

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

ML-48235

6. If Indian, Allottee or Tribe Name:

NA

7. Unit Agreement Name:

NA

8. Farm or Lease Name:

SITLA

9. Well Number:

SITLA #32-21

10. Field and Pool, or Wildcat:

Drunkard's Wash

11. Qtr/Qtr, Section, Township, Range, Meridian:

SW/4 NE/4, Section 21
T15S, R9E

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN

B. Type of Well OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

2. Name of Operator:

Marathon Oil Company

3. Address and Telephone Number:

1501 Stampede Avenue, Cody, Wyoming 82414 (307) 527-2211

4. Location of Well (Footages)

At Surface:

1512' FNL, 1449' FEL, Section 21, T15S, R9E

4292096N
507347E

At Proposed Producing Zone:

Same

14. Distance in miles and direction from nearest town or post office:

Approximately 13 miles SW of Price, Utah

12. County:

Carbon

13. State:

UTAH

15. Distance to nearest property or lease line (feet):

1449'

16. Number of acres in lease:

760

17. Number or acres assigned to this well:

160

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):

N/A

19. Proposed Depth:

2,923'

20. Rotary or cable tools:

Rotary

21. Elevations (show whether DR, RT, GR, etc.):

6060' KB

6048' GL

22. Approximate date work will start:

7/20/2000

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	J-55, 8 5/8"	24#	300'	135 sx
7 7/8"	L-80, 7 7/8" 5 1/2"	17#	0 - TD	180 sx

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

Marathon Oil Company requests approval to drill the above named well as described in the attached "Drilling Prognosis".

A Class III Archaeological Survey has been performed for this area and is attached.

All work will be performed under Marathon's statewide blanket bond #5217029 and SITLA Blanket Bond #5922542, both in the amount of \$80,000.00.

DOGMA-Orig&2--cc: RPM,WRF,DRILLING(4), T&C(hou),WAMSUTTER OFFICE

24. R.P. Meabon RPMeabon@MarathonOil.com

Regulatory

Name & Signature:

R.P. Meabon

Title:

Coordinator

Date:

6/13/00

(This space for State use only)

API Number Assigned:

43-007-30719

Approval:

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

7/19/00

By:

[Signature]

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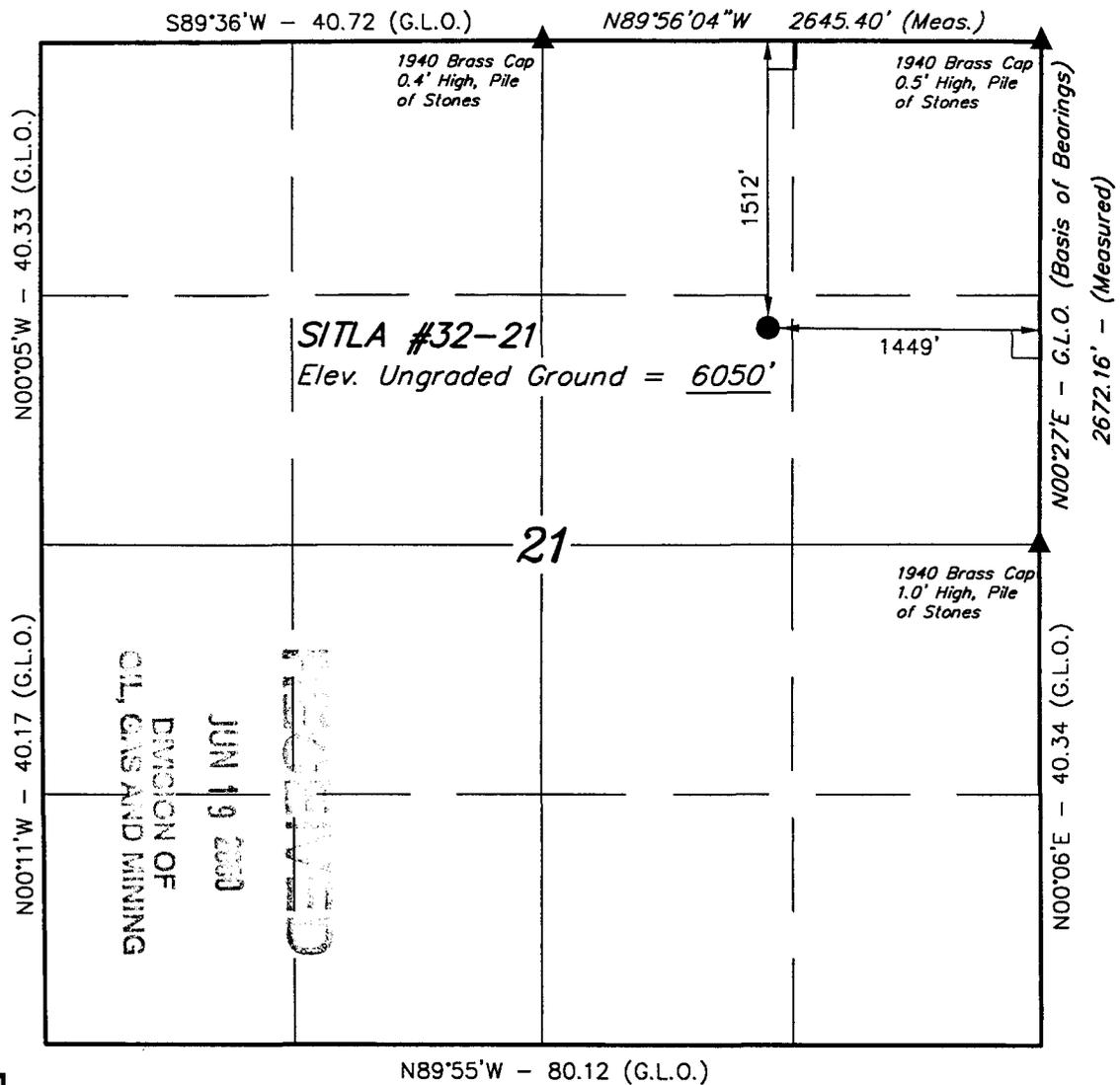
JUN 19 2000

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OIL, GAS AND MINING

T15S, R9E, S.L.B.&M.

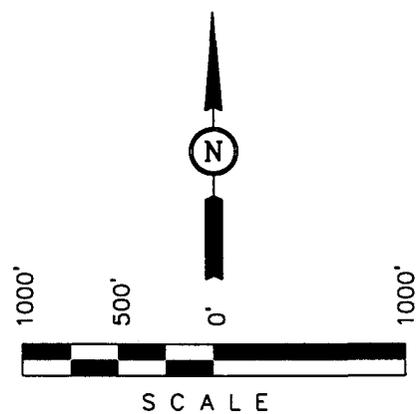
MARATHON OIL CO.

Well location, SITLA #32-21, located as shown in the SW 1/4 NE 1/4 of Section 21, T15S, R9E, S.L.B.&M. Carbon County, Utah.



BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 21, T15S, R9E, S.L.B.&M. TAKEN FROM THE PINNACLE PEAK QUADRANGLE, UTAH, CARBON COUNTY 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5978 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Robert A. Key
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

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

EXHIBIT D

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

Latitude = 39°30'33" (39.509167)
Longitude = 110°54'50" (110.913889)

SCALE 1" = 1000'	DATE SURVEYED: 05-22-00	DATE DRAWN: 06-01-00
PARTY D.K. M.C. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE MARATHON OIL CO.	

MARATHON OIL COMPANY	DRILLING PROGNOSIS	AFE TBD
SITLA #32-21	DRUNKARD'S WASH	CARBON CO., UTAH
		June 8, 2000

1. LOCATION AND DIRECTIONAL SUMMARY

SURFACE LOCATION	BOTTOM HOLE LOCATION	DISPLACEMENT	ELEVATION
1449' FEL, 1512'FNL	Natural Drift	N/A	6060' KB
Sec. 21, T15S, R9E	Sec. 21, T15S, R9E		6048' GL

The subject well will be drilled as a Ferron gas producer. The 8-5/8" surface casing will be pre-set at 300'. The production hole interval will be drilled with air. An open hole logging suite will be run at total depth. A 5-1/2" production casing will then be run and cemented from TD to 1,000' above the top of the Ferron Formation. A cement bond log will be run during the completion phase to verify the cement top.

2. GEOLOGIC DATA AND OBJECTIVES

FORMATION	DEPTH		POSSIBLE CONTENT
	TVD	SUBSEA	
Mancos	Surface	---	
Ferron	2,545'	+3,515'	
#1 Coal	2,569'	+3,491'	
#5 Coal	2,649'	+3,411'	
Tunnunk	2,825'	+3,235'	
TD	2,923'	+3,137'	

3. CASING SUMMARY

INTERVAL	PURPOSE	HOLE SIZE	CASING DETAIL			
			SIZE	WEIGHT	GRADE	THREAD
0'- 300'	Surface	11"	8-5/8"	24.0#	J-55 new	8rd STC
0' - TD	Production	7-7/8"	5-1/2"	17#	L-80 new	8rd STC

4. DRILLING FLUIDS

The surface and production hole intervals will be air drilled. Prior to logging, the hole will be circulated with 2% KCl or produced Ferron water.

5. EVALUATION PROGRAM

Open Hole Logs:

- 1.) Array Induction-Gamma Ray-SP-Caliper
- 2.) High Resolution Spectral Density-PEF
- 3.) Compensated Neutron
- 4.) Microlog

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6. CEMENTING PROGRAM

8-5/8" Surface Casing

Casing equipment will include a baffle plate and bow spring centralizers (bottom joint and every other joint to surface).

Both ends of the bottom two casing collars will be tack welded, strapped or "Baker Locked".

Consult with the Drilling Department prior to ordering cement. Pump cement through the shoe at greater than 5 bpm. If the cement falls in the annulus, perform a 1" top job. Cement volumes assume 100% excess in the openhole.

This cementing program may be altered if dictated by the availability of additional data prior to the job.

