY **ANSCHUTZ EXPLORATION CORPORATION**



William J. Miller, Vice President-Operations

SECOND PARTIES **ANSCHUTZ WESTERN CORPORATION**



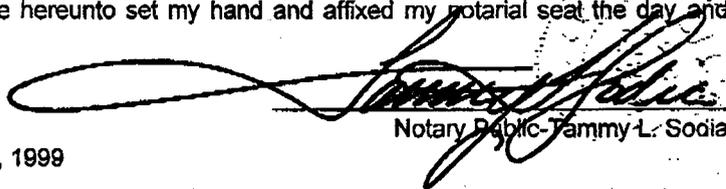
William J. Miller, Vice President-Operations

Execution Date:

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this 14th day of FEBRUARY 1996, personally appeared before me William J. Miller, who, being by me duly sworn did say that he is the Vice President-Operations of **Anschutz Exploration Corporation** and that said instrument was signed on behalf of said Corporation by authority of its by-laws, and said William J. Miller acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

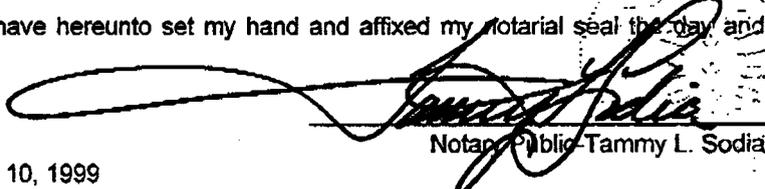

Notary Public-Tammy L. Sodja

My commission expires: May 10, 1999

STATE OF COLORADO)
) ss.
COUNTY OF DENVER)

On this 14th day of FEBRUARY 1996, personally appeared before me William J. Miller, who, being by me duly sworn did say that he is the Vice President-Operations of **Anschutz Western Corporation** and that said instrument was signed on behalf of said Corporation by authority of its by-laws, and said William J. Miller acknowledged to me that said Corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.


Notary Public-Tammy L. Sodja

My commission expires: May 10, 1999

ANSCHUTZ
EXPLORATION
CORPORATION

555 SEVENTEENTH STREET, SUITE 2400, DENVER CO 80202

FAX

Date: 03/29/96

Number of pages including cover sheet: 5

To:

Lisha Cordova

Utah Oil, Gas, & Mining

Phone:

Fax phone: 801/359-3940

CC:

From:

Todd R. Kalstrom

Phone: (303)298-1000

Fax phone: (303)298-8881

REMARKS:

- Urgent
 For your review
 Reply ASAP
 Please comment

If you have problems with transmission, please contact Denise at 303/299-1531.

Cordillera Corporation

(619) 455-4683

Fax: (619) 455-2643

FAX TRANSMISSION COVER SHEET

Date: 3-27-96

To: Lisha Cordova

Fax: 8013593940

Subject: Resignation of Unit Operator

Sender: Lettie Flower

YOU SHOULD RECEIVE 2 PAGE(S), INCLUDING THIS COVER SHEET. IF YOU DO NOT RECEIVE ALL THE PAGES, PLEASE CALL (619) 455-4683.

RESIGNATION OF UNIT OPERATOR

Clear Creek Unit Area
Counties of Carbon and Emery
State of Utah
Unit Agreement No. 14-08-001-3512

Under and pursuant to the provisions of Section 5 of the Unit Agreement for the Development and Operation of the Clear Creek Unit Area, Carbon and Emery Counties, Utah, Cordillera Corporation the designated Unit Operator under said Unit Agreement, does hereby resign as Unit Operator, effective upon the selection and approval of a successor Unit Operator.

EXECUTED with effect as aforesaid the 4th day of October, 1995.

Attest:

CORDILLERA CORPORATION

Rethi S. Flower

John E. Jones
John E. Jones, Executive Vice President

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET

Routing:

1-LEC 7-SJ	✓
2-BTS/8-FILE	✓
3-VLD	✓
4-RJE	✓
5-LEC	✓
6-FILM	✓

Attach all documentation received by the division regarding this change.
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold) Designation of Agent
 Designation of Operator Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 3-20-96)

TO (new operator) <u>ANSCHUTZ EXPLORATION CORP.</u>	FROM (former operator) <u>CORDILLERA CORPORATION</u>
(address) <u>555 17TH ST #2400</u>	(address) <u>5000 S QUEBEC ST #450</u>
<u>DENVER CO 80202</u>	<u>DENVER CO 80237</u>
phone <u>(303) 298-1000</u>	phone <u>(303) 779-8811</u>
account no. <u>N 7940</u>	account no. <u>N0270</u>

Well(s) (attach additional page if needed): ***CLEAR CREEK UNIT**

Name: **SEE ATTACHED**	API: <u>007-16011</u>	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec. _____	Twp _____	Rng _____	Lease Type: _____

OPERATOR CHANGE DOCUMENTATION

- 1 1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Reg. 3-25-96) (Rec'd 3-27-96)*
- 2 2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Rec'd 3-29-96)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) _____ If yes, show company file number: _____.
- 4 4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of Federal and Indian well operator changes should take place prior to completion of steps 5 through 9 below.
- 5 5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(3-27-96)*
- 6 6. Cardex file has been updated for each well listed above. *(3-27-96)*
- 7 7. Well file labels have been updated for each well listed above. *(3-27-96)*
- 8 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(3-27-96)*
- 9 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

ENTITY REVIEW

- Yes 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no (If entity assignments were changed, attach copies of Form 6, Entity Action Form). Entity 2550 "Clear Creek Unit/FRSD P.A."
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

BOND VERIFICATION (Fee wells only) # 10-42-53 (\$80,000) National Union Fire Ins. Co.

- Yes 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond. *Trust Lands (\$80,000) eff. 4-6-95 # 10-42-54 "Nat'l Union Fire Ins. Co."
2. A copy of this form has been placed in the new and former operators' bond files. * Upon compl. of routing.
- Yes 3. The former operator has requested a release of liability from their bond (yes/no) no. Today's date March 27, 1996. If yes, division response was made by letter dated 19 .

LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY

- N/A 1. (Rule R615-2-10) The former operator/lessee of any fee lease well listed above has been notified by letter dated 19 , of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested. no longer done per RSP directive
- BTS 2. Copies of documents have been sent to State Lands for changes involving State leases. Sent to ad Bonner 4/8/96

FILMING

- WSP 1. All attachments to this form have been microfilmed. Date: April 17 1996.

FILING

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form and the original attachments have been filed in the Operator Change file.

COMMENTS

960327 BLM/SL Aprv. eff. 3-20-96.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Clear Creek
2. NAME OF OPERATOR: Anschutz Exploration Corporation		8. WELL NAME and NUMBER: Utah Fuel #3
3. ADDRESS OF OPERATOR: 555 17th St., Ste. 2400 CITY Denver STATE CO ZIP 80202		9. API NUMBER: 4300716011
PHONE NUMBER: (303) 298-1000		10. FIELD AND POOL, OR WILDCAT: Clear Creek
4. LOCATION OF WELL		
FOOTAGES AT SURFACE: 1675' West of East Line, 1942' North of South Line		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 13S 7E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Plan of Operations</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Anschutz Exploration Corporation has an active exploration program in the Clear Creek Unit where this well is located.

We have delayed any action on the inactive wells in the Unit until we determine if it may be feasible to re complete these wells in the Upper Ferron. We plan to gather data to determine feasibility during the drilling and completion of our exploration well.

We plan to make a decision by September 15, 2000 to either drill an exploratory well in the Unit or abandon the location. If we elect to abandon our location, then we will also elect to plug and abandon the Utah Fuel #3 well. If we drill the exploratory well and are successful, then we will submit a Sundry Notice of our plans for the Utah Fuel #3 well at that time.

NAME (PLEASE PRINT) <u>Hal B. Koerner, Jr.</u>	TITLE <u>General Manager, Drilling & Production</u>
SIGNATURE <u><i>Hal B. Koerner</i></u>	DATE <u>8/4/2000</u>

(This space for State use only)

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
 Governor
 Kathleen Clarke
 Executive Director
 Lowell P. Braxton
 Division Director

1594 West North Temple, Suite 1210
 PO Box 145801
 Salt Lake City, Utah 84114-5801
 801-538-5340
 801-359-3940 (Fax)
 801-538-7223 (TDD)

August 21, 2000

CERTIFIED MAIL NO.: Z 350 464 804

Hal B. Koerner, Jr.
 Anschutz Exploration Corporation
 555 17th Street, Suite 2400
 Denver, CO 80202

Re: Non-Compliance of Shut-in Wells in the Clear Creek Field

Dear Mr. Koerner:

In a letter dated February 17, 1999, the Utah Division of Oil, Gas and Mining (the "Division") notified the Anschutz Exploration Corporation ("Anschutz") of non-compliance of eight wells in the Clear Creek Field in Carbon and Emery Counties. In accordance with Oil and Gas Conservation General Rule R 649-3-36, Shut-in and Temporarily Abandoned Wells, this notification requested specific and detailed information regarding why these wells should not be plugged and evidence as to their mechanical integrity. The notification requested a response within 30 days. A response was not received from Anschutz within the requested time frame.

On May 25, 1999 the Division initiated a follow-up telephone conversation with Anschutz. During this conversation, Anschutz indicated to the Division that sundry notices would be forthcoming concerning the wells in question. The Division did not receive the documents following this conversation. Recent conversations with Anschutz have resulted in the August 9, 2000 filing of sundry notices for the subject wells. The submitted sundry notices do not fully address the requirements outlined in our February 17, 1999 compliance notification and are therefore being returned unapproved. Furthermore, since our initial correspondence one additional well, the Oman 2-20, has also remained inactive for longer than five years.

Wells that currently do not meet the requirements of R 649-3-36 include:

Lease Type	Well API #	Well Name	Well Status	Completion Date	Years Inactive
Fee	007-16009	Utah Fuel 1	SI	1951	>16
Fee	007-16010	Utah Fuel 2	SI	1952	>16
Fee	007-16011	Utah Fuel 3	SI	1952	>16
Fee	007-16012	Utah Fuel 4	SI	1952	>16
Fee	007-16013	Utah Fuel 5	SI	1953	>16
Fee	007-16016	Utah Fuel 10	SI	1954	>16
Fee	015-16021	Utah Fuel A1	SI	1955	>16
State	007-30102	Utah Mineral State	SI	1954	>16
State	007-30289	Oman 2-20	SI	1996	>5

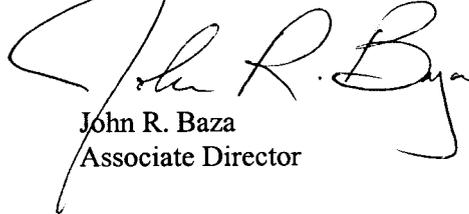
Page Two
Hal B. Koerner, Jr.
August 21, 2000

Therefore, the Division has determined that good cause has not been shown for extended shut-in of the subject wells, and Anschutz should proceed to file appropriate plans for approval by the Division to either recomplete the wells for production or to plug and abandon the wells in accordance with Rule R649-3-24, Plugging and Abandonment of Wells. Such plans should be submitted within 90 days of your receipt of this correspondence.

Recognizing that the wells are located in mountainous terrain and that inclement weather may commence in the area within the next few months, the Division will allow Anschutz a period of one year from the date of this letter to accomplish necessary operations to either produce or plug and abandon the subject wells. If Anschutz has accomplished neither activity by the required date, the Division may file a Notice of Agency Action for adjudication to determine whether Anschutz should be subject to bond forfeiture for failure to properly plug and abandon the subject wells.

I request that you give this matter your immediate attention. If you have any questions, please contact Robert J. Krueger, Petroleum Engineer at (801) 538-5274 or myself at (801) 538-5334.

Sincerely,



John R. Baza
Associate Director

er

Attachments

cc: Robert J. Krueger, Petroleum Engineer
Elaine Zieroth, Forest Supervisor, Manti-La Sal National Forest
Utah School and Institutional Trust Lands Administration
Well files



555 SEVENTEENTH STREET • SUITE 2400 • DENVER, COLORADO 80202 • 303-298-1000 • FAX 303-298-8881

August 8, 2000

Via Federal Express

State of Utah
Division of Oil, Gas and Mining
1594 W. North Temple
Salt Lake City, Utah 84114-5801
Attn: Mr. Bob Kruger, Petroleum Engineer

Re: Clear Creek Field, Carbon and Emery Counties, Utah
Sundry Notices – Plan of Operations

Dear Mr. Kruger:

Enclosed please find Sundry Notices denoting Anschutz' plan of operations for each of the following wells:

Utah Fuel A-1
Utah Fuel #1
Utah Fuel #2
Utah Fuel #3
Utah Fuel #4
Utah Fuel #5
Utah Fuel #10
Utah Mineral State

Please contact the undersigned if you have any questions and thank you for your cooperation.

Sincerely,

ANSCHUTZ EXPLORATION CORPORATION

Susan M. Miller
Operations Technician

SMM
Enclosures

RECEIVED

AUG 09 2000

DIVISION OF
OIL, GAS AND MINING

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

FORM 9

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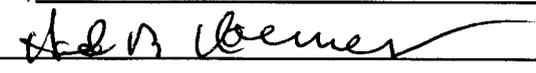
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RECEIVED
AUG 09 2000
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Hal B. Koerner, Jr.</u>	TITLE <u>General Manager, Drilling & Production</u>
SIGNATURE 	DATE <u>8/4/2000</u>

(This space for State use only)

LAW OFFICES OF
VAN COTT, BAGLEY, CORNWALL & M^CCARTHY

A PROFESSIONAL CORPORATION
ESTABLISHED 1874

50 SOUTH MAIN STREET, SUITE 1600
POST OFFICE BOX 45340
SALT LAKE CITY, UTAH 84145-0340
TELEPHONE (801) 532-3333
FACSIMILE (801) 534-0058

SUITE 900
2404 WASHINGTON BOULEVARD
OGDEN, UTAH 84401
(801) 394-5783
FACSIMILE (801) 627-2522

BUILDING C, SUITE 200-A
2200 PARK AVENUE
PARK CITY, UTAH 84060
(435) 649-3889
FACSIMILE (435) 649-3373

BENNETT, HARKNESS & KIRKPATRICK
1874-1890
BENNETT, MARSHALL & BRADLEY
1890-1896
BENNETT, HARKNESS, HOWAT
SUTHERLAND & VAN COTT
1896-1902
SUTHERLAND, VAN COTT & ALLISON
1902-1907
VAN COTT, ALLISON & RITER
1907-1917
VAN COTT, RITER & FARNSWORTH
1917-1947

(801) 237-0352

January 19, 2001

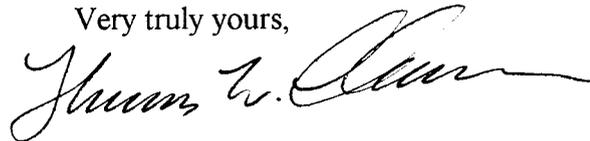
Mr. Jim Thompson
UTAH DIVISION OF OIL, GAS AND MINING
1594 West North Temple, Ste. 1210
Salt Lake City, Utah 84114-5801

Re: *Edward Mike Davis*
Registration with Utah Department of Commerce

Dear Jim

We represent Edward Mike Davis with respect to certain oil and gas properties associated with the Clear Creek Unit located in Carbon and Emery Counties. Steve Chamberlain asked me to contact you regarding the Utah Department of Commerce's rejection of Mr. Davis's Business Name Registration Application. For your convenience, I have enclosed copies of the documents that we filed with the Department of Commerce on Mr. Davis's behalf. As you can see, the Department is of the view that, since Mr. Davis will be operating under his own name, he does not need to register with the state. We were informed by the Department that Mr. Davis can do business in the state under his social security number. If you have any questions or need further information, please do not hesitate to contact me.

Very truly yours,



Thomas W. Clawson

Enclosures

cc: Steve Chamberlain (via fax (713) 629-4364, w/encl.)

1/19/01
1:00 PM
CLAWSON, THOMAS W.
CLAWSON, THOMAS W.



Documents and Services Return Notice

We apologize for having to return your document or request for service for the reason(s) indicated below: Please make the necessary correction(s) and return your document. You will have thirty (30) days to re-submit this Return Notice. If this is not received within the prescribed time a new processing fee will be due.

- Fee Payment:**
 - The required document or service fee is \$ _____. Please send \$ _____ payable to the State of Utah.
 - Your paperwork was not returned within the time prescribed, thirty(30) days, a new processing fee is due.



Business Name Conflict:

- The name is not available in Utah (see transcript of conflict enclosed).
- ~~The name~~ is the same as owner/applicant.
- The requested business name is the same as your qualified entity.

Registered Agent:

- Require name of Registered Agent.
- Require Utah street address for Registered Agent.
- Address of Registered Agent and Registered Office must be the same.

Required Signatures From:

- | | |
|--|--|
| <input type="checkbox"/> Registered agent. | <input type="checkbox"/> General Partner(s). |
| <input type="checkbox"/> Incorporators. | <input type="checkbox"/> Applicant/Owner. |
| <input type="checkbox"/> Member/Manager. | |

Articles/Application Require:

- Business Purpose.
- Street address for principal office.
- Duration.
- Names and addresses of :

<input type="checkbox"/> Three (3) Trustees	<input type="checkbox"/> Managers.
<input type="checkbox"/> Members.	
- The company listed as the owner must be qualified in Utah.

Foreign (Non-Utah) Application:

- Must provide a certificate of existence from home state. Certificates older than 90 days will not be accepted.
- Must register under the same name in Utah as in the home state.
- Registration date on application doesn't match the date of incorporation on the existence.

Other: If you are doing business and under your own name, does not need to be registered with the State.

STATE OF UTAH
 DIVISION OF CORPORATIONS AND
 COMMERCIAL CODE
 In person: 160 East 300 South, Main Floor
 Mail: 160 East 300 South, 2nd Floor, Box 146705
 Salt Lake City, Utah 84114-6705
 Service Center: (801)530-4849
 Fax: (801)530-6111
 Web Site: <http://www.commerce.state.ut.us>





Check Here If:	Non-Refundable Fee
<input checked="" type="checkbox"/> New Name	\$20.00
<input type="checkbox"/> Applicant/Owner Change	N/A
<input checked="" type="checkbox"/> Expedited Fee	\$75.00

Business Name Registration / DBA Application

The filing of this application and its approval by the Division of Corporations and Commercial Code does not authorize the use in the State of Utah of an assumed name in violation of the rights of another under federal, state, or common law (U.C.A. Section 42-2-5 Et seq.). You may file this paperwork in person or mail or fax to the Division of Corporations (Please file in duplicate). If mailing, please include one (1) self addressed envelope with application. If you are faxing you must include, on a cover sheet, the number of a VISA/MasterCard with the date of expiration. Other means of payment are check or cash. If hand written, must be legible.

●When approved, your business name is registered for 3 years (U.C.A. 42-2-8)●

Do not use this form for changes other than Applicant/Owner change

Do not use this form if this business will need a new state tax registration

If you want a new name, (adding or changing the existing name) a new DBA filing is required.

BUSINESS INFORMATION

1. Requested Business Name: Edward Mike Davis
2. Purpose of the Business: Oil, Gas and Minerals: Exploration and Production
3. Business address: 5177 Richmond Avenue, Suite 740, Houston Texas 77056
Street address City State Zip
4. REGISTERED AGENT (Required Information):
 - 4a. Thomas W. Clawson
Print the Registered Agent Name
 - 4b.  (801) 532-3333
Signature of Accepting Agent Daytime Phone Number
 - 4d. 50 South Main, Suite 1600 Salt Lake City UTAH 84144
Street Address ONLY City State Zip

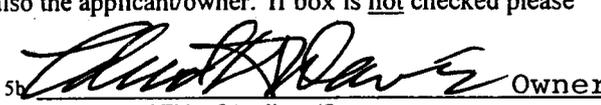
INFORMATION ABOUT YOU, THE APPLICANT / OWNER:

- I. If the applicant/owner is a business, the business entity must be in good standing and incorporated, or be registered or qualified in the state of Utah.
- II. When changing applicant(s) / owner(s) a letter of transfer must be attached.

5. APPLICANT/OWNER INFORMATION:

Is the applicant/owner a registered business in the state of Utah? Yes No

Check this box if the name of the registered agent listed above is also the applicant/owner. If box is not checked please complete 5a through 6b.

- 5a. Edward Mike Davis
Print Person or Business Name
- 5b.  Owner
Signature and Title of Applicant/Owner
- 5c. 5177 Richmond Avenue, Suite 740, Houston Texas 77056
Address City State Zip
6. 6a. _____
Print Person or Business Name
- 6b. _____
Signature and Title of Applicant/Owner
- 6c. _____
Address City State Zip

IF NEEDED, YOU MAY USE AN ATTACHED SHEET FOR ADDITIONAL APPLICANTS.

Mail In: 160 East 300 South, 2nd Fl, Box 146705
 Salt Lake City, UT 84114-6705
Walk In: 160 East 300 South, Main Floor
Corporation's Information Center: (801)530-4849
Toll Free: (877)526-3994 (Utah Residents)
Fax: (801)530-6111
Web Site: <http://www.commerce.state.ut.us>

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: Edward Mike Davis

3. ADDRESS OF OPERATOR: 5177 Richmond Avenue, Suite 740, Houston, TX 77056
PHONE NUMBER: (713) 629-9550

4. LOCATION OF WELL: FOOTAGES AT SURFACE: _____ COUNTY: _____
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: Clear Creek

8. WELL NAME and NUMBER: _____

9. API NUMBER: _____

10. FIELD AND POOL, OR WILDCAT: Clear Creek

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

Effective December 31, 2000, Anschutz Exploration Corporation has resigned as Unit Operator and Edward Mike Davis is now designated as the successor Operator of the Clear Creek Unit covering Lands and Leases situated in Carbon and Emery Counties, Utah.

Attached to this Sundry Notice is a Schedule of Wells in the Clear Creek Unit area which are being transferred to Edward Mike Davis.

ANSCHUTZ EXPLORATION CORPORATION

By: Todd R. Kalstrom **RECEIVED**
Todd R. Kalstrom
Land Manager

Execution Date: JANUARY 25, 2001 JAN 29 2001
DIVISION OF OIL, GAS AND MINING

NAME (PLEASE PRINT) Steve Chamberlain TITLE Agent for Edward Mike Davis
SIGNATURE Steve Chamberlain DATE January 26, 2001

EXHIBIT "A"

SCHEDULE OF WELLS

<u>Well No.</u>	<u>Description</u>	<u>API No.</u>	<u>County</u>	<u>Lease Type</u>
Utah Fuel #A-1	<u>Township 14 South, Range 7E</u> Section 6: SW/4 SW/4	43-015-16021	Emery	Fee
Utah Fuel #1	<u>Township 14 South, Range 7E</u> Section 5: SE/4 SW/4	43-007-16009	Carbon	Fee
Utah Fuel #2	<u>Township 13 South, Range 7E</u> Section 32: SW/4 SW/4	43-007-16010	Carbon	Fee
Utah Fuel #3	<u>Township 13 South, Range 7E</u> Section 32: NW/4 SE/4	43-007-16011	Carbon	Fee
Utah Fuel #4	<u>Township 13 South, Range 7E</u> Section 30: SW/4 SW/4	43-007-16012	Carbon	Fee
Utah Fuel #5	<u>Township 13 South, Range 7E</u> Section 31: SW/4 SW/4	43-007-16013	Carbon	Fee
Utah Fuel #8	<u>Township 13 South, Range 7E</u> Section 19: NE/4 NW/4	43-007-16015	Carbon	Fee
Utah Fuel #10	<u>Township 14 South, Range 7E</u> Section 5: NW/4 NE/4	43-007-16016	Carbon	Fee
Utah State Mineral #1	<u>Township 13 South, Range 7E</u> Section 29: SW/4 NW/4	43-007-30102	Carbon	State
H. E. Walton #1	<u>Township 14 South, Range 7E</u> Section 17: NW/4 NE/4	43-007-11179	Carbon	Federal
Oman #2-20	<u>Township 13 South, Range 7E</u> Section 20: NW/4 NE/4	43-007-30289	Carbon	State

RECEIVED

JAN 29 2001

DIVISION OF
OIL, GAS AND MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

RECEIVED

JAN 25 2001

DIVISION OF
OIL, GAS AND MINING

IN REPLY REFER TO
UT-931

January 25, 2001

Edward Mike Davis
5177 Richmond Avenue, Suite 740
Houston, Texas 77056

Re: Clear Creek Unit
Carbon and Emery Counties, Utah

Gentlemen:

On January 17, 2001, we received an indenture dated December 31, 2000 whereby Anschutz Exploration Corporation resigned as Unit Operator and Edward Mike Davis was designated as Successor Unit Operator for the Clear Creek Unit, Carbon and Emery Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective January 25, 2001. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Clear Creek Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1205 will be used to cover all operations within the Clear Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-932
File - Clear Creek Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT931:TAThompson:tt:1/25/01

Results of query for MMS Account Number 891003512A

API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Quarter	Field Name	Product Zone
4300716009	ANSCHUTZ EXPLORATION CORP	1 UTAH FUEL	GSI	FEE	891003512A	14S	7E	5	SESW	CLEAR CREEK	FERROM SANDST
4300716010	ANSCHUTZ EXPLORATION CORP	2 UTAH FUEL	GSI	FEE	891003512A	13S	7E	32	SWSW	CLEAR CREEK	FERROM SANDST
4300716011	ANSCHUTZ EXPLORATION CORP	3 UTAH STATE	GSI	FEE	891003512A	13S	7E	32	NWSE	CLEAR CREEK	FERROM SANDST
4300716012	ANSCHUTZ EXPLORATION CORP	4 UTAH FUEL	GSI	FEE	891003512A	13S	7E	30	SWSW	CLEAR CREEK	FERROM SANDST
4300716013	ANSCHUTZ EXPLORATION CORP	5 UTAH STATE	GSI	FEE	891003512A	13S	7E	31	SWSW	CLEAR CREEK	FERROM SANDST
4300716014	ANSCHUTZ EXPLORATION CORP	7 UTAH FUEL	ABD	FEE	891003512A	13S	7E	17	SESW	CLEAR CREEK	FERROM SANDST
4300716015	ANSCHUTZ EXPLORATION CORP	8 UTAH FUEL	PGW	FEE	891003512A	13S	7E	19	NENW	CLEAR CREEK	FERROM SANDST
4300716016	ANSCHUTZ EXPLORATION CORP	10 UTAH FUEL	GSI	FEE	891003512A	14S	7E	5	NWNE	CLEAR CREEK	FERROM SANDST
4300716017	ANSCHUTZ EXPLORATION CORP	1 HELEN E WALTON	PGW	UTU02354	891003512A	14S	7E	17	NWNE	CLEAR CREEK	FERROM SANDST
4300730102	ANSCHUTZ EXPLORATION CORP	1 UTAH STATE	GSI	FEE	891003512A	13S	7E	29	SWNW	CLEAR CREEK	FERROM SANDST

4300730289	ANSCHUTZ EXPLORATION CORP	2-20	GSI	STATE	891003512A	13S	7E	20	NWNE	CLEAR CREEK	FERRON SANDST
4301510306	ANSCHUTZ EXPLORATION CORP	1-A C K STEINER	P+A	FEE	891003512A	15S	7E	5	NESW	CLEAR CREEK	FERRON SANDST
4301511217	ANSCHUTZ EXPLORATION CORP	1 T F KEARNS JR A	ABD	UTU01481	891003512A	14S	7E	32	NWSW	CLEAR CREEK	FERRON SANDST
4301516018	ANSCHUTZ EXPLORATION CORP	16 CLEAR CREEK UNIT	ABD	UTU02353	891003512A	14S	7E	29	NESW	CLEAR CREEK	FERRON SANDST
4301516021	ANSCHUTZ EXPLORATION CORP	1-A UTAH FUEL	GSI	FEE	891003512A	14S	7E	6	SWSW	CLEAR CREEK	FERRON SANDST
4301516023	ANSCHUTZ EXPLORATION CORP	3-A H E WALTON	ABD	UTU02353	891003512A	14S	7E	30	NESW	CLEAR CREEK	FERRON SANDST
4301516024	ANSCHUTZ EXPLORATION CORP	1-X PAUL WATSON	ABD	UTU01740	891003512A	14S	7E	19	SESW	CLEAR CREEK	FERRON SANDST
4301530053	ANSCHUTZ EXPLORATION CORP	17 CLEAR CREEK UNIT	ABD	UTU02353	891003512A	14S	7E	20	SWNE	CLEAR CREEK	

DISCLAIMER for online data: No warranty is made by the BLM for use of the data for purposes not intended by the BLM.

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH	<input checked="" type="checkbox"/>	4-KAS	<input checked="" type="checkbox"/>
2. CDW	<input checked="" type="checkbox"/>	5- STP	<input checked="" type="checkbox"/>
3. JLT	<input type="checkbox"/>	6-FILE	<input type="checkbox"/>

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **12-31-2000**

FROM: (Old Operator):
ANSCHUTZ EXPLORATION CORPORATION
Address: 555 17TH STREET STE 2400
DENVER, CO 80202
Phone: 1-(303)-298-1000
Account No. N7940

TO: (New Operator):
EDWARD MIKE DAVIS
Address: 5177 RICHMOND AVE STE 740
HOUSTON, TX 77056
Phone: 1-(713)-629-9550
Account No. N1545

CA No.

Unit: **CLEAR CREEK**

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
UTAH FUEL 8	43-007-16015	2550	19-13S-07E	FEE	GW	P
OMEN 2-20	43-007-30289	11875	20-13S-07E	STATE	GW	S
UTAH MINERAL STATE	43-007-30102	2550	29-13S-07E	STATE	GW	S
UTAH FUEL 4	43-007-16012	2550	30-13S-07E	FEE	GW	S
UTAH FUEL 5	43-007-16013	2550	31-13S-07E	FEE	GW	S
UTAH FUEL 2	43-007-16010	2550	32-13S-07E	FEE	GW	S
UTAH FUEL 3	43-007-16011	2550	32-13S-07E	FEE	GW	S
UTAH FUEL 1	43-007-16009	2550	05-14S-07E	FEE	GW	S
UTAH FUEL 10	43-007-16016	2550	05-14S-07E	FEE	GW	S
H E WALTON 1	43-007-16017	2550	17-14S-07E	FEDERAL	GW	S
UTAH FUEL 1-A	43-015-16021	2550	06-14S-07E	FEE	GW	S

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 01/22/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 01/29/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 01/31/2001
- Is the new operator registered in the State of Utah: YES Business Number: SSN
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: N/A

7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: 01/25/2001
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC") Prog:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 01/31/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 01/31/2001
3. Bond information entered in RBDMS on: 01/31/2001
4. Fee wells attached to bond in RBDMS on: 01/31/2001

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: RLB 0002757

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond No: RLB 0002728
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 01/31/2001

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 2-21-01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: <u>Fec</u>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Utah Fuel #3
2. NAME OF OPERATOR: Edward Mike Davis		9. API NUMBER: 43-007-16011
3. ADDRESS OF OPERATOR: 5177 Richmond Ave. CITY Houston STATE TX ZIP 77056	PHONE NUMBER: 713-629-9550	10. FIELD AND POOL, OR WILDCAT: Ferron Formation
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1942' FSL & 1675' FEL		COUNTY: Carbon
QTR/OTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE Sec.32 T13S R7E U.P.M.		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>July 18, 2001</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Schematic attached</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

- 1) Notify B.L.M., Forest Service, and/or fee owner as required.
- 2) Move in and rig up service unit-Set steel swab tanks-Obtain necessary safety equipment. (BOP's,etc.)
- 3) Conduct safety meeting and discuss workover procedure with crew.
- 4) Blow well down-Nipple down wellhead and swab test well to tank. Evaluate.
- 5) If no gas, pull tubing and check TD. Clean out to TD and test.
- 6) Depending on results, turn in line or prepare to abandon.

COPY SENT TO OPERATOR
Date: 7-16-01
Initials: CHD

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 7/05/01
BY: D. K. DeWitt

NAME (PLEASE PRINT) Steve Chamberlain TITLE Agent
SIGNATURE Steve Chamberlain DATE June 25, 2001

(This space for State use only)

***CONDITIONS OF APPROVAL
TO WORKOVER WELL***

Well Name and Number:	Utah Fuel #3
API Number:	43-007-16011
Operator:	Edward Mike Davis
Type of Approval Requested:	Workover well
Reference Document:	Sundry notice dated June 27, 2001, received by DOGM on June 29, 2001

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting workover operations. Please call Dustin Doucet at 801-538-5281.
2. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.



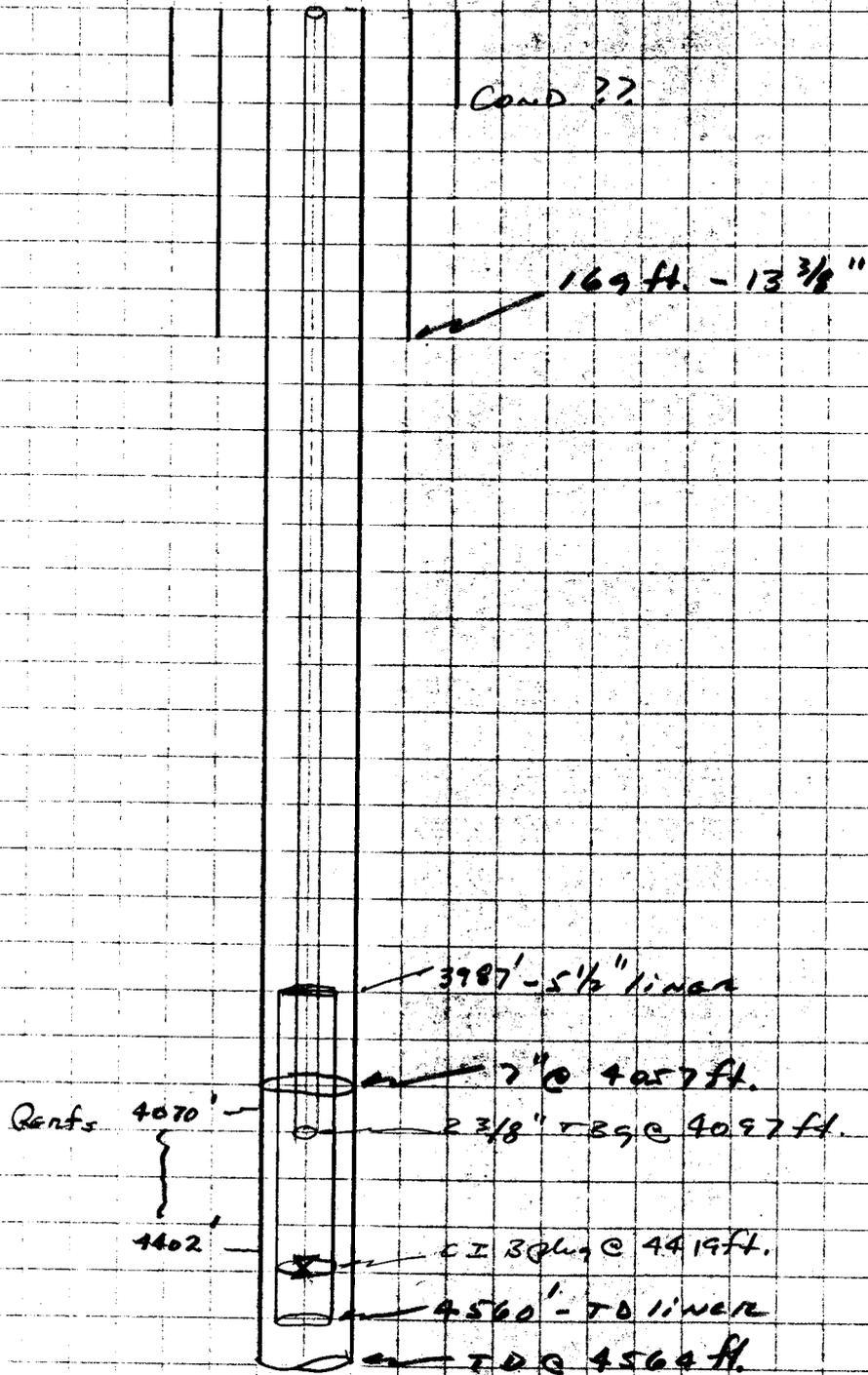
Dustin K. Doucet
Petroleum Engineer

July 5, 2001
Date

C 39. Schematic

Well Name: Utah Fuel # 3

Grd. Elev. 8948 ft.



WORKOVER HISTORY

WELL NAME: Utah Fuel No. 3

A.F.E. No.: PD-3

LOCATION: NW/4 SE/4 Section 32, T-13-S, R-7-E, Carbon County, Utah

ELEVATION: 8459 K.B.

CONTRACTOR: Lawrence Drilling

TUBING RECORD:

<u>From</u>	<u>To</u>	<u>Jts.</u>	<u>Description</u>
0	12	KB	
12	3967	130	2-7/8" EUE 8RT 6.50# J-55
3967	3968	-	Crossover 2-7/8" to 2-3/8" EUE
3968	4091	4	2-3/8" EUE 8RT 4.70# J-55
4091	4097	1	2-3/8" EUE 8RT Perf. Nipple

DAILY HISTORY:

- 8- 9-61 Moving in workover tools.
- 8-10-61 Finished rigging up. Blew well to atmosphere. Pumped 50 bbls. water in casing. Nipped down from BOP. Stripped tubing hanger thru BOP and removed. Well started blowing out tubing. Pumped in 50 bbls. water. Well wouldn't die. Now preparing to set plug in tubing on wire line.
- 8-11-61 Pumped total 300 bbls. water trying to kill well while waiting on wireline tubing plug. Rigged up DOT wireline truck, run gauge ring in tubing and then set GB slip type tubing plug. Picked 6 stands tubing off rack and tagged bottom at 4541'. Strapped out of hole. Ran 3-7/8" bit and scraper. Blew hole 3 hours; still making 3" stream of water. Pulled out of hole to run Lynes straddle packer.
- 8-12-61 Ran Lynes straddle packer assembly w/45-1/2' spacer and straddled perfs. at 4070 to 4082. Opened circulating valve found fluid at 2700'. Opened tool between packers had medium blow. Filled casing with water and pressured up to 1050#. Pressure bled to 225# in 1 hour 40 minutes indicating small casing leak. Swabbed tubing drv. Tubing remained dry indicating no communication around top of liner. Opened circulating valve and swabbed down to 2700'. Released packer reset straddling perforations 4426 to 4466. Opened circulating valve, swabbed and blew hole dry for 30 minutes. Turned off supply gas and flowed well 3-1/2 hours. Well stabilized producing dry gas at 23# on 1-1/2" orifice casing pressure 225 psi.

RECEIVED
 DIV. OF OIL & GAS OPERATIONS
 AUG 28 1961
 U. S. GEOLOGICAL SURVEY
 SALT LAKE CITY, UTAH

NOTED — HARSTEN

DAILY HISTORY (Continued):

8-12-61
(Cont'd)

SI 20 minutes casing pressure 560 psi. Now preparing to open tool between packers.

8-13-61

Opened tool between packers to test 4426-66. Made 11 swab runs recovered 45 BW in 3 hours 40 minutes, fluid level at 3300. Made small amount of gas. Casing pressure declined from 480 to 460#. Open below tool recovered 4 bbls. water no gas 3 swab runs. Opened between packers again and pumped in 30 bbls. with no TP and no increase in casing pressure. POH rigged up McCullough wireline and set HOWCO DC bridge plug at 4415. Perf. 4184-4200 EL measured w/4 jets per ft. Ran bit and scraper to 4414. POH to run straddle packer assembly.

8-14-61

Ran straddle packer assembly w/45-1/2 spacer set of 4357-1/2 and 4407. Swabbed tubing dry below bottom packer, waited 1 hour found tubing dry and tubing dead. Reset packer at 4326-1/2 and 4372. Treated perf. 4396-4402 w/600 gals. 15% MCA displaced w/25-1/2 bbls. water. Pressure broke after 200 gals. acid in formation. Maximum pump pressure 2,000# average rate 2.6 BPM maximum 3.1. SI 30 minutes ran swab 8 times recovered 26 bbls. water blowing 56# of 1/8" plate after 3-1/2 hours. Opened between packers to treat perf. at 4343-49 and 4355-63 w/1050 gal. 15% MCA flush w/26 bbls. No pressure break average rate 5 BPM, maximum pressure 2,000#. Ran swab 5 times well started flowing 24# of 1/2" plate. Test 4 hours still blowing 1/2" stream spent acid water. Casing pressure on above 2 test declined 475# to 450 due to casing leak only. Reset packer 4311 and 4265-1/2 treated perfs. 4294-4302 w/600 gals. 15% MCA average rate 6 BPM maximum pressure 2600# casing pressure increased from 475# to 600#. Released packer and reset at 4214-59-1/2 treated perfs. 4216-56 w/2400 gals. MCA average rate 6 BPM. Maximum pressure 2100# casing pressure increased from 450 to 670. Now preparing to straddle perfs. 4070-4082 to test packers and acidize.