LEAD SLURRY	135 sx Halco Premium Cement with 2% CaCl ₂ , 1/4 #/sk Celloflake
SLURRY WEIGHT	15.6 ppg
YIELD	1.19 cu ft/sk
WOC	6 hours or 500 psi compressive strength

5-1/2" Production Casing

Casing Equipment: A guide shoe, insert float, bow spring centralizers one per joint across the producing formation, and every sixth joint to surface casing.

Avoid excessive surge pressure while running the casing. Reciprocate the casing while circulating prior to cementing and while cementing the first stage as hole conditions permit. Pump cement at greater than 5 bpm.

This cementing program may be altered if dictated by the availability of additional data prior to the job. Actual cement volumes will be based on 50% excess over gage hole.

LEAD SLURRY	2,045' - 1,545'
TYPE	50/50 Pozmix with 10% Cal Seal, 2% CaCl ₂ , .25 #/sk Flocele, 8% gel
SLURRY WEIGHT	12.7 ppg
YIELD	1.89 cu ft/sk
MIX WATER	9.78 gps
MIN. CEMENT REQUIRED	60 sx (assumes 30% excess in open hole)

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TAIL CEMENT	T.D. - 2,045'
TYPE	Thixotropic with 10% Cal Seal, 1% CaCl ₂
SLURRY WEIGHT	14.2 ppg
YIELD	1.6 cu ft/sk
MIX WATER	7.9 gps
MIN. CEMENT REQUIRED	120 sxs (assumes 20% excess to OH volume)

7. WELL EQUIPMENT

8-5/8" Casinghead

Casinghead, 2M, 8-5/8" Larkin "Figure 92" SOW with 8-5/8" O.D. 8rd top body thread with 2-2" LPO's
 Slip assembly, 5-1/2" x 8-5/8"
 Ball valve, 2" 2M

8. WELL CONTROL

- Below surface casing, the well control system will be arranged as shown on the attached "Well Control Schematic". All equipment exposed to wellbore pressure will be rated at 2,000 psi or greater. The equipment will meet or exceed, (and be tested) per API Guidelines and/or governmental requirements (including Onshore Oil and Gas Order #2 dated November 18, 1988).
- Test pressures will be as follows:

ITEM	LOW PRESSURE TEST	HIGH PRESSURE TEST
Blind Rams (against casing)	500 psi for 5 min.	2000 psi for 10 min.
Annular (against casing)	500 psi for 5 min.	1000 psi for 10 min.
Casing	None Required	2000 psi for 10 min.

- Prior to drilling out the cement plug, the accumulator precharge will be checked and an API Accumulator and Pump Performance Test will be performed. The accumulator will be of sufficient size to open and close the annular preventer without using the pump.
- Auxiliary equipment will include the following items:
 - Upper kelly cock (kelly safety valve), 2000 psi WP or greater
 - Drill string safety valve(s) for all string components, 2000 psi WP or greater

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- Visual mud monitoring equipment
 - ROP, hookload and pump pressure pen recorder
 - Drill string float
 - Lower kelly cock
- Additionally, the following procedures will be followed:
 - Each tour, inspect the well control system and record the accumulator pressure.
 - Schedule and conduct BOP drills each week. Each crew will carry out a weekly BOP drill on their first tour after drilling out from under surface casing; during this drill, function test the annular.

9. CASING DESIGN

See attached Casing Design sheet.

11. The anticipated duration: 3 days.

PREPARED BY

Date

JWC:

Jimmy W. Collins

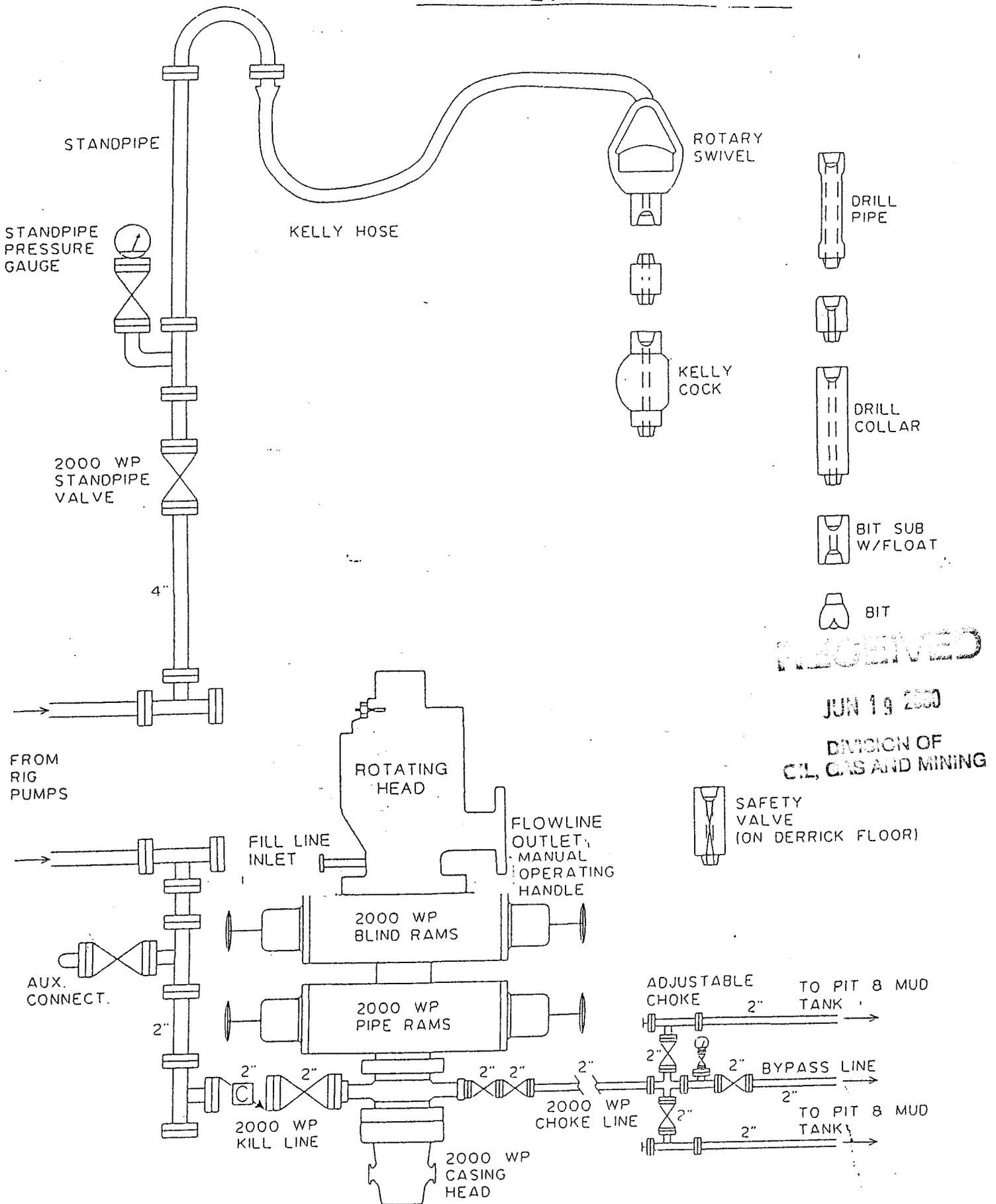
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MARATHON OIL COMPANY
2000 PSI BOPE



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SURFACE USE PLAN

Attached to Form 3
Marathon Oil Company
Well Name: SITLA #32-21
Lease: ML-48235
Sec. 21, T15S, R9E
Carbon County, Utah

MULTI-POINT SURFACE USE PLAN

1. Existing Roads -- Legible maps listed as Topo 'A & B'.

A. Proposed wellsite as staked, Exhibit 'C'.

Actual staking included four directional survey reference stakes as shown on the attached survey plat from: Uintah Engineering & Land Surveying of Vernal, Utah.

B. The proposed well is approximately 13 miles SW of Price, Utah.

C. All roads in the immediate area are shown on the attached Vicinity Maps, Topo 'A & B'.

D. A new access road will be constructed. Existing field roads will also be utilized for access. Topo 'B'.

E. If snow removal outside the roadway is undertaken, equipment used for snow removal operations will be equipped with shoes to keep the blade 4 inches off the ground surface. Special precautions will be taken where the surface of the ground is uneven to ensure that equipment blades do not destroy vegetation.

F. Unless otherwise exempted, free and unrestricted public access will be maintained on the access road.

G. The existing road will be maintained in the same or better condition. A regular maintenance program will include, but is not limited to blading, ditching, culvert installation and surfacing.

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2. Description of New Access Road Construction, Operations & Maintenance

A. Planned Access Roads

- (1) A new access road to the location will be necessary for this well. Topo 'B'.
- (2) Roads constructed on SITLA lands will meet the minimum standards for a resource road.
- (3) Roads constructed across SITLA lands will be inspected by or under the direction of a licensed professional engineer or qualified inspector.
- (4) The maximum width of the road right-of-way will be 40 feet.
- (5) A topo map showing the centerline of the road is attached. Topo 'B'.
- (6) The road will be graded to the following specifications:
 - I) 14 foot travelway width (Finished Surface).
 - ii) 0 percent maximum grade.
 - iii) No cut slopes and no fill slopes.
 - iiii) No Turnouts will be necessary.
- (7) Location and size of culverts – TWO (2) 18" culverts will be required as part of the access road for this well. See TOPO 'B'.
- (8) Surface Material -- Onsite surface materials will be used to construct the road. Gravel will be applied to the road and crucial areas of the pad prior to drilling activities.
- (9) Necessary gates, cattleguards, or fence cuts -- None
- (10) A center line survey was conducted on the road leading to the location from the existing road. See Topo 'B'.

B. Clearing and Grading

- (1) All woody plant materials will be cleared from the surfaces to be cleared or excavated. Cleared vegetative materials will be disposed of by spreading on cut areas or ditches.
- (2) Construction activity will not be conducted using frozen or saturated soil material or during periods when watershed damage is likely to occur.

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- (3) The travelway , in crucial areas, will be surfaced with gravel to a depth of 4 to 6 inches.

C. Drainage

- (1) Culverts will be placed on channel bottoms on firm, uniform beds which have been shaped to accept them and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.
- (2) The minimum diameter of the culvert— 18"

D. Operations and Maintenance of New Road

(1) Maintenance

i) If snow removal outside the roadway is undertaken, equipment used for snow removal operations will be equipped with shoes to keep the blade 4 inches off the ground surface. Special precautions will be taken where the surface of the ground is uneven to ensure that equipment blades do not destroy vegetation.

ii) The access road will be maintained in a safe and usable condition. A regular maintenance program will include, but is not limited to, blading, ditching, culvert installation and surfacing.

(2) Access

Unless otherwise exempted, free unrestricted access will be maintained on the access road.

(3) Location of Wells

The location of all existing wells within a one-mile radius are shown on Exhibit "G".

- A. Water Wells – None
- B. Abandoned Wells -- None
- C. Temporarily Abandoned Wells -- None
- D. Disposal Wells -- One
- E. Drilling Wells -- None
- F. Producing Wells – Yes
- G. Shut-In Wells -- None
- H. Injection Wells -- None
- I. Monitoring or Observation Wells for Other Resources -- None

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4. Location of Existing or Proposed Facilities

A. Marathon does own facilities within a one-mile radius.

These facilities include:

- (1) Tank Batteries -- Yes
- (2) Production Facilities -- Yes
- (3) Oil Gathering Lines -- Yes
- (4) Gas Gathering Lines -- Yes
- (5) Injection Lines -- No
- (6) Disposal Lines -- Yes

B. Disposal Facilities for produced water is located in Section 23.

(1) Production facilities: Marathon has installed a central facilities area in the NWNW Section 23 which will handle all production, treatment, sales of gas from Marathon's leases, and disposal of produced water from Marathon leases. A gas line and water line will be installed from the well to an existing tie-in point located at SITLA #13-22. TOPO 'C'.

(3) Areas of the drill pad not required for production will be rehabilitated.

(4) All construction materials required for pad will be obtained by the dirt contractor.

(5) A tank battery will not be necessary for this well.

(6) Rat and mouse holes will be filled and compacted from bottom to top immediately upon release of the drilling rig from location.

C. All disturbed areas no longer needed for operations will be restored as nearly as possible to the original contour and will be reseeded and revegetated, as specified by SITLA.

D. Powerlines

No powerlines will be necessary.

5. Location and Type of Water Supply

A. Water will be purchased from Price River Water Improvement District, The City of Price or will be obtained from an authorized water hauler contractor.

6. Source of Construction Materials

A. Construction materials will consist of native materials. Gravel will be used to surface crucial areas of the location and access road.

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B. Gravel will be obtained by the dirt contractor.

C. The dirt contractor will obtain any necessary permits in association with the gravel.

7. Methods for Handling Waste Disposal

A. Cuttings: Cuttings will be disposed of in the reserve pit, see Exhibit 'E'..

B. Drilling Fluids: Drilling fluids will be disposed of in the reserve pit, see Exhibit 'E'.

C. Produced water and/or oil will be contained in steel tanks and hauled to proper facilities.

D. Sewage, of which there will be very little, will be disposed of in portable chemical latrines and holding tanks, then transported to proper facilities.

E. Burnable wastes and other solid waste materials will be gathered and contained in a wire mesh cage. This waste will be transported to a State approved waste disposal site upon completion of operations.

F. Upon completion of drilling operations, all waste materials on location will be gathered and will be buried or hauled from the drill site. The reserve pit will be back filled when it is dry enough to do so. No waste materials will be disposed of the reserve pit. All waste will be transported to an approved disposal site.

G. All State and Local Laws pertaining to disposal of human and solid waste will be complied with.

H. Marathon and its contractor(s) maintain a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and Extremely Hazardous Substances and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

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8. Ancillary Facilities

Ancillary facilities will be temporary and will consist of two to four trailer houses on the drill site. One trailer will be for Marathon personnel and the others will be for contractor personnel. Location of these facilities is shown on the attached Exhibit 'E'. Trailers will also be utilized to house drilling personnel.

9. The Well Site Layout is Shown on Exhibit 'E'

A. Exhibit 'E' shows the drill pad. A cross section of the drill pad through the center line of the hole showing cuts and fill is on Exhibit 'F'.

B. The location of mud tanks, reserve pit, pipe racks and living facilities are shown on Exhibit 'E'.

C. Rig orientation, parking and trailer locations are shown on Exhibit 'E'.

1) Clearing and Grading

Construction activity will not be conducted using frozen or saturated soil material or during periods when watershed damage is likely to occur.

2) Pits

a) The reserve pit will be lined. Completion fluids will be placed in the reserve pit.

b) Production pits will be flagged /fenced overhead and fenced around the perimeter of the pit to prevent wildlife and livestock use.

c) Reserve pit will be fenced on three non-working sides during drilling and on the remaining side following rig release.

d) The reserve pit will be constructed so that half of its total volume is below natural ground level.

10. Plans for Restoration of the Surface

A. The disturbed areas will be backfilled and contoured to as near original contours as possible except for the necessary area required for operation. Mud pits, burn pits, reserve pits and any cuts and fills will be filled, leveled or sloped as needed, to return the location to its original contour as specified by the land owner.

B. Revegetation and rehabilitation will be conducted during a period when optimum success can be expected.

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C. The reserve pit as mentioned above will be fenced.

D. Should there be oil on any pit, the oil will be removed or overhead flagging will be installed until the oil is removed in a timely manner.

E. Rehabilitation will commence in the Spring of 2000, with final reseeding of the area conducted either in the Fall of 2000 or the Spring of 2001.

F. Recontouring

(1) All disturbed areas will be recontoured by grading to return the site to approximately the original contour of the ground by forming natural, rounded slopes.

(2) The entire roadway, including cut and fill slopes, will be scarified and obliterated. The ditches will be filled and structures removed. Fills will be removed and placed into cut areas, and the entire roadway will be rough graded to approximately the original contour by forming natural, rounded slopes.

G. Pits

(1) The contents of the reserve pit(s) will be allowed to dry. Fluids that will not dry after two years will be moved to a site approved by the Utah Department of Environmental Quality.

(2) Reserve pit(s) will be backfilled when dry with a minimum of 5 feet of soil material.

H. Surface Manipulation

(1) After final grading and prior to the replacement of topsoil, the entire surface of the site will be ripped on 24" centers, 18" deep.

(2) The surface soil material shall be chiseled with small ridges to form longitudinal depressions 12 - 18 inches deep. The entire area will be uniformly covered with the depressions constructed perpendicular to the natural flow of water.

(3) Waterbars will be constructed on all areas to: (1) simulate the imaginary contour lines of the slope with a grade of one or two percent; (2) drain away from the disturbed area; and (3) begin and end in undisturbed vegetation or soil.

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I. Seeding

- (1) All disturbed areas except areas required for production, access roads, etc. will be drill seeded. When drilling is impractical, seed will be broadcast. If broadcast, the rate will be doubled.
- (2) The following seed mixture will be used.

<u>Seed Mixture</u>	<u>Drilled Rate</u>
---------------------	---------------------

Areas will be reseeded with the seed mixture specified by the Price Coalbed Methane Project Final Environmental Impact Statement.

J. Weed Control

Weeds will be controlled on disturbed areas within the exterior boundaries of the well pad and road. The control methods will be in accordance with guidelines established by the State and Local authorities.

11. Surface Ownership

Surface ownership of the involved lands containing the road, pad and flow line will be State of Utah School and Institutional Trust Lands Administration.

12. Other Information

- A. The general terrain of the area is flat. The land is presently being used for cattle and sheep grazing and oilfield activities. There is no occupied dwelling in close proximity of the proposed well location.
- B. Other surface use consists of wildlife habitat.
- C. An Archaeological inventory was conducted of the involved area and is attached. The operator will be responsible for informing all persons associated with this project that they will be subject to prosecution for damaging, altering, excavating or removing and archaeological, historical, or vertebrate fossil objects on the site. If archaeological, historical, or vertebrate fossil materials are discovered, the operator will suspend all operations that further disturb such materials and immediately contact the authorized officer. Operations will not resume until written authorization to proceed issued by the authorized officer.

Within (5) five working days, the authorized officer will evaluate the discovery and inform the operator of actions that will be necessary to prevent loss of significant cultural or scientific values.

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The operator will be responsible for the cost of any mitigation required by the authorized officer. The authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, the operator will be allowed to resume operations.

- D. Permanent structures other than pumping units, electrical equipment, tie downs, wellheads and lines will be painted the standard environmental color Carlsbad Canyon or as otherwise specified by SITLA.
- E. No fracs with volatile fluids are anticipated. However, the drill pad is of adequate size to comply with safety regulations with a frac using volatile fluids.
- G. The operator will be responsible for the prevention and suppression of fires on public lands caused by its employees, contractors or subcontractors. During conditions of extreme fire danger, surface use operations may be either limited or suspended in specific areas, or additional measures taken as required by the authorized officer.

13. Lessee's or Operator's Representative and Certification

	<u>OPERATIONS</u>	<u>DRILLING</u>
Name:	Daniel J. Haman	J. J. Moran
Address:	1501 Stampede Ave. Cody, Wyoming	1501 Stampede Ave. Cody, Wyoming
Telephone:	(307) 527-2201	(307) 527-3206

14. Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, are true and correct; and, that the work associated with operations proposed herein will be performed by Marathon Oil Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

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Self Certification

Bond coverage pursuant to SITLA for lease activities is being provided by Marathon Oil Company who will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this application. SITLA Bond #5922542 and State of Utah, Department of Natural Resources Bond #5217029.



By: R. P. Meabon
Regulatory Coordinator
Marathon Oil Company
Rocky Mountain Region
RPMebon@MarathonOil.com

6/13/00
(Date)

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MARATHON OIL CO.

SITLA #32-21

LOCATED IN CARBON COUNTY, UTAH
SECTION 21, T15S, R9E, S.L.B.&M.