8-15-61

Tried to release packer at 4214 and 4259, would not release. Swabbed tubing dry released packer reset at 4094-4148-1/2. Packer wouldn't set pressure to 2000# tool plugged. Pulled tool out of hole, found it plugged with shale and sand. Ran new packer set at 4048-94. Treat perf. 4070-82 w/900 gal. 15% MCA average rate 4.4 BPM maximum pressure 2000# casing pressure held steady throughout at 450#. Reset packer at 4098

DAILY HISTORY (Continued):

8-15-61
(Cont'd)

to 4144. Treated perf. at 4106-30 w/1800 gals. MCA average rate 6 BPM maximum press. 1700# casing pressure increased to 700#. Decreased to 625# after 3 minutes SI. Reset packer at 4164-4210 treat perfs. 4184-4200 w/1450 gal. MCA average rate 6 BPM maximum pressure 1720# casing pressure increased to 575. Now swabbing acid water and preparing to test all zones together.

8-16-61

When attempted to release packer after acidizing perf. 4184-4200 packer would not come loose. Worked 4 hours packer came free. Tagged bottom at 4382. POH found tool and tubing plugged w/shale. Ran bit and scraper and cleaned out to 4413. Blew hole 2 hours still making a mist of acid water. POH and ran Baker full bore set at 4049, tubing blanked off with Otis SS plug. Pulled Otis plug testing well. Well flowed against 1-1/2" orifice at 10# (578 MCF/day) and against 1-1/4" orifice at 22#, (835 MCF/day). Producing 57 gal. acid water (Ph. 5.5) per hour through 1" line. Have tested 3 hrs. will continue to test.

8-17-61

Tested for 5 hours, making 980 MCF/day and 55 gal. acid water/hour. Released packer set plug, pressured plug plug leaked, attempted to pull plug, couldn't latch on pulled tubing and found 6" frac sand on plug. Leak found to be across plug. Lost 2 slip segments from Baker packer in hole. Ran packer to 4320, pulled Otis plug. Frac w/4300# and 8600 gals. flush 1600 gals. Breakdown pressure 2800, broke to 2200#. Increased from 2200 to 3200# during frac. Flushed at 3200# Final I.R. 4 b/m attempted to release packer, packer stuck, turned gas into annulus packer released, run Otis plug, pulled tubing and packer. Bottom slips were locked in set position. Redressed packer to go in hole for final frac job.

8-18-61

Free to 3800. Set full bore packer at 4050' pulled SS plug pumped in at 2500, went on vac, frac w/38,400 gal. slick water and 35,300# sand, 10#/1000 gal. WG-4, 10#/1000 gal. WLC-2, 2% CaCl pH-6, with 38,400 gal. out tubing pressure increased 2800-4200, casing pressure increased from 600-1500, tubing pressure declined to 3100 and then up to 3800. Stopped sand and pumped 738 gal. flush. Casing pressure still increasing, stopped pump tried to reverse,

DAILY HISTORY (Continued):

- 8-18-61
(Cont'd) open circulating valve, tried to reverse to 1500#, tried to release packer no results, tried to break safety joint, no results, pumped down casing 1000# 2500# on tubing no circulation, held 2500#.. Ran McCullough free joint, found free at 3800', sand inside at 3800', backed off at 3770', pulled up 48 stands, it took this to break circulation, blowing hole dry.
- 8-19-61 Pulled 40 stands before breaking circulation. Circulated to top of fish, shut down one hour circulated slight show of water. Top of fish at 3764', 285' of fish in hole, 4 stands, 1 single and 12-1/2' of tool, backed off, pin locking up. Ran McCullough hydraulic clean out tool, screwed in fish, ran 60' 1-3/4" wash out pipe on wire line, circulated out to 3824. Pulled wire line to pick up more pipe, well started flowing. Turned gas to tubing and casing alternately, rocked well in. Cleaned well through casing 5 hours, making gas, water and frac sand. Opened well through tubing, now cleaning up through tubing. Casing pressure stabilized at 425#.
- 8-20-61 Cleaned well for 4 hours, stabilized casing pressure, at 432# making occasional heads of water. 32# back pressure on 1-1/2" orifice. Closed well in, backed off at 3764. B & R set an Otis "W" choke at 3750', pulled out of hole to take off McCullough ported nipple. Went back in hole and screwed into fish, blowing through casing, made large amount of frac sand, some shale and water. Set down on tool, opened unloader, making more sand from casing. Worked tool one hour and it came loose. Set Otis "W" choke in tubing, started out, tool stopped at 4035', released and stopped at 4005'. Worked 2 hours and came free. Came out with all of fish. Went in hole w/bit, tagged bottom at 4404, circulated out to 4414. Now coming out of hole to run completion equipment.
- 8-21-61 Pulled out of hole with bit. Rigged up lubricator to run 7" packer. Well flowing thru 2-1/2" line off casing at 150 psi. 7" packer would not go in hole due

DAILY HISTORY (Continued):

8-21-61
(Cont'd)

to high gas flow rate. Ran 6' 2-3/8 OD perf. Nipple, 4 jts. 2-3/8 EUE tubing, and 130 jts. 2-7/8" EUE tubing total 4084.78' landed at 4097'. Removed BOP installed well head equipment. Opened well on 1-1/2" orifice in orifice well tester, casing pressure 460# tubing pressure 180# after 1 hour. Installed 1" plate orifice pressure 195 psi tubing pressure 250 psi. Approximately 4,560 MCF flow rate per day.

8-22-61

Tied well into separator released rig. Flowing well into sales line at rate of 2180 MCF/day with 510# TP 517# CP. Producing 1 gallon water per hour. Will run four point back pressure test.

APPROVALS:

D. J. Higginbotham
District Superintendent

8/24/61
Date

Jack F. Berry
District Engineer

Aug. 23, 1961
Date

E. A. J. [Signature]
District Clerk

Aug 23, 1961
Date



State of Utah
 DEPARTMENT OF NATURAL RESOURCES
 DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
 Governor
 Kathleen Clarke
 Executive Director
 Lowell P. Braxton
 Division Director

1594 West North Temple, Suite 1210
 PO Box 145801
 Salt Lake City, Utah 84114-5801
 801-538-5340
 801-359-3940 (Fax)
 801-538-7223 (TDD)

August 21, 2000

CERTIFIED MAIL NO.: Z 350 464 804

Hal B. Koerner, Jr.
 Anschutz Exploration Corporation
 555 17th Street, Suite 2400
 Denver, CO 80202

Re: Non-Compliance of Shut-in Wells in the Clear Creek Field

Dear Mr. Koerner:

In a letter dated February 17, 1999, the Utah Division of Oil, Gas and Mining (the "Division") notified the Anschutz Exploration Corporation ("Anschutz") of non-compliance of eight wells in the Clear Creek Field in Carbon and Emery Counties. In accordance with Oil and Gas Conservation General Rule R 649-3-36, Shut-in and Temporarily Abandoned Wells, this notification requested specific and detailed information regarding why these wells should not be plugged and evidence as to their mechanical integrity. The notification requested a response within 30 days. A response was not received from Anschutz within the requested time frame.

On May 25, 1999 the Division initiated a follow-up telephone conversation with Anschutz. During this conversation, Anschutz indicated to the Division that sundry notices would be forthcoming concerning the wells in question. The Division did not receive the documents following this conversation. Recent conversations with Anschutz have resulted in the August 9, 2000 filing of sundry notices for the subject wells. The submitted sundry notices do not fully address the requirements outlined in our February 17, 1999 compliance notification and are therefore being returned unapproved. Furthermore, since our initial correspondence one additional well, the Oman 2-20, has also remained inactive for longer than five years.

Wells that currently do not meet the requirements of R 649-3-36 include:

Lease Type	Well API #	Well Name	Well Status	Completion Date	Years Inactive
Fee	007-16009	Utah Fuel 1	SI	1951	>16
Fee	007-16010	Utah Fuel 2	SI	1952	>16
Fee	007-16011	Utah Fuel 3	SI	1952	>16
Fee	007-16012	Utah Fuel 4	SI	1952	>16
Fee	007-16013	Utah Fuel 5	SI	1953	>16
Fee	007-16016	Utah Fuel 10	SI	1954	>16
Fee	015-16021	Utah Fuel A1	SI	1955	>16
State	007-30102	Utah Mineral State	SI	1954	>16
State	007-30289	Oman 2-20	SI	1996	>5

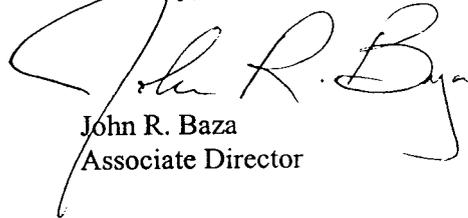
Page Two
Hal B. Koerner, Jr.
August 21, 2000

Therefore, the Division has determined that good cause has not been shown for extended shut-in of the subject wells, and Anschutz should proceed to file appropriate plans for approval by the Division to either recomplete the wells for production or to plug and abandon the wells in accordance with Rule R649-3-24, Plugging and Abandonment of Wells. Such plans should be submitted within 90 days of your receipt of this correspondence.

Recognizing that the wells are located in mountainous terrain and that inclement weather may commence in the area within the next few months, the Division will allow Anschutz a period of one year from the date of this letter to accomplish necessary operations to either produce or plug and abandon the subject wells. If Anschutz has accomplished neither activity by the required date, the Division may file a Notice of Agency Action for adjudication to determine whether Anschutz should be subject to bond forfeiture for failure to properly plug and abandon the subject wells.

I request that you give this matter your immediate attention. If you have any questions, please contact Robert J. Krueger, Petroleum Engineer at (801) 538-5274 or myself at (801) 538-5334.

Sincerely,



John R. Baza
Associate Director

er

Attachments

cc: Robert J. Krueger, Petroleum Engineer
Elaine Zieroth, Forest Supervisor, Manti-La Sal National Forest
Utah School and Institutional Trust Lands Administration
Well files

operator files



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 6, 2001

Certified Mail 7000 0520 0023 0993 8266

Edward Mike Davis
5177 Richmond Avenue, Suite 740
Houston, Texas 77056

Re: Notice of Violation of Shut-in and Temporarily Abandoned Wells in the Clear Creek Field, Carbon County, Utah

Dear Mr. Davis:

By letter dated August 21, 2000, the Division of Oil, Gas and Mining ("the Division") required Anschutz Corporation ("Anschutz") to comply with Rule R649-3-36, Shut-in and Temporarily Abandoned Wells (SI/TA), (copies of letter and rule are attached) for nine wells within the Clear Creek Field of Carbon County, Utah. The Division specifically required Anschutz to either produce or plug and abandon the subject wells within one year of the date of the original letter. During early calendar year 2001, the wells at issue transferred to your company, and the Division subsequently notified you that you would be subject to the original compliance deadline that was established for Anschutz of August 21, 2001. The Division has received reports that you have plugged one of the wells on the original list; however, for the remaining wells, **your company did not perform the required work by the original deadline, and this letter serves as a Notice of Violation ("NOV") that eight of the original subject wells remain in violation of Rule R649-3-36.**

The Division recognizes that you recently attempted to begin work on the nine original wells by plugging the Utah Fuel #A1 well and by submitting plans to plug one other well on the list. As a result of these recent efforts, the Division will allow you to enter a consent order to resolve this NOV. In summary, the consent order is a contractual agreement by which the Division agrees to defer its enforcement action against you as long as you comply with the terms of the agreement. The terms of the consent agreement will require you to strictly adhere to deadlines, which show diligent progress to resolving the violations. If you comply with all terms of the agreement within the specified deadlines, the violations will be deemed fully resolved. However, if you do not fully comply with the terms of the agreement, the Division will continue its enforcement action against you under the terms of the order, including payment of civil penalties described in the agreement. **Please be aware**

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Mail
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er the
return
of or
For
Mail.

Page Two
November 6, 2001
Edward Mike Davis

that, in order to enter the consent agreement, you will be required to waive some of your due process rights under the law thereby making it easier for the Division to seek and obtain civil penalties against you if you do not comply with the terms of the consent agreement.

The general terms of the consent agreement would require you to comply with a Corrective Action Plan ("Plan") to progressively plug or return to production the remaining eight wells in the Clear Creek Field (listed below) that are currently in violation of the SI/TA rule. You are responsible for preparing the proposed Plan, which shall be submitted to the Division by November 30, 2001, and the Plan shall include the following for each well:

1. A detailed description of the work to be performed.
2. The anticipated duration and date of completion for the proposed work that shall include:
 1. The date the well is put on production, or;
 2. The date the plugging and abandonment procedures are completed.

Upon submittal of the Plan, the Division will determine if the Plan is reasonable and the Division will either approve or deny the proposal. At that time you will be asked to enter the consent order, a copy of which will be provided to you. If a Plan is not submitted by the above deadline, the Division will assume you do not wish to pursue negotiation of a consent agreement.

If you do not wish to enter the consent agreement, the Division shall schedule an adjudicative hearing to order the performance of the necessary work for each well and to establish an appropriate deadline for completing the work. Strict adherence to all deadlines shall be enforced. If any deadline is missed, whether according to the voluntary Plan or according to an order of the Division, you will be subject to appropriate enforcement action that can include:

1. The Board of Oil, Gas and Mining ("Board") levying fines up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A. 40-6-11, part 4, and/or
2. The forfeiture of your posted bond.

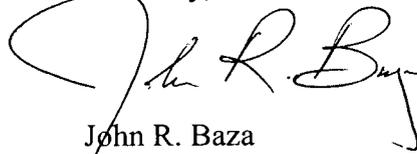
Page Three
November 6, 2001
Edward Mike Davis

The wells currently in violation are as follows:

Lease Type	Well API #	Well Name	Well Status	Completion Date	Years Inactive
Fee	43-007-16009	Utah Fuel 1	SI	1951	>17
Fee	43-007-16010	Utah Fuel 2	SI	1952	>17
Fee	43-007-16011	Utah Fuel 3	SI	1952	>17
Fee	43-007-16012	Utah Fuel 4	SI	1952	>17
Fee	43-007-16013	Utah Fuel 5	SI	1953	>17
Fee	43-007-16016	Utah Fuel 10	SI	1954	>17
State	43-007-30102	Utah Mineral St	SI	1954	>17
State	43-007-30289	Oman 2-20	SI	1996	>5

If you have any questions concerning this matter, please contact Dustin Doucet, Petroleum Engineer for the Division at (801) 538-5281.

Sincerely,



John R. Baza
Associate Director

er
cc: L. Braxton
D. Doucet
G. Hunt
Steve Chamberlin, Agent for Edward Mike Davis
Well File

1.6. Any other information deemed relevant by the applicant or requested by the division.

2. Information derived from well logs, including certain information in completion reports, stratigraphic cross sections, bottomhole pressure data, and other appropriate data provided in R649-3-35-1 will be held confidential in accordance with R649-2-11 at the request of the operator.

3. The division shall review the submitted information and advise the operator and the State Tax Commission of its decision regarding the wildcat well designation as related to Section 59-5-102(2)(d).

4. The division is responsible for approval of a request for designation of a well as a wildcat well. If the operator disagrees with the decision of the division, the decision maybe appealed to the board. Appeals of all other tax-related decisions concerning wildcat wells should be made to the State Tax Commission.

R649-3-36. Shut-in and Temporarily Abandoned Wells.

1. Wells may be initially shut-in or temporarily abandoned for a period of twelve (12) consecutive months. If a well is to be shut-in or temporarily abandoned for a period exceeding twelve (12) consecutive months, the operator shall file a Sundry Notice providing the following information:

1.1. Reasons for shut-in or temporarily abandonment of the well,

1.2. The length of time the well is expected to be shut-in or temporarily abandoned, and

1.3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment.

2. After review the Division will either approve the continued shut-in or temporarily abandoned status or require remedial action to be taken to establish and maintain the well's integrity.

3. After five (5) years of nonactivity or nonproductivity, the well shall be plugged in accordance with R649-3-24, unless approval for extended shut-in time is given by the Division upon a showing of good cause by the operator.

4. If after a five (5) year period the well is ordered plugged by the Division, and the operator does not comply, the operator shall forfeit the drilling and reclamation bond and the well shall be properly plugged and abandoned under the direction of the Division.

R649-3-37. Enhanced Recovery Project Certification.

1. In order for incremental production achieved from an enhanced recovery project to qualify for the severance tax rate reduction provided under U.C.A. 59-5-102 (4), the operator on



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

Michael O. Leavitt
Governor
Lowell P. Braxton
Division Director

November 13, 2001

Edward Mike Davis
5177 Richmond Ave, Suite 740
Houston, TX 77056

Re: Notice of Violation of Shut-in and Temporarily Abandoned Wells in the Clear Creek Field, Carbon County, Utah

Dear Mr. Davis:

In the letter of November 6, 2001, enclosures were referenced but not included. You accepted the referenced (certified mail) letter on November 9, 2001. I am attaching them at this mailing. Sorry for my oversight.

Sincerely,

A handwritten signature in cursive script that reads "Earlene Russell".

Earlene Russell
Executive Secretary

Enclosures (2)

Cc: Lowell Braxton
John Baza
Dustin Doucet
Gil Hunt
Steve Chamberlin, Agent for Edward Mike Davis
Well Files

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

SUNDRY NOTICES AND REPORTS ON WELLS
NOTICE OF CHANGE OF OPERATOR

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

TYPE OF WELL OIL WELL GAS WELL OTHER _____

NAME OF OPERATOR:
Edward Mike Davis

ADDRESS OF OPERATOR:
200 Rancho Circle, Las Vegas, NV 89107

PHONE NUMBER:
(702) 877-5678

LOCATION OF WELL See Below

FOOTAGES AT SURFACE:

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Clear Creek Unit

8. WELL NAME and NUMBER:
See Below

9. API NUMBER:
See Below

10. FIELD AND POOL, OR WILDCAT:

COUNTY:

STATE: UTAH

CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

Utah Fuel 1	43-007-16009	14S-07E-05
Utah Fuel 2	43-007-16010	13S-07E-32
Utah Fuel 3	43-007-16011	13S-07E-32
Utah Fuel 4	43-007-16012	13S-07E-30
Utah Fuel 8	43-007-16015	13S-07E-19
Utah Fuel 10	43-007-16016	14S-07E-05
Utah Mineral State	43-007-30102	13S-07E-29
Oman 2-20	43-007-30289	13S-07E-20
Ridge Runner 13-17	43-015-30269	14S-07E-17
Ridge Runner 11-20	43-015-30271	14S-07E-20
Ridge Runner 4-28	43-015-30347	14S-07E-28
Ridge Runner 6-33	43-015-30348	14S-07E-33

PREVIOUS OPERATOR:

EDWARD MIKE DAVIS

NEW OPERATOR:

MID-POWER RESOURCE CORPORATION

XCHECK

KENNETH M. EMICK

XCHECK

SECRETARY-TREASURER DATE: 7-18-02

DATE: 7-18-02

DATE: 7-18-02

space for State use only

RECEIVED

JUL 22 2002

DIVISION OF
OIL, GAS AND MINING

LAW OFFICES OF
VAN COTT, BAGLEY, CORNWALL & McCARTHY

A PROFESSIONAL CORPORATION
ESTABLISHED 1874

50 SOUTH MAIN STREET, SUITE 1600
POST OFFICE BOX 45340
SALT LAKE CITY, UTAH 84145-0340
TELEPHONE (801) 532-3333

FACSIMILE (801) 534-0058
DIRECT DIAL: (801) 237-0352

SUITE 900
2404 WASHINGTON BOULEVARD
OGDEN, UTAH 84401
(801) 394-5783
FACSIMILE (801) 627-2522

BUILDING C, SUITE 200-A
2200 PARK AVENUE
PARK CITY, UTAH 84060
(435) 649-3889
FACSIMILE (435) 649-3373
TCLAWSON@VANCOTT.COM

BENNETT, HARKNESS & KIRKPATRICK
1874-1890
BENNETT, MARSHALL & BRADLEY
1890-1896
BENNETT, HARKNESS, HOWAT
SUTHERLAND & VAN COTT
1896-1902
SUTHERLAND, VAN COTT & ALLISON
1902-1907
VAN COTT, ALLISON & RITER
1907-1917
VAN COTT, RITER & FARNSWORTH
1917-1947
THOMAS W. CLAWSON

July 22, 2002

VIA HAND DELIVERY

Mr. John Baza
Associate Director Oil and Gas
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: *Change of Operator
Clear Creek Unit
Carbon and Emery Counties, Utah*

Dear John:

As we have previously discussed, I am delivering for filing (in duplicate) a Sundry Notice – Notice of Change of Operator, whereby Edward Mike Davis transfers the operatorship of the listed wells to Mid-Power Resource Corporation.

If you have any questions or need further information, please do not hesitate to contact me.

Sincerely yours,

Thomas W. Clawson
Thomas W. Clawson *by cw*

TWC:cw
Enclosures

cc: Edward Mike Davis (via fax: (702) 877-0272 w/o enc.)
Mark Davis (via fax: (702) 214-3865, w/o enc.)

RECEIVED

JUL 22 2002

DIVISION OF
OIL, GAS AND MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-922

August 14, 2002

Mid-Power Resource Corporation
3800 Howard Hughes Parkway #860
Las Vegas, Nevada 89109

Re: Clear Creek Unit
Carbon and Emery Counties, Utah

Gentlemen:

On July 22, 2002, we received an indenture dated July 19, 2002, whereby Edward Mike Davis resigned as Unit Operator and Mid-Power Resource Corporation was designated as Successor Unit Operator for the Clear Creek Unit, Carbon and Emery Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective August 14, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Clear Creek Unit Agreement.

Your statewide (Utah) oil and gas bond No. 1274 will be used to cover all operations within the Clear Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division of Oil, Gas & Mining
Minerals Adjudication Group U-934
File - Clear Creek Unit (w/enclosure)
Agr. Sec. Chron
Fluid Chron
UT922:TAThompson:tt:8/14/02

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AUG 15 2002

DIVISION OF
OIL, GAS AND MINING

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AUG 15 2002

DIVISION OF
OIL, GAS AND MINING**Results of query for MMS Account Number 891003512A**

Production	API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Qua
Production	4300716009	DAVIS EDWARD MIKE	1 UTAH FUEL	GSI	FEE	891003512A	14S	7E	5	SESW
Production	4300716010	DAVIS EDWARD MIKE	2 UTAH FUEL	GSI	FEE	891003512A	13S	7E	32	SWSW
Production	4300716011	DAVIS EDWARD MIKE	3 UTAH STATE	GSI	FEE	891003512A	13S	7E	32	NWSE
Production	4300716012	DAVIS EDWARD MIKE	4 UTAH FUEL	GSI	FEE	891003512A	13S	7E	30	SWSW
Production	4300716013	DAVIS EDWARD MIKE	5 UTAH STATE	GSI	FEE	891003512A	13S	7E	31	SWSW
Production	4300716014	ANSCHUTZ EXPLORATION CORP	7 UTAH FUEL	ABD	FEE	891003512A	13S	7E	17	SESW
Production	4300716015	DAVIS EDWARD MIKE	8 UTAH FUEL	PGW	FEE	891003512A	13S	7E	19	NENW
Production	4300716016	DAVIS EDWARD MIKE	10 UTAH FUEL	GSI	FEE	891003512A	14S	7E	5	NWNE
Production	4300716017	DAVIS EDWARD MIKE	1 HELEN E WALTON	PGW	UTU02354	891003512A	14S	7E	17	NWNE
Production	4300730102	DAVIS EDWARD MIKE	1 UTAH STATE	GSI	FEE	891003512A	13S	7E	29	SWNW
Production	4300730289	EDWARD MIKE DAVIS	2-20	GSI	STATE	891003512A	13S	7E	20	NWNE

Production	4301510306	ANSCHUTZ EXPLORATION CORP	1-A C K STEINER	P+A	FEE	891003512A	15S	7E	5	NESW
Production	4301511217	ANSCHUTZ EXPLORATION CORP	1 T F KEARNS JR A	ABD	UTU01481	891003512A	14S	7E	32	NWSW
Production	4301516018	ANSCHUTZ EXPLORATION CORP	16 CLEAR CREEK UNIT	ABD	UTU02353	891003512A	14S	7E	29	NESW
Production	4301516021	DAVIS EDWARD MIKE	1-A UTAH FUEL	GSI	FEE	891003512A	14S	7E	6	SWSW
Production	4301516023	ANSCHUTZ EXPLORATION CORP	3-A H E WALTON	ABD	UTU02353	891003512A	14S	7E	30	NESW
Production	4301516024	ANSCHUTZ EXPLORATION CORP	1-X PAUL WATSON	ABD	UTU01740	891003512A	14S	7E	19	SESW
Production	4301530053	ANSCHUTZ EXPLORATION CORP	17 CLEAR CREEK UNIT	ABD	UTU02353	891003512A	14S	7E	20	SWNE

DISCLAIMER for online data: No warranty is made by the BLM for use of the data for purposes not intended by the BLM.

RECEIVED

AUG 15 2002

DIVISION OF
OIL, GAS AND MINING

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 08/14/2002

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: 08/14/2002

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 12/23/2002
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/23/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: N/A

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: _____

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 3052850
2. The **FORMER** operator has requested a release of liability from their bond on: 12/18/2002
The Division sent response by letter on: 12/23/2002

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 12/23/2002

COMMENTS:

**MID-
POWER**
SERVICE CORPORATION

April 6, 2004

Ms. Carol Daniels
State of Utah
Dept. of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Ste. 1210
Salt Lake City, Utah 84114

**Sent Via Fax
801-359-3940**

Re: Sundry Notice for Utah Fuel #3

Dear Carol:

Attached is a Sundry Notice for the above-mentioned well. Please feel free to contact me at 702-784-7625 should you have any questions.

Once again, thank you for all your help.

Regards,



Susan Trimboli
Vice President
Mid-Power Service Corporation

Marie McGann
Moab Field Office for BLM
82 East Dogwood
Moab, Utah 84532

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APR 07 2004

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER <u>Fee</u>
2. NAME OF OPERATOR Mid-Power Resource Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____
3. ADDRESS OF OPERATOR 3753 Howard Hughs Bl _{city} Las Vegas STATE NV ZIP 89109		7. UNIT OF CO. AGREEMENT NAME: <u>CLEAR CREEK</u>
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1675' W of E Line and 1942' N of S Line. COUNTY: Carbon		8. WELL NAME AND NUMBER: Utah Fuel No. 3
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Sec 32 T13S R7E N WSE STATE: UTAH		9. API NUMBER: 4300716011
		10. FIELD AND POOL, OR WILDCAT: Clear Creek / Ferron Zone
		PHONE NUMBER: (702) 784-7625

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Appropriate date work will start: <u>4/12/2004</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION (S)
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMBUSTIBLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Return Well To Prod.</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

This well will be returned to production status.

1. The well has 7" 20# casing from surface to (4057') the total depth of the well is (4399')
2. We will run in hole with feeler to check for fill.
3. If necessary clean out fill with foam
4. After cleaning out fill run 2 7/8" tubing to a depth 4057' with a production packer set at 4027'
5. Swab well as directed by company supervisor.
6. If well responds hook up production head, test system and flare.

NAME (PLEASE PRINT) Larry Rowland TITLE _____
SIGNATURE [Signature] DATE 4/5/2004

(This space for State use only)

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APR 07 2004

DIV. OF OIL, GAS & MINING

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 5/9/2006 BIA n/a

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 5/18/2006
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/18/2006
3. Bond information entered in RBDMS on: 5/18/2006
4. Fee/State wells attached to bond in RBDMS on: 5/18/2006
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 5/9/2006

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000179

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number B002775

2. The **FORMER** operator has requested a release of liability from their bond on: 5/12/2006
The Division sent response by letter on: n/a all wells covered on bond transferred

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 5/18/2006

COMMENTS:

Marion Energy has assumed liability of the Board ordered Edward Mike Davis wells from Mid-Power Resources

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-063018X
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
2. NAME OF OPERATOR: Marion Energy Inc. (N2740)		8. WELL NAME and NUMBER: See Attachment "A"
3. ADDRESS OF OPERATOR: 119 S Tennessee Ste #200 CITY McKinney STATE TX ZIP 75069		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: N/A QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: N/A		10. FIELD AND POOL, OR WILDCAT: Clear Creek Federal unit COUNTY: Carbon and Emery STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Marion Energy Inc. will take over operation of the Clear Creek Federal Unit which is currently operated by Mid-Power Resource Corporation, and is located in both Carbon and Emery Counties Utah.

N2215

Please See attachment "A" for well Names, API numbers, and legal descriptions

*BLM Bond = UTB000179
Special Bond = B002775
State + Fee Bond = B001617
Effective 4/28/2006*

NAME (PLEASE PRINT) <u>Keri Clarke</u>	TITLE <u>Vice President Land (Marion Energy Inc)</u>
SIGNATURE	DATE <u>5/4/06</u>

(This space for State use only)

APPROVED 5/18/06
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

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**Attachment A
Marion Energy Inc.**

**Clear Creek Unit
Carbon and Emery Counties, Utah**

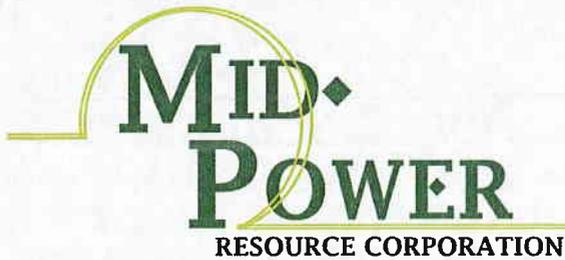
Wells

<u>Well Name</u>	<u>API Number</u>	<u>Status</u>	<u>Section Township Range</u>
Utah Fuel No. 1	43-007-16009-00-00	Shut-in	S. 5 T14S R7E
Utah Fuel No. 2	43-007-16010-00-00	Shut-in	S. 32 T13S R7E
Utah Fuel No. 3	43-007-16011-00-00	Shut-in	S. 32 T13S R7E
Utah Fuel No. 4	43-007-16012-00-00	Shut-in	S. 30 T13S R7E
Utah Fuel No. 5	43-007-16013-00-00	Plugged and Abandoned	S. 31 T13S R7E
Utah Fuel No. 8	43-007-16015-00-00	Shut-in	S. 19 T13S R7E
Utah Fuel No. 10	43-007-16016-00-00	Shut-in	S. 5 T14S R7E
Utah State M.L. 1256-1	43-007-30102-00-00	Shut-in	S. 29 T13S 7E
Oman 2-20	43-007-30289-00-00	Shut-in	S. 20 T13S R7E
Utah Fuel A-1	43-015-16021-00-00	Plugged and Abandoned	S. 6 T14S R7E
Alpine School District #6-17	43-007-31181-00-00	Permit not yet Approved	S. 17 T13S R7E
Alpine School District #3-17	43-007-31182-00-00	Permit not yet Approved	S. 17 T13S R7E
Ridge Runner 11-20	43-015-30271-00-00	Shut-in	S. 20 T14S R7E
Ridge Runner 13-17	43-015-30269-00-00	Shut-in	S. 17 T14S R7E
Ridge Runner #1-30	43-015-30680-00-00	Approved APD (NYS)*	S. 20 T14S R7E
Ridge Runner #7-20	43-015-30681-00-00	Approved APD (NYS)*	S. 20 T14S R7E
Ridge Runner #8-19	43-015-30682-00-00	Approved APD (NYS)*	S. 20 T14S R7E
Ridge Runner #2-18	43-015-30683-00-00	Approved APD (NYS)*	S. 17 T14S R7E
Ridge Runner #11-18	43-015-30684-00-00	Approved APD (NYS)*	S. 17 T14S R7E
Ridge Runner #11-17	43-015-30685-00-00	Approved APD (NYS)*	S. 17 T14S R7E

* Not Yet Spudded

Plugged Wells or Abandoned Well Sites in area (noted but not changed)

Clear Creek 1	43-007-20068-00-00	Plugged and Abandoned	S. 17 T14S R7E
Clear Creek Unit No. 16	43-015-16018-00-00	Plugged and Abandoned	S. 29 T14S R7E
Clear Creek Unit No. 17	43-015-30053-00-00	Plugged and Abandoned	S. 20 T14S R7E
G W Deck A-1	43-007-16008-00-00	Plugged and Abandoned	S. 8 T14S R7E
Gov't 1-17	43-007-11179-00-00	Plugged and Abandoned	S.17 T14S R7E
Kearns A-1	43-015-11217-00-00	Plugged and Abandoned	S. 32 T14S R7E
Kemmerer Coal 1	43-015-10897-00-00	Plugged and Abandoned	S. 24 T14S R6E
Kemmerer Coal 2	43-015-10304-00-00	Plugged and Abandoned	S. 24 T14S R6E
C. K. Steiner A-1	43-015-10306-00-00	Plugged and Abandoned	S. 5 T15S R7E
Utah Fuel No. 7	43-007-16014-00-00	Plugged and Abandoned	S. 17 T13S R7E
H. E. Walton No. 1	43-007-16017-00-00	Plugged and Abandoned	S. 17 T14S R7E
H.E. Walton A-3	43-015-16023-00-00	Plugged and Abandoned	S. 30 T14S R7E
P. T. Walton No. 1-X	43-015-16024-00-00	Plugged and Abandoned	S. 19 T14S R7E
Clear Creek Water Well 1	43-007-20119-00-00	Plugged and Abandoned	S. 17 T14S R7E
Deck 1	43-007-20356-00-00	Location Abandoned	S. 8 T14S R7E
Clear Creek U 18	43-007-30043-00-00	Location Abandoned	S. 20 T13S R7E
1-18	43-015-20300-00-00	Location Abandoned	S. 18 T14S R7E
P.T. Walton 1	43-015-20302-00-00	Plugged and Abandoned	S. 19 T14S R7E
Clear Creek Unit 1	43-015-30090-00-00	Plugged and Abandoned	S. 19 T14S R7E
Clear Creek (Deep) 2	43-015-30307-00-00	Location Abandoned	S. 19 T14S R7E



December 20, 2005

Utah Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT, 84114-5801

RE: Utah Fuel #3, (NW SE Section 32 13S-7E) Disposal Well Conversion

To Whom It May Concern:

On behalf of Mid-Power Resource Corporation, Marion Energy Inc. proposes to convert the above reference well into a salt water disposal well. Please find included in this package the completed Application for injection well form, the completed sundry notice form 9, sample letters that were sent to both mineral and surface owners (there were no other operators operating any wells within the 1/2 mile radius of the Utah Fuel #3), the lists of both mineral and surface owners notified and a series of maps outlining the area in question. You will notice we have included plats of the town of Clear Creek, all surface owners within the town have been notified as you will see from the list of surface owners provided. The required logs are also included in this packet.

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext 3004 or email bevans@marionenergy.com

Sincerely,

A handwritten signature in black ink, appearing to read "B Evans", with a long horizontal flourish extending to the right.

Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

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DEC 22 2005

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

UIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator Mid-Power Resource Corp.	Utah Account Number N	Well Name and Number Utah Fuels #3
Address of Operator 8290 W.Sahara Ave.#1 ^{CITY} Las Vegas	Phone Number (702) 784-7625	API Number 4300716011
STATE NV ZIP 89117		
Location of Well Footage : 1942' FSL & 1675' FEL	County : Carbon	Field or Unit Name Clear Creek
QQ, Section, Township, Range: NWSE 32 13S 7E	State : UTAH	Lease Designation and Number Fee

Is this application for expansion of an existing project? Yes No

Will the proposed well be used for:

Enhanced Recovery?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Disposal?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Storage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Is this application for a new well to be drilled? Yes No

If this application is for an existing well, has a casing test been performed? Yes No
Date of test: 11/2/2005

Proposed injection interval: from 1,950 to 2,000

Proposed maximum injection: rate 1,200 bpd pressure 2,400 psig

Proposed injection zone contains oil gas , and / or fresh water within 1/2 mile of the well.

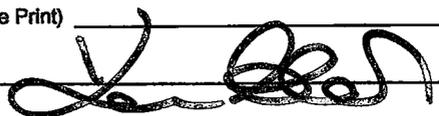
List of attachments: Compensated Neutron Log, Offset ownership schedule, Proposed completion procedure

**ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT
UTAH OIL AND GAS CONSERVATION GENERAL RULES**

I hereby certify that this report is true and complete to the best of my knowledge.

KERI CLARKE
VICE PRESIDENT - LAND

Name (Please Print) _____ Title _____

Signature  Date 12/19/05

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DEC 22 2005
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Disposal</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Mid-Power Resource Corp.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 8290 W. Sahara Ave. #186 <small>CITY</small> Las Vegas <small>STATE</small> NV <small>ZIP</small> 89117		7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
PHONE NUMBER: (702) 784-7625		8. WELL NAME and NUMBER: Utah Fuels #3
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1942' FSL & 1675' FEL		9. API NUMBER: 4300716011
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 13S 7E		10. FIELD AND POOL, OR WILDCAT: Clear Creek
COUNTY: Carbon		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

Mid-Power Resources respectfully requests permission to convert the Utah Fuels #3 to a water disposal well in the Emery formation from 1950' to 2000'. We propose to do the following in preparation for disposal:

1. MIRU workover unit and perforate 2, 0.43" squeeze holes at +/-2070'.
2. RU cementers and pump water into squeeze holes checking casing head valve for circulation
3. If circulation established, set cement retainer at +/- 2050'
4. Pump 300 sx Class "G" cement with 2% CaCl, 1/2# per sk Flocele to cover zone of interest
5. Drill out cement to retainer
6. Perforate from 1950'-2000' w/4 spf and 0.43"
7. Breakdown perms w/15% HCL and swab back until pH test shows no acid. Take formation water sample
8. If disposal water and formation water are compatible, RU pumping services and perform step rate test
9. Wait on approval to dispose

KERI CLARKE
VICE PRESIDENT - LAND

NAME (PLEASE PRINT) _____

TITLE _____

SIGNATURE _____

DATE _____

12/17/05

(This space for State use only)

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DEC 22 2005

DIV. OF OIL, GAS & MINING

Mid-Power Resource Corporation

8280 West Sahara Avenue, Suite 188
Las Vegas, Nevada 89117
702-838-0718 Fax 702-838-5087

August 25, 2005

Mr. Keri Clarke
Vice President - Land
Marion Energy Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069

Re: Clear Creek Unit – Carbon/Emery Counties, Utah

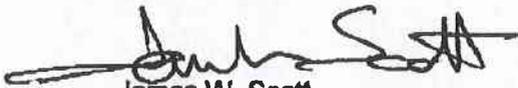
Dear Mr. Clarke:

Mid-Power Resource Corporation, as operator of the Clear Creek Unit located in Carbon/Emery Counties, Utah, hereby, authorizes and empowers Marion Energy Inc. to act as a designated agent on its behalf.

As designated agent, Marion Energy Inc. shall handle all operational matters relating to the Clear Creek Unit and shall deal directly with all State and Federal regulatory agencies in Utah (USDA Forest Service, BLM, and the DOGM) on such operational matters.

This authorization is in accordance with the terms and conditions outlined in the Farmout and Exploration Agreement entered into on February 22, 2005 by and between Mid-Power Resource Corporation and Marion Energy Inc.

Sincerely,



James W. Scott
President

MID-POWER

RESOURCE CORPORATION

December 12, 2005

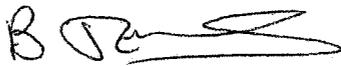
C&B Energy
1431 North 1200 West
Orem, UT 84057

RE: Utah Fuel #3, (NW SE Section 32 13S-7E) Salt Water Disposal Conversion

To Whom It May Concern:

On behalf of Mid-Power Resource Corporation, Marion Energy Inc. proposes to convert the above reference well into a salt water disposal well. This letter serves to provide you, as a mineral owner, located within a half mile radius of the Utah Fuel #3 (Per the attached diagram), with the relevant information as required by the Department of Oil, Gas and Mining, as set forth in rule R649-5 pertaining to the requirements for injecting fluids into reservoirs and the permitting of Class II injection wells.

Sincerely,



Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

Telephone: (972) 540-2967 ext.3004

Email: bevens@marionenergy.com

2054 7E92 1000 02PT 5002

U.S. Postal Service™		
CERTIFIED MAIL™ RECEIPT		
(Domestic Mail Only; No Insurance Coverage Provided)		
For delivery information visit our website at www.usps.com®		
OREM, UT 84057 OFFICIAL USE		
Postage	\$ 0.37	UNIT ID: 0069 Postmark Here Clerk: KSPW60 12/15/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	
Sent To C & B ENERGY		
Street, Apt. No., or PO Box No. 1431 North 1200 West		
City, State, ZIP+4 Orem, UT 84057		
PS Form 3800, June 2002		See Reverse for Instructions

8290 West Sahara Avenue, Suite 186, Las Vegas, Nevada, 89117
Telephone: (702) 838-0716, Fax: (702) 838-5087

Mineral Owners within a one-half mile radius of Utah Fuel # 3 well.

J.L. White Investments, a Delaware Corp.
Registered Agent: (Corporation; Not in Good Standing)
The Prentice-Hall Corporation System, Inc.
2711 Centerville Road, Suite 400
Wilmington, DE 19808
Also 1985 Registered Agent, Utah:
Marcus Mierle
2433 Adams Ave.
Ogden, UT 84404

Independent Coal and Coke Company, dissolved 1968
Salt Lake City, UT

Addresses Below should be current:

C&B Energy
1431 North 1200 West
Orem, UT 84057

Clear Creek CBM LLC
2064 Prospector Ave. Suite 102
Park City UT 84060

Summit Energy
2064 Prospector Ave. Suite 102
Park City UT 84060

Merrion O&G
610 Reilly Avenue
Farmington, NM 87401

IPERC Royalty Fund
4834 S Highland Dr #200
SLC, UT 84117

Emerald Oil & Mining CO.
PO Box 920078
Snowbird, UT 84092

Markea Corp
4542 E. Tropicana #6050
Las Vegas, NV 89121

Continued Exhibit "A"

Mickey D. Gillespie
4775 Boxelder St.
Murray, UT 84107

Vaughn R. Hughes
8553 S 100 East
Sandy, UT 84070

Bonnie & Larry Farnsworth
11642 S 3800 W
South Jordan, UT 84095

Melissa & Larry Hansen
2539 W 13220 S
Riverton, UT 84065

Misty D. Rogers
Larry L. & Charlette A. Rogers
3144 S 1100 W
Salt Lake City, UT 84119

MID-POWER

RESOURCE CORPORATION

December 8, 2005

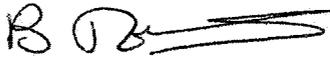
Jones, Vernon W.
Bliss, Karen K.
PO Box 422
Price, UT 84501

RE: Utah Fuel #3, (NW SE Section 32 13S-7E) Salt Water Disposal Conversion

Dear Mr. Jones and Ms. Bliss

On behalf of Mid-Power Resource Corporation, Marion Energy Inc. proposes to convert the above reference well into a salt water disposal well. This letter serves to provide you, as a surface owner, located within a half mile radius of the Utah Fuel #3. (Per the attached diagram), with the relevant information as required by the Department of Oil, Gas and Mining, as set forth in rule R649-5 pertaining to the requirements for injecting fluids into reservoirs and the permitting of Class II injection wells.

Sincerely,



Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

Telephone: (972) 540-2967 ext.3004

Email: bevans@marionenergy.com

7005 1620 0001 7625 5270

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CERTIFIED MAIL™ RECEIPT		
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PRICE, UT 84501		UNIT ID: 0069
Postage	\$ 0.37	Postmark Here Clerk: KSPW60 12/15/05
Certified Fee	2.30	
Return Receipt Fee (Endorsement Required)	1.75	
Restricted Delivery Fee (Endorsement Required)		
Total Postage & Fees	\$ 4.42	
Sent To Vernon Jones, Karen Bliss		
Street, Apt. No., or PO Box No. PO Box 422		
City, State, ZIP+4 Price, UT 84501		
PS Form 3800, June 2002		See Reverse for Instructions

8290 West Sahara Avenue, Suite 186, Las Vegas, Nevada, 89117
Telephone: (702) 838-0716, Fax: (702) 838-5087

ATTACHMENT I
Mid Power Resources Corporation
Proposed Salt Water Injection Well

Surface Owners within the
½ mile radius of the proposed well
with last address shown
By the reviewed records

Anderson, Molly S.
685 Canyon Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Beardall, Dennis L. and Leann
12665 North 700 West
Mapleton, UT 84664

CERTIFIED MAIL
POSTMARKED:

Bliss, Karen K.
PO Box 422
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

Bona, Steven A. and Kathreen
675 East 200 North
Payson, UT 84651

CERTIFIED MAIL
POSTMARKED:

Brinkerhoff, Carvel and Patsy Ann
562 West 50 South
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Bryant, Gary R.
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Buffo, Steve and Marna
1812 North 1350 West
Provo, UT 84604

CERTIFIED MAIL
POSTMARKED:

Clear Creek Home Association
HC 35 Box 440 Scofield Route
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Cox, Edward J. and Gloria
45 North 300 West
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Cunningham Estates LLC
c/o David G. Cunningham
995 Hillside Dr
Provo, UT 84604-6323

CERTIFIED MAIL
POSTMARKED:

Dehaas, John Trust
PO Box 283
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Dehaas, John G. Trust
PO Box 283
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Delost, Frank H. and Nelda H.
285 East 1250 North
Bountiful, UT 84010

CERTIFIED MAIL
POSTMARKED:

Dimond, Harvey D.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Dimond, Marion P.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Emmett, James and Myrna
HC 35 Box 440
Scofield Route
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Emmett, Myrna
HC 35 Box 440
Scofield Route
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Flink, Daniel L. Trust
6761 Vista Grande
Salt Lake City, UT 84121

CERTIFIED MAIL
POSTMARKED:

Flink, Debra K. Trust
6761 Vista Grande
Salt Lake City, UT 84121

CERTIFIED MAIL
POSTMARKED:

Francom, Kim E. and Deborah A.
490 East 900 South
Mapleton, UT 84664

CERTIFIED MAIL
POSTMARKED:

Hansen, Ray D. and Constance
2722 19th Street Rd
Greeley, CO 80634

CERTIFIED MAIL
POSTMARKED:

Hardy, Keith
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Hardy, Janice
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Hartin, Donna C.
1010 Fuchsia Str.
Oxnard, CA 93030

CERTIFIED MAIL
POSTMARKED:

Hartt, Gary and Marianne
3051 West 6685 South
West Jordan, UT 84084

CERTIFIED MAIL
POSTMARKED:

Helsten, Frank T., Jr. and Pamela G.
1339 East 3955 South
Salt Lake City, UT 84124

CERTIFIED MAIL
POSTMARKED:

Hilton, Robert J. and Evelyn Trust
PO Box 557
Pleasant Grove, UT 84062

CERTIFIED MAIL
POSTMARKED:

Houston, James Allen
3231 South 1510 West
West Valley City, UT 84119

CERTIFIED MAIL
POSTMARKED:

Huitt, Lyndell D. and Deloris J. Trust
700 Monte Blanco
Taylorsville, UT 84123

CERTIFIED MAIL
POSTMARKED:

Hunt, Lela A.,
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Hunt, Rachelle
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Hunt, Stephen I.
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Jacob, Calvin K. Family Partnership
914 East 300 North
Orem, UT 84097-5098

CERTIFIED MAIL
POSTMARKED:

Jarman, Michele E. and Jerry
5075 West 4700 South, Lot 26
Kearns, UT 84118

CERTIFIED MAIL
POSTMARKED:

Jensen, Bob
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Jensen, Reva
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Jensen, Karl B. and Carol
1022 East 200 North
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Johnson, Joseph Delbert Trust
99 A Street
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Johnson, Lucille Barker Trust
99 A Street
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Jones, Vernon W.
PO Box 422
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

Judi, Vaughn O. and Marianne
PO Box 132
Castle Dale, UT 84513

CERTIFIED MAIL
POSTMARKED:

Knibbe, Willard E. and Janice E. Trust
2173 Mabey Dr.
Slat Lake City, UT 84109

CERTIFIED MAIL
POSTMARKED:

Kohl, Thomas E. and Cynthia L. B. Trust
c/o Cynthia L. B. Kohl
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Kohl, Gary M. and Sandra J B
c/o Cynthia L. B. Kohl
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Liddiard, Mary G. and James L.
12010 S Mill Ridge Circle
Sandy, UT 84094

CERTIFIED MAIL
POSTMARKED:

Lindsey, Wayne Rodney Family Prot Trust
Lindsey, Marjorie A O Family Prot Trust
PO Box 502
Payson, UT 84651

CERTIFIED MAIL
POSTMARKED:

McDonald, Cory
PO Box 1250
Sandy, UT 84091-1250

CERTIFIED MAIL
POSTMARKED:

McDonald, Mark and Shirley A.
PO Box 532
Sunnyside, UT 84539

CERTIFIED MAIL
POSTMARKED:

Nelson, Glenn McCoy
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Nelson, David Clair
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Nelson, Brent
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Nichol, Gordon R. & Wendy J.
738 West 100 North
Provo, UT 84601-2603

CERTIFIED MAIL
POSTMARKED:

Nikas, Roy A. and Yvonne G.
PO Box 871
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

O'Brien, Paul J. and Sharon W.
997 East 1420 South
Spanish Fork, UT 84660

CERTIFIED MAIL
POSTMARKED:

Oman, Milton A.,LTD
c/o Darin Caine
1504 E Zenith Ave
Salt Lake City, UT 84106-3486

CERTIFIED MAIL
POSTMARKED:

Otani, Jack and Sei
HC 35 PO Box 400 Scofield Route
Helper, UT 84526

CERTIFIED MAIL

Pack, Russell T.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Pack, Marion H.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Palmer, Camille S.
685 Canyon Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Pedersen, Madeleine L. Trust
HC 35 Box 430
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Pehrson, Lloyd and Arlene Trust
830 West 2000 North
Mapleton, UT 84664

CERTIFIED MAIL
POSTMARKED:

Peterson, Harold A. and Virginia F.
2568 South 1800 East
Salt Lake City, UT 84106

CERTIFIED MAIL
POSTMARKED:

Proctor, Phillip C.
923 South 1100 East
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Proctor, Anita J.
923 South 1100 East
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Proctor, James T.
923 South 1100 East
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Robbins, Marie Burton Trust
945 MacFarland Dr.
Salt Lake City, UT 84116

CERTIFIED MAIL
POSTMARKED:

Robinson, Tawna
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Small, Michael L. Mary L.
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Smith, Debra J.
1179 East 900 South
Spanish Fork, UT 84660

CERTIFIED MAIL
POSTMARKED:

Smith, Gary D.
PO Box 557
Pleasant Grove, UT 84062

CERTIFIED MAIL
POSTMARKED:

Smith, JoAnn H. Trust
PO Box 557
Pleasant Grove, UT 84062

CERTIFIED MAIL
POSTMARKED:

Smith, Sherlee L. and Jared D.
375 North 1300 West
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

Stansfield, Leah M.,
685 Canyon Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Steele, Dolores Nelson
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Sutton, Mary Trust
880 North 100 East
American Fork, UT 84003

CERTIFIED MAIL
POSTMARKED:

Titsworth, Lawrence
1010 Fuchsia Str.
Oxnard, CA 93030

CERTIFIED MAIL
POSTMARKED:

Titsworth, Diane H.
1010 Fuchsia Str.
Oxnard, CA 93030

CERTIFIED MAIL
POSTMARKED:

Utah Power & Light Co.
PO Box 899
Salt Lake City, UT 84110-0899

CERTIFIED MAIL
POSTMARKED:

Wallace, Florence M.
HC 35 Box 440
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Woolsey, Lillie E. and John R.
HC 35 Box 410
Helper, UT 84526

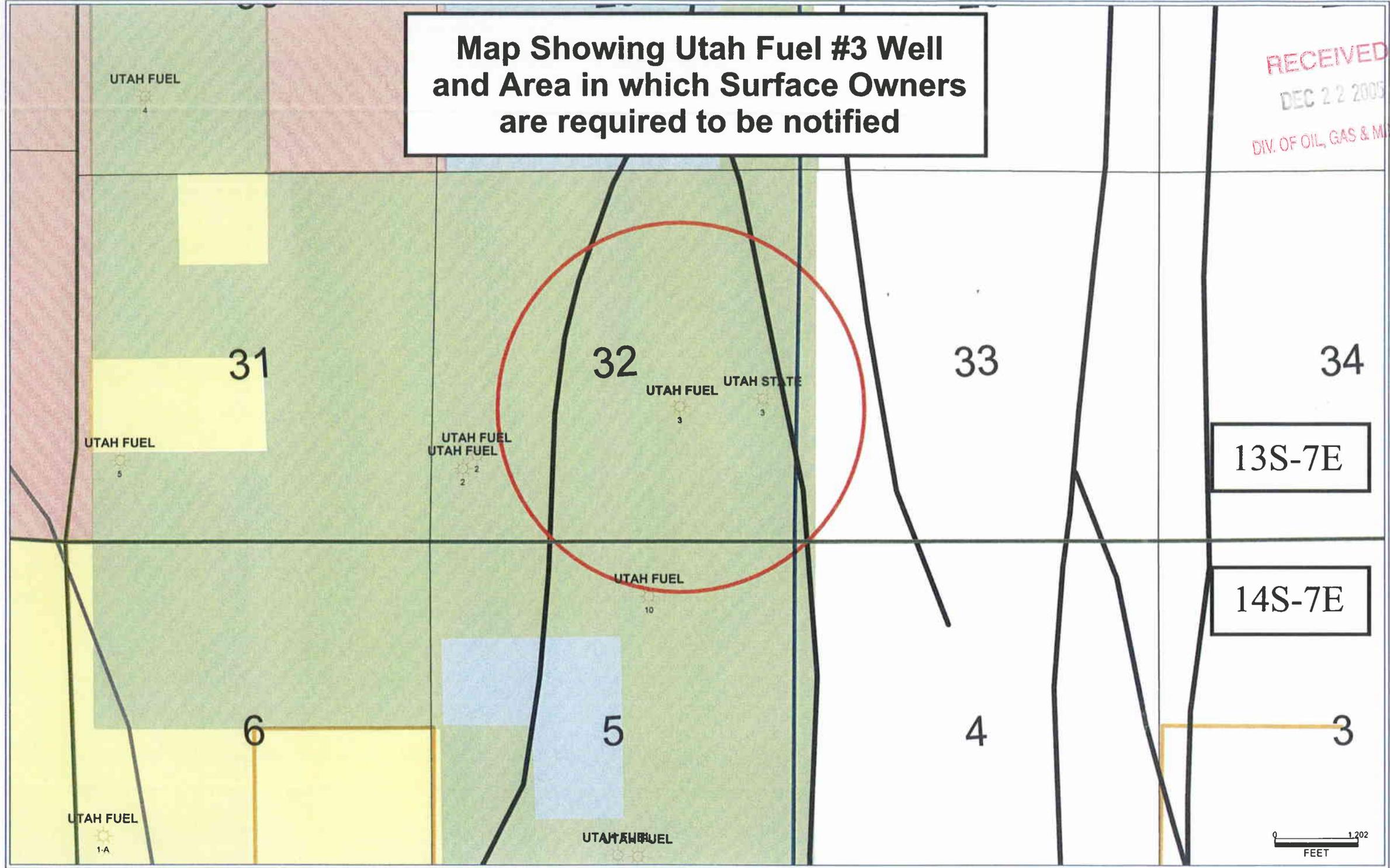
CERTIFIED MAIL
POSTMARKED:

Zumbrunnen, Jerry
667 7th Avenue
Salt Lake City, UT 84103

CERTIFIED MAIL
POSTMARKED:

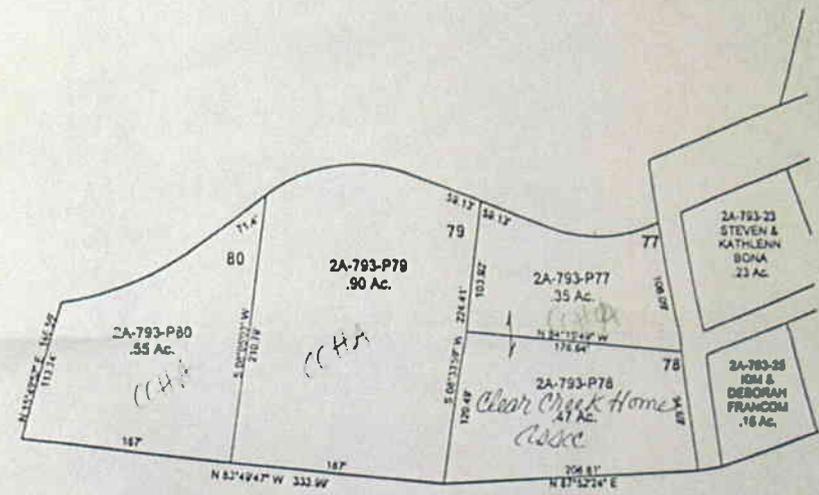
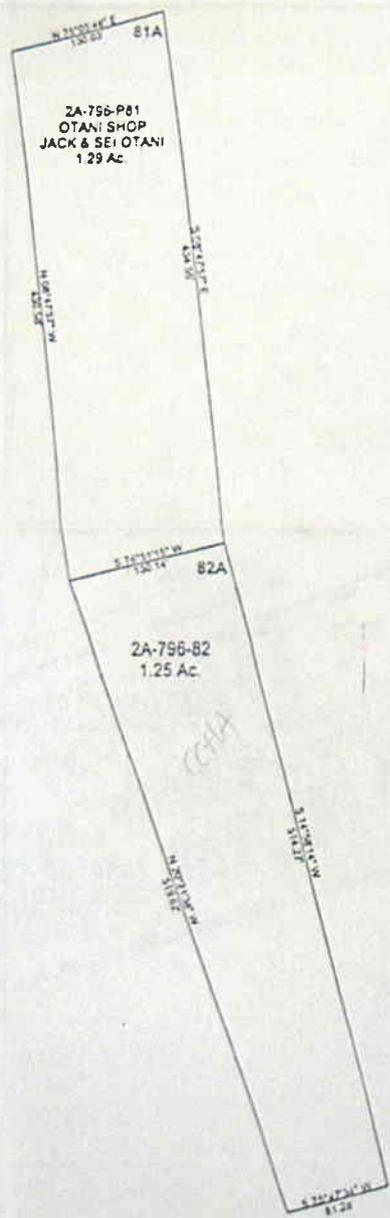
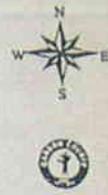
Map Showing Utah Fuel #3 Well and Area in which Surface Owners are required to be notified

RECEIVED
DEC 22 2005
DIV. OF OIL, GAS & MINING



CARBON COUNTY PLATS

CLEAR CREEK 2000



SCALE: 80 FEET = 1 INCH



Handwritten text: "Susan Trimby"

Inland
Production Company

~~6:09 9/19~~

3:34 9/22

Susan Trimby

Mid Power Resource

legend

5 Mid Power Resource

3753 Howard Hughes

14 Parkway
Ste. 200

CPK Las Vegas NV
89101

resolve stuff
6' long

label

wells are

write
Counties

T.R.

sect.

Seismic 0608

FAX Mid Power Resource

(902) 79

784-7679

unit wells

eld
unit

all sides

important roads



Inland

Production Company

~~6:09 9/19~~

3:34 9/22

Susan Trimby

Mid Power Resource

Handwritten notes on the left margin.

Legend

(702) 784 7625

resolve stuff
6' long

Map Unit

Clear Creek Unit

unit wells
streams
Field
County

wells API seismic

center unit

unit
Counties T-R

T.R. Sect. 2-3 miles on all sides

Seismic 06ex Paved & dirt roads

~~State Map~~
Entire State

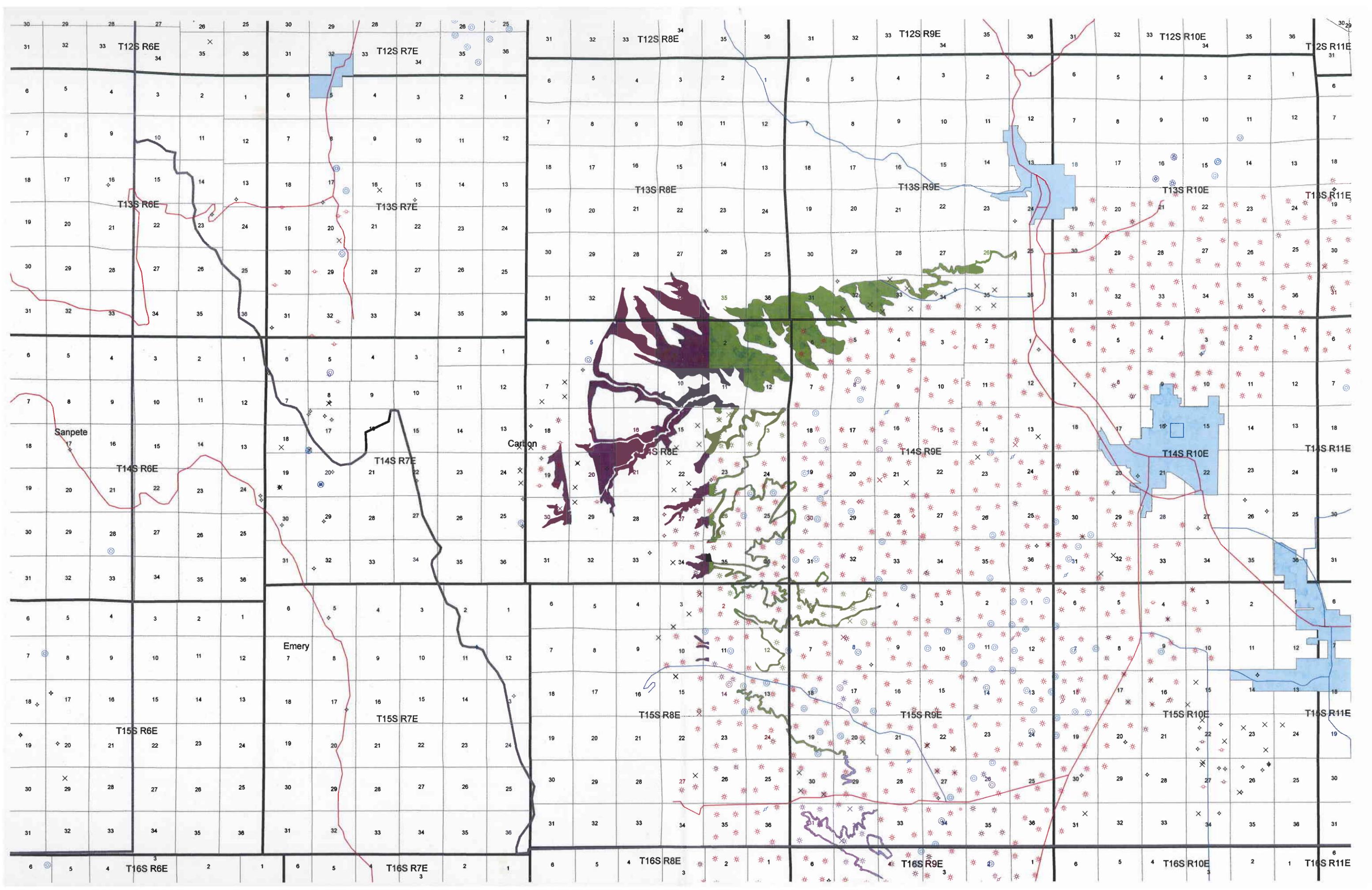
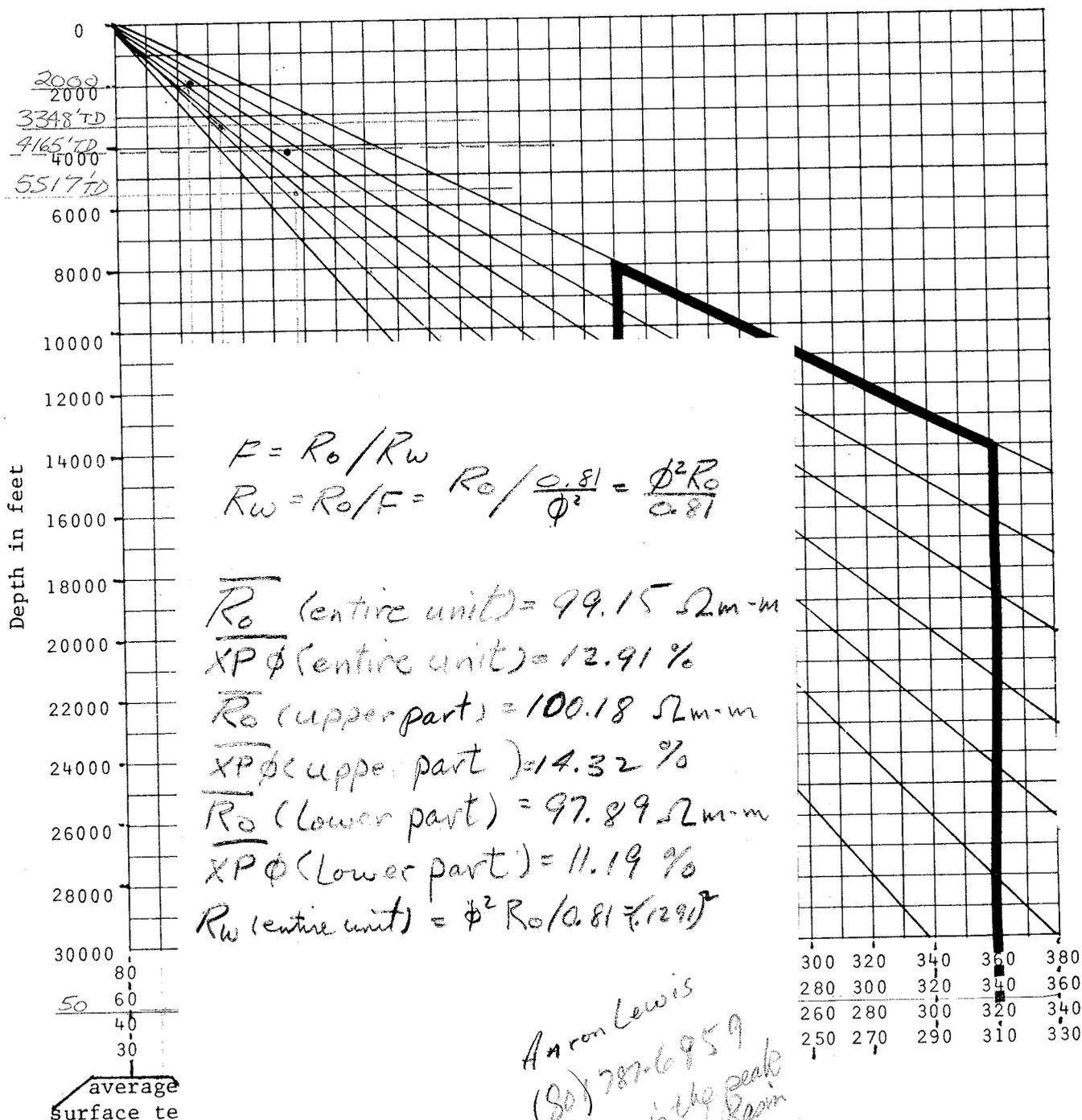


Figure 1-8

Estimation of Formation Temperature



Aaron Lewis
 (80) 787-6959
 What is the peak
 for Unit 1 Basin

000 feet. The
 e at 8000 feet
 0)

73°F

SURFACE TEMP

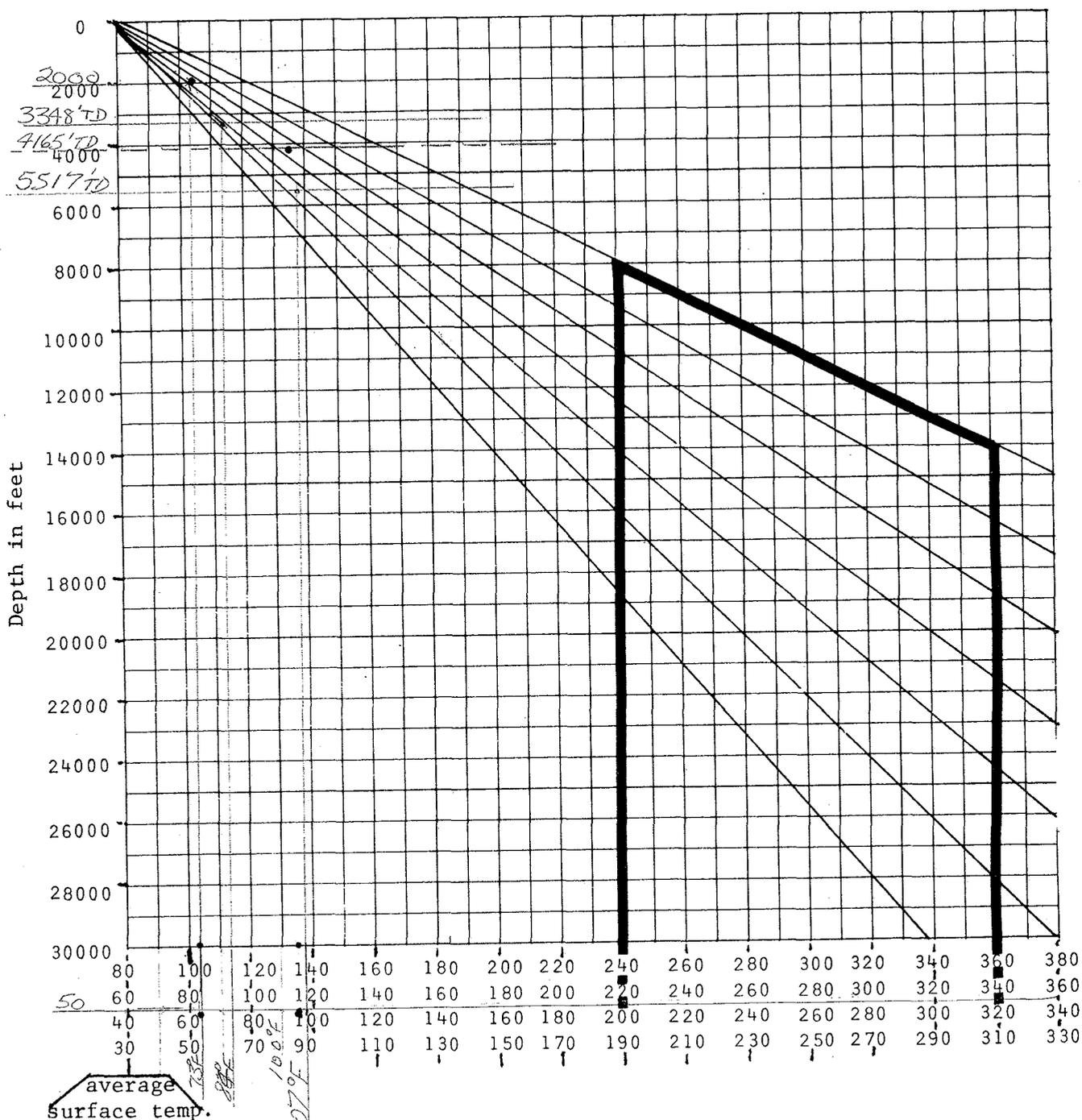
- Gulf Coast - 70°
- Oklahoma - 60°
- Colorado - 50°
- Wyoming & Montana - 40°
- Alberta - 35°
- California - 60°

$S_w = \sqrt{\frac{(0.62)(\phi^{-2.15}) R_w}{R_t}}$
 $I = \frac{(0.62 \phi^{-2.15}) R_w}{R_t}$

$R_m @ BHT = 2.6$
 $R_m @ 65^\circ F = 4.0$

~1500 ppm NaCl
 ~3.6 $\Omega m = R_m$
 ~2.5 $\Omega m^2/m = R_m f$

Figure 1-8 Estimation of Formation Temperature



Example: The bottom hole temperature is 320°F at 14,000 feet. The surface temperature is 40°. The temperature at 8000 feet is _____ °F (answer- 200°)

SURFACE TEMPERATURES °F

- Gulf Coast - 70°
- Oklahoma - 60°
- Colorado - 50°

BHT = 100°F

- Wyoming & Montana - 40°
- Alberta - 35°
- California - 60°

T_f = ~73°F

~1500 ppm NaCl
 ~3.6 Ω M = R_m
 ~2.5 Ω M²/m = R_{m f}

$$S_w = \frac{\sqrt{(0.62)(\phi^{2.15}) R_w}}{R_t}$$

$$I = \frac{(0.62)(\phi^{2.15}) R_w}{R_t}$$

R_m @ BHT = 2.6
R_m @ 65°F = 4.0

Ro	Upper Zone	Ro Mean	Ro Mean Upper	XP Phi	Upper Zone	XP Phi Mean	XP Phi Mean Upper
105				14.5			
101				14.9			
101				15.9			
99				17			
98				15.5			
96				15.5			
100				16.9			
93				17			
101				14			
101				9.5			
107	1102		100.18	6.8	157.5		14.32 Total
105	Lower Zone		Ro Mean Lower	10.5	Lower Zone		XP Phi Mean Lower
95				10			
90				10.7			
90				11.2			
95				12.1			
100				12.5			
102				12.2			
102				10.2			
102				11.3			
1983	881	99.15	97.89	258.2	100.7	12.91	11.19 Total

HYDROLOGY OF COAL-RESOURCE AREAS IN THE SOUTHERN WASATCH PLATEAU, CENTRAL UTAH

U.S. GEOLOGICAL SURVEY

WATER-RESOURCES INVESTIGATIVE REPORT 82-109

HARD
HATS

Prepared for the
U.S. BUREAU OF LAND MANAGEMENT



Thus, it is known that water occurs in and above the Star Point Sandstone. In some areas, the saturated zone extends into the upper part of the Blackhawk Formation. This aquifer, herein called the Star Point-Blackhawk aquifer, exists throughout most of the study area. The North Horn Formation and Flagstaff Limestone also contain water in most areas. Some spring data indicate that water in the North Horn and Flagstaff is perched, but this is not known for certain.

Recharge

Snow in the higher altitudes of the study area commonly accumulates to depths of several feet, and snowmelt is the primary source of recharge to the ground-water system. The quantity of ground-water recharge varies throughout the study area because of differences in the water content of snowpack, exposure, surface relief, and rock permeability. Minimal-surface relief, like that on top of North Horn and Ferron Mountains, slows the runoff from snowmelt and provides the potential for large quantities of water to infiltrate the soils and percolate to deeper levels. Where the Flagstaff Limestone is present, fractures and solution openings provide storage for large volumes of ground water. The many springs that issue from the Flagstaff is evidence of its large recharge capacity.

Recharge to other geologic units varies from place to place, but it appears that nowhere is it as great as to the Flagstaff Limestone. Recharge from snowmelt on the nearly flat surface on the top of South Horn Mountain (fig. 3) should be large. However, the absence of springs in canyons that dissect South Horn Mountain and the fact that no water was detected in any of the coal-test holes drilled on the mountain during the summer of 1980 indicates that little recharge takes place. It is believed that significant exposure to solar radiation and wind contributes to the loss of much of the winter snowpack on South Horn Mountain.

Information from test holes indicates that significant recharge from snowmelt occurs on North Horn Mountain, at least on the northern slopes. Tom Abbay (U.S. Geological Survey, oral commun., November 1980) states that water encountered between 80 and 100 feet in test hole (D-18-6)30bdb-1 in the spring of 1979 caused the hole to be abandoned. When the test hole was redrilled in the fall of 1979, no water was encountered at the 80 to 100-foot depth.

Recharge to the Star Point-Blackhawk aquifer from direct infiltration of snowmelt on outcrop areas probably is small in comparison to recharge to the Flagstaff Limestone. In the northern part of the study area, outcrop areas of the Blackhawk Formation and Star Point Sandstone usually are less than about 1 mile wide and usually are on steep slopes. Most of the recharge to the aquifer in the northern part of the area probably is from downward percolation of water from overlying water-bearing zones, mainly along fractures. In the southern part of the study area, the Blackhawk is exposed over a much greater area, and therefore receives more direct recharge than in the northern part.

Estimates of the percentage of annual precipitation that recharges the ground-water system were made for four drainages in the study area. The estimates were made by assuming: (1) That streamflow during October primarily is ground-water discharge and reflects the average rate of ground-water discharge for the year, and (2) that long-term recharge in a basin equals the long-term ground-water discharge within the basin. At gaging sites 7 (Cottonwood Creek), 21 (Ferron Creek), 39 (Muddy Creek), and 81 (Ivie Creek), average October discharges for the periods of record were 1,680, 900, 890, and 134 acre-feet. The estimated ground-water recharge in the four drainage basins ranged from 3 to 8 percent of the average annual precipitation.

Some ground water may flow between surface drainage basins in the study area. Although there is little evidence to support this concept, the Joes Valley fault system in the eastern part of the study area probably is a conduit for interbasin movement of ground water. Lines and Morrissey (1981, p. 58) state that potentiometric-surface data indicate that the Ferron Sandstone Member of the Mancos Shale of Cretaceous age is recharged in the Emery area mainly by subsurface flow from the Wasatch Plateau along the Joes Valley fault system.

Movement

Ground water generally moves from areas of recharge at higher altitudes in the study area to areas of natural and manmade discharge, such as springs and the SUFCo Mine. Geologic structure, such as faulting and the dip of bedding, in some areas affects the flow path followed between recharge and discharge areas. Most water movement probably occurs through fractures, along bedding planes, and in the case of the Flagstaff Limestone, through solution openings. Some water also moves through the openings between sand grains in sandstones, such as those in the Blackhawk Formation.

Much of the recharge from snowmelt at higher altitudes of the study area is discharged by a large number of springs close to the original recharge areas. The downward movement of water commonly is impeded by less permeable beds of shale and mudstone, especially in the North Horn Formation, and the water is discharged by springs and seeps where the less permeable rocks crop out.

Along faults where rock permeability has been increased by fracturing, water probably passes through beds that normally would impede vertical flow and into underlying rocks such as the Star Point-Blackhawk aquifer. The Star Point-Blackhawk aquifer yields large quantities of water to the SUFCo Mine where the mine workings penetrate fractured rock.

Rapid movement of water through the ground-water system is indicated by the rapid response of natural ground-water discharge to changes in recharge. Generally, most of the stream discharge during the fall of each year is ground-water discharge. As shown in figure 13, the magnitude of base flow during October at gaging station 09330500 on Muddy Creek correlates well with the water content of the previous April 1 snowpack.

Discharge

Ground water in the area is discharged naturally by springs and seeps and by evapotranspiration. Some water probably leaves the area by subsurface outflow, mainly along faults. The only known manmade discharge from the ground-water system during 1979-80 was dewatering of the underground SUFCo Mine.

It is not possible with existing data to accurately estimate the quantity of ground water evaporated or transpired by plants or to determine the quantity of subsurface outflow from the area. Data do exist, however, to describe the different types of springs and to describe how spring discharges naturally change with time. The following discussion concentrates on spring and mine discharges, both elements of the ground-water system that are likely to change with increased coal mining.

Springs

Discharge of about 100 springs in the study area ranged from about 0 to 1,080 gallons per minute (table 10 at back of report). Most of the large springs (those that discharge more than 50 gallons per minute) are near the contact between the Flagstaff Limestone and the North Horn Formation. During the spring of each year fracture and solution openings in the Flagstaff fill with water (chiefly from snowmelt). The water generally is discharged by springs at a decreasing rate during the remainder of the year. For example, spring (D-18-6)22cdc-S1, located close to the Flagstaff-North Horn contact on North Horn Mountain, discharged about 155 gallons per minute on July 7, 1980. By September 30, 1980, the discharge had decreased to 34 gallons per minute.

Springs commonly are associated with faulting or folding where rock permeability has been increased by fractures. Spring (D-17-6)7ddd-S1, believed to be the largest spring in the study area, issues from North Horn Formation in the Joes Valley Fault graben where according to Spieker (1931, p. 57) " * * * the rocks are everywhere much shattered." Discharge from the spring was measured at 1,080 gallons per minute on October 30, 1980.