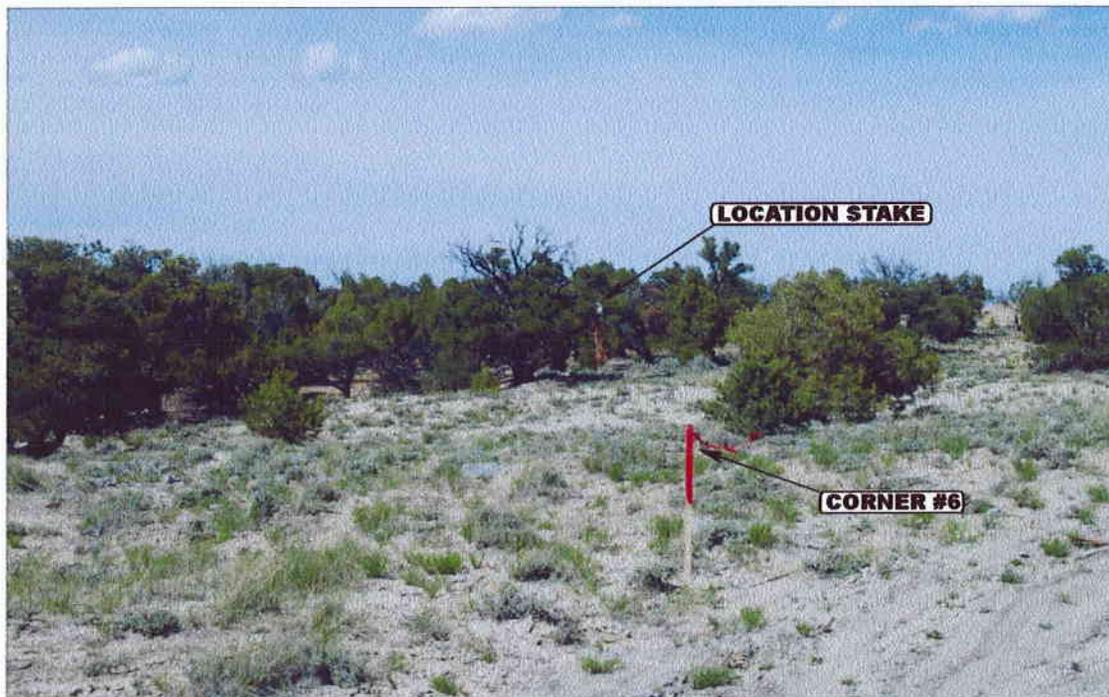


PHOTO: VIEW FROM CORNER #6 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: NORTHERLY



- Since 1964 -

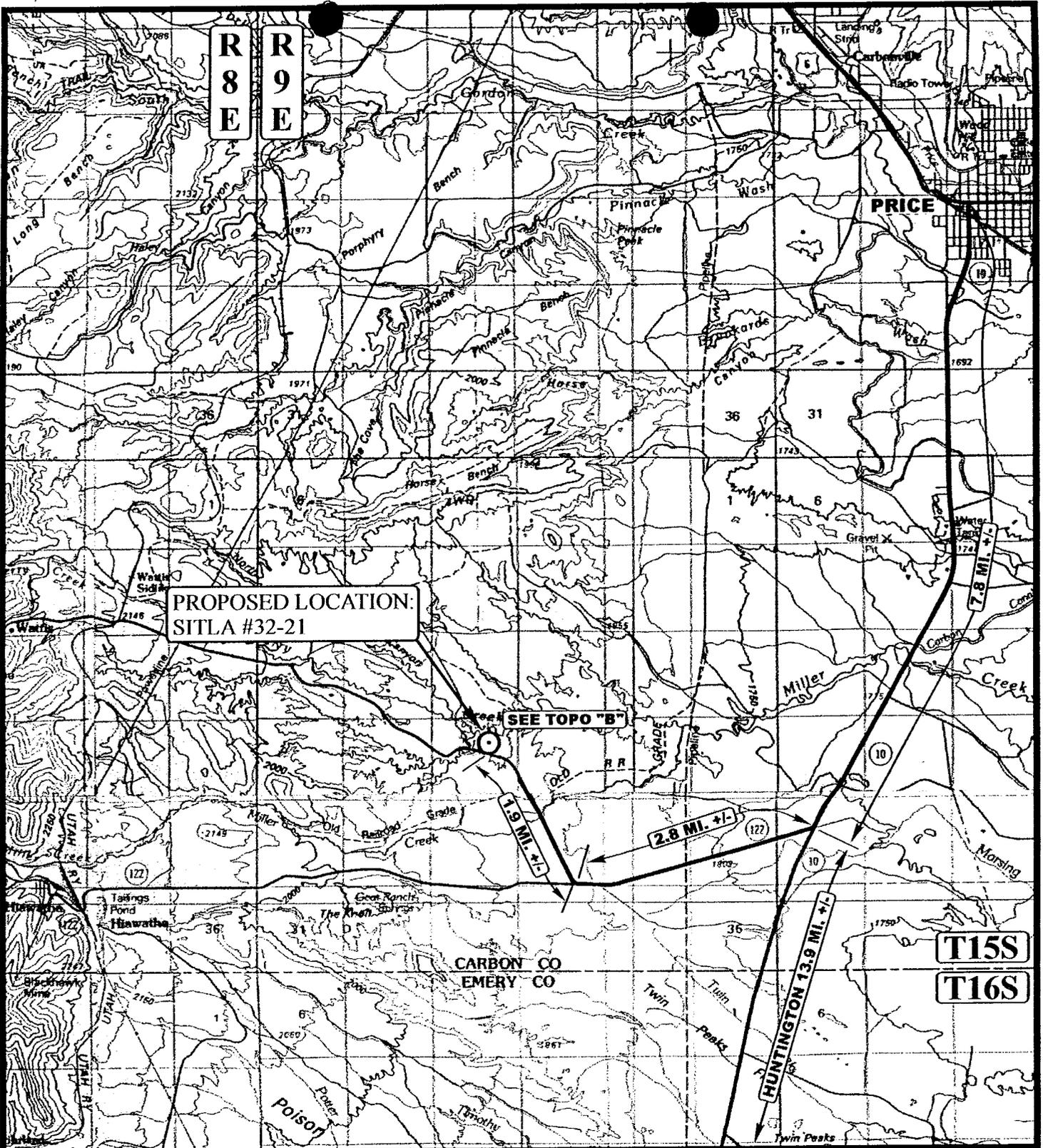
UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

5 24 00
MONTH DAY YEAR

PHOTO

TAKEN BY: D.K. DRAWN BY: J.L.G. REVISED: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION



MARATHON OIL CO.

SITLA #32-21
SECTION 21, T15S, R9E, S.L.B.&M.
1512' FNL 1449' FEL

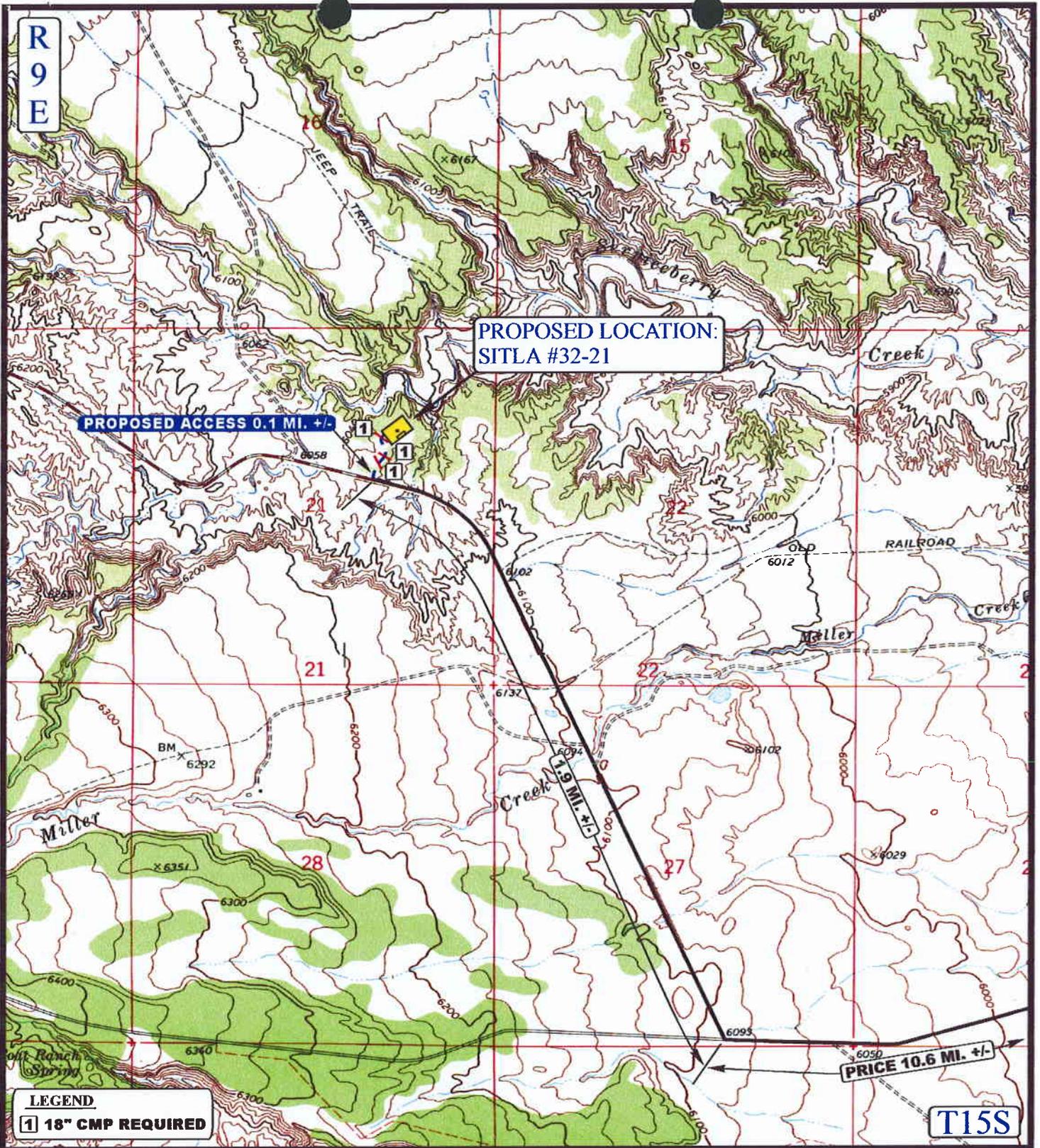
UELS
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