Discharge from 28 springs was measured on a semimonthly basis during the summer of 1980. Graphs of discharge versus time for four of the springs are shown in figure 14. Differences in the rates at which spring discharges recede following periods of ground-water recharge are due to differences in the permeability and storage of the contributing water-bearing zones. Danielson, ReMillard, and Fuller (1981, p. 39) suggest that discharge-recession rates are duplicated after each period of recharge, and that any deviation of this rate of recession may indicate unnatural changes in the ground-water system such as those caused by mining. Discharge-recession rates vary throughout the study area. At the four springs shown in figure 14, discharges at the end of August 1980 ranged from about 1 to 90 percent of the discharges at the first of the month.

Identify Results



Layers: Wells

Wells

- COOK 20-1
- OMAN 2-20

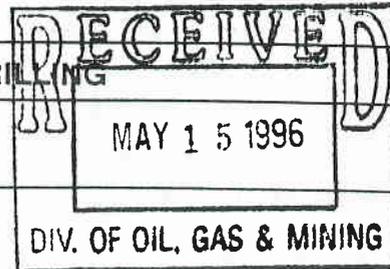
Location: (486307.673630 4391955.762040)

Field	Value
FID	512
Shape	Point
AREA	0
PERIMETER	0
WELLS#	512
WELLS-ID	300730289
API	4300730289
NAME	OMAN 2-20
DATE	10/17/1995
ACCT_NUM	N2740
COMPANY	MARION ENERGY INC
FIELD_NUM	10
ELEVATION	7981 KB
LOCSURFWCR	1167 FNL 1737 FEL
UTMY	4391958
UTMX	486321
UTMYBHL	0
UTMXBHL	0
QTR_QTR	NWNE
SECTION	20
TOWNSHIP	130S
RANGE	070E
MERIDIAN	S
LEASE	ML-1256
WELLSTATUS	S
WELLTYPE	SGW
CUM_OIL	0
CUM_GAS	0
CUM_WATER	0
CBM_FLAG	0
UNIT	CLEAR CREEK
LATITUDE	39.67922
LONGITUDE	-111.1595

4300730289 Oman 2-20

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING



1. Well name and number: Oman No. 2-20

API number: 4300730289

2. Well Location: QQ NW, NE Section 20 Township 13S Range 7E County Carbon

3. Well operator: Anschutz Exploration Corporation

Address: 555 17th Street, Suite 2400

Denver CO 80241

Phone: (303) 289-1000

4. Drilling contractor: Nabors Rig 181

Address: 515 West Greens Road, Suite 1000

Houston, TX 77067-4525

Phone: (713) 874-0035

5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		
<u>373'</u>	<u>375'</u>	<u>200 BWPH</u>	<u>Fresh</u>
<u>1708'</u>	<u>1720'</u>	<u>70 BWPH</u>	<u>Fresh</u>
<u>Measured Depth not TVD</u>			
<u>(underfoot)</u>			
<u>Blackhawk, Star Point & Emery @ Surface</u>		} <u>Log Tops</u>	
<u>Bluegate @ 2200'</u>			
<u>Ferron @ 3910'</u>			
<u>Tununk Sh. @ 4635'</u>			

6: Formation tops: Star Point Surface

Blue Gate 2200'

Ferron 3910'

Tununk 4635'

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge.

Date: 5/13/96

Name & Signature: [Signature] / James Oursland

Title: Engineering Mgr.

Identify Results

Layers: Wells

- [-] Wells
 - [+] COOK 20-1
 - [+] OMAN 2-20

Location: (486598.213692 4392122.668033)

Field	Value
FID	1031
Shape	Point
AREA	0
PERIMETER	0
WELLS#	1031
WELLS-ID	300730808
API	4300730808
NAME	COOK 20-1
DATE	12/24/2001
ACCT_NUM	N1920
COMPANY	CLEAR CREEK CBM LLC
FIELD_NUM	10
ELEVATION	8062 GR
LOCSURFWCR	0667 FNL 0787 FEL
UTMY	4392110
UTMX	486610
UTMYBHL	0
UTMXBHL	0
QTR_QTR	NENE
SECTION	20
TOWNSHIP	130S
RANGE	070E
MERIDIAN	S
LEASE	FEE
WELLSTATUS	S
WELLTYPE	SGW
CUM_OIL	0
CUM_GAS	2282
CUM_WATER	23510
CBM_FLAG	1
UNIT	
LATITUDE	39.6806
LONGITUDE	-111.15614

From Well Completion of Coak 20-1 4300730808

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 4/15/2002	TEST DATE: 8/17/2002	HOURS TESTED: 24	TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 46	WATER - BBL: 0	PROD. METHOD: Flowing
CHOKO SIZE: 0.5	TBG. PRESS. 45	CSG. PRESS. 705	API GRAVITY	BTU - GAS 920	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKO SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKO SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:	TEST DATE:	HOURS TESTED:	TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKO SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

Used for fuel and/or vented

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Blackhawk	0	364	Sandstone & Coal-water bearing.	Blackhawk SS	0
Star Point	364	970	Sandstone & Coal-water bearing.	Star Point SS	364
Emery	1,430	3,092	Sandstone & Coal-possibly gas bearing	Upper Bluegate	970
Ferron	4,368	5,044	Sandstone-gas and water bearing.	Emery SS	1,430
Dakota	5,545	5,632	Sandstone-possibly gas and water bearing	Lower Bluegate	3,092
				Ferron SS	4,368
				Tununk Shale	5,044
				Dakota SS	5,545
				Cedar Mountain	5,632

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) Steven L. Prince TITLE Operations Manager
 SIGNATURE Steven L. Prince DATE 8/22/2002

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801
 Phone: 801-538-5340
 Fax: 801-359-3940

RECEIVED

AUG 27 2002

DIVISION OF OIL, GAS AND MINING

LANE

RADIOACTIVITY LOG

WELLS

COMPANY

S.O. 12704

FILE NO.

Location of Well

COMPANY: WESTERN NAT. GAS CO.
 WELL: UTAH FIELD NO. 3
 FIELD: CLEAR CREEK
 COUNTY: CARBON STATE: UTAH
 LOCATION: 177-50

COMPANY: WESTERN NAT. GAS CO.
 WELL: UTAH FIELD NO. 3
 FIELD: CLEAR CREEK
 COUNTY: CARBON STATE: UTAH
 LOCATION: T17 S5 E30 N32-135-73

P.T. Wells

177-50

SEC. 32-135-73

LOG MEAS. FROM 100' (10' 100') ELEV. 2160
 DRLG. MEAS. FROM 100' ELEV. 2160
 PERM. DATUM 100' ELEV. 2160

TYPE OF LOG	GA. LA. RAY	TEMP. PRO
RUN NO.	1-51	1-51
DATE	4-6-52	2-6-52
TOTAL DEPTH (DRILLER)	2300	2300
EFFECTIVE DEPTH (DRILLER)	1300	1300
TOP OF LOGGED INTERVAL	100	100
BOTTOM OF LOGGED INTERVAL	2300	2300
TYPE OF FLUID IN HOLE	DRY	DRY
FLUID LEVEL		
MAXIMUM RECORDED TEMP.		100.0
NEUTRON SOURCE STRENGTH & TYPE		9.45
SOURCE SPACING — IN.		36
LENGTH OF MEASURING DEVICE — IN.	36	36
O.D. OF INSTRUMENT — IN.	3 9/8	3 1/8
TIME CONSTANT — SECONDS	1	1.5
LOGGING SPEED FT. MIN.	40	40
STATISTICAL VARIATION — IN.		
SENSITIVITY REFERENCE	274	275
RECORDED BY	CHERRY	S. J. F. W.
WITNESSED BY	DRS	DRS

CASING RECORD		INTERVAL	
RUN NO.	BIT SIZE	WT.—LB.	FROM R 'A LOG
1	7"	20417	SURF TO 4077
1	6"		SURF TO 4161
1	6"		4161 TO 4399
			TO
			TO
			TO

REMARKS OR OTHER DATA

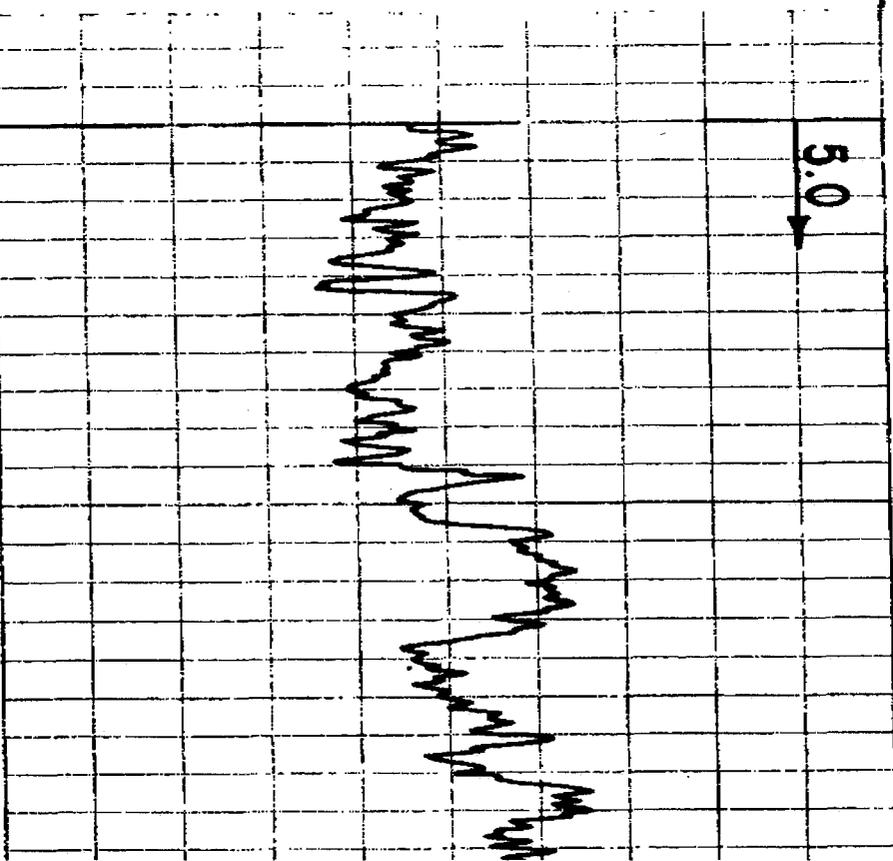
FILE NO.

RUN NO.	BIT SIZE	CASING	CASINO RECORD		WELL RECORD		INTERVAL		LOG
			WT.—LB.	FROM	TO	FROM	R/A		
1	8"	7"	2017	SURF	TO	4077	SURF	TO	4098.5
	8"			SURF	TO	4161		TO	
	8"				TO	4599		TO	
					TO			TO	
					TO			TO	

REMARKS OR OTHER DATA

GAMMA RAY

RADIATION INTENSITY INCREASES

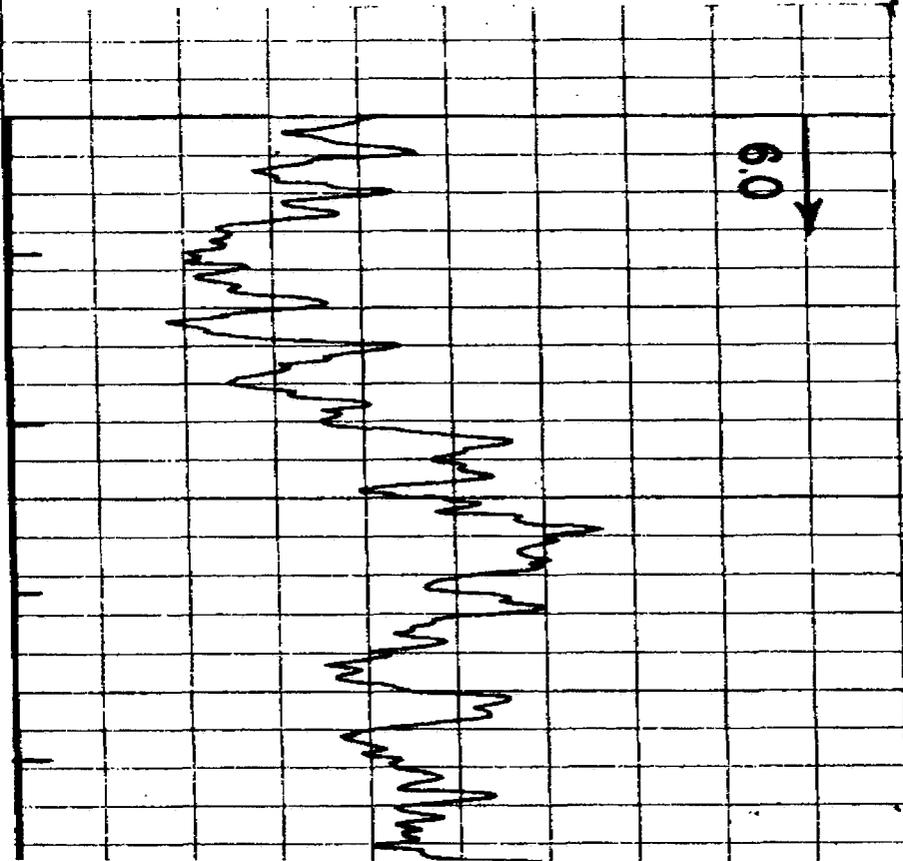


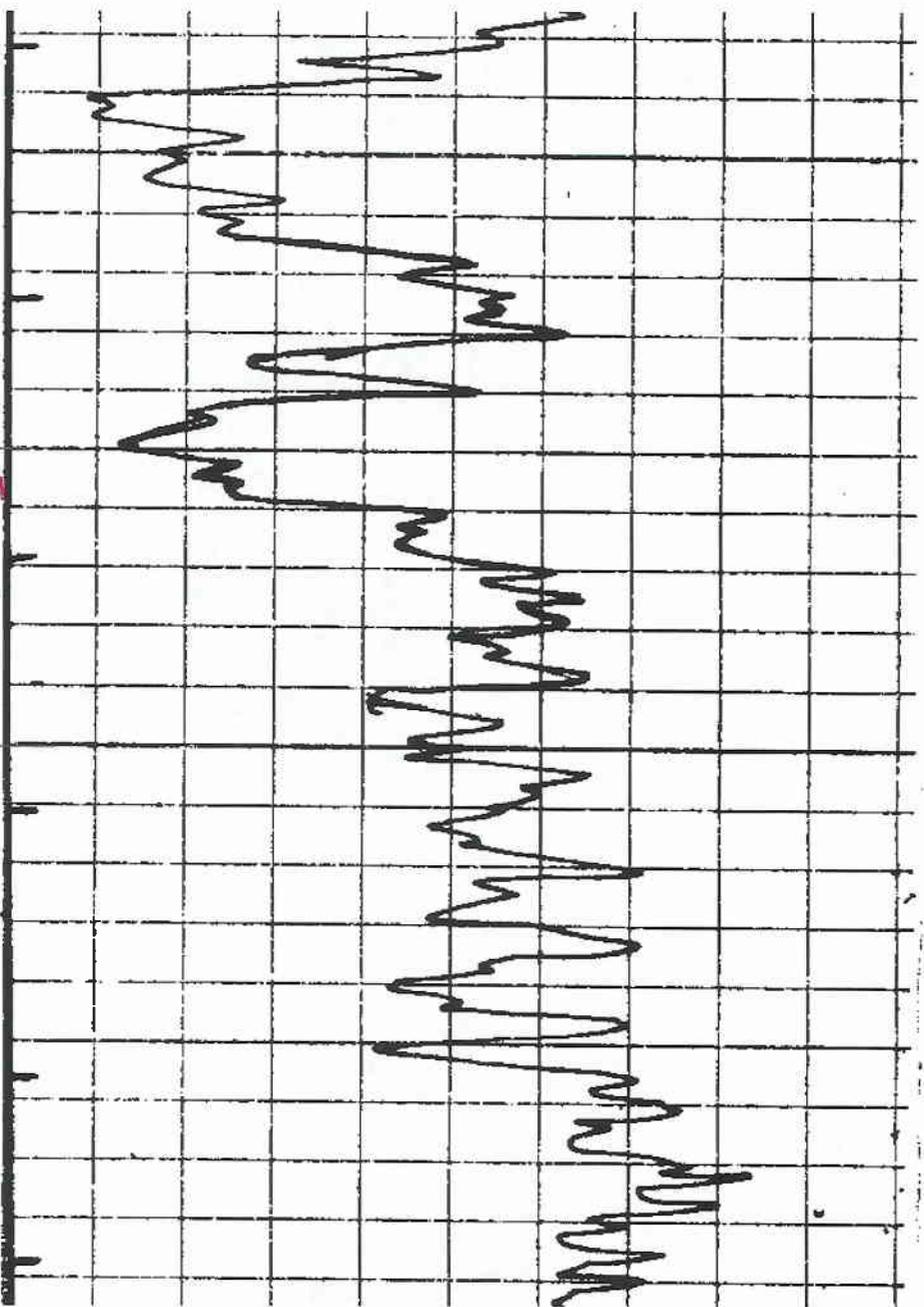
CASINO 1
COLLAR LOG

DEPTH
100
200

NEUTRON

RADIATION INTENSITY INCREASES



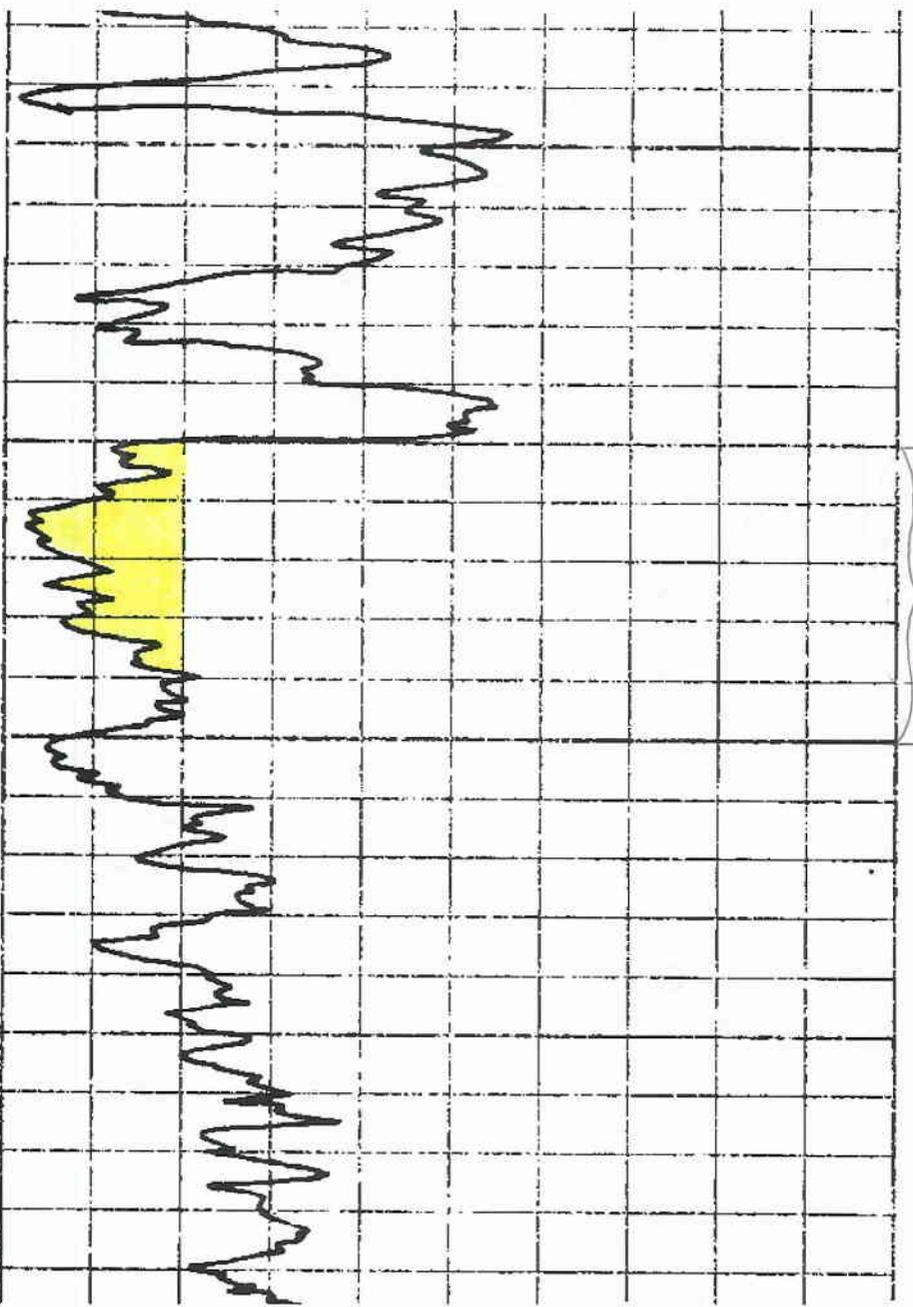


1900

2000

2

L. Emery
S.
Proposed
Injection
Interval
~ 40'



CLEAR CREEK HOMEOWNER 'S ASSOCIATION
HC 35 BOX 440 SCOFIELD RT.
HELPER, UTAH 84526
1-801448-9626

Jan 5,2006

Mid-Power
Resource Corporation & Marion Energy Inc.

8290 West Sahara Ave. Suite 186
Las Vegas, NV, 89117

Dear Mr. Evans:

In response to your letter of Dec. 8,2005 on Salt Water Disposal, please be advised that this area is within our Water Springs and Water Shed , which is the water source for the town of CLEAR CREEK.

If there is any pollution or damage to our springs or water system due to this salt water diversion,we will look to your company's for damage.

Please judge yourselves accordingly.

Sincerely,



Jim Emmett

Vice-Pres. Clear Creek Homeowner's Assoc.

Jim Emmett

Pres. Clear Creek Utilities Inc.

RECEIVED

JAN 09 2006

DIV. OF OIL, GAS & MINING

Clear Creek Homeowners
Association
HC 35 Box 440 Scofield RT.
Helper, Utah 84526

CERTIFIED MAIL™



7004 2510 0005 4744 3781



9261

84114

U.S. POSTAGE
PAID
PRICE UT
84501
JAN 06 06
AMOUNT

\$4.42
00090575-04

Division of Oil , Gas & Mining
ATTENTION BRAD HILL
P.O. Box 145801
Salt Lake City, Utah 84114

84114X3801 8900



From: Chris Kierst
To: bevans@marionenergy.com
Date: 01/11/2006 12:42:06 PM
Subject: Utah Fuels #3 UIC Application to Utah Division of Oil, Gas and Mining

Pursuant to our phone conversation yesterday, I have taken the liberty of sending you this document, which we compose for every UIC application we receive to track the completeness of the application as it moves through the permitting process. The left column cites the Rule item and the right column addresses the completeness/acceptability of the tendered submission item received as of the date at the bottom. I recommend that the two specified fatal deficiencies be addressed first to at least get the Notice period started. Some or all of the other deficiencies can then be produced and tendered during the Notice period. You can send them to me electronically by FAX or as email attachments to facilitate progress but you will need to follow these up with paper documents sent by snail mail for file copies.

To recapitulate the discussion we had regarding the nature of the interval into which you propose to inject, I suspect that Mid-Power will have a difficult time getting a permit to inject into the zone from 1950' to 2000'. My admittedly cursory correlations and review of the old logs for this well suggest that the cited zone is actually the basal Spring Canyon Sandstone of the Blackhawk Formation of the Mesaverde Group rather than the Emery Sandstone Member of the Mancos Shale at that depth. The Spring Canyon and other nearby strata are very likely to contain very high quality water resources in considerable volume. You would probably have to apply for an aquifer exemption to inject into this interval and I think it unlikely that it would be granted. I suggest you exactly ascertain the identity of the interval at 1950'-2000' and be prepared to defend it with correlations if you are determined to pursue this interval, particularly if you call it the Emery Sandstone. I have an open mind on this so pursue it as such if you feel it is necessary. Please feel free to contact me if you have any questions either by email or by phone. Phone # (801) 538-5337.

- 1) Agree that the geology is as you state it and that the zone @ 1950-2000 is the Emery Ss. Member of the Mancos Fm.
- 2) Get a water sample run and we will have an idea of what the water quality is.

TRANSACTION REPORT

P. 01

FEB-01-2006 WED 04:22 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
FEB-01	04:19	PM 19725479499	2' 29"	4	SEND	OK	395	
TOTAL :						2M 29S	PAGES:	4



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER JOHN R. BAZA
Executive Director Division Director

UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: 2/1/06

FAX#: (972) 547-9499

ATTN: Kecci Clarke

COMPANY: Marion Energy

NUMBER OF PAGES (INCLUDING THIS ONE): 4

FROM: Chris Kierst (801) 538-5337

If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340.
We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES: Included please find on page 1 of 1



JON M. HUNTSMAN, JR.
Governor
GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining

MICHAEL R. STYLER JOHN R. BAZA
Executive Director Division Director

UTAH DIVISION OF OIL, GAS AND MINING
FACSIMILE COVER SHEET

DATE: 2/1/06
FAX#: (972) 547-9499
ATTN: Kerri Clarke
COMPANY: Marion Energy
NUMBER OF PAGES (INCLUDING THIS ONE): 4
FROM: Chris Kierst (801) 538-5337

If you do not receive all of the pages, or if they are illegible, please call (801) 538-5340.
We are sending from a sharp facsimile machine. Our telecopier number is (801) 359-3940.

MESSAGES: Included please find an example of a plat map
(actually 2 maps - one for minerals estate and one for the
surface estate) and an example of an affidavit.

Important: This message is intended for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return this original message to us at the above address via regular postal service. Thank you.

From: Chris Kierst
To: Ben Evans
Subject: RE: Utah Fuels #3 UIC Application to Utah Division of Oil, GasandMining

It generally depends on the completeness and correctness of the application submission package, the complexity of the project, the amount of citizen angst, the degree to which it becomes a relatively routine procedure within a developed field (earliest wells take longer and later wells become more routine), earlier UIC apps emerging from winter closure and being closer to being permitted and my priority well permitting and other work load obstructing a lower priority UIC project. In your case (newbies, incomplete and incorrect submission package, citizens storming the ramparts, attempting to inject into shallow, pristine branch water and the Division breaking permit app records each month) I'd kick your shoes off and get comfy, it's gonna be a while - several months at least.

>>> "Ben Evans" <bevans@marionenergy.com> 03/14/2006 1:23 PM >>>
Mr. Kierst

How long does it typically take to process a SWD application such as ours?

Thanks for all of your help in this matter.

Ben Evans

Benjamin Evans
Landman
Marion Energy, Inc

119 South Tennessee, Suite 200
McKinney, Texas
75069

Tel: (972) 540-2967 ext. 3004
Cell: (214) 534-0358
Fax: (972) 547-0442

-----Original Message-----

From: Chris Kierst [<mailto:chriskierst@utah.gov>]
Sent: Tuesday, March 14, 2006 9:31 AM
To: Ben Evans
Subject: RE: Utah Fuels #3 UIC Application to Utah Division of Oil, GasandMining

Please be assured that I can confirm receipt of the UIC submission information you sent. We received it on 3/7/06. I haven't been able to review the submission yet owing to involvement in a short term but priority assignment for Division upper management. I look forward to being informed about the circumstances and issues involved in the matter of permitting this SWD.

>>> "Ben Evans" <bevans@marionenergy.com> 03/13/2006 2:34 PM >>>
Mr. Kierst

I just wanted to make sure that you received the FEDEX I sent you last

week. It contained information pertaining to our application to convert the above referenced well into a Salt Water Disposal well.

I hope the information included in the packet satisfies the requirements of the application.

If you have any questions, please do not hesitate to contact me.

Thanks
Ben Evans

Benjamin Evans
Landman
Marion Energy, Inc

119 South Tennessee, Suite 200
McKinney, Texas
75069

Tel: (972) 540-2967 ext. 3004
Cell: (214) 534-0358
Fax: (972) 547-0442

-----Original Message-----

From: Chris Kierst [<mailto:chriskierst@utah.gov>]

Sent: Wednesday, January 11, 2006 2:01 PM

To: Ben Evans

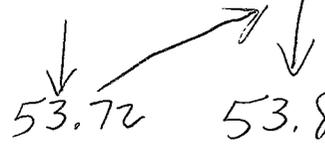
Subject: Utah Fuels #3 UIC Application to Utah Division of Oil, Gas and Mining

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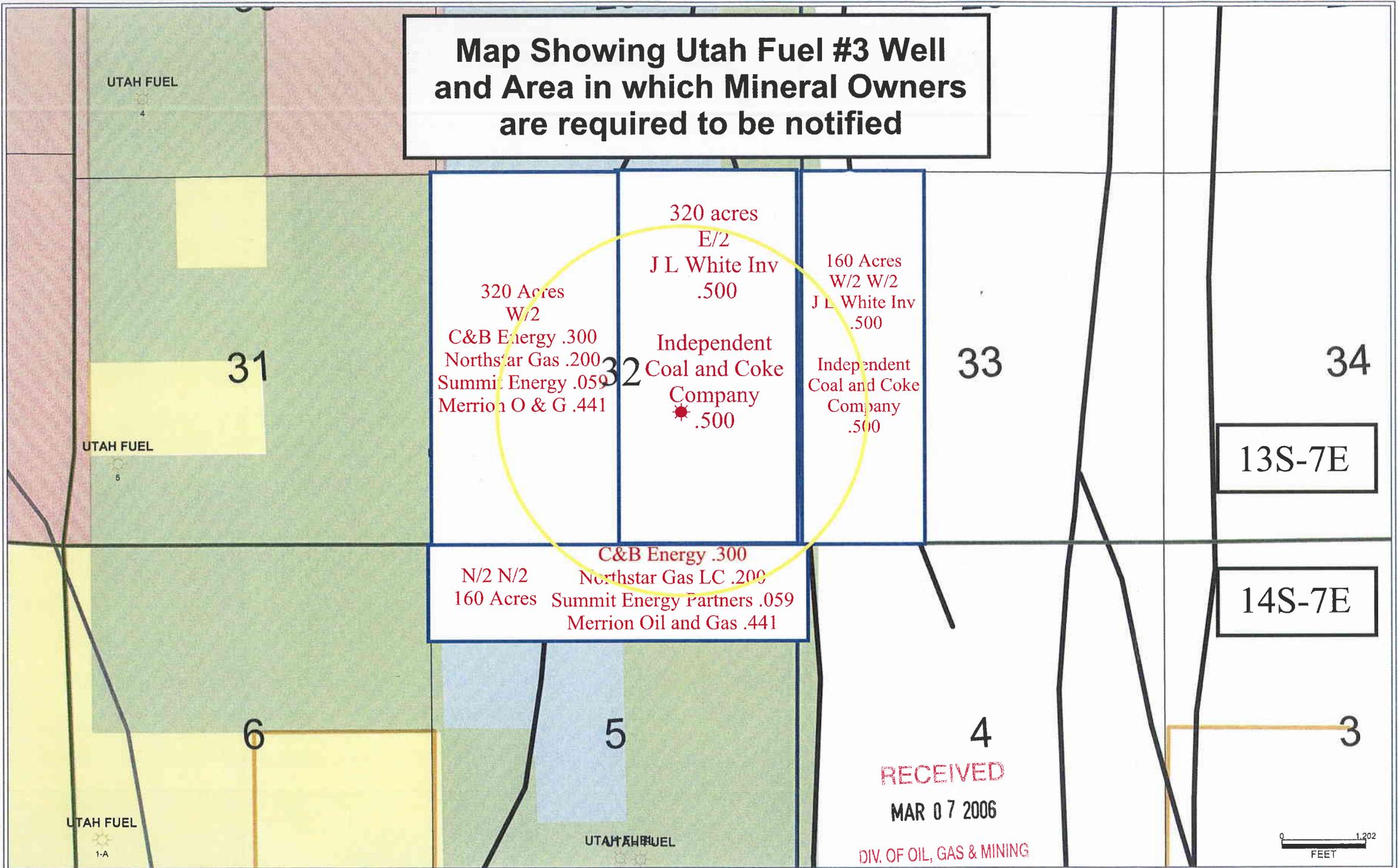
this interval and I think it unlikely that it would be granted. I suggest you exactly ascertain the identity of the interval at 1950'-2000' and be prepared to defend it with correlations if you are determined to pursue this interval, particularly if you call it the Emery Sandstone. I have an open mind on this so pursue it as such if you feel it is necessary. Please feel free to contact me if you have any questions either by email or by phone. Phone # (801) 538-5337.

RSI 69.56 RSI 59.988
56.98 56.74

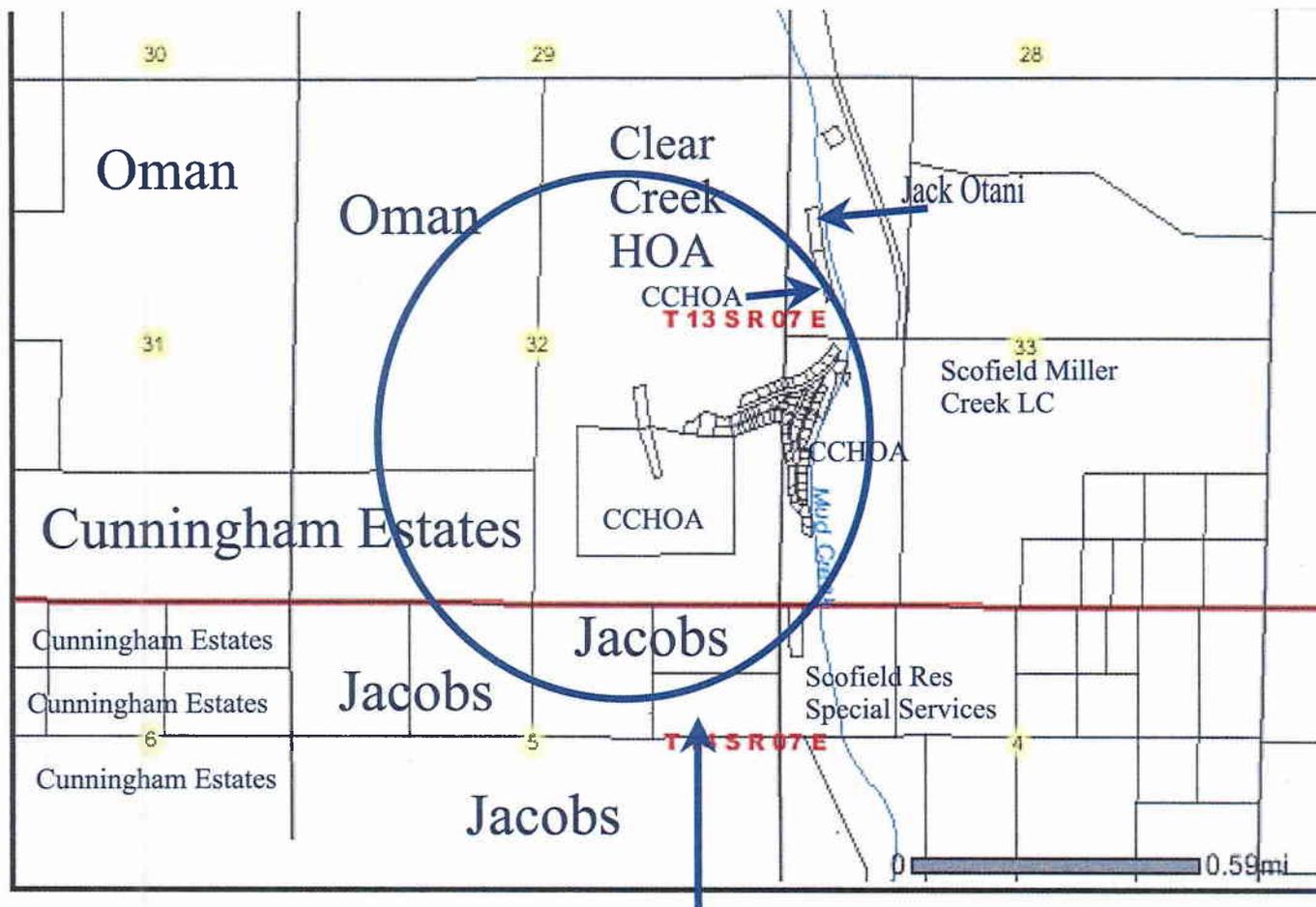


RSI 43.978 RSI 42.563

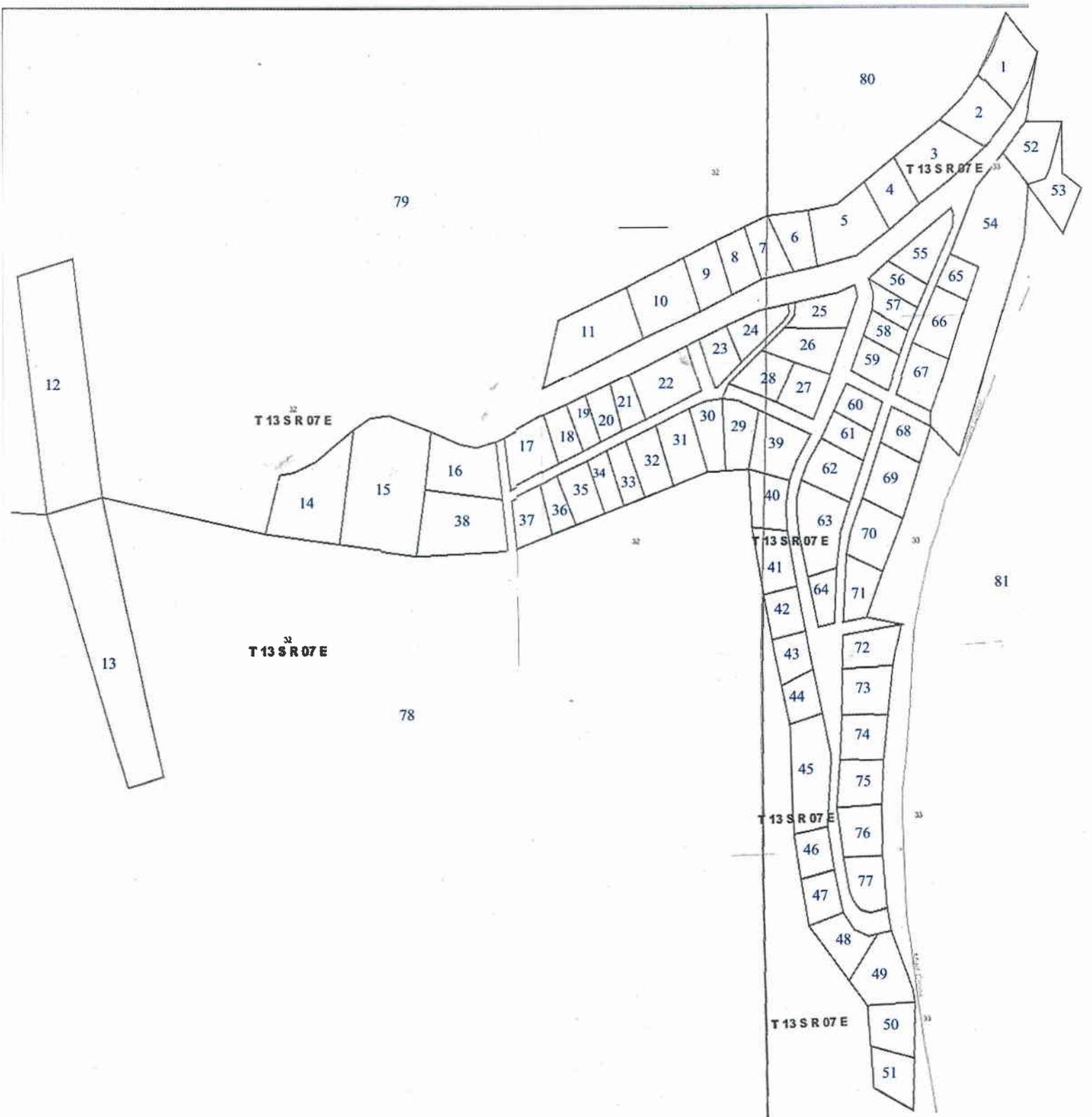
Map Showing Utah Fuel #3 Well and Area in which Mineral Owners are required to be notified



Map Showing Utah Fuel #3 Well and Area in which Surface Owners are required to be notified



Gordon & Wendy
Nichol



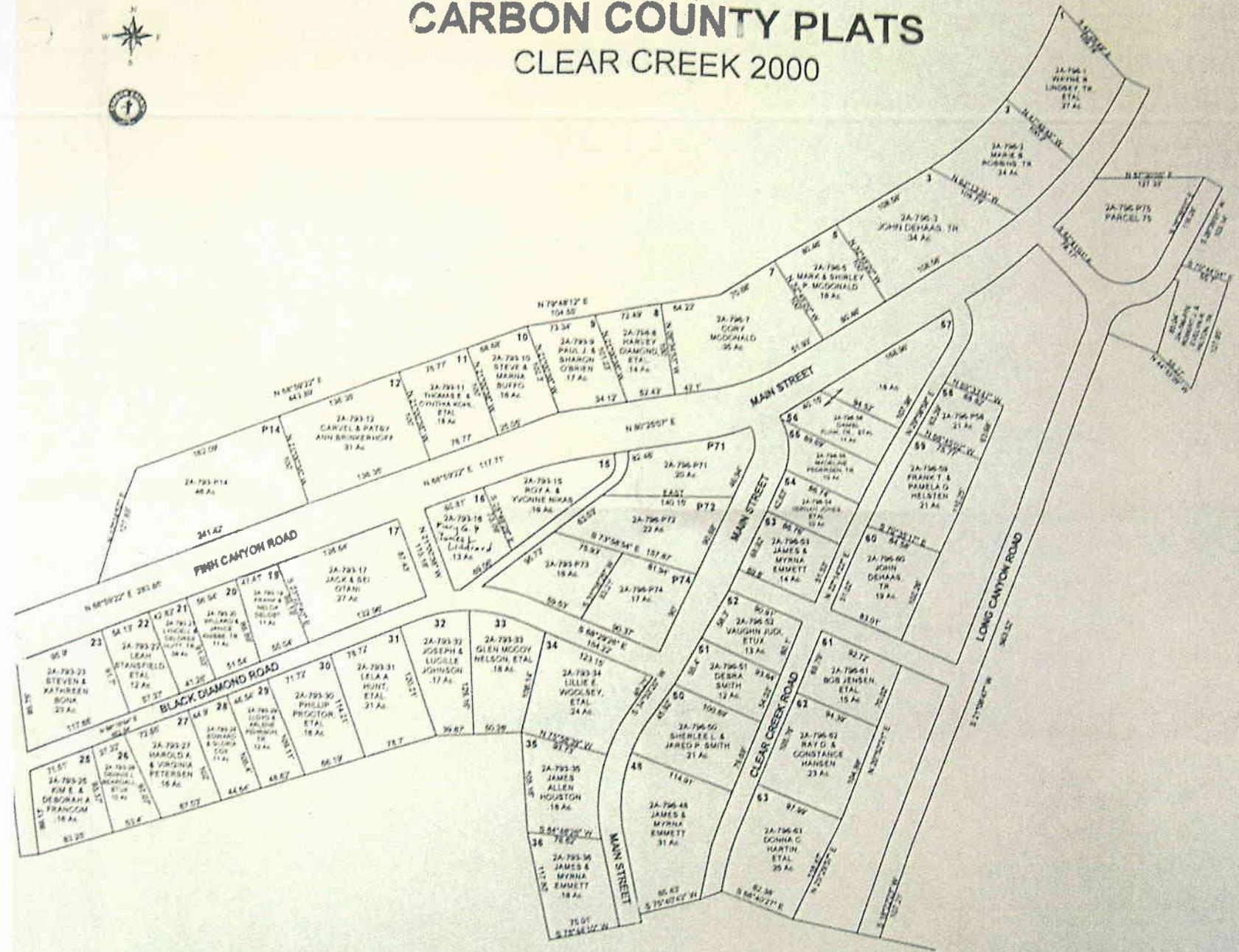
1 Wayne Rodney Lindsey
 2 Marie Burton Robbins
 3 John G. Dehass
 4 Mark & Shirley McDonald
 5 Cory McDonald
 6 Harvey D. Dimond
 7 Paul J & Shannon O'Brien
 8 Steve & Marna Buffo
 9 Thomas E & Cynthia L Kohl
 10 Carvel & Patt Brinkerhoff
 11 Clear Creek Home Owners Association
 12 ?? Parcel #2A-0796-P81
 13 Clear Creek Home Owners Association
 14 Clear Creek Home Owners Association
 15 Clear Creek Home Owners Association
 16 Steven A. & Kathreen Bona
 17 Leah M. Stansfield
 18 Lyndell & Deloris Huitt
 19 Willard & Janice Knibble
 20 Frankh & Nelda H. Delost
 21 Jack & Sei Otani
 22 Mary G. & James L Liddiard
 23 Roy A & Yvonne G. Nikas
 24 ?? No Parcel #
 25 Clear Creek Home Owners Association
 26 Clear Creek Home Owners Association
 27 Clear Creek Home Owners Association
 28 Glenn McCoy Nelson
 29 Joseph Delbert Johnson
 30 Lela A. Hunt
 31 Phillip Proctor
 32 Lloyd & Arlene Pehrson
 33 Edward & Gloria Cox
 34 Harold A. & Virginia Peterson
 35 Dennis L. & LeAnn Beardall
 36 Kim E & Deborah A. Francom
 37 Clear Creek Home Owners Association
 38 Lillie & John Woolsey
 39 James Allen Houston
 40 James & Myrna Emmett
 41 Florence M. Wallace
 42 Karl & Carol Jensen
 43 Michele & Jerry Jarman
 44 Gary & Marianne Hartt
 45 Clear Creek Home Owners Association
 46 Clear Creek Home Owners Association
 47 Clear Creek Home Owners Association
 48 Clear Creek Home Owners Association
 49 Clear Creek Home Owners Association
 50 Clear Creek Home Owners Association
 51 Clear Creek Home Owners Association
 52 Robert J & Evelyn Hilton
 53 Scofield Res. Special Service
 54 ?? - Parcel # 2A-0796-0057
 55 Daniel L. Fink
 56 Madelenine L. Pedersen
 57 Vernon W. Jones
 58 James & Myrna Emmett
 59 Vaughn & Marianne Judi
 60 Michael & Mary Small
 61 Sherlee & Jared Smith
 62 James & Myrna Emmett
 63 Mary Sutton
 64 Clear Creek Home Owners Association
 65 Frank T Jr. & Pamella Helsten
 66 John Dehaas
 67 Bob Jensen
 68 Ray D. & Constance Hansen
 69 Donna C. Hartin

70 Jerry Zumbrunnen
 71 Clear Creek Home Owners Association
 72 Clear Creek Home Owners Association
 73 Clear Creek Home Owners Association
 74 Clear Creek Home Owners Association
 75 Clear Creek Home Owners Association
 76 Clear Creek Home Owners Association
 77 ?? Parcel #2A-0796-0082
 78 Clear Creek Home Owners Association
 79 Clear Creek Home Owners Association
 80 Clear Creek Home Owners Association
 81 Clear Creek Home Owners Association



CARBON COUNTY PLATS

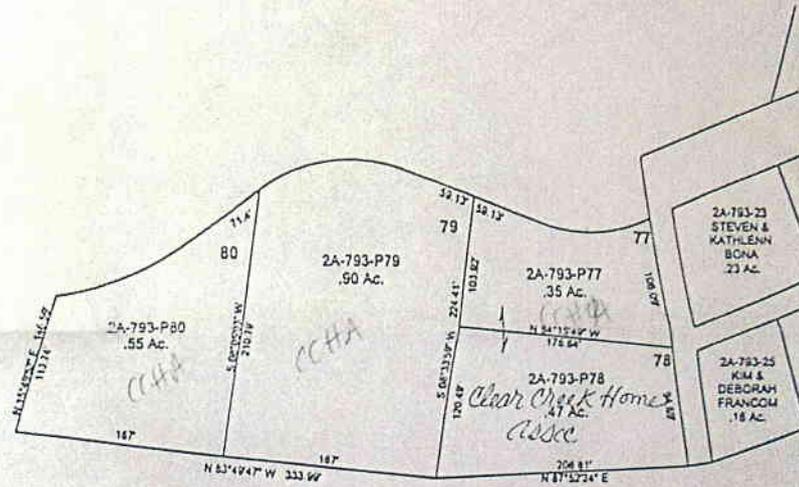
CLEAR CREEK 2000



SCALE: 80 FEET = 1 INCH

CARBON COUNTY PLATS

CLEAR CREEK 2000



SCALE: 80 FEET = 1 INCH

MID-POWER
RESOURCE CORPORATION

UTC-330.1

March 3, 2006

Utah Division of oil Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake city, Utah, 84114-5801

Attention: Chris Kierst

RE: Utah Fuel #3, (NW SE Section 32 13S-7E) Salt Water Disposal Conversion

Mr. Kierst:

In our ongoing effort to permit the Utah Fuel #3 well as a disposal well we have been gathering the required information in order to fulfill the DOGM's requirements for successfully applying for the water disposal permit.

Below is a description of the information that we are providing and or are preparing for the application. The list is ordered by the requirements found in rule RG49-5-2 Requirements for class II injection wells that you outlined to us as being in need of action at the time of our original application.

2.1 We have compiled all surface and mineral ownership and have created two maps showing both surface and mineral ownership in relation to the Utah Fuel #3 well and the 1/2 mile radius.

OK OK
3/14/06

2.3 A cement bond log has been scheduled for 3/4/06 and will be submitted once complete.

Not rec'd yet
OK 3/14/06

2.4 Originally a Gr-Neutron and an Induction Electric log were run and are on file with DOGM. Subsequently, a Cased hole Neutron log was run and submitted to DOGM.

OK OK
3/14/06

2.5 The information regarding the proposed method of testing can be found on the sundry cover page of the application, a copy of which is attached for reference.

Sundry only
mentions SRT
NOT MIT. OK
3/14/06

2.6 The information regarding the type of injectate and connate waters can be found on the sundry cover page of the application, a copy of which is attached for reference.

I don't find such
info OK 3/14/06

RECEIVED
MAR 07 2006



2.7 We will perforate and swab back our intended injection zone once we have established good zonal isolation with our cement job. At that point a full API water analysis will be run and submitted. We expect this to be done very shortly.

2.8 The estimate of average injection pressure can be found on the sundry cover page of the application, a copy of which is attached for reference.

2.9 The specified evidence can be found on the sundry cover page of the application, a copy of which is attached for reference.

2.10 The required geologic documentation has been attached to this email.

2.12 The affidavit has been completed and attached to this email.

All available required information has been included in this application packet for your review.

We appreciate your cooperation in this matter, and we hope this information begin to satisfy the DOGM's requirements for successfully applying for a class II injection well. All other information required will be forwarded to you as soon as possible.

Should you have any questions please contact the undersigned,

Sincerely,

A handwritten signature in blue ink that appears to read "B. J. Evans".

Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

Do not lose yet. OK 3/14/06
Don't find this info included. OK 3/14/06
Don't find this info included. OK 3/14/06
What are the confining intervals? OK 3/14/06

OK OK 3/14/06

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

UIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator Mid-Power Resource Corp.	Utah Account Number N	Well Name and Number Utah Fuels #3
Address of Operator 8290 W.Sahara Ave.#1 ^{CITY} Las Vegas STATE NV ZIP 89117	Phone Number (702) 784-7625	API Number 4300716011
Location of Well Footage : 1942' FSL & 1675' FEL County : Carbon		Field or Unit Name Clear Creek
QQ, Section, Township, Range: NWSE 32 13S 7E State : UTAH		Lease Designation and Number Fee

Is this application for expansion of an existing project? Yes No

Will the proposed well be used for:

Enhanced Recovery?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Disposal?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Storage?	Yes <input type="checkbox"/>	No <input type="checkbox"/>

Is this application for a new well to be drilled? Yes No

If this application is for an existing well, has a casing test been performed? Yes No
Date of test: 11/2/2005

Proposed injection interval: from 1,950 to 2,000

Proposed maximum injection: rate 1,200 bpd pressure 2,400 psig

Proposed injection zone contains oil , gas , and / or fresh water within 1/2 mile of the well.

List of attachments: Compensated Neutron Log, Offset ownership schedule, Proposed completion procedure

**ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT
UTAH OIL AND GAS CONSERVATION GENERAL RULES**

I hereby certify that this report is true and complete to the best of my knowledge.

KERI CLARKE
VICE PRESIDENT - LAND

Name (Please Print) _____ Title _____
Signature  Date 12/19/05

RECEIVED
MAR 07 2006
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Clear Creek Unit

8. WELL NAME and NUMBER:

Utah Fuels #3

9. API NUMBER:

4300716011

10. FIELD AND POOL, OR WILDCAT:

Clear Creek

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER Disposal

2. NAME OF OPERATOR:

Mid-Power Resource Corp.

3. ADDRESS OF OPERATOR:

8290 W. Sahara Ave. #186 CITY Las Vegas

STATE NV ZIP 89117

PHONE NUMBER:

(702) 784-7625

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1942' FSL & 1675' FEL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 13S 7E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

Mid-Power Resources respectfully requests permission to convert the Utah Fuels #3 to a water disposal well in the Emery formation from 1950' to 2000'. We propose to do the following in preparation for disposal:

- MIRU workover unit and perforate 2, 0.43" squeeze holes at +/-2070'.
- RU cementers and pump water into squeeze holes checking casing head valve for circulation
- If circulation established, set cement retainer at +/- 2050'
- Pump 300 sx Class "G" cement with 2% CaCl, 1/2# per sk Flocele to cover zone of interest
- Drill out cement to retainer
- Perforate from 1950'-2000' w/4 spf and 0.43"
- Breakdown perms w/15% HCL and swab back until pH test shows no acid. Take formation water sample
- If disposal water and formation water are compatible, RU pumping services and perform step rate test
- Wait on approval to dispose

KERI CLARKE

VICE PRESIDENT - LAND

NAME (PLEASE PRINT)

TITLE

SIGNATURE

DATE

12/19/05

(This space for State use only)

RECEIVED

MAR 07 2006

DIV. OF OIL, GAS & MINING

MID-POWER

RESOURCE CORPORATION

December 12, 2005

C&B Energy
 1431 North 1200 West
 Orem, UT 84057

RE: Utah Fuel #3, (NW SE Section 32 13S-7E) Salt Water Disposal Conversion

To Whom It May Concern:

On behalf of Mid-Power Resource Corporation, Marion Energy Inc. proposes to convert the above reference well into a salt water disposal well. This letter serves to provide you, as a mineral owner, located within a half mile radius of the Utah Fuel #3 (Per the attached diagram), with the relevant information as required by the Department of Oil, Gas and Mining, as set forth in rule R649-5 pertaining to the requirements for injecting fluids into reservoirs and the permitting of Class II injection wells.

Sincerely,



Benjamin Evans
 Landman
 Marion Energy Inc.
 (Agent for Mid-Power Resource Corp.)

Telephone: (972) 540-2967 ext.3004

Email: bevans@marionenergy.com

7005 1820 0001 7631 4502
 7005 1820 0001 7631 4502

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Restricted Delivery Fee (Endorsement Required)		Clerk: KSPW60
Total Postage & Fees	\$ 4.42	12/15/05
Sent To C & B ENERGY		
Street, Apt. No., or PO Box No. 1431 North 1200 West		
City, State, ZIP+4 OREM, UT 84057		
PS Form 3800, June 2002 See Reverse for Instructions		

Mineral Owners within a one-half mile radius of Utah Fuel # 3 well.

J.L. White Investments, a Delaware Corp.
Registered Agent: (Corporation; Not in Good Standing)
The Prentice-Hall Corporation System, Inc.
2711 Centerville Road, Suite 400
Wilmington, DE 19808
Also 1985 Registered Agent, Utah:
Marcus Mierle
2433 Adams Ave.
Ogden, UT 84404

Independent Coal and Coke Company, dissolved 1968
Salt Lake City, UT

Addresses Below should be current:

C&B Energy
1431 North 1200 West
Orem, UT 84057

Clear Creek CBM LLC
2064 Prospector Ave. Suite 102
Park City UT 84060

Summit Energy
2064 Prospector Ave. Suite 102
Park City UT 84060

Merrion O&G
610 Reilly Avenue
Farmington, NM 87401

IPERC Royalty Fund
4834 S Highland Dr #200
SLC, UT 84117

Emerald Oil & Mining CO.
PO Box 920078
Snowbird, UT 84092

Markea Corp
4542 E. Tropicana #6050
Las Vegas, NV 89121

Benjamin Evans
December 9, 2005

Title Exam Utah Fuel #3
Page 4

Continued Exhibit "A"

Mickey D. Gillespie
4775 Boxelder St.
Murray, UT 84107

Vaughn R. Hughes
8553 S 100 East
Sandy, UT 84070

Bonnie & Larry Farnsworth
11642 S 3800 W
South Jordan, UT 84095

Melissa & Larry Hansen
2539 W 13220 S
Riverton, UT 84065

Misty D. Rogers
Larry L. & Charlette A. Rogers
3144 S 1100 W
Salt Lake City, UT 84119

MID-POWER

RESOURCE CORPORATION

December 8, 2005

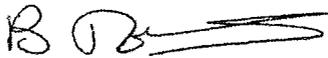
Jones, Vernon W.
Bliss, Karen K.
PO Box 422
Price, UT 84501

RE: Utah Fuel #3, (NW SE Section 32 13S-7E) Salt Water Disposal Conversion

Dear Mr. Jones and Ms. Bliss

On behalf of Mid-Power Resource Corporation, Marion Energy Inc. proposes to convert the above reference well into a salt water disposal well. This letter serves to provide you, as a surface owner, located within a half mile radius of the Utah Fuel #3 (Per the attached diagram), with the relevant information as required by the Department of Oil, Gas and Mining, as set forth in rule R649-5 pertaining to the requirements for injecting fluids into reservoirs and the permitting of Class II injection wells.

Sincerely,



Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

Telephone: (972) 540-2967 ext.3004

Email: bevans@marionenergy.com

7005 1620 0001 7625 5270

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For delivery information visit our website at www.usps.com		
PRICE: UT 84501		
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Certified Fee	2.30	Postmark Here
Return Receipt Fee (Endorsement Required)	1.75	Clerk: KSPW60
Restricted Delivery Fee (Endorsement Required)		12/15/05
Total Postage & Fees	\$ 4.42	
Sent To Vernon Jones, Karen Bliss		
Street, Apt. No., or PO Box No. PO Box 422		
City, State, ZIP+4 Price, UT 84501		
PS Form 3800, June 2002		See Reverse for Instructions

ATTACHMENT I
Mid Power Resources Corporation
Proposed Salt Water Injection Well

Surface Owners within the
½ mile radius of the proposed well
with last address shown
By the reviewed records

Anderson, Molly S.
685 Canyon Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Beardall, Dennis L. and Leann
12665 North 700 West
Mapleton, UT 84664

CERTIFIED MAIL
POSTMARKED:

Bliss, Karen K.
PO Box 422
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

Bona, Steven A. and Kathreen
675 East 200 North
Payson, UT 84651

CERTIFIED MAIL
POSTMARKED:

Brinkerhoff, Carvel and Patsy Ann
562 West 50 South
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Bryant, Gary R.
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Buffo, Steve and Marna
1812 North 1350 West
Provo, UT 84604

CERTIFIED MAIL
POSTMARKED:

Clear Creek Home Association
HC 35 Box 440 Scofield Route
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Cox, Edward J. and Gloria
45 North 300 West
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Cunningham Estates LLC
c/o David G. Cunningham
995 Hillside Dr
Provo, UT 84604-6323

CERTIFIED MAIL
POSTMARKED:

Dehaas, John Trust
PO Box 283
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Dehaas, John G. Trust
PO Box 283
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Delost, Frank H. and Nelda H.
285 East 1250 North
Bountiful, UT 84010

CERTIFIED MAIL
POSTMARKED:

Dimond, Harvey D.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Dimond, Marion P.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Emmett, James and Myrna
HC 35 Box 440
Scofield Route
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Emmett, Myrna
HC 35 Box 440
Scofield Route
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Flink, Daniel L. Trust
6761 Vista Grande
Salt Lake City, UT 84121

CERTIFIED MAIL
POSTMARKED:

Flink, Debra K. Trust
6761 Vista Grande
Salt Lake City, UT 84121

CERTIFIED MAIL
POSTMARKED:

Francom, Kim E. and Deborah A.
490 East 900 South
Mapleton, UT 84664

CERTIFIED MAIL
POSTMARKED:

Hansen, Ray D. and Constance
2722 19th Street Rd
Greeley, CO 80634

CERTIFIED MAIL
POSTMARKED:

Hardy, Keith
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Hardy, Janice
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Hartin, Donna C.
1010 Fuchsia Str.
Oxnard, CA 93030

CERTIFIED MAIL
POSTMARKED:

Hartt, Gary and Marianne
3051 West 6685 South
West Jordan, UT 84084

CERTIFIED MAIL
POSTMARKED:

Helsten, Frank T., Jr. and Pamela G.
1339 East 3955 South
Salt Lake City, UT 84124

CERTIFIED MAIL
POSTMARKED:

Hilton, Robert J. and Evelyn Trust
PO Box 557
Pleasant Grove, UT 84062

CERTIFIED MAIL
POSTMARKED:

Houston, James Allen
3231 South 1510 West
West Valley City, UT 84119

CERTIFIED MAIL
POSTMARKED:

Huitt, Lyndell D. and Deloris J. Trust
700 Monte Blanco
Taylorsville, UT 84123

CERTIFIED MAIL
POSTMARKED:

Hunt, Lela A.,
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Hunt, Rachelle
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Hunt, Stephen I.
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Jacob, Calvin K. Family Partnership
914 East 300 North
Orem, UT 84097-5098

CERTIFIED MAIL
POSTMARKED:

Jarman, Michele E. and Jerry
5075 West 4700 South, Lot 26
Kearns, UT 84118

CERTIFIED MAIL
POSTMARKED:

Jensen, Bob
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Jensen, Reva
PO Box 157
Plymouth, UT 84330

CERTIFIED MAIL
POSTMARKED:

Jensen, Karl B. and Carol
1022 East 200 North
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Johnson, Joseph Delbert Trust
99 A Street
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Johnson, Lucille Barker Trust
99 A Street
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Jones, Vernon W.
PO Box 422
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

Judi, Vaughn O. and Marianne
PO Box 132
Castle Dale, UT 84513

CERTIFIED MAIL
POSTMARKED:

Knibbe, Willard E. and Janice E. Trust
2173 Mabey Dr.
Slat Lake City, UT 84109

CERTIFIED MAIL
POSTMARKED:

Kohl, Thomas E. and Cynthia L. B. Trust
c/o Cynthia L. B. Kohl
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Kohl, Gary M. and Sandra J B
c/o Cynthia L. B. Kohl
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Liddiard, Mary G. and James L.
12010 S Mill Ridge Circle
Sandy, UT 84094

CERTIFIED MAIL
POSTMARKED:

Lindsey, Wayne Rodney Family Prot Trust
Lindsey, Marjorie A O Family Prot Trust
PO Box 502
Payson, UT 84651

CERTIFIED MAIL
POSTMARKED:

McDonald, Cory
PO Box 1250
Sandy, UT 84091-1250

CERTIFIED MAIL
POSTMARKED:

McDonald, Mark and Shirley A.
PO Box 532
Sunnyside, UT 84539

CERTIFIED MAIL
POSTMARKED:

Nelson, Glenn McCoy
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Nelson, David Clair
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Nelson, Brent
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Nichol, Gordon R. & Wendy J.
738 West 100 North
Provo, UT 84601-2603

CERTIFIED MAIL
POSTMARKED:

Nikas, Roy A. and Yvonne G.
PO Box 871
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

O'Brien, Paul J. and Sharon W.
997 East 1420 South
Spanish Fork, UT 84660

CERTIFIED MAIL
POSTMARKED:

Oman, Milton A.,LTD
c/o Darin Caine
1504 E Zenith Ave
Salt Lake City, UT 84106-3486

CERTIFIED MAIL
POSTMARKED:

Otani, Jack and Sei
HC 35 PO Box 400 Scofield Route
Helper, UT 84526

CERTIFIED MAIL

Pack, Russell T.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Pack, Marion H.
274 E Ninetta Circle
Orem, UT 84057

CERTIFIED MAIL
POSTMARKED:

Palmer, Camille S.
685 Canyon Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Pedersen, Madeleine L. Trust
HC 35 Box 430
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Pehrson, Lloyd and Arlene Trust
830 West 2000 North
Mapleton, UT 84664

CERTIFIED MAIL
POSTMARKED:

Peterson, Harold A. and Virginia F.
2568 South 1800 East
Salt Lake City, UT 84106

CERTIFIED MAIL
POSTMARKED:

Proctor, Phillip C.
923 South 1100 East
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Proctor, Anita J.
923 South 1100 East
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Proctor, James T.
923 South 1100 East
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Robbins, Marie Burton Trust
945 MacFarland Dr.
Salt Lake City, UT 84116

CERTIFIED MAIL
POSTMARKED:

Robinson, Tawna
71 Brookside Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Small, Michael L. Mary L.
10 Palomar Dr
Chula Vista, CA 91911

CERTIFIED MAIL
POSTMARKED:

Smith, Debra J.
1179 East 900 South
Spanish Fork, UT 84660

CERTIFIED MAIL
POSTMARKED:

Smith, Gary D.
PO Box 557
Pleasant Grove, UT 84062

CERTIFIED MAIL
POSTMARKED:

Smith, JoAnn H. Trust
PO Box 557
Pleasant Grove, UT 84062

CERTIFIED MAIL
POSTMARKED:

Smith, Sherlee L. and Jared D.
375 North 1300 West
Price, UT 84501

CERTIFIED MAIL
POSTMARKED:

Stansfield, Leah M.,
685 Canyon Dr.
Springville, UT 84663

CERTIFIED MAIL
POSTMARKED:

Steele, Dolores Nelson
PO Box 212
Huntington, UT 84528-0212

CERTIFIED MAIL
POSTMARKED:

Sutton, Mary Trust
880 North 100 East
American Fork, UT 84003

CERTIFIED MAIL
POSTMARKED:

Titsworth, Lawrence
1010 Fuchsia Str.
Oxnard, CA 93030

CERTIFIED MAIL
POSTMARKED:

Titsworth, Diane H.
1010 Fuchsia Str.
Oxnard, CA 93030

CERTIFIED MAIL
POSTMARKED:

Utah Power & Light Co.
PO Box 899
Salt Lake City, UT 84110-0899

CERTIFIED MAIL
POSTMARKED:

Wallace, Florence M.
HC 35 Box 440
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Woolsey, Lillie E. and John R.
HC 35 Box 410
Helper, UT 84526

CERTIFIED MAIL
POSTMARKED:

Zumbrunnen, Jerry
667 7th Avenue
Salt Lake City, UT 84103

CERTIFIED MAIL
POSTMARKED:



AFFIDAVIT OF MAILING

I, Benjamin J. Evans, Landman, Marion Energy, Inc. being first duly sworn, depose and state as follows:

On December 15th, 2005, I caused to be mailed by certified, postage prepaid, return receipt requested, letters informing all operators, surface and mineral owners within a half mile radius of our Utah Fuel #3 well of Mid-Power Resource Corporation's intent to convert the aforementioned well into a salt water disposal well. A map depicting the area in question was also attached to each letter as required by the Department of Oil, Gas and Mining, as set forth in rule R649-5 pertaining to the requirements for injecting fluids into reservoirs and the permitting of Class II injection wells.

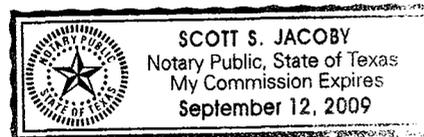
Dated the 3rd day of February, 2006

A handwritten signature in black ink that reads "B J Evans".

Benjamin J. Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

The forgoing affidavit was subscribed and sworn to me by Benjamin J. Evans
This 3 day of February, 2006.

A handwritten signature in black ink that reads "Scott S. Jacoby".



A handwritten signature in black ink that reads "Scott S. Jacoby".

, Notary Public.

My Commission expires: 12 day of September, 2009.

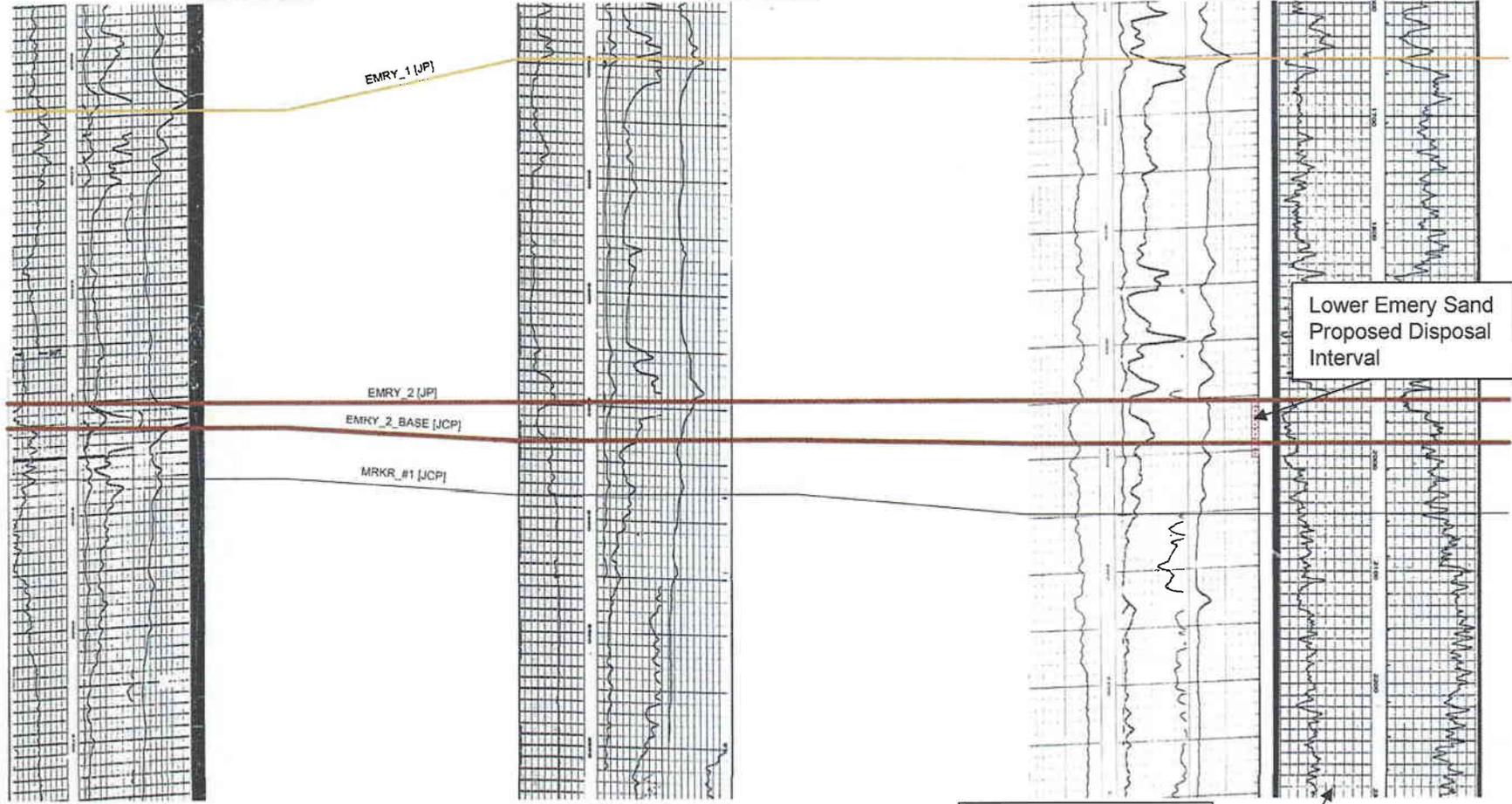
A

A'

UTAH FUEL
5
T13S R7E S31

UTAH FUEL
2
T13S R7E S32

UTAH STATE
3
T13S R7E S32



Lower Emery Sand
Proposed Disposal
Interval

08-01-53, Original
Open-Hole Electric Log

06-20-52, Original
Open-Hole Electric Log

07-12-52, Original
Open-Hole Electric Log

08-06-52, Case-Hole
Radioactivity Log

MID POWER RESOURCES CORP.
CLEAR CREEK FEDERAL UNIT
EMERY SAND CROSS SECTION
CARBON & EMERY COUNTY, UTAH

Dip Cross – Section

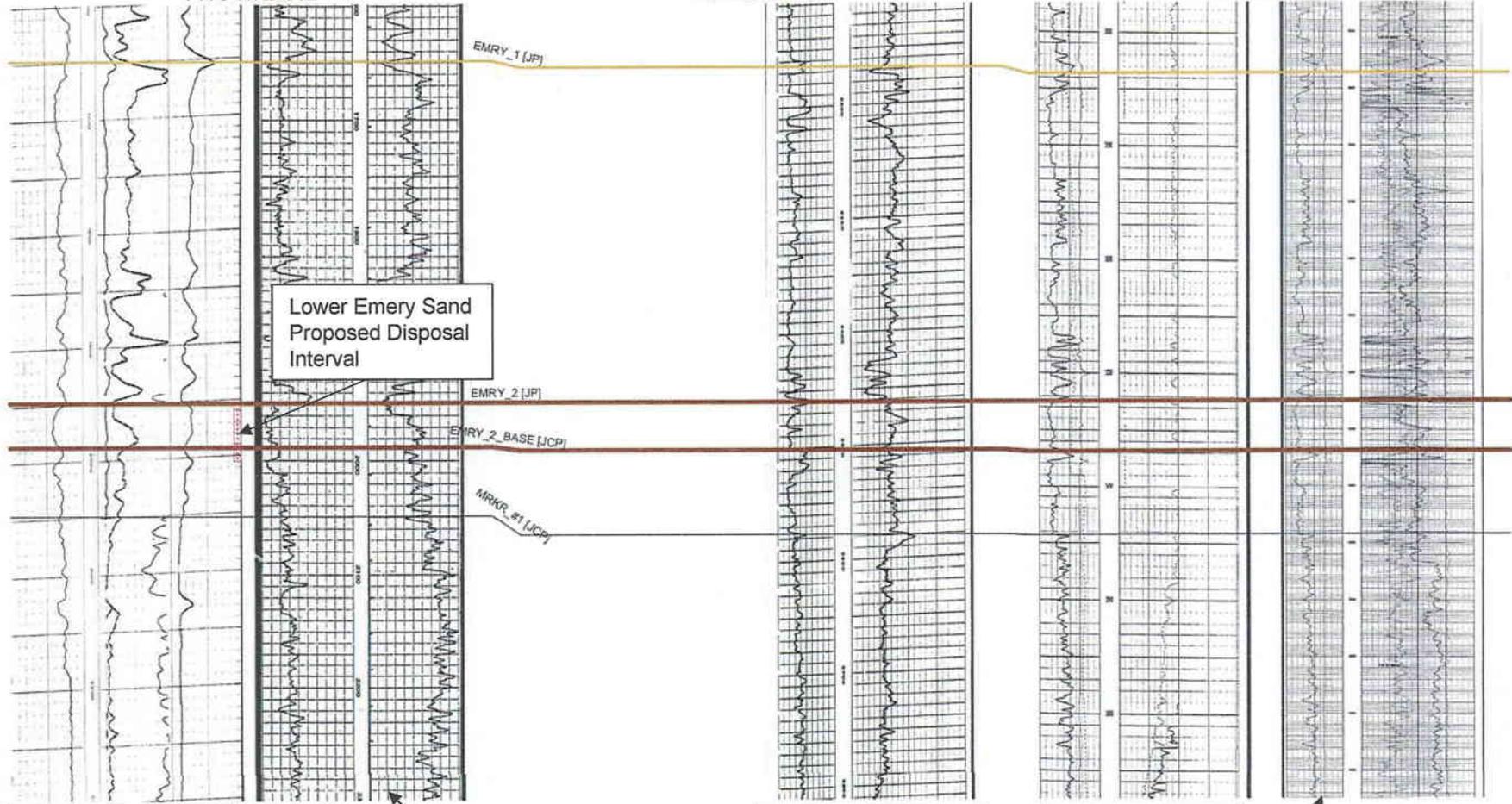
B

UTAH STATE
3
T13S R7E S32

CLEAR CREEK
1
T14S R7E S17

RIDGE RUNNER
13-17
T14S R7E S17

B'



07-12-52, Original Open-Hole Electric Log

08-06-52, Case-Hole Radioactivity Log

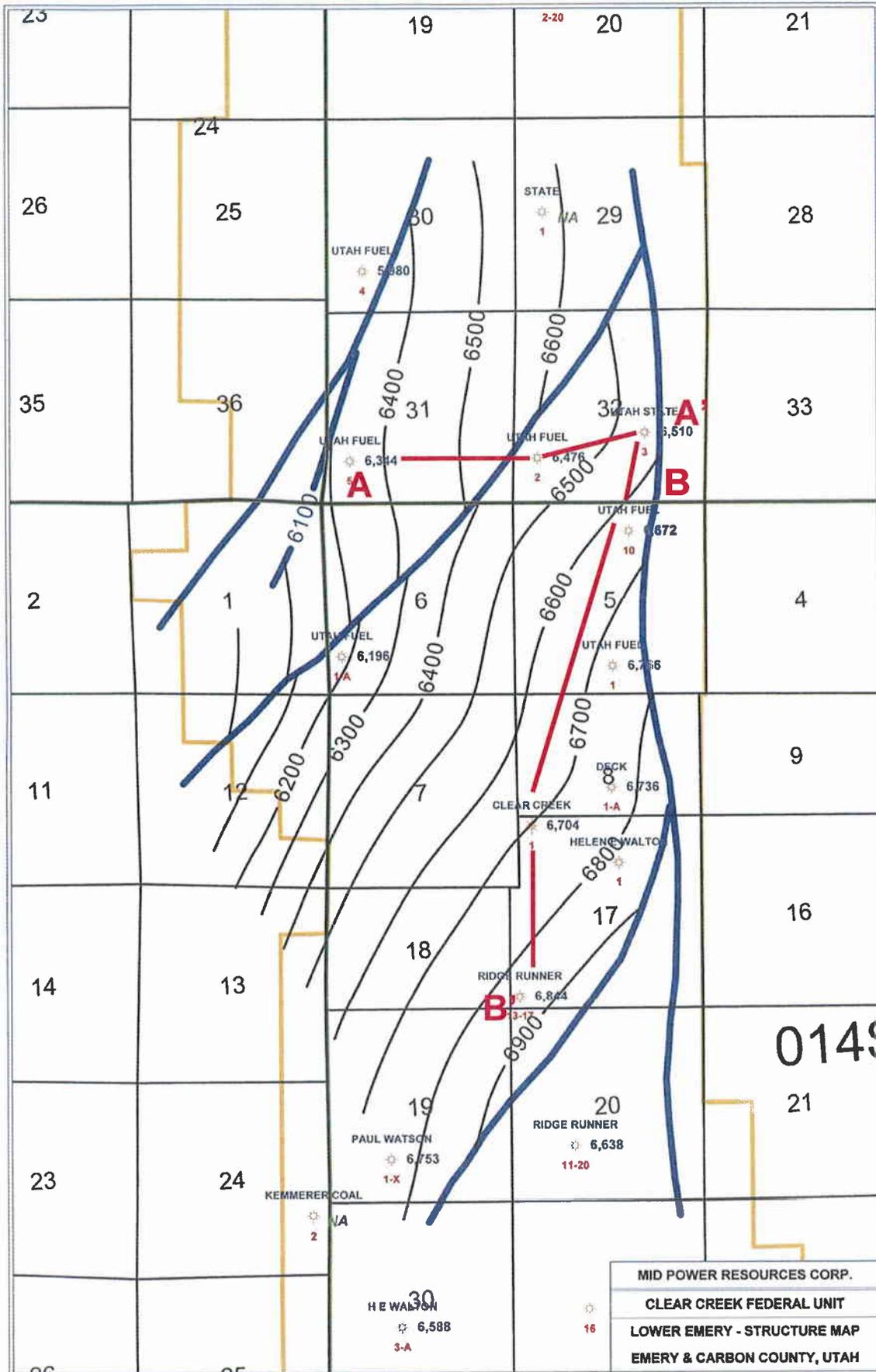
10-21-51, Original Open-Hole Electric Log

09-19-01, Original Open-Hole Induction Log

09-19-01, Original Open-Hole Density/Neutron, Gamma Ray Log

MID POWER RESOURCES CORP.
CLEAR CREEK FEDERAL UNIT
EMERY SAND CROSS SECTION
CARBON & EMERY COUNTY, UTAH

Strike Cross – Section



Vaughn O. and Marianne Judi
P.O. Box 132
Castle Dale, Utah 84513

RECEIVED
APR 13 2006

Dear Mr. Hunt

DIV. OF OIL, GAS & MINING

We are writing to express our concerns over the application by Marion Energy to develop an injection well near the town of Clear Creek, in Carbon County. We believe the referenced application is No. UIC 330.1, Utah Fuel # 3 well.