5	24	00
MONTH	DAY	YEAR

SCALE: 1:100,000 **DRAWN BY: J.L.G.** **REVISED: 00-00-00**

A
TOPO



R
9
E

PROPOSED LOCATION:
SITLA #32-21

PROPOSED ACCESS 0.1 MI. +/-

1
1
1

PRICE 10.6 MI. +/-

LEGEND
1 18" CMP REQUIRED

T15S

LEGEND:

- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD

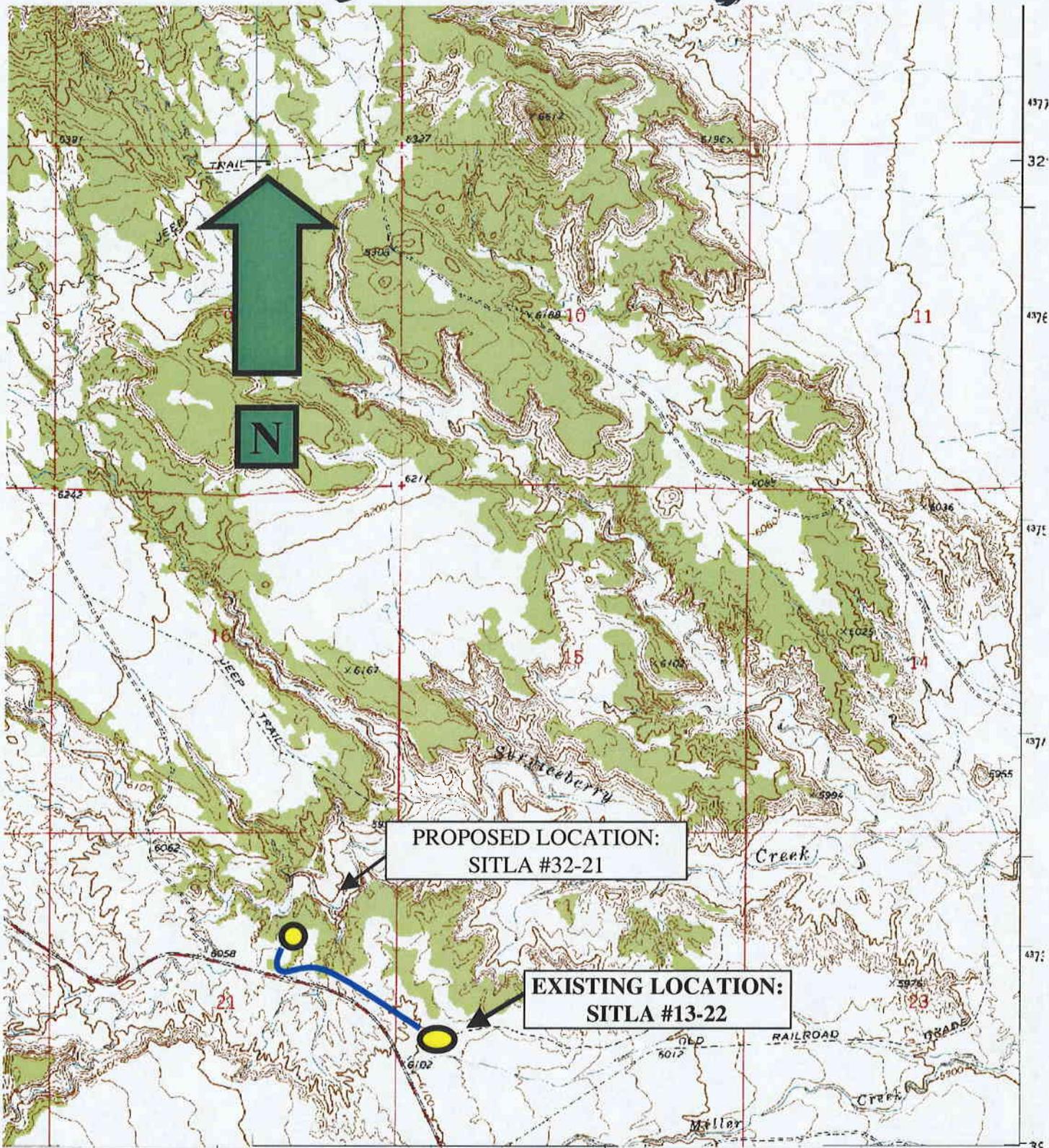


MARATHON OIL CO.

SITLA #32-21
SECTION 21, T15S, R9E, S.L.B.&M.
1512' FNL 1449' FEL

UEIS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC MAP	5	24	00	B TOPO
	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: J.L.G.		REVISED: 00-00-00	



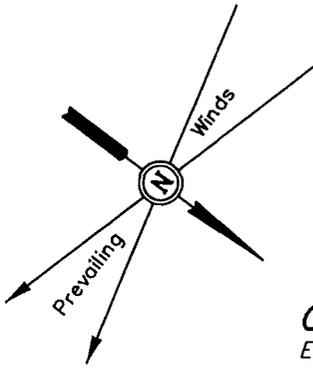
Marathon Oil Company
 SITLA #32-21 Proposed Gas
 and Produced Water line Tie-in Map



MARATHON OIL CO.

LOCATION LAYOUT FOR

SITLA #32-21
SECTION 21, T15S, R9E, S.L.B.&M.
1512' FNL 1449' FEL

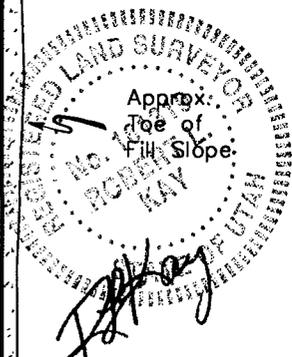
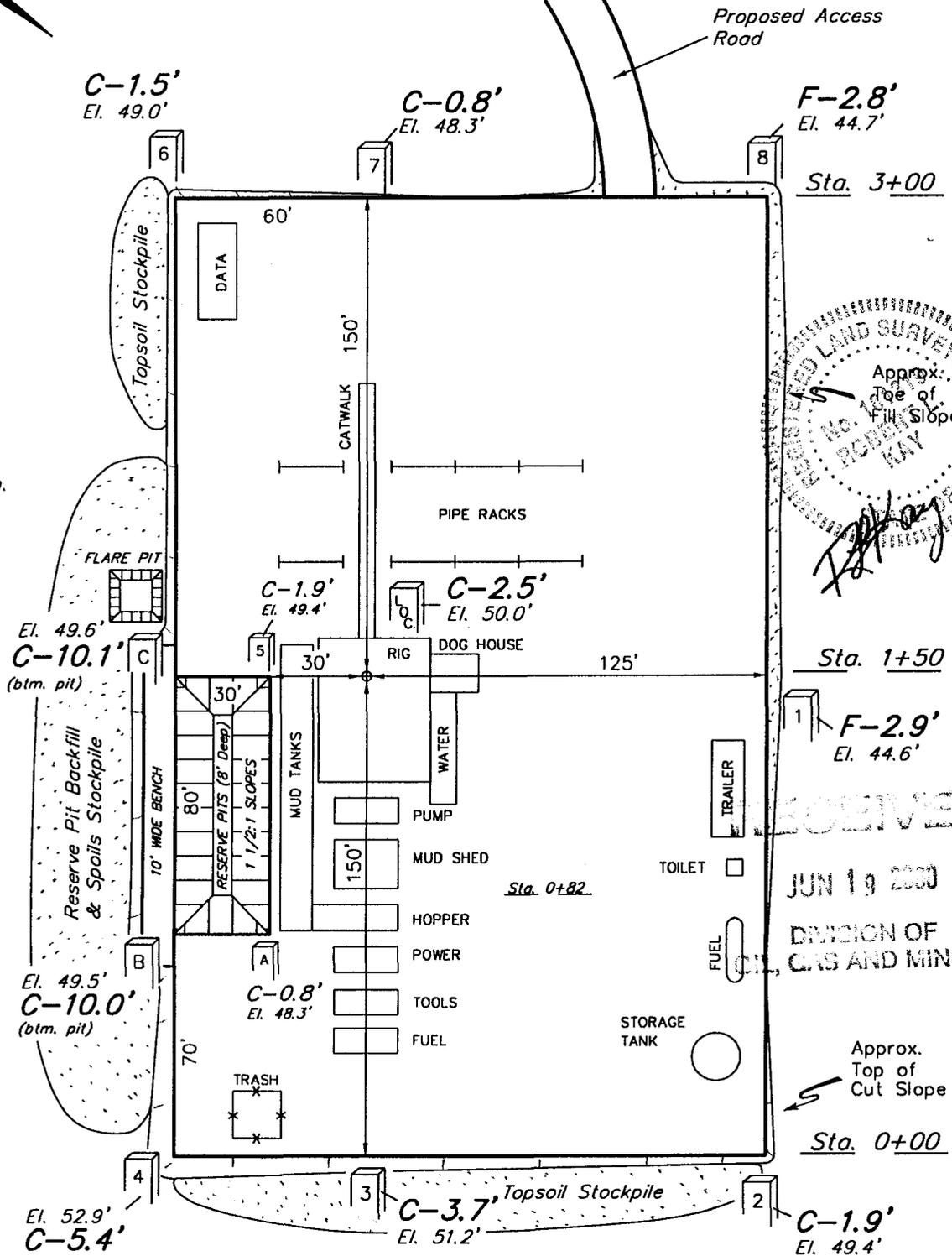


SCALE: 1" = 50'
DATE: 06-01-00
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Pit Capacity With 2' of Freeboard is ± 1,070 Bbls.



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Elev. Ungraded Ground at Location Stake = 6050.0'
Elev. Graded Ground at Location Stake = 6047.5'

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85 So. 200 East • Vernal, Utah 840

EXHIBIT E

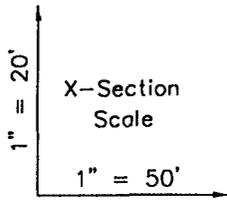
MARATHON OIL CO.

TYPICAL CROSS SECTIONS FOR

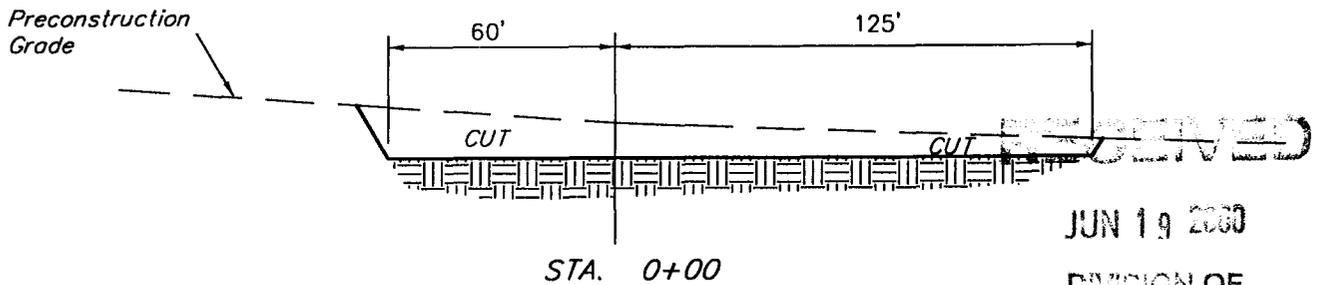
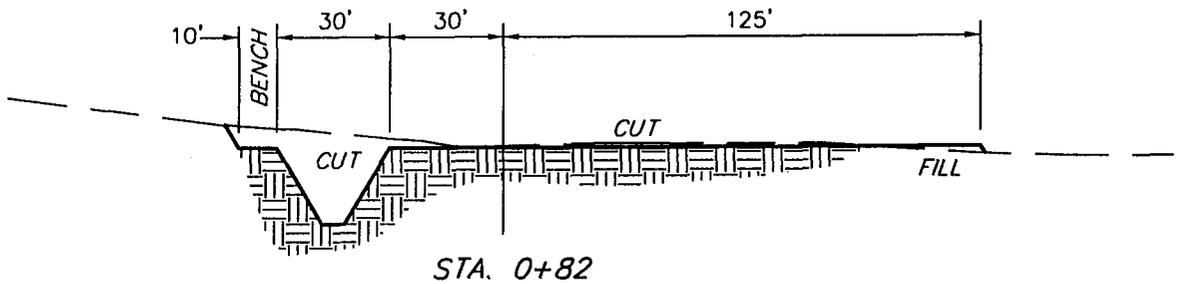
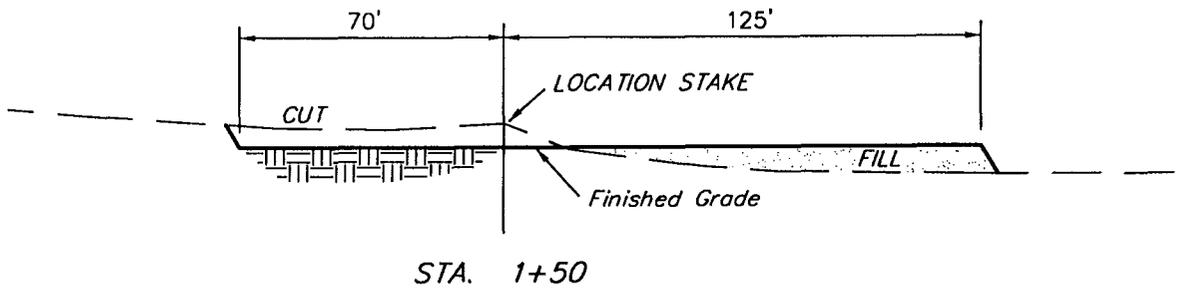
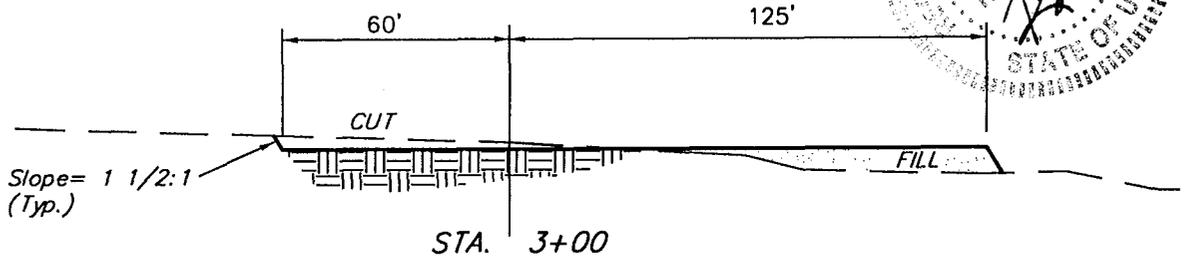
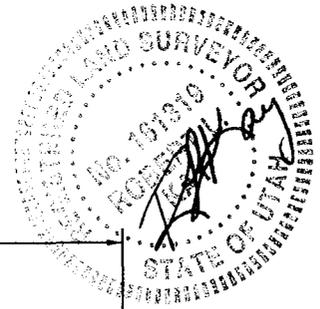
SITLA #32-21

SECTION 21, T15S, R9E, S.L.B.&M.

1512' FNL 1449' FEL



DATE: 06-01-00
Drawn By: D.R.B.



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C.I.L. GAS AND MINING

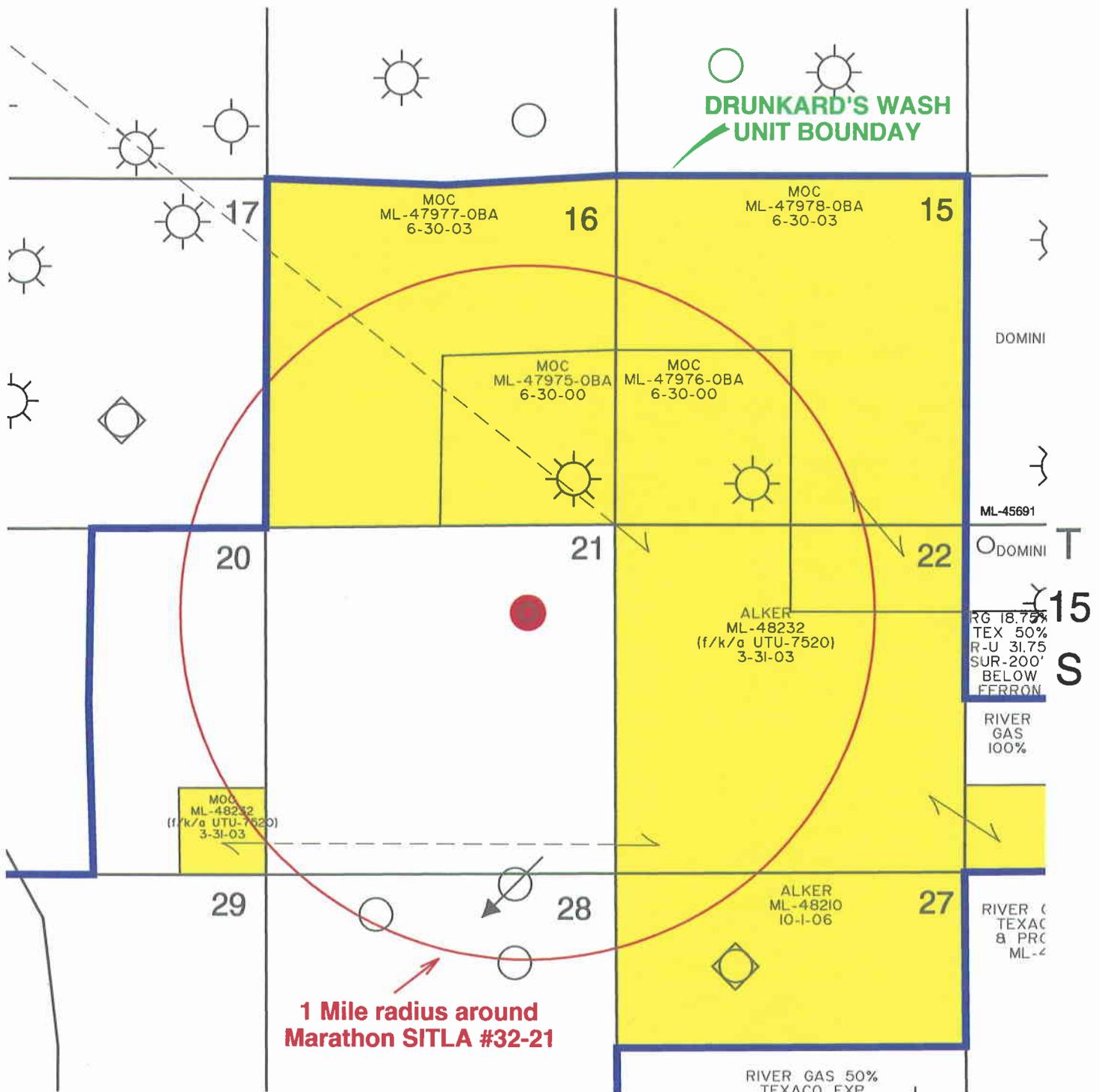
APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,030	Cu. Yds.
Remaining Location	=	1,860	Cu. Yds.
TOTAL CUT	=	2,890	CU.YDS.
FILL	=	1,590	CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,220	Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,220	Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0	Cu. Yds.

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EXHIBIT F



**1 Mile radius around
Marathon SITLA #32-21**

R 9 E

DRUNKARD'S WASH FIELD

CARBON COUNTY, UTAH



**MARATHON OIL CO.
SITLA #32-21**

CULTURAL RESOURCE INVENTORY OF
MARATHON OIL COMPANY'S WELL LOCATIONS
SITLA #32-21 AND WILDCAT WASH #21-15
CARBON AND EMERY COUNTIES, UTAH

By:

Keith R. Montgomery

Prepared For:

State of Utah
School and Institutional
Trust Lands Administration

Prepared Under Contract With:

Marathon Oil Company
1501 Stampede Avenue
Cody, Wyoming 82414

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

June 8, 2000

United States Department of Interior (FLPMA)
Permit No. 00-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-00-MQ-0275s

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INTRODUCTION

In June, 2000, a cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) for two proposed Marathon Oil Company well locations and access routes. The well locations consist of SITLA #31-21 located in Carbon County and Wildcat Wash #21-15 in Emery County, Utah. The archaeological survey was initiated at the request of Mr. Randy Meabon, Marathon Oil Company, Cody, Wyoming. The project area is located on State of Utah School and Institutional Trust Land property.