We are property owners in Clear Creek and we are very concerned that the proposed injection well would endanger our town water supply which comes from springs located in Boarding House Canyon, which is just over the ridge from the proposed injection well. The horizontal distance from the proposed injection well to our spring is a relatively short distance.

If the injection well could theoretically be developed and operated in a manner that is safe and acceptable to our water supply, there is the possibility of errors being made, failures of materials and lack of maintenance that could cause a detrimental affect on our water supply. We are opposed to this application being approved because of these concerns.

We think that if this application is approved they should be required to adhere to strict construction standards to assure the safety of our public water supply. We would also hope that Marion Energy would be required to do frequent monitoring of our water supply to assure that there is no influence from their well on our drinking water or on the natural surface streams in the area..

Your consideration in this is greatly appreciated.

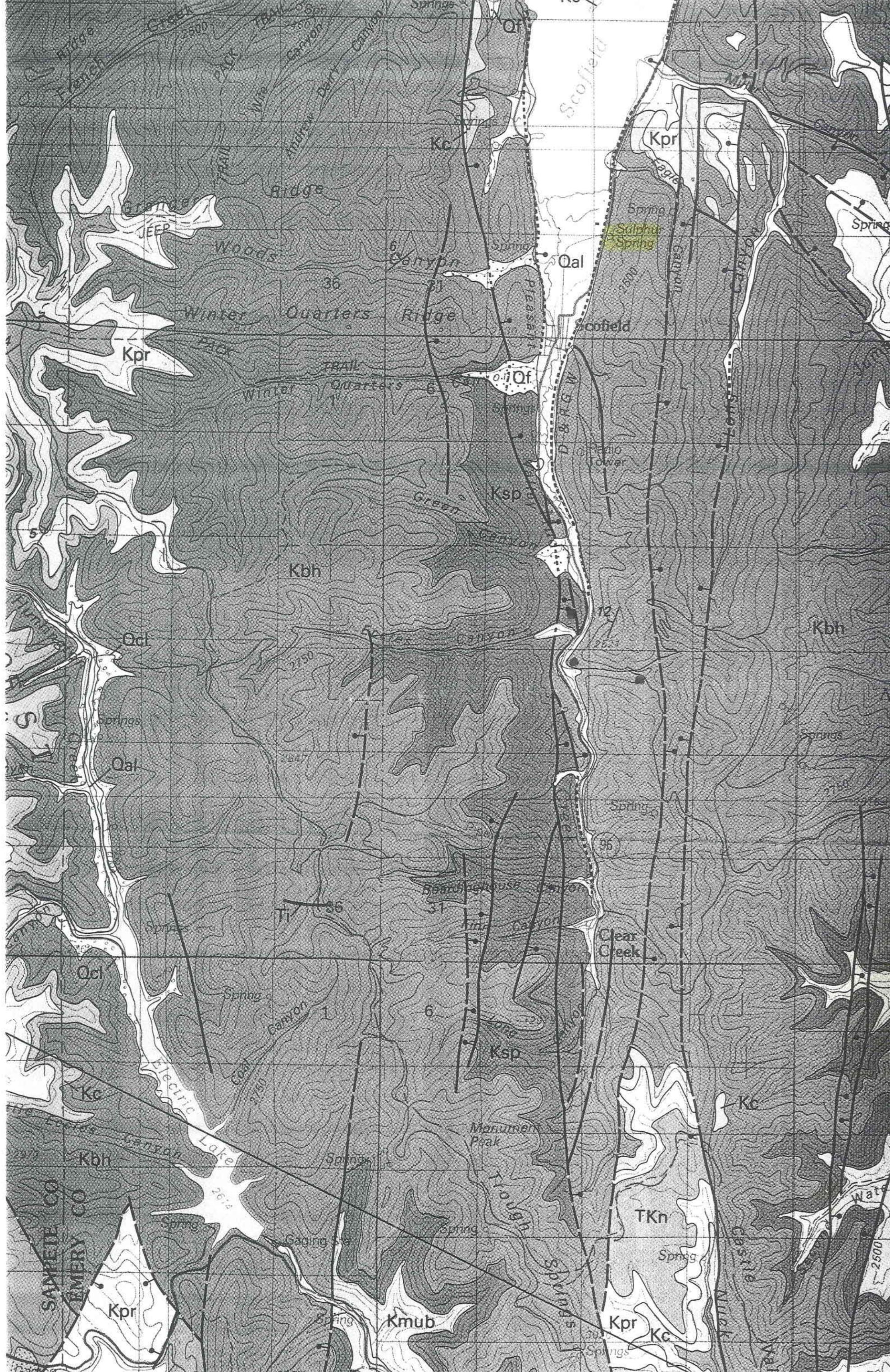


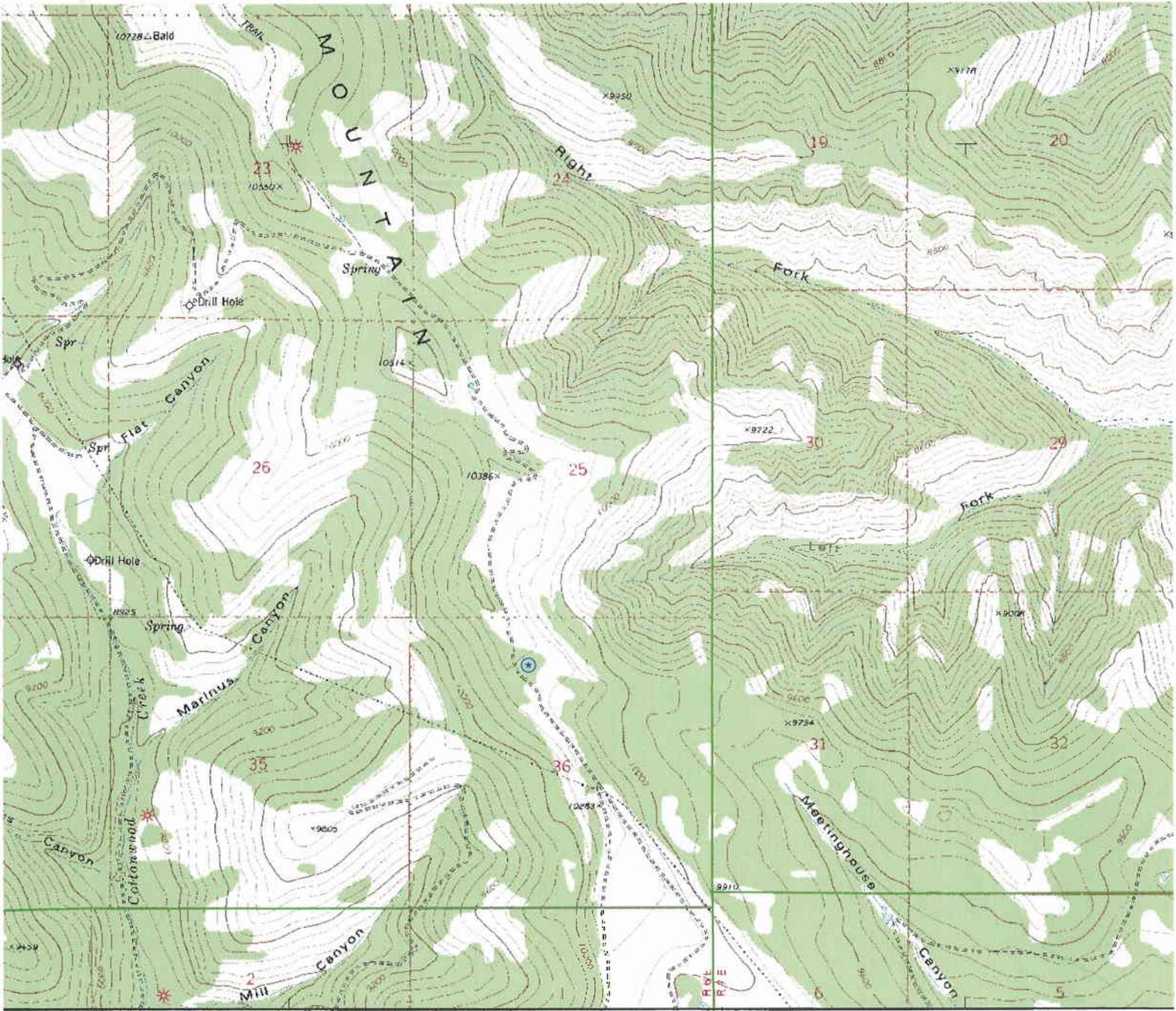
Vaughn & Marianne Judi



MID-POWER RESOURCE, CORP.
CLEAR CREEK UNIT
SURFACE LOCATION / UTAH FUEL 3
DISPOSAL WELL CONVERSION

December 19, 2005





Rilda Canyon (Comfort Mine, Hellco Mine) Deer Creek Mine

S. 28 1/2 E Emery

Luci Malm

Newspaper Agency Corporation

4770 S. 5600 W.

P.O. BOX 704005

The Salt Lake Tribune

DESERET
Morning News

CUSTOMER'S
COPY

WEST VALLEY CITY, UTAH 84170

PROOF OF PUBLICATION

FED. TAX I.D.# 87-0217663

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
DIV OF OIL-GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114	D5385340L-07	04/10/06

RECEIVED

APR 24 2006

ACCOUNT NAME	
DIV OF OIL-GAS & MINING	
TELEPHONE	INVOICE NUMBER
801-538-5340	TL820300AF1
SCHEDULE	
START 04/10/06 END 04/10/06	
CUST. REF. NO.	
CAPTION	
BEFORE THE DIVISION OF OIL, GA	
SIZE	
56 LINES 2.00 COLUMN	
TIMES	RATE
1	1.25
MISC. CHARGES	AD CHARGES
.00	145.00
TOTAL COST	
145.00	

DIV. OF OIL, GAS & MINING

BEFORE THE DIVISION OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH
NOTICE OF AGENCY ACTION
CAUSE NO. UIC 330.1

IN THE MATTER OF THE APPLICATION OF MID-POWER RESOURCE CORPORATION FOR ADMINISTRATIVE APPROVAL OF THE UTAH FUELS #3 WELL LOCATED IN SECTION 32, TOWNSHIP 13 SOUTH, RANGE 7 EAST, CARBON COUNTY, UTAH, AS A CLASS II INJECTION WELL

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Mid-Power Resource Corporation for administrative approval of the Utah Fuels #3 well, located in NW SE Section 32, Township 13 South, Range 7 East, Carbon County, Utah, for conversion to a Class II injection well. The adjudicative proceeding will be conducted informally according to Utah Admin. Rule R649-10, Administrative Procedures.

Selective zones in the Emery Sandstone Member of the Mancos Shale Formation have been proposed for water injection. The maximum requested injection pressure and rate will be determined based on fracture gradient information submitted by Mid-Power Resource Corporation.

Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is Gil Hunt, Associate Director at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5340. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or interveners should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 23rd day of March, 2006.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING

Gil Hunt
Associate Director
820300AF

AFFIDAVIT OF PUBLICATION

AS NEWSPAPER AGENCY CORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED ADVERTISEMENT OF BEFORE THE DIVISION OF OIL, GA FOR DIV OF OIL-GAS & MINING WAS PUBLISHED BY THE NEWSPAPER AGENCY CORPORATION, AGENT FOR THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS PRINTED IN THE ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE CITY, SALT LAKE COUNTY IN THE STATE OF UTAH.

PUBLISHED ON 04/10/06 START 04/10/06 END 04/10/06

SIGNATURE

Shirley Earl

DATE 04/10/06



Notary Public
SHERYL Z. EARL
143 South Main Street
Salt Lake City, Utah 84111
My Commission Expires
May 24, 2006
State of Utah

**THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.**

COPY

NEWSPAPER AGENCY CORPORATION

4770 S. 5600 W.
P.O. BOX 704005

The Salt Lake Tribune

DESERET
Morning News

CUSTOMER'S
COPY

WEST VALLEY CITY, UTAH 84170
FED. TAX I.D.# 87-0217663

PROOF OF PUBLICATION

DIV OF OIL-GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114		D5385340L-07	04/10/06
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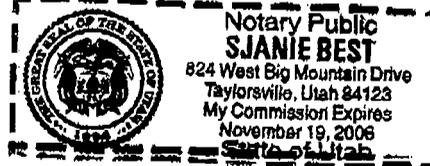
DIV OF OIL-GAS & MINING 801-538-5340 START 04/10/06 END 04/10/06 BEFORE THE DIVISION OF OIL, GA 56 LINES 2.00 COLUMN 1 1.25 .00 145.00 145.00		BEFORE THE DIVISION OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES STATE OF UTAH NOTICE OF AGENCY ACTION CAUSE NO. UIC 330.1 IN THE MATTER OF THE APPLICATION OF MID-POWER RESOURCE CORPORATION FOR ADMINISTRATIVE APPROVAL OF THE UTAH FUELS #3 WELL LOCATED IN SECTION 32, TOWNSHIP 13 SOUTH, RANGE 7 EAST, CARBON COUNTY, UTAH, AS A CLASS II INJECTION WELL THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER. Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Mid-Power Resource Corporation for administrative approval of the Utah Fuels #3 well, located in NW SE Section 32, Township 13 South, Range 7 East, Carbon County, Utah, for conversion to a Class II injection well. The adjudicative proceeding will be conducted informally according to Utah Admin.Rule R649-10, Administrative Procedures. Selective zones in the Emery Sandstone Member of the Mancos Shale Formation have been proposed for water injection. The maximum requested injection pressure and rate will be determined based on fracture gradient information submitted by Mid-Power Resource Corporation. Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is Gil Hunt, Associate Director at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5340. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or interveners should be prepared to demonstrate at the hearing how this matter affects their interests. Dated this 23rd day of March, 2006. STATE OF UTAH DIVISION OF OIL, GAS & MINING Gil Hunt Associate Director 820300AF
--	--	--

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PUBLISHED ON START 04/10/06 END 04/10/06

SIGNATURE Jane Best
DATE 04/10/06



THIS IS NOT A STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

RECEIVED
MAY 23 2006

DIV. OF OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-063018X

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
CLEAR CREEK UNIT

8. WELL NAME and NUMBER:

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:
CLEAR CREEK FEDERAL UNIT

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Mid-Power Resource Corporation

3. ADDRESS OF OPERATOR: #
8290 W. SAHARA AVE, 186 CITY **LAS VEGAS** STATE **NV** ZIP **89117** PHONE NUMBER: **(702) 838-0714**

4. LOCATION OF WELL:
FOOTAGES AT SURFACE: **NA** COUNTY: **CARBON AND EMERY**
QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NA** STATE: **UTAH**

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Mid-Power Resource Corporation, the designated operator of the unit, resigns as unit operator, effective upon the approval of the successor unit operator, MARION ENERGY Inc. Mid-Power Resource Acknowledges AND Approves this change.

Please refer to ALL Documents submitted by Marion Energy as successor unit operator AND on behalf of Mid-Power Resource regarding this change.

NAME (PLEASE PRINT) SUSAN TRIMBOLI TITLE Company Representative
SIGNATURE Susan Trimboli DATE May 9, 2006

(This space for State use only)

APPROVED 5718106
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

RECEIVED
MAY 12 2006
DIV. OF OIL, GAS & MINING



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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



IN REPLY REFER TO
3180
UT-922

May 9, 2006

Marion Energy Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069

Re: Clear Creek Unit
Carbon & Emery Counties, Utah

Gentlemen:

On May 8, 2006, we received an indenture dated April 28, 2006, whereby Mid-Power Resource Corporation resigned as Unit Operator and Marion Energy Inc. was designated as Successor Unit Operator for the Clear Creek Unit, Carbon & Emery Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective May 9, 2006. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Clear Creek Unit Agreement.

Your Utah statewide oil and gas bond No. UTB000179 will be used to cover all federal operations within the Clear Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ James A. Fouts

for Douglas F. Cook
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Clear Creek Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files

RECEIVED

MAY 11 2006

UT922:TAThompson:tt:5/9/06

DIV. OF OIL, GAS & MINING



July 5, 2006

Chris Kierst
Division of Oil, Gas, and Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

Dear Chris,

With regards to the Utah Fuels # 3 proposed conversion to salt water disposal, we have finally been able to get a rig to obtain water samples.

Enclosed please find a sample from the Utah Fuels # 3, taken from the proposed injection zone and a sample from the Utah Fuels # 2 Ferron water.

We will be sending the pressure chart from the Utah Fuels # 3 **mechanical integrity test** as soon as we receive the data from our field people.

Sincerely,

A handwritten signature in black ink, appearing to read "Doug Endsley", is written over a faint, larger version of the same signature.

Doug Endsley
VP Operations
Marion Energy, Inc.

Enclosures

RECEIVED
JUL 07 2006
DIV. OF OIL, GAS & MINING



November 9, 2005

ENVIRONMENTAL INDUSTRIAL SER.
31 North Main Street
HELPER, UTAH 84526
MEL COONROD

Sample identification by
Marion Energy

ID:UT. Fuel #2

Kind of sample Water
reported to us

RECEIVED 1130
SAMPLED NO TIME GIVEN
FIELD MEASUREMENTS

Sample taken at

FLOW UK TEMP 87
COND 7240 pH 7.23

Sample taken by Mel Coonrod

MERCURY TOTAL ANALYZED AT CHEM TECH
FORD

Date sampled September 28, 2005

DIS.METALS
FILTERED @ LAB

Date received September 28, 2005

Page 1 of 1

Analysis report no. 59-28053

Parameter	Result	MRL	Units	Method	Analyzed		
					Date/Time/Analyst		
Alkalinity, Carbonate	<5	5	mg/l as CaCO ₃	SM 2320 B	10-06-2005	1030	JJ
Alkalinity, Total	2698	5	mg/l as CaCO ₃	SM 2320.1	10-06-2005	1030	JJ
Anions	80.0	----	meq/l	-----	11-09-2005	0900	SJ
Arsenic, Total	<0.010	0.010	mg/l	EPA 200.7	10-11-2005	1518	JJ
Calcium, Total	19.00	0.03	mg/l	EPA 200.7	10-11-2005	1518	JJ
Cations	78.3	----	meq/l	-----	11-09-2005	0900	SJ
Chloride	923	1	mg/l	EPA 300.0	10-18-2005	1916	JJ
Conductivity	7780	----	umhos/cm	SM2510-B	10-06-2005	0730	JJ
Hardness, Total	72	----	mg/l as CaCO ₃	SM2340-B	11-09-2005	0900	SJ
Iron, Total	4.69	0.050	mg/l	EPA 200.7	10-11-2005	1518	JJ
Lead, Total	<0.01	0.010	mg/l	EPA 200.7	10-11-2005	1518	JJ
Magnesium, Total	5.85	0.01	mg/l	EPA 200.7	10-11-2005	1518	JJ
Manganese, Total	0.009	0.002	mg/l	EPA 200.7	10-11-2005	1518	JJ
Mercury, Total	<0.0002	0.2	ug/l	EPA 245.1	10-27-2005	1635	AL
Oil & Grease	<2	2	mg/l	EPA 413.1	10-13-2005	1000	BM
pH	7.56	----	pH units	EPA 150.1	09-28-2005	1145	BM
Potassium, Total	12.20	0.14	mg/l	EPA 200.7	10-11-2005	1518	JJ
Selenium, Total	<0.02	0.020	mg/l	EPA 200.7	10-11-2005	1518	JJ
Sodium, Total	1760.00	0.09	mg/l	EPA 200.7	11-05-2005	1638	DI
Solids, Total Dissolved	4540	30	mg/l	EPA 160.1	10-03-2005	0830	BM
Solids, Total Suspended	<5	5	mg/l	EPA 160.2	10-03-2005	0830	BM
Sulfate	<1	1	mg/l	EPA 300.0	09-28-2005	1916	JJ
Cation/Anion Balance	-1.1	----	%		11-09-2005	0900	SJ

Respectfully submitted,
SGS NORTH AMERICA INC.

Huntington Laboratory

SGS North America Inc. Minerals Services Division
P.O. Box 1020, Huntington, UT 84528 t(435) 653-2311 f(435) 653-2436 www.us.sgs.com/minerals



June 21, 2006

MARION ENERGY INC.
2901 E. 20TH STREET SUITE 106
Farmington New Mexico 87402
DOUG ENDSLEY

Sample identification by
Marion Energy

ID:Utah Fuel #3

Kind of sample Water
reported to us

RECEIVED 1610

SAMPLED 1900

Sample taken at PacifiCorp

HNO3 PRESERVED @ LAB, pH EXPIRED WHEN
RECIEVED, SAMPLE BOTTLES NOT OBTAINED
@ LAB, BALANCE CALCULATED FROM TOTAL
METALS INSTEAD OF DISSOLVED

Sample taken by Morgan Oveson

Date sampled June 8, 2006

Date received June 12, 2006

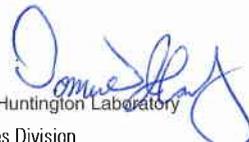
Page 1 of 2

Analysis report no. 59-28802

Parameter	Result	MRL	Units	Method	Analyzed		
					Date/Time/Analyst		
Alkalinity, Bicarbonate	291	5	mg/l as CaCO ₃	SM 2320 B	06-21-2006	1019	BM
Alkalinity, Carbonate	1995	5	mg/l as CaCO ₃	SM 2320 B	06-21-2006	1019	BM
Alkalinity, Total	2286	5	mg/l as CaCO ₃	SM 2320.1	06-21-2006	1019	BM
Anions	98.3	----	meq/l	-----	06-21-2006	1400	SJ
Arsenic, Total	0.028	0.010	mg/l	EPA 200.7	06-19-2006	1655	DI
Calcium, Total	27.30	0.03	mg/l	EPA 200.7	06-19-2006	1655	DI
Cations	113.9	----	meq/l	-----	06-21-2006	1400	SJ
Chloride	1797	1	mg/l	EPA 300.0	06-13-2006	1407	CA
Conductivity	9605	----	umhos/cm	SM2510-B	06-13-2006	0850	CA
Copper, Total	0.54	0.010	mg/l	EPA 200.7	06-19-2006	1655	DI
Hardness, Total	126	----	mg/l as CaCO ₃	SM2340-B	06-21-2006	1400	SJ
Iron, Total	46.20	0.050	mg/l	EPA 200.7	06-19-2006	1655	DI
Lead, Total	0.02	0.010	mg/l	EPA 200.7	06-19-2006	1655	DI
Magnesium, Total	14.10	0.01	mg/l	EPA 200.7	06-19-2006	1655	DI
Manganese, Total	0.541	0.002	mg/l	EPA 200.7	06-19-2006	1655	DI
Mercury, Total	<0.2	0.2	ug/l	EPA 245.1	06-20-2006	0830	CA
pH	10.91	----	pH units	EPA 150.1	06-13-2006	0820	CA
pH Sample Temp.	12.7	----	Deg C	EPA 150.1	06-13-2006	0820	CA
Potassium, Total	19.90	0.14	mg/l	EPA 200.7	06-19-2006	1655	DI
Selenium, Total	<0.02	0.020	mg/l	EPA 200.7	06-19-2006	1655	DI
Sodium, Total	2550.00	0.09	mg/l	EPA 200.7	06-19-2006	1655	DI
Solids, Total Dissolved	6568	30	mg/l	EPA 160.1	06-15-2006	0800	CA
Solids, Total Suspended	103	5	mg/l	EPA 160.2	06-15-2006	0800	CA
Sulfate	93	1	mg/l	EPA 300.0	06-13-2006	1407	CA



Respectfully submitted,
SGS NORTH AMERICA INC.


Huntington Laboratory

SGS North America Inc. Minerals Services Division
P.O. Box 1020, Huntington, UT 84528 t(435) 653-2311 f(435) 653-2436 www.sgs.com



June 21, 2006

MARION ENERGY INC.
2901 E. 20TH STREET SUITE 106
Farmington New Mexico 87402
DOUG ENDSLEY

Sample identification by
Marion Energy

ID:Utah Fuel #3

Kind of sample Water
reported to us

RECEIVED 1610
SAMPLED 1900
HNO3 PRESERVED @ LAB, pH EXPIRED WHEN
RECIEVED, SAMPLE BOTTLES NOT OBTAINED
@ LAB, BALANCE CALCULATED FROM TOTAL
METALS INSTEAD OF DISSOLVED

Sample taken at PacifiCorp

Sample taken by Morgan Oveson

Date sampled June 8, 2006

Date received June 12, 2006

Page 2 of 2

Analysis report no. 59-28802

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time/Analyst	
Zinc, Total	0.107	0.004	mg/l	EPA 200.7	06-19-2006 1655	DI
Cation/Anion Balance	7.4	----	%		06-21-2006 1400	SJ



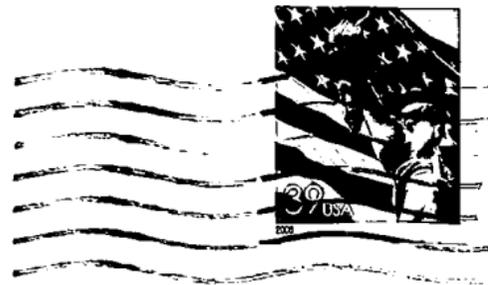
Respectfully submitted,
SGS NORTH AMERICA INC.

Huntington Laboratory

SGS North America Inc. | Minerals Services Division
P.O. Box 1020, Huntington, UT 84528 t(435) 653-2311 f(435) 653-2436 www.sgs.com

Marion Energy, Inc.
2901 East 20th Street Suite 106
Farmington, New Mexico 87402

ST MAIL AND DIST SVC 07/07/2006



ATTN: CHRIS KIERST
Division of Oil, Gas, & Mining
PO Box 145801
Salt Lake City, Utah 84114-5801

84114+5801-01



From: Chris Kierst
To: Farmington Receptionist
Subject: Re: Utah Fuels # 3

Hi Doug,

I regret to inform you that the Cement Bond Log (CBL) that you sent yesterday in PDF format is unacceptable for a couple of reasons. The most important is that it doesn't present a transit time track as a "quality control" curve. In addition, I can't find any cement of 80% Bond Index quality documented in the CBL (other than the "best interval" cited below). I used the 0.5 mV Amplified Amplitude at 1,086 to 1,088' as my anchor point for your "best bonded" interval and 62 mV as the free pipe value from the chart (for 7" casing of 23# grade). You need intervals of less than 1.5 mV to have 80% Bond Index quality. If I step up to your next best interval (3mV) as the anchor point, it is still insufficient. You might improve the Bond Index if you run the CBL at 1000 psi.

The chart you scanned and sent is basically a casing pressure test. We will need a Mechanical Integrity Test (MIT) after you configure the well for injection (tubing and packer in place). I note that the casing test appears to degrade by about 10% during the test.

As regards the water samples, we require a detailed description of how the injection interval sample was obtained and what equipment was on location at the time it was obtained. I am informed that the injection interval will require an aquifer exemption from the Board since it is less than 10,000 mg/L TDS.

>>> "Farmington Receptionist" <rfarmington@marionenergy.com> 07/19/2006 11:32 AM >>>
Dear Chris,

I believe the 2 attachments are the last of the technical data we needed to submit prior to doing our step-rate test. I am sending a scanned version of the mechanical integrity test chart and will send you the original via mail. We anticipate disposing of up to 5,000 barrels of Ferron water by the time we have full field development. Initially we should be injecting less than 1,000 barrels. We obviously will not perform the step-rate test until you have given us the green light to proceed with the project.

On July 5, 2006 the water samples were sent out to you. If possible, please confirm you did receive them.

If there is anything further we need to provide please advise.

Sincerely,

Doug Endsley

From: "Farmington Receptionist" <rfarmington@marionenergy.com>
To: <chriskierst@utah.gov>
Date: 07/19/2006 11:36:40 AM
Subject: Utah Fuels # 3

Dear Chris,

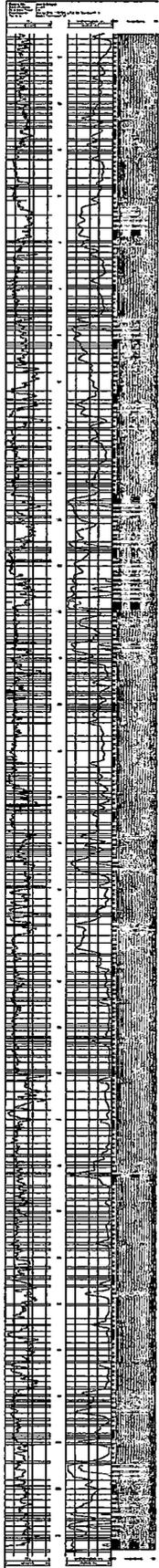
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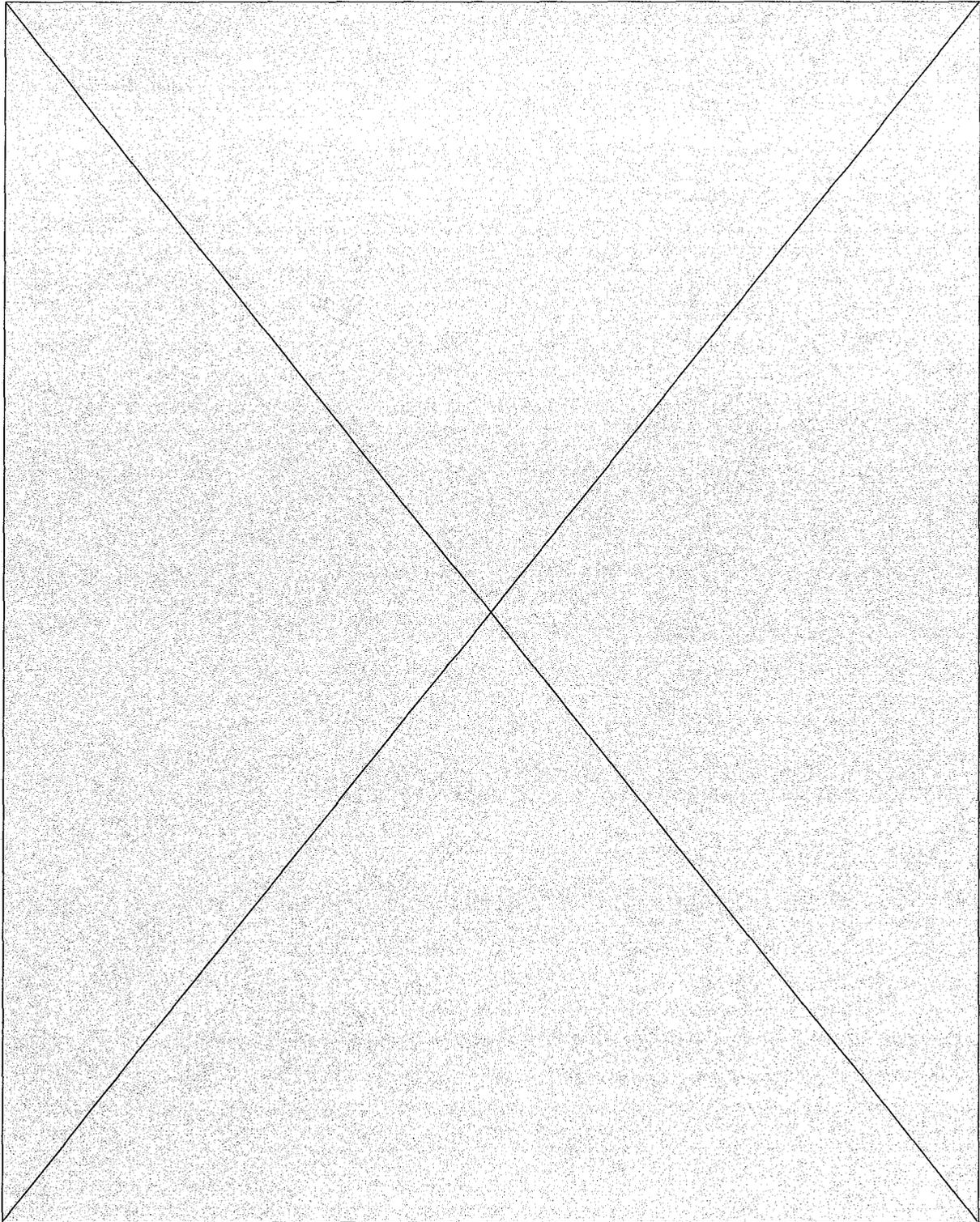
On July 5, 2006 the water samples were sent out to you. If possible, please confirm you did receive them.

If there is anything further we need to provide please advise.

Sincerely,

Doug Endsley





RECEIVED

JUL 25 2006

DIV. OF OIL, GAS & MINING

GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

CHART NO. MP-10000

METER _____

CHART PUT ON _____ M

TAKEN OFF _____ M

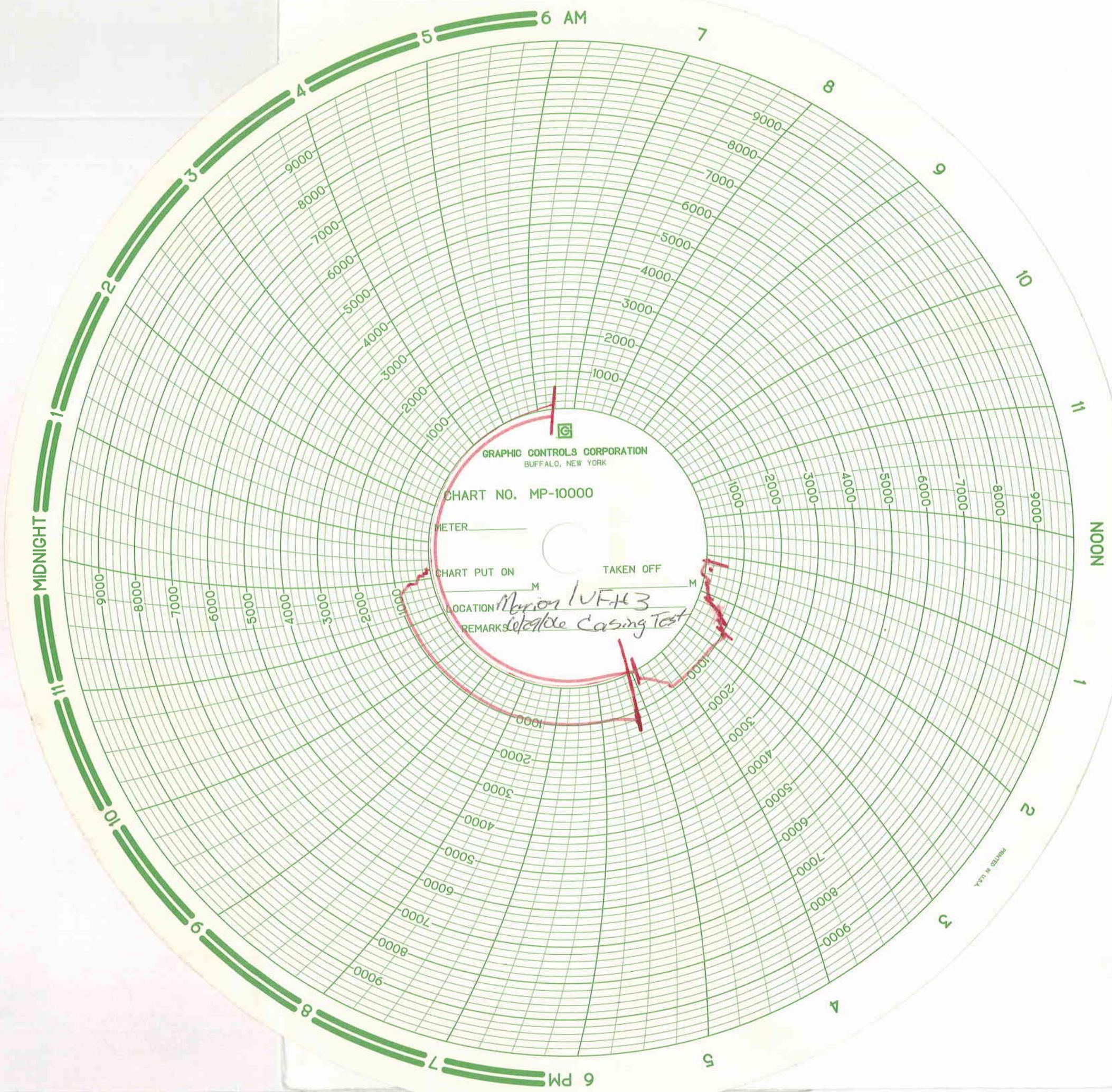
LOCATION

Merion LVH 3

REMARKS

Leakage Casing Test

TYPE IN EQUIPMENT



GRAPHIC CONTROLS CORPORATION
BUFFALO, NEW YORK

CHART NO. MP-10000

METER _____

CHART PUT ON _____

TAKEN OFF _____

LOCATION _____

REMARKS _____

Marion V.F.H.3
Leakage Casing Test

PRINTED IN U.S.A.

UIC INJECTION PERMIT ANALYSIS FORM
WELL NAME: Mid-Power Resources Utah Fuels #3; API # 4300716011; UIC-330.1

RG49-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. OK
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. OK
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1. OK (Rec'd. on 3/7/06 and reviewed on 3/14/06)
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2. OK
2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.	2.3. A new Cement Bond Log was tendered digitally (PDF format) on 7/20/06 but is also unacceptable because it lacks a transit time track, which is required because it serves as a "quality control" curve, and were I to accept the quality of the information on the log, it yet presents insufficient (almost no) evidence of 80% bonded cement above the injection zone.
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4. OK (Logs referenced on document rec'd. 3/7/06, dated 3/3/06)
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5. A statement of the proposed method for pressure testing the casing prior to use will be needed. A sundry dated 12/19/05 was included in the 3/3/06 mailing to provide such a proposal but the document only described a SRT, not an MIT. On 7/20/06 the operator submitted a chart purported to be a mechanical integrity test. In fact it was a simple casing test because the injection string needed to be in place to configure the well as a converted salt water disposal well. Even so, the chart leaked off 10% during the test and would have failed. The "test" wasn't witnessed.
2.6. A statement as to the type of fluid to be used for injection, its source and estimated amounts to be injected daily.	2.6. A statement regarding the type of injectate, its source and an estimate of the amount to be injected daily will be needed. The sundry described above was purported to address this item but failed to do so. That sundry was previously submitted (12/20/05)???
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7. Analyses of the Ferron Sandstone Member injectate and Emery Sandstone Member connate waters were received on 7/7/06. Doubt exists regarding the quality of the samples owing to the apparent abnormal inverted relationship of the concentrations with the older and deeper specimen being 1/3 fresher than the younger and shallower specimen. While such a relationship is possible, it would be a first time occurrence in this area and would involve littoral and littoral/deltaic sandstones of the Indianola Group.
2.8. The proposed average and maximum injection pressures.	2.8. Need estimate of average injection pressure. (See sundry comments above)
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9. Need the specified evidence and data (usually a Step Rate Test). (See sundry comments above)
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10. Rec'd. geologic support information on 3/7/06, reviewed 3/14/06. Need to get suggested confining intervals from operator.
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11. No wells within 1/2 mile area of review.
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12. OK
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13. OK

OTHER COMMENTS AND OBSERVATIONS: Noticing directive issued on 3/23/06. Deficiencies will need to be cured before a permit may be issued. Please feel free to call me at (801) 538-5337 or email me at chriskierst@utah.gov if you would like to discuss your application.

UIC INJECTION PERMIT ANALYSIS FORM

WELL NAME: Mid-Power Resources Utah Fuels #3; API # 4300716011; UIC-330.1

RG49-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. OK
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. OK
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1. OK (Rec'd. on 3/7/06 and reviewed on 3/14/06)
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2. OK
2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.	2.3. OK (a CBL was scheduled for logging on 3/4/06 but has not yet been rec'd.)
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4. OK (Logs referenced on document rec'd. 3/7/06, d
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5. A statement of the proposed method for pressure te casing prior to use will be needed. A sundry dated 12/1 included in the 3/3/06 mailing to provide such a propos document only described a SRT, not an MIT.
2.6. A statement as to the type of fluid to be used for injection. its source and estimated amounts to be injected daily.	2.6. A statement regarding the type of injectate, its sour estimate of the amount to be injected daily will be need sundry described above was purported to address this it to do so. That sundry was previously submitted (12/20/
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7. Specified analyses of the injectate and connate water compatibilities will be needed.
2.8. The proposed average and maximum injection pressures.	2.8. Need estimate of average injection pressure. (See s comments above)
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9. Need the specified evidence and data (usually a Step (See sundry comments above)
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10. Rec'd. geologic support information on 3/7/06, rev 3/14/06. Need to get suggested confining intervals from
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11. No wells within 1/2 mile area of review.
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12. OK
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13. OK

2.5 Also need casing Schematic
What sundry? 12/19/06 Sundry has some of that stuff.
New CBL 3/4/06?
Water analysis zone this?
What do you propose as the confining intervals MIT?
estimate of average injection #?

OTHER COMMENTS AND OBSERVATIONS: Noticing directive issued on 3/23/06. Please feel free to call me at (801) 538-5337 or email me at chriskierst@utah.gov if you would like to discuss your application.

Reviewed by: Christopher J. Kierst Date: 3/23/06

UIC INJECTION PERMIT ANALYSIS FORM

WELL NAME: Mid-Power Resources Utah Fuels #3; API # 4300716011; UIC-330.1

RG49-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. OK
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. OK
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1. OK (Rec'd. on 3/7/06 and reviewed on 3/14/06)
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2. OK
2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.	2.3. OK (a CBL was scheduled for logging on 3/4/06 but has not yet been rec'd.)
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4. OK (Logs referenced on document rec'd. 3/7/06, dated 3/3/06)
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5. A statement of the proposed method for pressure testing the casing prior to use will be needed. A sundry dated 12/19/05 was included in the 3/3/06 mailing to provide such a proposal but the document only described a SRT, not an MIT.
2.6. A statement as to the type of fluid to be used for injection. its source and estimated amounts to be injected daily.	2.6. A statement regarding the type of injectate, its source and an estimate of the amount to be injected daily will be needed. The sundry described above was purported to address this item but failed to do so. That sundry was previously submitted (12/20/05)???
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7. Specified analyses of the injectate and connate waters and their compatibilities will be needed.
2.8. The proposed average and maximum injection pressures.	2.8. Need estimate of average injection pressure. (See sundry comments above)
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9. Need the specified evidence and data (usually a Step Rate Test). (See sundry comments above)
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10. Rec'd. geologic support information on 3/7/06, reviewed 3/14/06. Need to get suggested confining intervals from operator.
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11. No wells within 1/2 mile area of review.
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12. OK
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13. OK

OTHER COMMENTS AND OBSERVATIONS: Noticing directive issued on 3/23/06. Please feel free to call me at (801) 538-5337 or email me at chriskierst@utah.gov if you would like to discuss your application.

Reviewed by: Christopher J. Kierst Date: 3/23/06

UIC INJECTION PERMIT ANALYSIS FORM
WELL NAME: Mid-Power Resources Utah Fuels #3; API # 4300716011

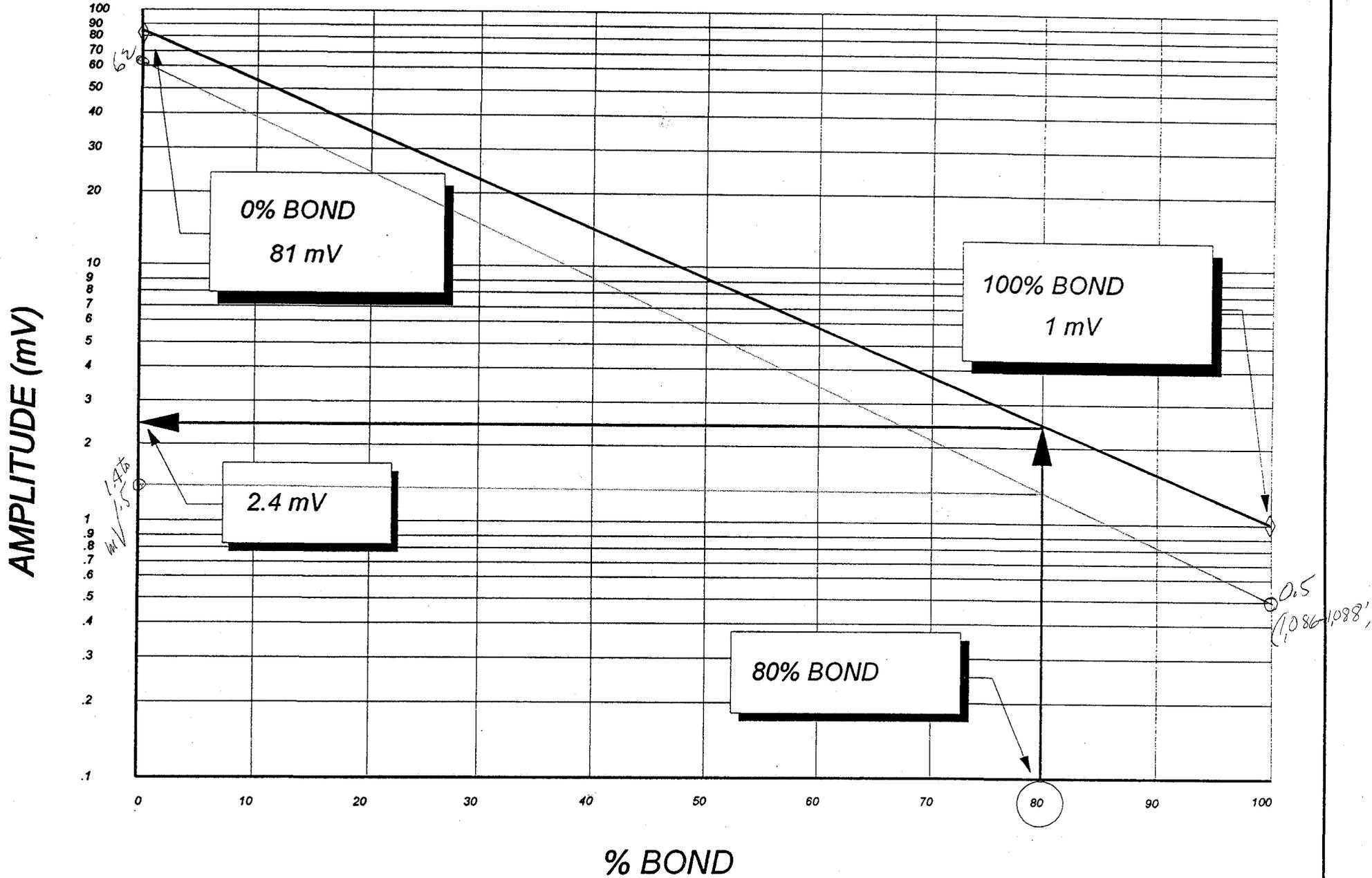
RG49-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. OK
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. OK
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1. The submitted application documentation does not include a properly drafted specified plat. This constitutes a fatal flaw and results in no further processing of this application by the Division. When the Division receives an acceptable copy of the plat, application processing will resume. <i>Plats look OK 3/14/06</i>
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2. OK <i>To be relogged 3/14/06 - not rec'd as of 3/14/06</i>
2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.	2.3. OK (PSI Logging Co. - provided but as yet unevaluated)
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4. OK (Logs not referenced) <i>OK 3/14/06 CK</i>
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5. A statement of the proposed method for pressure testing the casing prior to use will be needed. <i>3/7/06 mailing did not contain a proposal for an MIT. SRT tests formation not casing</i>
2.6. A statement as to the type of fluid to be used for injection, its source and estimated amounts to be injected daily.	2.6. A statement regarding the type of injectate, its source and an estimate of the amount to be injected daily will be needed.
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7. Specified analyses of the injectate and connate waters and their compatibilities will be needed.
2.8. The proposed average and maximum injection pressures.	2.8. Need estimate of average injection pressure.
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9. Need the specified evidence and data (usually a Step Rate Test).
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10. Need satisfactory geologic documentation. Recommend inclusion of correlated cross sections (strike and dip) demonstrating continuity of confining interval across an area of several miles around the proposed injection well, and a structure contour map on a relevant horizon (T/JTr _n) for the same or greater area.
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11. No wells within 1/2 mile area of review.
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12. The submitted application documentation does not include a properly drafted specified affidavit. This constitutes a fatal flaw and results in no further processing of this application by the Division. When the Division receives an acceptable copy of the plat, application processing will resume.
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13. OK

OTHER COMMENTS AND OBSERVATIONS: Items 2.1 and 2.12 must be satisfied before any additional application processing will occur. Please feel free to call me at (801) 538-5337 or email me at chriskierst@utah.gov if you would like to discuss your application.

Reviewed by: Christopher J. Kierst Date: 1/10/06

S.32.T135.R-7E

Marion Energy Corp. Utah Fuels #3 A-3007160



Bond Index created using CBL that was scanned and attached to email sent on 7/19/06 @ 11:36 AM.

7" casing 23# grade = 62 mV from Chart.

TABLE 2 - TRAVEL TIMES AND AMPLITUDES FOR FREE PIPE
(3 FT RECEIVER)

CASING SIZE (in)	CASING WEIGHT (lb/ft)	TRAVEL TIME (μ s)		AMPLITUDE (mV)
		1-11/16" TOOL	3-5/8" TOOL	
4-1/2	9.5	252	233	81
	11.6	250	232	81
	13.5	249	230	81
5	15.0	257	238	76
	18.0	255	236	76
	20.3	253	235	76
5-1/2	15.5	266	248	72
	17.0	265	247	72
	20.0	264	245	72
	23.0	262	243	72
7	23.0	291	271	62
	26.0	289	270	62
	29.0	288	268	62
	32.0	286	267	62
	35.0	284	265	62
	38.0	283	264	62
7-5/8	26.4	301	281	59
	29.7	299	280	59
	33.7	297	278	59
	39.0	295	276	59
9-5/8	40.0	333	313	51
	43.5	332	311	51
	47.0	330	310	51
	53.5	328	309	51
10-3/4	40.5	354	333	48
	45.5	352	332	48
	51.0	350	330	48
	55.5	349	328	48



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

IN THE MATTER OF THE APPLICATION OF MID-POWER RESOURCE CORPORATION FOR ADMINISTRATIVE APPROVAL OF THE UTAH FUELS #3 WELL LOCATED IN SECTION 32, TOWNSHIP 13 SOUTH, RANGE 7 EAST, CARBON COUNTY, UTAH, AS A CLASS II INJECTION WELL	: : : : :	NOTICE OF AGENCY ACTION CAUSE NO. UIC 330.1
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THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

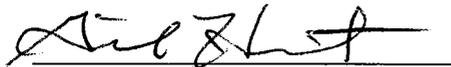
Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Mid-Power Resource Corporation for administrative approval of the Utah Fuels #3 well, located in NW SE Section 32, Township 13 South, Range 7 East, Carbon County, Utah, for conversion to a Class II injection well. The adjudicative proceeding will be conducted informally according to Utah Admin.Rule R649-10, Administrative Procedures.

Selective zones in the Emery Sandstone Member of the Mancos Shale Formation have been proposed for water injection. The maximum requested injection pressure and rate will be determined based on fracture gradient information submitted by Mid-Power Resource Corporation.

Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is Gil Hunt, Associate Director at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5340. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or interveners should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 23rd day of March, 2006.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING



Gil Hunt
Associate Director

From: Dana Dean
To: Chris Kierst
Date: 08/08/2006 4:37:02 PM
Subject: TDS in Star Point

Chris,

I was wrong about the 70, that is another story. However in the past 4 years since the well was drilled, the TDS has been between 186 and 234 mg/L. The well is drilled to a total depth of about 1000 feet below the surface at the point marked "James Canyon Wells" on the attached map.

Let me know if I can do anything else.

Thanks,
Dana

August 8, 2006

TO: Board of Oil, Gas and Mining

FROM: Mike Hebertson, Brad Hill, Christopher Kierst

SUBJECT: Staff Memorandum to the Board for Docket No. 2006-016,
Cause No. UIC-330.1

The Division of Oil, Gas and Mining (Athe Division@) has reviewed information submitted to the Board of Oil, Gas and Mining (Athe Board@) in preparation for the August 23, 2006 hearing before the Board. With this memorandum, the Division summarizes its review of submitted documents.

Summary of Request for Agency Action

Marion Energy Inc., with legal representation by Relma M. Miller, of Pruitt Gushee, a Professional Corporation, has filed a petition requesting approval of the Utah Fuels #3 well as a class II injection well and for an aquifer exemption of the Lower Emery Sandstone.

As of the date of this memorandum, the Division or has received a written objection from Clear Creek Home Owners Association and Carbon County as interveners, and a verbal inquiry from Wendy Nichol, a private landowner concerning this matter. The Division has also received 9 other written objections, copies of these are found in your Board Package. Other verbal objections to this matter from private land owners and residents in the Clear Creek area have been received by the Division since before Marion Energy filed the UIC Permit.

Comments from Division Staff Review

Rule R649-1-1 Definitions, defines an Underground Source of Drinking Water (USDW) as "a fresh water aquifer or portion thereof that supplies drinking water for human consumption, or contains less than 10,000 mg/l total dissolved solids (TDS) and is not an exempted aquifer under R649-5-4". Injection into a USDW is not allowed until the aquifer is exempted after hearing and order of the Board, and with concurrence of the U.S. Environmental Protection Agency (EPA). Also, in accordance with the Division's Underground Injection Control (UIC) program description, a request for an aquifer exemption must be forwarded to the Division of Water Rights and Water Quality for their review and comment. The Division has given Notice of Hearing to EPA, Division of Water Rights and ^{Division} ~~Department~~ of Water Quality and has given them access to all materials pertaining to this cause.

Marion Energy Inc., is the operator of the Clear Creek Unit and is in the

process of revitalizing production from the wells most of which were drilled in the 1950's. The original wells were completed in the Ferron Sandstone, a member ^{of the} Mancos Shale.

Information submitted to DOGM indicates that the water contained in the proposed injection zone in the Utah Fuel #3 well has a TDS concentration of 6,568 mg/l, which makes it by definition a USDW, since it is below 10,000 mg/l.

In order for an aquifer to be exempted from classification as a USDW, certain findings must be made in accordance with Rule **R649-5-4 Aquifer Exemption**, as follows (summarized):

1. It must not currently serve as a source of drinking water,
2. It cannot now and will not in the future serve as a source of drinking water for any of the following reasons:
 - a. It contains commercially producible hydrocarbons, minerals or geothermal energy,
 - b. It is at a depth or location, which make recovery of water for drinking water purposes economically or technologically impractical,
 - c. It is contaminated to the extent it would be economically or technologically impractical to render water from the aquifer fit for human consumption,
 - d. It is located above a Class III well solution mining area,
 - e. It has a TDS level between 3,000 and 10,000 mg/l, and it is not reasonably expected to be used as a source of fresh or potable water.

In this case Marion Energy Inc. is professing that the Emery Sandstone in a ½ mile radius around the Utah Fuel #3 well can be exempted in accordance with 1, 2(b), 2(c) and 2(e) above.

The exhibits filed with this cause include water analysis reports for two of the wells in the Clear Creek field. They are the Utah Fuel #2, and the Utah Fuel #3. The Utah Fuel #2 is the well that a representative sample of the water to be injected was allegedly collected from, and the Utah Fuel #3 is the well that allegedly supplied a representative sample of water contained in the proposed injection interval. The water analysis reports for both of these submittals have problems that need to be addressed in conjunction with this hearing.

1. DOGM was not contacted prior to the collection of either water sample

submitted, had DOGM been contacted a Division employee could have been assigned to attend or instructions given concerning the sampling method and procedures.

2. There is no description of the procedures or method of collection, storage and transport. DOGM would have had specific instructions for Marion had the Division been notified.
3. Neither water sample was submitted with a chain of custody title.
4. The "Total Dissolved Solids" obtained from the alleged Utah Fuel #3 well is the inverse of what would be a normal "Total Dissolved Solids" profile for the water column in this area. The value given for the water from the Emery Sandstone is approximately 1.5 times higher than the value given for the Ferron Sandstone. Typically we would expect water quality to improve as you move up section. The inverse water quality profile is not impossible, but it does cause us to question the validity of the water samples.
5. The Utah Fuel #3 sample (Exhibit O) indicates that it was taken at "PacifiCorp". The Division questions exactly where this sample was taken. The Utah Fuel #2 sample has no indication as to where it was collected.
6. The record for the Utah Fuel #3 indicates that the "pH expired when received" therefore the sample is invalid for use in a UIC Permit determination.
7. The Division would require that the proposed injection interval be isolated prior to obtaining a representative sample of the proposed injection interval. Problems relating to this are as follows:
 - a. There is no record of the well having been "Plugged Back".
 - b. There is no Division authorization for the "Plug Back Depth".
 - c. There is no record of the well being "Re-perforated".
 - d. There is no Division authorization for the well to be "Re-perforated".
 - e. There is no record of the intended "Injection Zone" being "Isolated", or the method used to achieve isolation.
 - f. The division has not been given adequate evidence that the zone is isolated from other zones by cement behind the casing.
8. The Division also finds several problems with the selection of the "Lower Sandstone Unit" of the Emery Sandstone member of the Mancos Shale as a candidate for aquifer exemption as follows:
 - a. The formation is at a depth that could be accessed by persons, municipalities or industries seeking potable water in the future.
 - b. According to the documents filed by Marion, "Exhibit R" and the "Bond Log" section (Not An Exhibit), the well has little or no cement bond across the injection zone, or anywhere up or down the wellbore

- for $\approx 3,000$ feet. Therefore any alleged water sample taken out of the well could have come from anywhere in the open hole interval.
- c. It is also known that water coming from below the Star Point Sandstone and Star Point Coals, that are being mined in the Skyline Mine, is ≈ 70 mg/l "TDS". This water is discharged into Electric Lake and easily qualifies as a USDW. The Star Point Sandstone USDW water supply is about 900 feet up hole from the proposed injection zone.
 - d. "Exhibits H & I" clearly demonstrate that the intended "Injection Zone" is highly faulted and fractured by several "Horst and Graben" faults with one major fault as close as 400' from the wellbore.
 - e. It should be noted that the drilling record for this well lists a massive lost circulation zone, encountered while drilling, ≈ 90 feet below the proposed injection zone. It is one of several lost circulation zones in the well occurring at 2,090', 2,422' and 2,465' respectively.
 - f. The faulting and lost circulation zones could easily provide conduits for the migration of injected fluids back to the surface, or to other known USDW's, such as the Star Point section noted in "c" above.
 - g. Because of the major faulting and fracturing there is also good reason to question the effectiveness of any proposed confining layers that could provide containment of the injected fluids, both above and below the selected injection zone.
9. Not only does the proposed injection zone have problems qualifying for "Aquifer Exemption", there are also problems with the proposed injection well that are not addressed in this document. Division staff has analyzed the application on our internal "UIC Permit Analysis Form" and a color copy has been attached as Exhibit "A". The red lettering in the right hand column indicates the missing information that has not been filed by "Marion". The Division considers this information pertinent to the qualification of the Application.

Staff Recommendation

As previously noted this cause has received objections from the Clear Creek Home Owners Association, Carbon County and other private residents in the Clear Creek area. These have been included in the Board Package. It is the recommendation of the Staff that these objections be carefully considered.

The Staff recommends that the "Aquifer Exemption" requested in this petition be denied on the merits of the "Aquifer Injection Zone" information supplied in the exhibits submitted by Marion, and on the testimony presented by the Division. The Division believes that this formation is unsuitable for consideration as a candidate for aquifer exemption based on the pervasive faulted and fractured nature of the stratigraphic column in this area.

The Staff also objects to the "Petitioner's" request for Board approval of

the Utah Fuel #3 well as an injection well. Technical analysis of this well for use as a disposal well indicates that it is a poor candidate, at best, as an injection well.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Staff Memorandum to the Board for Docket No. 2006-016, Cause No. UIC 330.01 to be mailed by first-class mail, postage prepaid, this th day of August, 2006 to the following:

John R. Baza, Director (hand delivered)
Utah Division of Oil, Gas and Mining
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Salt Lake City, UT 84114-5801

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Bureau of Land Management
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Bureau of Land Management
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PO Box 7004
Price, UT 84501

Julie Carter, Executive Secretary



State of Utah

Department of
Natural Resources

MICHAEL R. STYLER
Executive Director

Division of
Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 8, 2006

FILED
AUG 15 2006
SECRETARY, BOARD OF
OIL, GAS & MINING

TO: Board of Oil, Gas and Mining

FROM: Mike Hebertson, Brad Hill, Christopher Kierst 

SUBJECT: Staff Memorandum to the Board for Docket No. 2006-016,
Cause No. UIC-330.1

The Division of Oil, Gas and Mining ("the Division") has reviewed information submitted to the Board of Oil, Gas and Mining ("the Board") in preparation for the August 23, 2006 hearing before the Board. With this memorandum, the Division summarizes its review of submitted documents.

Summary of Request for Agency Action

Marion Energy Inc., with legal representation by Relma M. Miller, of Pruitt Gushee, a Professional Corporation, has filed a petition requesting approval of the Utah Fuels #3 well as a class II injection well and for an aquifer exemption of the Lower Emery Sandstone.

As of the date of this memorandum, the Division has received a written objection from Clear Creek Home Owners Association and Carbon County as interveners, and a verbal inquiry from Wendy Nichol, a private landowner concerning this matter. The Division has also received 9 other written objections, copies of these are found in your Board Package. Other verbal objections to this matter from private land owners and residents in the Clear Creek area have been received by the Division since before Marion Energy filed the UIC Permit.

Comments from Division Staff Review

Rule R649-1-1 Definitions, defines an Underground Source of Drinking Water (USDW) as "a fresh water aquifer or portion thereof that supplies drinking water for human consumption, or contains less than 10,000 mg/l total dissolved solids (TDS) and is not an exempted aquifer under R649-5-4". Injection into a USDW is not allowed until the aquifer is exempted after hearing and order of the Board, and with concurrence of the U.S. Environmental Protection Agency (EPA). Also, in accordance with the Division's Underground Injection Control (UIC) program description, a request for an aquifer exemption must be forwarded to the Division of Water Rights and Water Quality for their review and comment.

Page 2
Docket No. 2006-016
August 8, 2006

The Division has given Notice of Hearing to EPA, Division of Water Rights and Department of Water Quality and has given them access to all materials pertaining to this cause.

Marion Energy Inc. is the operator of the Clear Creek Unit and is in the process of revitalizing production from the wells most of which were drilled in the 1950's. The original wells were completed in the Ferron Sandstone, a member Mancos Shale.

Information submitted to DOGM indicates that the water contained in the proposed injection zone in the Utah Fuel #3 well has a TDS concentration of 6,568 mg/l, which makes it by definition a USDW, since it is below 10,000 mg/l.

In order for an aquifer to be exempted from classification as a USDW, certain findings must be made in accordance with Rule **R649-5-4 Aquifer Exemption**, as follows (summarized):

1. It must not currently serve as a source of drinking water,
2. It cannot now and will not in the future serve as a source of drinking water for any of the following reasons:
 - a. It contains commercially producible hydrocarbons, minerals or geothermal energy,
 - b. It is at a depth or location, which make recovery of water for drinking water purposes economically or technologically impractical,
 - c. It is contaminated to the extent it would be economically or technologically impractical to render water from the aquifer fit for human consumption,
 - d. It is located above a Class III well solution mining area,
 - e. It has a TDS level between 3,000 and 10,000 mg/l, and it is not reasonably expected to be used as a source of fresh or potable water.

In this petition Marion Energy Inc. is professing that the Emery Sandstone in a ½ mile radius around the Utah Fuel #3 well can be exempted in accordance with 1, 2(b), 2(c) and 2(e) above.

The exhibits filed with this cause include water analysis reports for two of the wells in the Clear Creek field. They are the Utah Fuel #2, and the Utah Fuel #3. The Utah Fuel #2 is the well that a representative sample of the water to be injected was allegedly collected from, and the Utah Fuel #3 is the well that allegedly supplied a representative sample of water contained in the proposed injection interval. The water analysis reports for both of these submittals have problems that need to be addressed in conjunction with this hearing.

1. DOGM was not contacted prior to the collection of either water sample submitted. Had DOGM been contacted a Division employee would have been assigned to attend and instructions given concerning the sampling method and procedures.
2. There is no description of the procedures or method of collection, storage and transport. DOGM would have had specific instructions for Marion had the Division been notified.
3. Neither water sample was submitted with a chain of custody title.
4. The "Total Dissolved Solids" obtained from the alleged Utah Fuel #3 well is the inverse of what would be a normal "Total Dissolved Solids" profile for the water column in this area. The value given for the water from the Emery Sandstone is approximately 1.5 times higher than the value given for the Ferron Sandstone. Typically we would expect water quality to improve as you move up section. The inverse water quality profile is not impossible, but it does cause us to question the validity of the water samples.
5. The Utah Fuel #3 sample (Exhibit O) indicates that it was taken at "PacifiCorp". The Division questions exactly where this sample was taken. The Utah Fuel #2 sample has no indication as to where it was collected.

6. The record for the Utah Fuel #3 indicates that the “pH expired when received” therefore the sample is invalid for use in a UIC Permit determination.
7. The Division would require that the proposed injection interval be isolated prior to obtaining a representative sample of the proposed injection interval. Problems relating to this are as follows:
 - a. There is no record of the well having been “Plugged Back”.
 - b. There is no Division authorization for the “Plug Back Depth”.
 - c. There is no record of the well being “Re-perforated”.
 - d. There is no Division authorization for the well to be “Re-perforated”.
 - e. There is no record of the intended “Injection Zone” being “Isolated”, or the method used to achieve isolation.
 - f. The division has not been given adequate evidence that the zone is isolated from other zones by cement behind the casing.
8. The Division also finds several problems with the selection of the “Lower Sandstone Unit” of the Emery Sandstone member of the Mancos Shale as a candidate for aquifer exemption as follows:
 - a. The formation is at a depth that could be accessed by persons, municipalities or industries seeking potable water in the future.
 - b. According to the documents filed by Marion, “Exhibit R” and the “Bond Log” section (Not An Exhibit), the well has little or no cement bond across the injection zone, or anywhere up or down the wellbore for $\approx 3,000$ feet. Therefore any water sample taken out of the well could have come from anywhere in the open hole interval.
 - c. It is also known that water coming from below the Star Point Sandstone and Star Point Coals, that are being mined in the Skyline Mine, is ≈ 70 mg/l “TDS”. This water is discharged into Electric Lake and easily qualifies as a USDW. The Star Point Sandstone USDW water supply is about 900 feet up hole from the proposed injection zone.

- d. "Exhibits H & I" clearly demonstrate that the intended "Injection Zone" is highly faulted and fractured by several "Horst and Graben" faults with one major fault as close as 400' from the wellbore.
 - e. It should be noted that the drilling record for this well lists a massive lost circulation zone, encountered while drilling, \approx 90 feet below the proposed injection zone. It is one of several lost circulation zones in the well occurring at 2,090', 2,422' and 2,465' respectively.
 - f. The faulting and lost circulation zones could easily provide conduits for the migration of injected fluids back to the surface, or to other known USDW's, such as the Star Point section noted in "c" above.
 - g. Because of the major faulting and fracturing there is also good reason to question the effectiveness of any proposed confining layers that could provide containment of the injected fluids, both above and below the selected injection zone.
9. R649-5-4.2. States: "Interested parties desiring to have an aquifer exempted from classification as a USDW, shall submit to the division an application that includes sufficient data to justify the proposal. The division shall consider the application and if appropriate, will advise the applicant to submit a request to the board for an aquifer exemption." Marion did not consult with the Division prior to applying for this "Aquifer Exemption". Therefore the Division was unable to advise them on the suitability of their proposal.
10. Not only does the proposed injection zone have problems qualifying for "Aquifer Exemption", there are also problems with the proposed injection well that are not addressed in this document. Division staff has analyzed the application on our internal "UIC Permit Analysis Form" and a color copy has been attached as Exhibit "A". The red lettering in the right hand column indicates the missing information that has not been filed by "Marion". The Division considers this information pertinent to the qualification of the Application.

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Docket No. 2006-016
August 8, 2006

Staff Recommendation

As previously noted this cause has received objections from the Clear Creek Home Owners Association, Carbon County and other private residents in the Clear Creek area. These have been included in the Board Package. It is the recommendation of the Staff that these objections be carefully considered.

The Staff recommends that the "Aquifer Exemption" requested in this petition be denied based on identified issues regarding the "Aquifer Injection Zone" information supplied in the exhibits submitted by Marion, and on the analysis presented by the Division. Based on the information submitted the Division believes that this formation is unsuitable for consideration as a candidate for aquifer exemption. The pervasive faulted and fractured nature of the stratigraphic column in this area is the basis for the Division stance on this matter.

The Staff also objects to the "Petitioner's" request for Board approval of the Utah Fuel #3 well as an injection well. The application as submitted, is incomplete and technical analysis of this well for use as a disposal well indicates that it is a poor candidate as an injection well.

CERTIFICATE OF SERVICE

I hereby certify that I caused a true and correct copy of the foregoing Staff Memorandum to the Board for Docket No. 2006-016, Cause No. UIC 330.01 to be mailed by first-class mail, postage prepaid, this 15th day of August, 2006 to the following:

John R. Baza, Director (Hand Delivered)
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Mid-Power Resource Corporation
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BLM, Moab District Office
Bureau of Land Management
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Moab, UT 84532

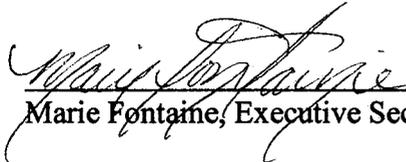
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Southeast Utah District
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Ted Helsten, Director
Clear Creek Homeowners Association
HC Box 390
Clear Creek, UT 84526


Marie Fontaine, Executive Secretary

DRAFT AUGUST AGENDA
BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
IN AND FOR THE STATE OF UTAH

---ooOoo---

A PUBLIC MEETING WILL BE HELD ON WEDNESDAY, AUGUST 23, 2006, IN THE AUDITORIUM OF THE DEPARTMENT OF NATURAL RESOURCES, 1594 WEST NORTH TEMPLE, SALT LAKE CITY, UTAH.

THE BOARD WILL HEAR THE FOLLOWING MATTERS AT 9:00 AM:

1. Docket No. 2006-013, Cause No. 260-01 – In the Matter of the Request for Agency Action of BILL BARRETT Corporation for an Order Establishing a 160-Acre Drilling and Spacing Unit for the Production of Oil, Gas and Associated Hydrocarbons from the Wasatch and North Horn Formations, Comprised of the SW $\frac{1}{4}$ of Section 15, Township 5 South, Range 6 West, USM, Duchesne County, Utah.
2. Docket No. 2006-014, Cause No. 261-01 – In the Matter of the Request for Agency Action of QUESTAR Exploration and Production Company for Approval of the Application for Permit to Drill for the FR 11P-36-14-19 Well Proposed for a Surface Location in the NW $\frac{1}{4}$ SW $\frac{1}{4}$ and a Bottom Hole Location in Lot 3 (NE $\frac{1}{4}$ SW $\frac{1}{4}$) of Section 36, Township 14 South, Range 19 East, SLM, Uintah County, Utah.
3. Docket No. 2006-015, Cause No. 176-04 – In the Matter of the Request for Agency Action of PETRO-HUNT, L.L.C. for an Order Establishing the Wales Exploratory Unit for all Pools or Formations for Certain Lands in Townships 15 and 16 South, Range 3 East, and Townships 16 and 17 South, Range 2 East, S.L.M., in Sanpete County, Utah; Approving the Unit Agreement and Plans of Operation for the Development and Operation of the Wales Unit Area; and Providing for Compulsory Unitization of All Oil and Gas Interests in said lands and formations not voluntarily joining or consenting to cooperative development or operations of the Wales Unit Area.
4. Docket No. 2006-016, Cause No. UIC 330.1 – In the Matter of the Request for Agency Action of MARION ENERGY, Inc. for an Order Granting an Aquifer Exemption and Approving the Conversion of the Utah Fuels #3 Well Located in Section 32, Township 13 South, Range 7 East, Carbon County, Utah, to a Class II Injection Well.

The Division of Oil, Gas & Mining will conduct a Briefing Session during a Working Luncheon in Room 1010. The meeting is open to the public; no lunch provided to the public.

(Copies of the agenda are available at www.ogm.utah.gov and at the administrative offices.)

Pursuant to the Americans with Disabilities Act, persons requiring auxiliary communicative aids and services to enable them to participate in this hearing should call Julie Carter at (801) 538-5277, at least three working days prior to the hearing.

DOGM objects to drilling activities near Clear Creek

By LES BOWEN
Sun Advocate reporter

The Utah Division of Oil, Gas and Mining filed an objection last week to a petition for an aquifer exemption requested by Marion Energy Inc. in the area near Clear Creek.

The objection comes after the homeowners association in the area as well as county officials and nine other parties filed written objections to the permitting process for Marion.

The matter is scheduled to come before the division of oil, gas and mining board on Aug. 23. At that time, the board is expected to make a determination regarding the approval or denial of the applications filed which relate to gas extraction activities in the area.

The drilling company is in the process of obtaining the necessary permits to convert a gas well in the Clear Creek Area into a class two injection well.

Injection wells are used to pump water into the ground as part of the process of extracting natural gas from drilling sites in the surrounding area.

In a written objection to the division, Clear Creek Homeowners Association director Ted Helsten asserted a number of challenges against drilling operations. The objections ranged from road damage and utility line problems to failure to meet commitments to property owners in the area.

The homeowners association raised questions as to the impact to water and sewer lines by heavy equipment.

Further, property areas in the area have made objections to how the road has been maintained in the area, claiming that Marion has created safety hazards and is using private property and government land to store materials without permission.

Homeowners also objected to the conversion of the gas well into an injection site, a subject which is at the heart of the objection filed by DOGM.

In the written objection, the homeowners association pointed to three of the faults with Marion's proposal to convert the gas well into an injection site.

"It can damage or destroy the underground spring water aquifer for Clear Creek home owners," stated the homeowners in the objection.

The homeowners added that the proposed well conversion can damage water quality for downstream water users, including the fish habitat.

And finally, the homeowners raised the question of noise generated by construction and operation of the converted well.

In the DOGM objection filed on Aug. 15, division staff addressed concerns as to whether the aquifer exemption application could be approved with compliance to ground water regulation in the area.

"Based on the information submitted, the division believes that this formation is unsuitable for consideration as a candidate for aquifer exemption," stated division staff in the brief.

The division's filing stated that the aquifer in question qualifies as an underwater source of drinking water under rules established by

the Utah Division of Water Rights and Water Quality.

Under the rule, any aquifer containing less than 10,000 milligrams per liter of dissolved solids is considered as a potential source of drinking water.

The aquifer in question has been measured at 6,568 milligrams per liter, making it an underground drinking water source under state rules.

Marion's application seeks to exempt the aquifer from classification as a drinking water source.

In order to do so, the state requires that the applicant meet certain criteria.

In the application, Marion requested that the aquifer be exempted because it:

- Does not currently serve as a source of drinking water.
- Is at a depth or location which makes recovery of water for drinking purposes economically or technically impractical;.
- Is contaminated to the extent that it would be economically or technologically impractical.
- Has a total dissolved solids level between 3,000 and 10,000 milligrams per liter and is not reasonably expected to be used as a source of fresh or potable water.

All of the areas cited by Marion are valid reasons, if the statements can be supported by research and tests.

In filing the application, the drilling company submitted two samples from two wells in the Clear Creek area.

One sample was submitted as a sample of the water which will be taken from the ground in the process of extracting gas.

The other sample was submitted as a sample of the water currently in the ground where the water will be injected.

However, the division of oil, gas and mining identified a series of specific problems with the samples submitted.

First, DOGM was not contacted prior to collection of the water samples.

When contacted, DOGM will advise applicants of the process required for sampling groundwater.

In addition, samples lack descriptions of the procedures or methods used in collection, storing and transporting the samples.

When notified, the division provides instructions for these processes.

Further, neither sample was submitted with a chain of custody title. This documentation is required to demonstrate who had the samples in their possession and when.

Chain of custody titles are frequently used to show that materials have not been tampered with or damaged between collection and submittal to the division, pointed out DOGM.

Additional concerns raised by the division related to questions raised in reviewing the amount of total dissolved solids in one of the samples.

DOGM staff members determined that the measurements do not comply with similar data collected on similar wells in the area, indicated the state agency.

While the measurements are not impossible, the discrepancy raises questions as to the validity of the water samples.

Other problems with the samples include lack of proper description of the location of the collection site; an expired pH for one of the samples; and failure to isolate the proposed injection interval.

DOGM continued to raise objections in its brief, stating that the proposed injection site would pump water into an aquifer that could be accessed by both municipalities and industries in the future.

The proposed injection site lacks cement bonds near the injection site, noted the state agency.

Without the proper bonding, water injected into the well could be inserted into any layer along the wellbore and that the sample could have come from anywhere in the wellbore, explained the state agency.

DOGM also pointed out that Skyline mine is pumping water from the Star Point Sandstone and Star Point Coals, which are located about 900 feet higher than the proposed injection zone, into Electric Lake.

The water pumped from the mine contains approximately 70 milligrams per liter of total dissolved solids, clearly making it a potential drinking water source, according to state officials.

The intended injection zone is also highly faulted, with one major fault as close as 400 feet from the wellbore.

Because of the geologic faulting in the layers close to the injection site, the division questioned whether the injected water would be contained within the proposed injection zone.

If it is not contained, it can contaminate other sources of drinking water.

Beyond the objections raised in the brief filed last week, DOGM staff have additional concerns.

Much of the data required in the application process was lacking as of last week, according to the division of oil, gas and mining.

As a result, DOGM staff recommended to the state board of oil, gas and mining that Marion's petition be denied.

FILED

SEP 13 2006

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR)
AGENCY ACTION OF MARION)
ENERGY, INC. FOR AN ORDER)
GRANTING AN AQUIFER EXEMPTION)
AND APPROVING THE CONVERSION)
OF THE UTAH FUELS #3 WELL)
LOCATED IN SECTION 32, TOWNSHIP)
13 SOUTH, RANGE 7 EAST, CARBON)
COUNTY, UTAH, TO A CLASS II)
INJECTION WELL.)

**WITHDRAWAL OF REQUEST
FOR AGENCY ACTION AND
MOTION FOR DISMISSAL**

Docket No. 2006-016

Cause No. UIC 330.1

Marion Energy Inc. ("Marion"), by and through its attorneys, hereby WITHDRAWS its Request for Agency Action in the above-captioned matter, scheduled for hearing on Wednesday, September 27, 2006 in the Board Room, Utah Department of Natural Resources, 1594 W. North Temple, Salt Lake City, Utah.

Accordingly, Marion requests that the Board DISMISS its Request for Agency Action without prejudice

RESPECTFULLY SUBMITTED this 13th day of September, 2006.

PRUITT GUSHEE, a Professional Corporation



Matthew L. Crockett
Attorneys for Petitioner
1800 Beneficial Life Tower
Salt Lake City, Utah 84111
(801) 531-8446

FILED

SEP 14 2006

SECRETARY, BOARD OF
OIL, GAS & MINING

**BEFORE THE BOARD OF OIL, GAS AND MINING
DEPARTMENT OF NATURAL RESOURCES
STATE OF UTAH**

IN THE MATTER OF THE REQUEST FOR)	
AGENCY ACTION OF MARION)	ORDER GRANTING
ENERGY, INC. FOR AN ORDER)	WITHDRAWAL AND MOTION
GRANTING AN AQUIFER EXEMPTION)	FOR DISMISSAL
AND APPROVING THE CONVERSION)	
OF THE UTAH FUELS #3 WELL)	Docket No. 2006-016
LOCATED IN SECTION 32, TOWNSHIP)	
13 SOUTH, RANGE 7 EAST, CARBON)	Cause No. UIC 330.1
COUNTY, UTAH, TO A CLASS II)	
INJECTION WELL.	

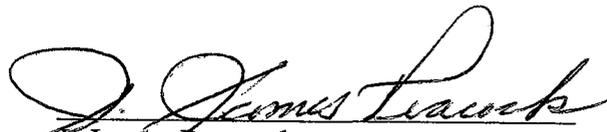
The Board of Oil, Gas and Mining (the "Board"), having fully considered Petitioner Marion Energy Inc.'s Withdrawal of Request for Agency Action and Motion for Dismissal dated September 13, 2006 and for good cause appearing, hereby **DISMISSES** the Request without prejudice.

For all purposes, the Chairman's signature on a faxed copy of the Order shall be deemed the equivalent of a signed original.