The objective of the inventory was to locate, document, and evaluate any cultural or paleontological resources occurring within the project area in order to attain compliance with a number of federal and state mandates, including the National Historic Preservation Act of 1966 (as amended), National Environmental Policy Act of 1969, the Archaeological and Historic Conservation Act of 1972, the Archaeological Resources Protection Act of 1979, American Indian Religious Freedom Act of 1978, and the Utah State Antiquities Act of 1973 (amended 1992).

The fieldwork was performed by Keith and Jacki Montgomery on June 2, 2000 under the authority of U.S. Department of the Interior (FLPMA) Permit No. 00-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-00-MQ-0275s. Prior to the inventory a file search was conducted by the Keith Montgomery at the BLM Price Field Office, Price, Utah. In the vicinity of proposed SITLA #31-21 several inventories have been completed. In 1985, the Wattis Road was surveyed by the Bureau of Land Management (Miller 1985). In 1998, Seno-Phenix surveyed River Gas Corporation's Utah 18-237 well location in which a lithic scatter (42Cb1250) was documented in the area (Senulis 1999a). An inventory was completed by Senco-Phenix for the Wattis road pipeline in June 2000 (Fergusson 2000). In 1999, MOAC surveyed four well locations for Fleet Energy Corporation in which several historic isolated artifacts were recorded (Montgomery 1999). Montgomery Archaeological Consultants surveyed an access route into a Marathon Oil Company well location in 2000 (Montgomery and Ball 2000). In the area of proposed Wildcat Wash #21-15 Senco-Phenix surveyed the Poison Spring Bench Series III well pads and access corridors for River Gas Corporation (Senulis 1999b). During this project a historic trash scatter (42Em2558) was documented in T 16S, R 9E, S. 10, and is evaluated as not eligible to the NRHP. No previously recorded archaeological sites occur in the immediate inventory areas.

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DESCRIPTION OF PROJECT AREA

The project area is located in Castle Valley between the towns of Price, Carbon County and Huntington, Emery and Carbon Counties, Utah. Proposed SITLA #32-21 is situated in above Serviceberry Creek in the NE 1/4 of Section 21, Township 15 South, Range 9 East with a 500 ft access road (Figure 1). Proposed Wildcat Wash #21-15 is located on Poison Spring Bench in Township 16 South, Range 9 East, Sections 10 and 15 with an access road measuring approximately 2400 ft (Figure 2).

The project area occurs along the western margins of Castle Valley, a lowland plain eroded into the Mancos Shale between the uplifts of the Wasatch Plateau and San Rafael Swell. In general, the inventory area lies in the Mancos Shale Lowlands section of the Colorado Plateau and the Wasatch Plateau section of the Basin and Range-Colorado Plateau Transition physiographic subdivision (Stokes 1986). In particular, the Mancos Lowlands is characterized by sloping pediments, rugged badlands, and narrow flat-bottomed alluvial valleys. The geology of this area is defined by inter-bedded sandstone and shale beds of the Cretaceous Mancos Shale Formation, including the Masuk Shale, Emery Sandstone, Blue Gate Shale, Ferron Sandstone, and Tununk Shale Members. Permanent water sources in the area consist of Serviceberry Creek, which flows east into the Price River. Intermittent drainages include Timothy Wash and Wildcat Draw. The majority of the project area occurs within a transitional Juniper-Sagebrush community which prefers well-drained sandy soils. Plant species observed in the area include Utah juniper, pinyon, tamarisk, greasewood, rabbitbrush, sagebrush, snakeweed, prickly pear cactus, Indian ricegrass, Se-go lily and evening primrose. Modern disturbances to the project area include oil/gas development, roads and livestock grazing.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. In accordance with the Ferron Natural Gas Development Programmatic Agreement a 10 acre square block centered on the staked location for the well pad was required to be inventoried. The proposed well locations were surveyed by the archaeologists walking parallel transects spaced no more than 10 meters (30 feet) apart. A 300 foot corridor was surveyed along the associated access routes by walking parallel and zig-zag transects spaced no more than 10 m (30 ft) apart. Ground visibility varied from good to excellent. A total of 40 acres was inventoried for this project situated on land administered by the State of Utah Trust Land Administration.

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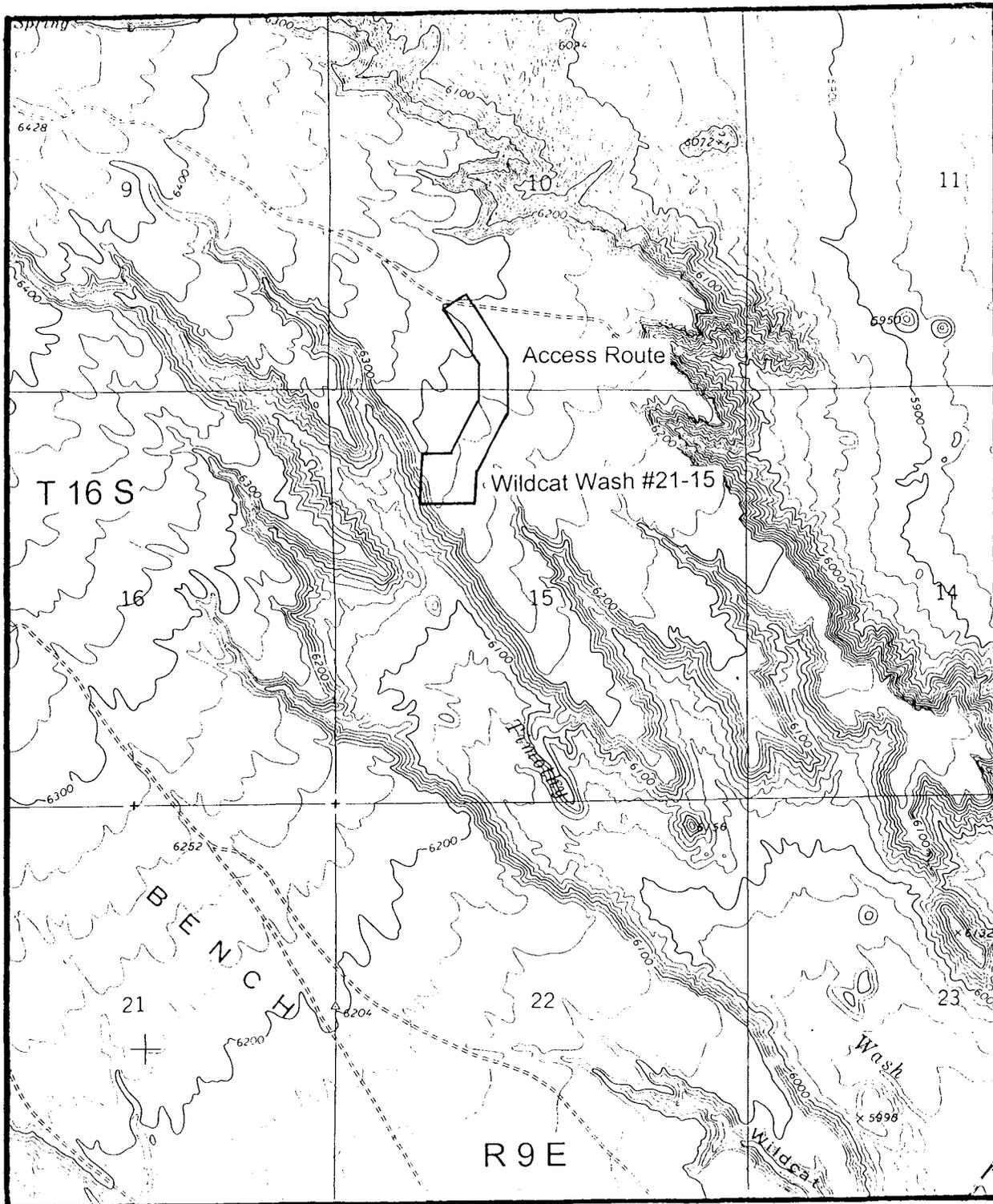


Figure 2. Inventory Area of Marathon Oil Company's Wildcat #21-15 Well Location and Access Route, Emery County, UT. USGS 7.5 Poison Spring Bench, UT 1969. Scale 1:24000.

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RESULTS AND RECOMMENDATIONS

The inventories of Marathon Oil Company's SITLA #31-21 and Wildcat #21-15 well locations and associated access routes resulted in no cultural resources. Based on the findings, a determination of "no historic properties adversely affected" is recommended pursuant to Section 106, CFR 800 for this project.

REFERENCES CITED

- Fergusson, A.
2000 An Intensive Cultural Resource Survey and Inventory of a Proposed Access Corridor by the Wattis Road in the River Gas Coal Methane Field.
- Miller, B.
1985 Cultural Resource Inventory of the Wattis Road, Carbon County, Utah. Bureau of Land Management No. 85-49, on file at the BLM Price Field Office, Price, Utah.
- Montgomery, K.R.
1999 Cultural Resource Inventory of Fleet Energy's Four Well Locations and Access Corridors, Carbon County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-99-MQ-0074s, on file at the BLM Price Field Office, Price, Utah.
- Montgomery, K., and S. Ball
2000 Cultural Resource Inventory of Marathon Oil Company's 2000 Drilling Program in Castle Valley, Carbon County, Utah. Montgomery Archaeological Consultants, Moab, Utah. Report No. U-00-MQ-0009s on file at the BLM Price Field Office, Price, Utah.
- Senulis, J.A.
1999a Intensive Cultural Resource Survey of the Utah #18-237 Well Pad and Access Corridor and the Millerton Ranch to North Springs Access Corridor. Senco-Phenix, Price, Utah. Report No. U-98-SC-0694s on file at the BLM Price Field Office, Price, Utah.
- 1999b An Intensive Cultural Resource Survey and Inventory of the Poison Spring Bench Series III, Well Pads and Access Corridors in the River Gas Coal Methane Field. Senco-Phenix, Price, Utah. Report No. U-98-SC-0512bs on file at the BLM Price Field Office, Price, Utah.
- Stokes, W.L.
1986 *Geology of Utah*. Utah Museum of Natural History and Utah Geological and Mineral Survey. Salt Lake City.