DATED this 14th day of September, 2006.

STATE OF UTAH

BOARD OF OIL, GAS & MINING


J. James Peacock
Chairman



May 12, 2009

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

1/10/2006 Check out

RECEIVED
MAY 14 2009

DIV. OF OIL, GAS & MINING

RE: Board Cause 250-01, Clear Creek Field Operations Update

Dear Mr. Dworshak,

Marion Energy is writing today to update the Utah Department of Oil, Gas and Mining in regards to Board Cause 250-01. Please find below a schedule for work to be completed on the wells in Clear Creek Utah pertaining to the Cause 250-01:

- 1) **Utah Fuel #4:** The Utah Fuel # 4 was Plugged and Abandoned in **December 2007**.
- 2) **Utah Fuel #10:** Marion Energy plans to enter the Utah Fuel #10 pad site this summer and Plug and Abandon this well and location. Marion Energy estimated date of P&A is **August 2009**.
- 3) **Utah Mineral State 1256-1 a/k/a Utah Mineral State 1-A:** Marion Energy has re-entered this well and found the well capable of producing gas. We are currently in negotiations with the Surface Owner to purchase and easement down his road to run a gas and water line. Marion Energy has recently completed an infrastructure overhaul and is now ready to tie the well in. We have been in negotiations with the Surface Owner for over a year. Once an easement agreement has been reached, Marion Energy estimates 100 days of construction time. Estimated date of tie-in: **October 2009**.
- 4) **Utah Fuel #8:** Marion Energy recently re-entered the Utah Fuel #8 and has deemed this well economic. We have currently run a temporary gas line to our new infrastructure and will be completing a permitted gas and water line this summer. Currently this well is producing.
- 5) **Oman 2-20:** Marion Energy has recently re-entered the Oman 2-20 and has deemed this well economic. Marion Energy has tied this well into our new infrastructure and it is currently producing.

See Next Page

- 6) **Utah Fuel #2:** Marion Energy recently completed an easement agreement with the Clear Creek Home Owners Association to run a new gas and water line from the Utah Fuel #2 to new pipelines. Marion Energy intends to start work on the new pipeline in summer of 2009. We are estimating sixty (60) days for pipeline work to be completed. Once completed Marion Energy will move a work over rig onto the Utah Fuel #2 to place the well back onto production. Estimated date of tie-in is **November 2009.**

- 7) **Utah Fuel #3:** ^{43 007 16011 13S 7E 32} Marion Energy plans on clearing the pad site of the Utah Fuel #3 of the temporary compressor and water storage tanks being used while Marion was completing its infrastructure overhaul. Once the items have been removed, Marion Energy intends to move a work over rig onto location. Marion Energy intends to bring the Utah Fuel #3 back online. Estimated date of tie-in is **November 2009.**

- 8) **Utah Fuel #1:** Marion Energy plans on leaving the Utah Fuel #1 shut in while drilling operations are being conducted on the pad site to drill and complete the Jacob 5-5 and Jacob 4-8. Marion Energy plans on drilling the aforementioned wells during the calendar year of 2009. Once the wells have been drilled, Marion intends to bring the Utah Fuel #1 back on-line. Marion Energy has recently completed a gas gathering system overhaul, and the infrastructure is now in place and ready to receive gas from the Utah Fuel #1, once drilling operations have been completed on the pad site.

If you have any further questions or concerns please do not hesitate to contact me.

Sincerely,



Keri Clarke
Vice President – Land
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JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 27, 2009

CERTIFIED MAIL No.: 7004 1160 0003 0190 2938

Marion Energy, Inc.
119 South Tennessee, Suite 200
McKinney, TX 75069
Attn: Mr. Keri Clarke

43 007 16011
13S 7E 32

Subject: Board Cause No. 250-01, 2009 Clear Creek Proposed Plan

Mr. Clarke:

The Division of Oil, Gas & Mining (the "Division") has reviewed the 2009 Clear Creek proposed plan (dated May 12, 2009, received by the Division May 14, 2009) submitted by Marion Energy Inc. ("Marion"). It is the Divisions understanding that Marion has placed the Oman State 2-20 well on production and will have the Utah Fuel #1, Utah Fuel #2, Utah Fuel #3, and Utah Mineral State #1 wells actively producing oil and gas for sale before year-end. Marion also proposes to plug and abandon the Utah Fuel #10 well by August 2009.

The Division approves the 2009 Clear Creek plan as submitted. However, this will be the **final extension** granted by the Division for the above-mentioned wells (the "Subject Wells"). The Board Order required "*each of the Subject Wells either be plugged and abandoned in compliance with Utah's laws and regulations, or actively producing oil, gas, including coalbed methane, for sale*" within five (5) years from the effective date (July 23, 2002). Failure to either plug or abandon each Subject Well, or have each well actively producing, by the end of the granted 5-year period is considered a breach of the Agreement. The Board Order granted the Division, in its sole discretion, to waive such breach if good cause is shown to extend the shut-in period. Because of the rugged topography and high elevation of most Subject Wells, the period during which operations could be conducted was limited due to weather.

Building the Unit infrastructure was more time intense than anticipated. However, continued yearly progress by Marion justified extended shut-in periods. With the Unit infrastructure now in place, the Division feels a final extension is justified to allow Marion an additional operating season to bring the Subject Wells into full Board Order compliance.



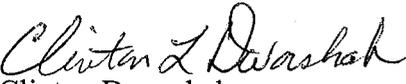
Page 2

Subject: Board Cause No. 250-01, 2009 Clear Creek Proposed Plan of Action
May 27, 2009

The Division feels Marion has been granted adequate time to perform the required work. Hence, the Subject Wells must be either plugged and abandoned or actively producing oil and gas for sale by year-end 2009 or the Division will file a Request for Agency Action before the Board to enforce the order, and seek any legal, injunctive, or equitable relief available from the Board.

Should you have any questions concerning this matter feel free to contact me at 801-538-5280 or Dustin Doucet at 801-538-5281.

Sincerely,


Clinton Dworshak
Compliance manager

CLD/js

cc: Steve Alder
Gil Hunt
Dustin Doucet
Compliance File
Well Files
Board File 250-01

N:\O&G Reviewed Docs\ChronFile\Compliance



May 12, 2009

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

RECEIVED
MAY 14 2009
DIV. OF OIL, GAS & MINING

RE: Board Cause 250-01, Clear Creek Field Operations Update

Dear Mr. Dworshak,

Marion Energy is writing today to update the Utah Department of Oil, Gas and Mining in regards to Board Cause 250-01. Please find below a schedule for work to be completed on the wells in Clear Creek Utah pertaining to the Cause 250-01:

- 1) **Utah Fuel #4:** The Utah Fuel # 4 was Plugged and Abandoned in **December 2007**.
- 2) **Utah Fuel #10:** Marion Energy plans to enter the Utah Fuel #10 pad site this summer and Plug and Abandon this well and location. Marion Energy estimated date of P&A is **August 2009**.
- 3) **Utah Mineral State 1256-1 a/k/a Utah Mineral State 1-A:** Marion Energy has re-entered this well and found the well capable of producing gas. We are currently in negotiations with the Surface Owner to purchase and easement down his road to run a gas and water line. Marion Energy has recently completed an infrastructure overhaul and is now ready to tie the well in. We have been in negotiations with the Surface Owner for over a year. Once an easement agreement has been reached, Marion Energy estimates 100 days of construction time. Estimated date of tie-in: **October 2009**.
- 4) **Utah Fuel #8:** Marion Energy recently re-entered the Utah Fuel #8 and has deemed this well economic. We have currently run a temporary gas line to our new infrastructure and will be completing a permitted gas and water line this summer. Currently this well is producing.
- 5) **Oman 2-20:** Marion Energy has recently re-entered the Oman 2-20 and has deemed this well economic. Marion Energy has tied this well into our new infrastructure and it is currently producing.

See Next Page

119 South Tennessee, Suite 200, McKinney, Texas, 75069
Telephone: (972) 540-2967, Fax: (972) 547-0442



6) **Utah Fuel #2:** Marion Energy recently completed an easement agreement with the Clear Creek Home Owners Association to run a new gas and water line from the Utah Fuel #2 to new pipelines. Marion Energy intends to start work on the new pipeline in summer of 2009. We are estimating sixty (60) days for pipeline work to be completed. Once completed Marion Energy will move a work over rig onto the Utah Fuel #2 to place the well back onto production. Estimated date of tie-in is **November 2009.**

→ 7) ^{43 007 16011 13S 7E 32} **Utah Fuel #3:** Marion Energy plans on clearing the pad site of the Utah Fuel #3 of the temporary compressor and water storage tanks being used while Marion was completing its infrastructure overhaul. Once the items have been removed, Marion Energy intends to move a work over rig onto location. Marion Energy intends to bring the Utah Fuel #3 back online. Estimated date of tie-in is **November 2009.**

8) **Utah Fuel #1:** Marion Energy plans on leaving the Utah Fuel #1 shut in while drilling operations are being conducted on the pad site to drill and complete the Jacob 5-5 and Jacob 4-8. Marion Energy plans on drilling the aforementioned wells during the calendar year of 2009. Once the wells have been drilled, Marion intends to bring the Utah Fuel #1 back on-line. Marion Energy has recently completed a gas gathering system overhaul, and the infrastructure is now in place and ready to receive gas from the Utah Fuel #1, once drilling operations have been completed on the pad site.

If you have any further questions or concerns please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Keri Clarke", is written over a horizontal line.

Keri Clarke
Vice President – Land
Marion Energy
119 S. Tennessee
McKinney, TX 75069
Phone: 972-540-2967
Cell: 214-704-4377
E-mail: kclarke@marionenergy.com



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

May 27, 2009

CERTIFIED MAIL No.: 7004 1160 0003 0190 2938

Marion Energy, Inc.
119 South Tennessee, Suite 200
McKinney, TX 75069
Attn: Mr. Keri Clarke

43 007 16011
13S 7E 32

Subject: Board Cause No. 250-01, 2009 Clear Creek Proposed Plan

Mr. Clarke:

The Division of Oil, Gas & Mining (the "Division") has reviewed the 2009 Clear Creek proposed plan (dated May 12, 2009, received by the Division May 14, 2009) submitted by Marion Energy Inc. ("Marion"). It is the Divisions understanding that Marion has placed the Oman State 2-20 well on production and will have the Utah Fuel #1, Utah Fuel #2, Utah Fuel #3, and Utah Mineral State #1 wells actively producing oil and gas for sale before year-end. Marion also proposes to plug and abandon the Utah Fuel #10 well by August 2009.

The Division approves the 2009 Clear Creek plan as submitted. However, this will be the **final extension** granted by the Division for the above-mentioned wells (the "Subject Wells"). The Board Order required "*each of the Subject Wells either be plugged and abandoned in compliance with Utah's laws and regulations, or actively producing oil, gas, including coalbed methane, for sale*" within five (5) years from the effective date (July 23, 2002). Failure to either plug or abandon each Subject Well, or have each well actively producing, by the end of the granted 5-year period is considered a breach of the Agreement. The Board Order granted the Division, in its sole discretion, to waive such breach if good cause is shown to extend the shut-in period. Because of the rugged topography and high elevation of most Subject Wells, the period during which operations could be conducted was limited due to weather.

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Page 2

Subject: Board Cause No. 250-01, 2009 Clear Creek Proposed Plan of Action
May 27, 2009

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Should you have any questions concerning this matter feel free to contact me at 801-538-5280 or Dustin Doucet at 801-538-5281.

Sincerely,


Clinton Dworshak
Compliance manager

CLD/js

cc: Steve Alder
Gil Hunt
Dustin Doucet
Compliance File
Well Files
Board File 250-01

N:\O&G Reviewed Docs\ChronFile\Compliance



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 20, 2011

Marion Energy, Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069
Attn: Mr. Keri Clark

Subject: Division Order for MIT tests and Individual Well Bonds

Dear Mr. Clark:

It is good to see you progressing with mechanical integrity tests (MIT) for the wells in question below:

API	WELL NAME			
4300716009	UTAH FUEL 1			
4300716010	UTAH FUEL 2			
→ 4300716011	UTAH FUEL 3	135	7E	32
4300716015	UTAH FUEL 8			
4300716016	UTAH FUEL 10			
4300730102	UTAH MINERAL STATE			

As we discussed on Thursday, January 6, 2011, the Division of Oil, Gas and Mining (Division) did not proceed to file this matter for a formal hearing before the Board of Oil, Gas, and Mining (Board) for the February hearing. However, in order to keep this matter moving forward, I would like to have a plan of action for each well in question, as well as the status of the bonding effort.

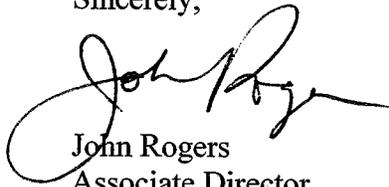
Include the following:

1. A planned date of the MIT test for each well in question.
2. The results of the MIT and plan of action following the tests:
 - To bring on line and produce.
 - Plug and abandoned.
3. Pertinent information concerning the status of your bonding efforts.

Page 2
Marion Energy, Inc.
January 20, 2011

Please communicate with me on a weekly basis in order for the Division to track the progress. In order to proceed with a March hearing, our attorney will need to file with the Board by February 10th. The Division will plan to proceed in this direction, unless a distinct progress is made to resolve this issue. If you have any questions, please call me at 801-538-5349.

Sincerely,

A handwritten signature in black ink, appearing to read "John Rogers", written in a cursive style.

John Rogers
Associate Director

JR/js
cc: Steve Alder
Dustin Doucet
Randy Thackeray
Compliance File
Well Files

N:\O&G Reviewed Docs\ChronFile\Enforcement

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		6. LEASE DESIGNATION AND SERIAL NUMBER: <u>FEE</u>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <u>Clear Creek</u>
2. NAME OF OPERATOR: <u>Marlow Energy, Inc.</u>		8. WELL NAME and NUMBER: <u>Utah Fuel #3</u>
3. ADDRESS OF OPERATOR: 901 N. McDonald Ste. 601 CITY <u>McKinney</u> STATE <u>TX</u> ZIP <u>75069</u>		9. API NUMBER: <u>4300716011</u>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <u>1675' FEL & 1942' FSL 1942 FSL 1675 FEL</u>		10. FIELD AND POOL, OR WILDCAT: <u>Clear Creek</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>NWSE 32 13S 7E</u>		COUNTY: <u>Carbon</u> STATE: <u>UTAH</u>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>2/4/2011</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input checked="" type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Marion Energy intends to squeeze shallow perfs from 1380'-1462' in advance of performing an MIT on the entire well bore. These perfs were intended to obtain shallow water samples for a SWD application that was subsequently denied. The perfs will be squeezed with 204 sks. Class G w/ 2% CaCl. This work will be performed by ProPetro of Vernal Utah.

COPY SENT TO OPERATOR

Date: 2.3.2011
Initials: KS

RECEIVED
FEB 02 2011
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Doug Endsley</u>	TITLE <u>VP Operations</u>
SIGNATURE <u>Doug Endsley</u>	DATE <u>2/1/2011</u>

(This space for State use only)

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 2/2/2011
BY: [Signature] (See Instructions on Reverse Side)

(5/2000)

Division of Oil, Gas and Mining
ORPHAN-NO RESPONSIBLE OPERATOR
CHANGE WORKSHEET (for state use only)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:	10/11/2012
FROM: (Old Operator): N2740- Marion Energy, Inc	TO: (New Operator): N9999-Orphan-No Responsible Operator

Docket Number:	2011-018			Board:	X	Division:		
Cause Number:	250-02							
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
UTAH FUEL 1	05	140S	070E	4300716009	2550	Fee	GW	S
UTAH FUEL 10	05	140S	070E	4300716016	2550	Fee	GW	S
UTAH FUEL 2	32	130S	070E	4300716010	2550	Fee	GW	S
UTAH FUEL 3	32	130S	070E	4300716011	2550	Fee	GW	S
UTAH FUEL 8	19	130S	070E	4300716015	2550	Fee	GW	S
UTAH MINERAL STATE	29	130S	070E	4300730102	2550	State	GW	S

DATA ENTRY:

1. Date bond received on: 10/11/2012
2. Changes entered in the Oil and Gas Database on: 11/30/2012
3. Date RBDMS changed to "Calimed" on: 10/11/2012

COMMENTS:

Per the Board of Oil, Gas and Mining well(s) moved to N9999 Orphan-No Responsible Operator for Division plugging.

Division of Oil, Gas and Mining
ORPHAN-NO RESPONSIBLE OPERATOR
CHANGE WORKSHEET (for state use only)

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Cause Number:	250-02							
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
UTAH FUEL 1	05	140S	070E	4300716009	2550	Fee	GW	S
UTAH FUEL 10	05	140S	070E	4300716016	2550	Fee	GW	S
UTAH FUEL 2	32	130S	070E	4300716010	2550	Fee	GW	S
UTAH FUEL 3	32	130S	070E	4300716011	2550	Fee	GW	S
UTAH FUEL 8	19	130S	070E	4300716015	2550	Fee	GW	S
UTAH MINERAL STATE	29	130S	070E	4300730102	2550	State	GW	S

DATA ENTRY:

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- Changes entered in the **Oil and Gas Database** on: 11/30/2012
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COMMENTS:

Well(s) moved to N9999 Orphan-No Resonsible Operator for plugging.

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

FORM 9

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		7. UNIT or CA AGREEMENT NAME: Clear Creek
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Utah Fuel #3	
2. NAME OF OPERATOR: Marion Energy Inc		9. API NUMBER: 4300716011
3. ADDRESS OF OPERATOR: P.O. Box 1518 CITY Allen STATE Tx ZIP 75013	PHONE NUMBER: (972) 549-2967	10. FIELD AND POOL, OR WILDCAT: Clear Creek
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1942' FSL & 1675' FEL		COUNTY: Carbon
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 32 13S 7E		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 9/10/2013	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Marion Energy plans to plug and abandon the Utah Fuel #3 as per the attached procedure.

COPY SENT TO OPERATOR
Date: 9.15.2013
Initials: KS

NAME (PLEASE PRINT) Doug Endsley	TITLE Consultant
SIGNATURE	DATE 8/18/2013

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 9/4/2013
BY: D. Endsley (See Instructions on Reverse Side)
** See conditions of Approval (Attached)*

RECEIVED
AUG 18 2013
DIV. OF OIL, GAS & MINING

(5/2000)

Utah Fuel #3 Plugging Procedure

Well Name: Utah Fuel #3
Location: SESE Sec.32-T13S-R7E Carbon County, Utah
Surface Csg: 13 3/8" H-40 48# set @ 169'
Prod. Csg: 7" J-55 17&23# set @ 4057'
Liner: 5" J-55 15# set@ 3987'-4560'
PBTD: 3920'

1. MIRU Professional Well Service. NDWH and NUBOP.
2. Mix and pump 10 sx bentonite w/70 bbls fresh water down bradenhead valve.
3. TIH w/ 2 7/8" tbg and tag plug CIBP @ 3920', 67' above liner top.
4. Pump cement through 2 7/8" tbg setting a 300' plug from +/-3920'- 3620' (approx. 60sx.)
5. TOH w/tbg and TIH w/7" CIBP set at +/- 1300'
6. Pump cement through 2 7/8" tbg setting a 100' plug from 1300'- 1200' (approx. 20sx.)
7. RU perforators and perforate 4 sqz. Holes @ +/- 170'. **Make sure Bentonite has had 24 hrs. to set up.** Establish circulation to surface. Mix and pump approximately 35 sx cement down 7". Shut down and WOC for 1 hour. Mix and pump approximately 150 sx down 7" csg. Establishing circulation to surface.
7. All cement should be Type II or Class G or equivalent cement mixed at 5.2 to 5 gal/sk to make a slurry weight of 15.8 ppg.
8. All annuli shall be cemented from a minimum depth of 100' to the surface.
9. Erect dry hole marker

Present Completion

API: 43-007-16011
GL: 8,448'
KB: 8,459'

Utah Fuel #3

Wayne McPherson 5/28/08

LOCATION:

Clear Creek
SE NW SE
Sec. 32 T13S R7E
Carbon County, UT

Casing Strings:

13-3/8", 48#, H-40 @ 169'
Cmtd w/ 170 sx
TOC @ surface

7", 17# & 23# @ 4,057'
Cmtd w/ 250 sx
TOC @ 2,875' estimated

5", 15# Liner @ 3,987'-4,560'
Cmtd w/ 75 sx
TOC @ 3,987'

(No mention of liner hanger type)

Drilling Notes:

Lost Circulation 2,090', 2,422', 2,465'

Core: 4,430'-4,562'

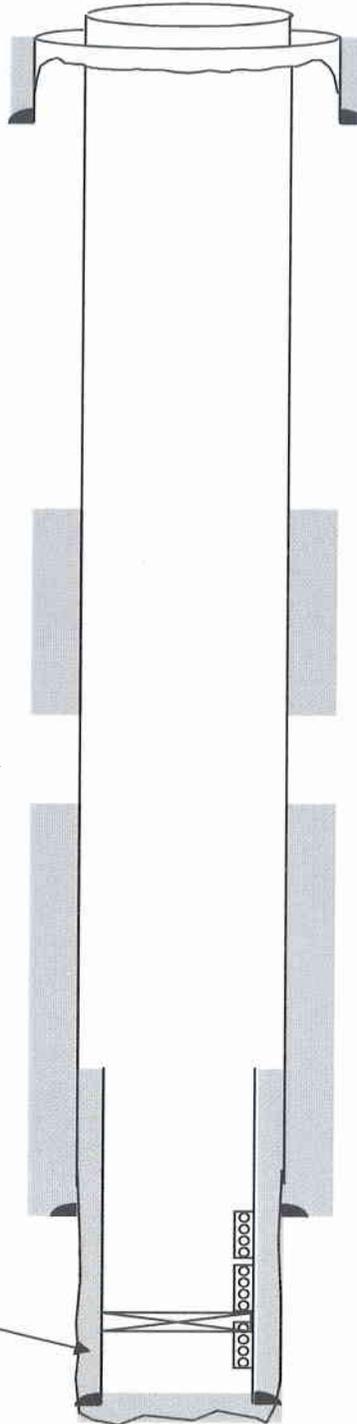
DST: #1 4,055'-4,162'

GTS in 5 min, gauge 5,000 mcf/d thru .5 chk

DST #2-#7 not legible

Tubing String:

No tbg in hole



8/13/61: CIBP @ 4,419'

Spud Date: 6/5/52

TD Date: 8/7/52

Deepen Date: 5/6/54

Deepen TD Date: 6/15/54

Comp. Date: 8/7/52

TD = 4,564'

Ferron 6/1954,

4,070'-82', 4,106'-30', 4,216'-40' (6 spf)

4,248'-56', 4,294'-4,302', 4,343'-49' (6 spf)

4,355'-63', 4,396'-4,404' (6 spf)

4,426'-66', 4,478'-82' (6 spf)

Acidize 4,070'-4,482' w/ 5000g

IP: 10.93 MMscfd

8/13/61: add perf 4,184'-4,200'

Treat perms 4,070'-4,404' w/ 8,800g 15%

Frac perms 4,343'-4,404' w/ 8,600#

Frac perms 4,070'-4,302' w/ 35,300#



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Utah Fuel # 3
API Number: 43-007-16011
Operator: Marion Energy, Inc.
Reference Document: Original Sundry Notice dated August 18, 2013,
received by DOGM on August 18, 2013.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. Amend Plug # 2: Plug should be moved downhole 200' and spotted across the perms (Sqz'd?) from 1500' to 1300' (± 40 sx).
3. Plug #3: First quantity of cement (35 sx) should be pumped through perms and should only be done if formation has not been healed by Bentonite pill. If circulation is established, adequate quantity of cement should be circulated to fill casing inside and out from perf (170') to surface (~150 sx).
4. All balanced plugs shall be tagged to ensure they are at the depths specified in the procedure.
5. All annuli shall be cemented from a minimum depth of 100' to the surface.
6. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
9. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

September 4, 2013

Date



Wellbore Diagram

API Well No: 43-007-16011-00-00 Permit No: Well Name/No: UTAH FUEL 3

Company Name: ORPHAN-NO RESPONSIBLE OPERATOR

Location: Sec: 32 T: 13S R: 7E Spot: NWSE

Coordinates: X: 486257 Y: 4388270

Field Name: CLEAR CREEK

County Name: CARBON

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (F/CF)
HOL1	205	17.25			
SURF	169	13.375	48		
HOL2	4399	9			
PROD	4057	7	23		4.524
PROD	4057	7	27		
PROD	4057	7	27		
HOL3	4564	6.25			
LI	4560	5	15	577	
CIBP	4419	5			

Cement from 184 ft. to surface

Surface: 13.375 in. @ 169 ft.

Hole: 17.25 in. @ 205 ft.

Plug # 3

$170' / (1.15) (4.524) = 33 \text{ SK}$

$170' / (1.15) (1.627) = 91 \text{ SK}$

124 SK total

Propose 150 SK vol.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
LI	4560	3987	UK	73
PROD	4057	3440 ^{EST}	UK	250
SURF	184	0		

$13 \frac{3}{8}'' \times 7'' \rightarrow 1.627$

$10 \frac{5}{8}'' \times 7'' (108) \rightarrow 2.093$

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
4070	4402			
1380'	4462'			

Liner from 4560 ft. to 3987 ft.

Cement from 4057 ft.

Formation Information

Formation	Depth
EMRY	810
FRSD	4050

3620'
Production: 7 in. @ 4057 ft.
CRIP @ 3920'

Plug # 1

$(60 \text{ SK}) (1.15) (4.524) = 312'$

TOC @ 3620' ✓ OK

Hole: 9 in. @ 4399 ft.

Hole: 6.25 in. @ 4564 ft.

4402'

TD: 4564 TVD: PBTB:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Clear Creek
2. NAME OF OPERATOR: Marion Energy Inc.		8. WELL NAME and NUMBER: Utah Fuel #3
3. ADDRESS OF OPERATOR: P.O. Box 1518 CITY Allen STATE Tx ZIP 75013		9. API NUMBER: 4300716011
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1942' FSL & 1675' FEL		10. FIELD AND POOL, OR WILDCAT: Clear Creek
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 32 13S 7E		COUNTY: Carbon
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/21/2013	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

On September 24th Marion plugged and abandoned this well in the following manner. Pump 7sx bentonite down surface casing annulus. Let set overnight. 9/25/2013 set CIBP at 3914'. Pump 60 sx 15.8 #/gal cement from 3914'-3604'. Set CIBP at 1499' and pumped 20 sx 15.8#/gal plug from 1499'-1398'. RU wireline and perforate 4 squeeze holes at 200'. Pump water ahead to establish circulation at surface. Had good circulation with water. Switched to cement and maintained circulation. Pumped 170sx 15.8#/gal cement. Had circulation throughout with good cement returns to surface. Both casing strings were standing full of cement. On 10/15/2013 the wellhead was cut off. On 10/16/2013 Ted Smith of DOGM ran a line into the annulus and tagged cement 4' from surface. Welded marker on casing

NAME (PLEASE PRINT) <u>Doug Endsley</u>	TITLE <u>Consultant</u>
SIGNATURE	DATE <u>10/22/2013</u>

(This space for State use only)

RECEIVED
OCT 22 2013

Division of Oil, Gas and Mining

Operator Change/Name Change Worksheet-for State use only

Effective Date: 6/1/2015

FORMER OPERATOR:	NEW OPERATOR:
Marion Energy, Inc 1415 N Loop West, Suite 1250 Houston, TX 77008 281-540-0028	Utah Gas Operating Solutision, LLC 1415 N Loop West, Suite 1250 Houston, TX 77008 281-540-0028
CA Number(s):	Unit(s): Clear Creek

WELL INFORMATION:

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status
See Attache Listq									

OPERATOR CHANGES DOCUMENTATION:

1. Sundry or legal documentation was received from the **FORMER** operator on: 6/24/2015
2. Sundry or legal documentation was received from the **NEW** operator on: 6/24/2015
3. New operator Division of Corporations Business Number: 9345770-0161

REVIEW:

1. Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A
2. Receipt of Acceptance of Drilling Procedures for APD on: N/A
3. Reports current for Production/Disposition & Sundries: 6/25/2015
4. OPS/SI/TA well(s) reviewed for full cost bonding: 6/25/2015
5. UIC5 on all disposal/injection/storage well(s) approved on: 7/8/2015
6. Surface Facility(s) included in operator change: Clear Creek Tank Battery
7. Inspections of PA state/fee well sites complete on (only upon operators request): 6/25/2015

NEW OPERATOR BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: SU46335
2. Indian well(s) covered by Bond Number: N/A
3. State/fee well(s) covered by Bond Number(s): SU46334 and SU46341

DATA ENTRY:

1. Well(s) update in the **OGIS** on: 7/9/2015
2. Entity Number(s) updated in **OGIS** on: 7/9/2015
3. Unit(s) operator number update in **OGIS** on: 7/9/2015
4. Surface Facilities update in **OGIS** on: N/A
5. State/Fee well(s) attached to bond(s) in **RBDMS** on: 7/9/2015
6. Surface Facilities update in **RBDMS** on: 7/9/2015

LEASE INTEREST OWNER NOTIFICATION:

1. The **NEW** operator of the Fee (Mineral) wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: 7/9/2015

COMMENTS:

Marion Energy, Inc to
Utah Gas Operating Solutions, LLC
Effective 6/1/2015

Well Name	Sec	TWN	RNG	API	Entity	Mineral	Surface	Type	Status	Unit
ALPINE SCHOOL DIST 3-17	17	130S	070E	4300731182	2550	State	Fee	WD	A	CLEAR CREEK
RIDGE RUNNER 8-19	20	140S	070E	4301530682	2550	Federal	Federal	GW	OPS	CLEAR CREEK
RIDGE RUNNER 2-18	17	140S	070E	4301530683	16130	Federal	Federal	GW	OPS	CLEAR CREEK
UTAH FUEL 10	5	140S	070E	4300716016	2550	Fee	Fee	GW	P	CLEAR CREEK
RIDGE RUNNER 13-17	17	140S	070E	4301530269	2550	Federal	Federal	GW	P	CLEAR CREEK
UTAH FUEL 1	5	140S	070E	4300716009	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 2	32	130S	070E	4300716010	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 3	32	130S	070E	4300716011	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 4	30	130S	070E	4300716012	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 5	31	130S	070E	4300716013	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH MINERAL STATE	29	130S	070E	4300730102	2550	State	Fee	GW	PA	CLEAR CREEK
BALLPARK CYN 17-2	16	130S	100E	4300731169	15494	Fee	Fee	D	PA	
KENILWORTH RAILROAD 15-4	16	130S	100E	4300731170	15495	Federal	Fee	D	PA	
BALLPARK CYN 16-2	16	130S	100E	4300731171	15434	Fee	Fee	D	PA	
CORDINGLY CYN 10-1	15	130S	100E	4300731173	15435	Fee	Fee	D	PA	
BALLPARK CYN 16-2X	16	130S	100E	4300731207	15496	Fee	Fee	D	PA	
UTAH FUEL A-1	6	140S	070E	4301516021	2550	Fee	Fee	GW	PA	CLEAR CREEK
UTAH FUEL 8	19	130S	070E	4300716015	2550	Fee	Fee	GW	S	CLEAR CREEK
OMAN 2-20	20	130S	070E	4300730289	2550	State	Fee	GW	S	CLEAR CREEK
KENILWORTH RR #1	16	130S	100E	4300731006	14624	Fee	Fee	GW	S	
KENILWORTH RR #2	16	130S	100E	4300731007	14625	Fee	Fee	GW	S	
BALLPARK CANYON #1	16	130S	100E	4300731015	15159	Fee	Fee	GW	S	
CORDINGLY CYN 15-2	15	130S	100E	4300731064	15160	State	Fee	GW	S	
CORDINGLY CYN 15-1	15	130S	100E	4300731065	15161	State	Fee	GW	S	
CORDINGLY CYN 11-1	11	130S	100E	4300731070	15432	Fee	Fee	GW	S	
CORDINGLY CYN 15-5	15	130S	100E	4300731167	15433	State	Fee	GW	S	
KENILWORTH RAILROAD 15-3	16	130S	100E	4300731168	16041	Federal	Fee	GW	S	
ALPINE SCHOOL DIST 6-17	17	130S	070E	4300731181	2550	State	Fee	GW	S	CLEAR CREEK
OMAN 10-29	29	130S	070E	4300731210	2550	State	Fee	GW	S	CLEAR CREEK
KENILWORTH RR 1-A	16	130S	100E	4300731229	16456	Fee	Fee	GW	S	
RIDGE RUNNER 11-20	20	140S	070E	4301530271	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 1-30	20	140S	070E	4301530680	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 2-19	17	140S	070E	4301530684	2550	Federal	Federal	GW	S	CLEAR CREEK
RIDGE RUNNER 11-17	17	140S	070E	4301530685	2550	Federal	Federal	GW	S	CLEAR CREEK

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-1257

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:
Clear Creek

1. TYPE OF WELL
OIL WELL GAS WELL OTHER Compressor

8. WELL NAME and NUMBER:

2. NAME OF OPERATOR:
Utah Gas Operating Solutions, LLC

9. API NUMBER:

3. ADDRESS OF OPERATOR:
1415 North Loop West, STE CITY Houston STATE TX ZIP 77008

PHONE NUMBER:
(281) 540-0028

10. FIELD AND POOL, OR WILDCAT:

4. LOCATION OF WELL

FOOTAGES AT SURFACE:

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 33 13S 7E

STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/1/2015</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Please accept this as notice that as of June 1st, 2015, Marion Energy, Inc. is resigning as the operator of the "Clear Creek Compressor Station" and assigning Utah Gas Operating Solutions, LLC. as the successor of operator. This is in conjunction with Utah Gas Operating Solutions, LLC bond number 5040334.
"Clear Creek Compressor Station"
Sec 33 13S 7E NWNW

Marion Energy, Inc.

Signature: Douglas Flanner

Date: 6/1/15

Name: Douglas Flanner

Title: VP

Utah Gas Operating Solutions, LLC.

Signature: Patrick W. Merritt

Date: 6-15-2015

Name: Patrick W. Merritt

Title: AGENT-LIMITED ATTORNEY IN FACT

NAME (PLEASE PRINT) Patrick W. Merritt

TITLE AGENT-LIMITED ATTORNEY IN FACT

SIGNATURE Patrick W. Merritt

DATE 6-15-2015

(This space for State use only)

APPROVED

JUL 09 2015

DIV. OIL GAS & MINING
BY: Rachel Medina

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-1257

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:
Clear Creek Unit

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

2. NAME OF OPERATOR:
Marion Energy, Inc

9. API NUMBER:

3. ADDRESS OF OPERATOR:
1415 N Loop W, STE 1250 CITY **Houston** STATE **TX** ZIP **77008**

PHONE NUMBER:
(281) 540-0028

10. FIELD AND POOL, OR WILDCAT:
Helper Field

4. LOCATION OF WELL
FOOTAGES AT SURFACE:

COUNTY:

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

STATE:
UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

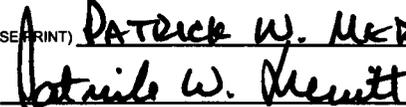
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>6/1/2015</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

As of June 1st, 2015, Marion Energy, Inc. resigns as Operator over its former Clear Creek Unit and Helper Field assets. In conjunction with this resignation, Utah Gas Operating Solutions, LLC. will be taking over as the Successor Operator upon your approval. Please refer to all documents submitted by Utah Gas Operating Solutions, LLC. as successor unit operator and on behalf of Marion Energy, Inc. regarding this change.

Please see the attached Appendix A below for a complete well and facility list that will be transferred upon governing approval. As the Vice President of Marion Energy, Inc. I ask that you accept this letter as Marion Energy's official resignation and request to transfer operating rights to Utah Gas Operating Solutions, LLC.

Signature:  Date: 6/11/15
Doug Flannery
Vice President

NAME (PLEASE PRINT) DATRICK W. MERRITT TITLE AGENT - CONTRACT OPERATOR
SIGNATURE  DATE 6-15-2015

(This space for State use only)

APPROVED

JUL 09 2015

DIV. OIL GAS & MINING
BY: Rachel Medina

APPENDIX A

Well List

Well Name	Sec	TWN	RNG	API	Status
ALPINE SCHOOL DIST 3-17	17	130S	070E	4300731182	A
KENILWORTH RAILROAD 9-1	16	130S	100E	4300731172	LA
JACOB 5-5	5	140S	070E	4300731190	LA
JACOB 4-8	5	140S	070E	4300731191	LA
OMAN 2-31	30	130S	070E	4300731246	LA
OMAN 3-32	29	130S	070E	4300731247	LA
MADSEN 11-20	19	130S	070E	4300731297	LA
OMAN 7-19	19	130S	070E	4300731298	LA
WOOLSEY 3-31	31	130S	070E	4300731305	LA
OLD RAIL ROAD GRADE 17-1	17	130S	100E	4300731354	LA
KENILWORTH WASH 18-1	18	130S	100E	4300731355	LA
ALRAD CYN 13-1	13	130S	100E	4300731357	LA
CORDINGLY CYN 15-6	15	130S	100E	4300731416	LA
RIDGE RUNNER 7-20	20	140S	070E	4301530681	LA
RIDGE RUNNER 8-19	20	140S	070E	4301530682	OPS
RIDGE RUNNER 2-18	17	140S	070E	4301530683	OPS
UTAH FUEL 10	5	140S	070E	4300716016	P
RIDGE RUNNER 13-17	17	140S	070E	4301530269	P
UTAH FUEL 1	5	140S	070E	4300716009	PA
UTAH FUEL 2	32	130S	070E	4300716010	PA
UTAH FUEL 3	32	130S	070E	4300716011	PA
UTAH FUEL 4	30	130S	070E	4300716012	PA
UTAH FUEL 5	31	130S	070E	4300716013	PA
UTAH MINERAL STATE	29	130S	070E	4300730102	PA
BALLPARK CYN 17-2	16	130S	100E	4300731169	PA
KENILWORTH RAILROAD 15-4	16	130S	100E	4300731170	PA
BALLPARK CYN 16-2	16	130S	100E	4300731171	PA
CORDINGLY CYN 10-1	15	130S	100E	4300731173	PA
BALLPARK CYN 16-2X	16	130S	100E	4300731207	PA
UTAH FUEL A-1	6	140S	070E	4301516021	PA
OMAN 14-20	29	130S	070E	4300731209	RET
CORDINGLY CYN 2-1	2	130S	100E	4300731236	RET
SWD 1	28	130S	100E	4300731417	RET
SHIMMIN 33-1	33	120S	110E	4300731431	RET
SEAMONS 5-8	8	130S	070E	4300731432	RET
CRITCHLOW 29-1	29	120S	110E	4300731433	RET
RADAKOVICH 12-5-1	5	130S	070E	4300731434	RET
ALLRED 10-1	10	120S	110E	4300731435	RET

RADAKOVICH 12-5	5	130S	070E	4300731436	RET
SEAMONS 5-8-2	8	130S	070E	4300731437	RET
WOOLSEY 3-31-1	31	130S	070E	4300731438	RET
ALLRED 13-1	13	120S	110E	4300731439	RET
JACOB 5-5	5	140S	070E	4300731513	RET
UTAH FUEL 8	19	130S	070E	4300716015	S
OMAN 2-20	20	130S	070E	4300730289	S
KENILWORTH RR #1	16	130S	100E	4300731006	S
KENILWORTH RR #2	16	130S	100E	4300731007	S
BALLPARK CANYON #1	16	130S	100E	4300731015	S
CORDINGLY CYN 15-2	15	130S	100E	4300731064	S
CORDINGLY CYN 15-1	15	130S	100E	4300731065	S
CORDINGLY CYN 11-1	11	130S	100E	4300731070	S
CORDINGLY CYN 15-5	15	130S	100E	4300731167	S
KENILWORTH RAILROAD 15-3	16	130S	100E	4300731168	S
ALPINE SCHOOL DIST 6-17	17	130S	070E	4300731181	S
OMAN 10-29	29	130S	070E	4300731210	S
KENILWORTH RR 1-A	16	130S	100E	4300731229	S
RIDGE RUNNER 11-20	20	140S	070E	4301530271	S
RIDGE RUNNER 1-30	20	140S	070E	4301530680	S
RIDGE RUNNER 2-19	17	140S	070E	4301530684	S
RIDGE RUNNER 11-17	17	140S	070E	4301530685	S

Facility List

Clear Creek Compressor Station	33	13S	7E
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