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OIL, GAS AND MINING



RIVER GAS CORPORATION

May 2, 2000

VIA FACSIMILE
307/527-2450Joseph C. Icenogle
Marathon Oil Company
1501 Stampede Avenue
Cody, WY 82414RE: Onsite Inspection
NE of Section 21, T15S, R9E, S1M, Carbon County, Utah

Dear Mr. Icenogle

River Gas Corporation ("RGC") and Texaco Exploration and Production Inc. ("TEXEP") own record title to the NE of said Section 21. By letter agreement, dated April 28, 2000, if all conditions therein are fulfilled, assignments will be made. One assignment will involve RGC and TEXEP assigning record title to the NE to Henry Alker. Mr. Alker will then make an assignment of that acreage to Marathon Oil Company ("Marathon"). Mr. Alker will also assign RGC and TEXEP record title to Lots 6 & 7, E2SW of Section 6, T15S, R9E.

During the interim while the conditions of the letter agreement are being fulfilled, Marathon has expressed its desire to conduct an onsite and permit a well in the NE of said Section 21 where it will own 100% working interest in the 160-acre spaced drilling unit. Please accept this letter as RGC's consent for Marathon to go forward with permitting its proposed well in said NE1/4. I will ask TEXEP to also provide Marathon with a letter as to its consent for the permitting. It is not necessary for an employee of RGC to be present during the onsite.

Please contact me if you require anything further from RGC regarding this matter.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Joseph L. Stephenson".

Joseph L. Stephenson
Vice President - Land

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DIVISION OF
OIL, GAS AND MINING

cc: Mr. Chuck Snure @ TEXEP

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 06/19/2000

API NO. ASSIGNED: 43-007-30719

WELL NAME: SITLA 32-21
 OPERATOR: MARATHON OIL COMPANY (N3490)
 CONTACT: R P MEABON

PHONE NUMBER: 307-527-2211

PROPOSED LOCATION:
 SWNE 21 150S 090E
 SURFACE: 1512 FNL 1449 FEL
 BOTTOM: 1512 FNL 1449 FEL
 CARBON
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	<i>RPM</i>	7-19-00
Geology		
Surface		

LEASE TYPE: 3-State
 LEASE NUMBER: ML-48235
 SURFACE OWNER: 3-State

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

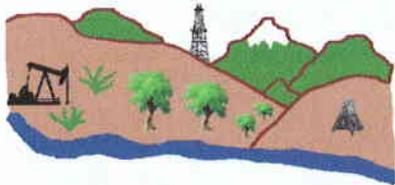
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 5922542)
- Potash (Y/N)
- Oil Shale (Y/N) *190 - 5 (B)
- Water Permit
(No. PRWID)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit _____
- R649-3-2. General
Siting: _____
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 243-1 (1607)
Eff Date: 10-13-98
Siting: 660' fr. Ord. Unit Boundary E. 1320' between wells.
- R649-3-11. Directional Drill

COMMENTS: Need Presite. (Conducted 7-14-00)

STIPULATIONS: ① STATEMENT OF BASIS



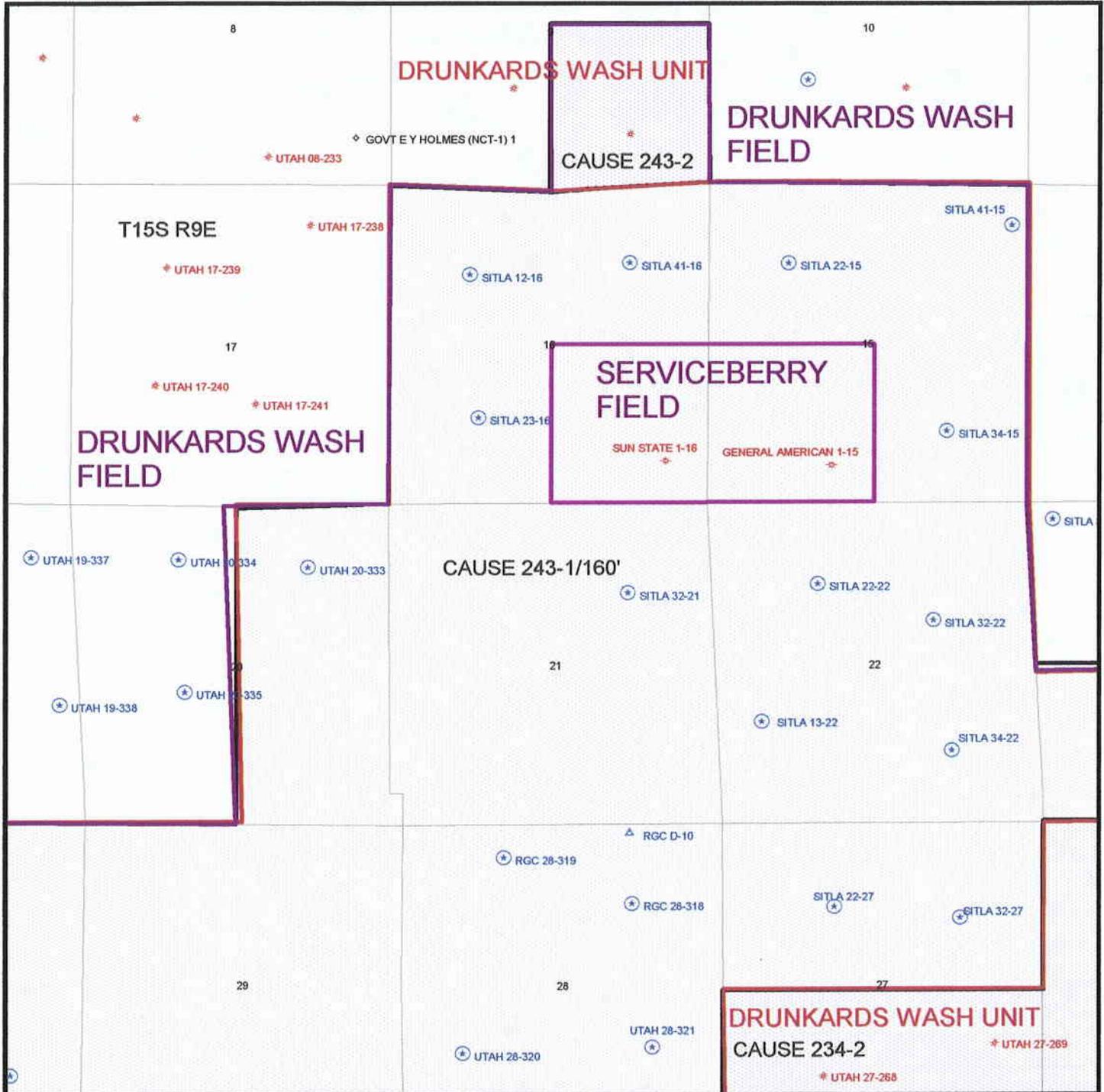
Utah Oil Gas and Mining

OPERATOR: MARATHON OIL CO (N3490)

FIELD: UNDESIGNATED (002)

SEC. 21, T15S, R9E,

COUNTY: CARBON SPACING: 243-1/160'



DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL STATEMENT OF BASIS

Operator Name: Marathon Oil Company

Name & Number: SITLA 32-21

API Number: 43-007-30719

Location: 1/4, 1/4 SW NE Sec. 21 T. 15 S R. 9 E County: Carbon

Geology/Ground Water:

The surface formation at this location occurs just above the Garley Canyon Sandstone Beds of the Blue Gate Member of the Mancos Shale. The Garley Canyon Sandstone Beds outcrop northeast and southeast of the pad but are unlikely to be an aquifer in this area, however could be farther to the northwest. No high quality ground water is expected to be encountered. The proposed casing and cementing program will adequately isolate any zones of water penetrated. No water or swampy ground was seen at or near the location. Serviceberry Creek was running water at the time of the Pre-site and it is only a few hundred feet from location. The water rights which lie within the mile radius of this well are mostly located along this drainage. Those not in the drainage are active springs just 1/4 mile north of the location. There are 13 of these diversions in total.

Reviewer: Mike Hebertson Date: 14/July/2000

Surface:

The soil is silty, poorly to moderately-permeable, poorly developed on Quaternary Slope Wash covering the Blue Gate Member of the Mancos Shale. The nearest moving surface waters are ~ 300' north, standing water/swampy areas are within 1/4 mile to the south and southeast. Precipitation will not need to be deflected around the location, however, berms will be placed around the pad and low water crossings will be used in the areas that would otherwise collect water. Pit integrity will be maintained by the use of a synthetic liner. There are no nearby culinary or irrigation water supply wells. The site was photographed and characterized on 1-Apr-1999. Provision was made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources. The well utilities and gas gathering system will follow the approach roadway. There were no raptor issues as the nests within the 1/4 mile radius were old and unused. Carbon County, and SITLA representatives were invited but did not attend.

Reviewer: Mike Hebertson Date: 14/July/2000

Conditions of Approval/Application for Permit to Drill:

1. Berm location and pit.
2. Minimum 12 mil synthetically lined pit and blooie pit.
3. Dust abatement will be used while drilling and on access roads.
4. Culverts will be used where necessary on the access road.
5. Trees from the pad will be used to stabilize the erosion on the north side of the pad.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: Marathon Oil Company
WELL NAME & NUMBER: SITLA 32-21
API NUMBER: 43-007-30719
LEASE: SITLA ML-48235 FIELD/UNIT: UNDESIGNATED
LOCATION: 1/4,1/4 SW NE Sec: 21 TWP: 15S RNG: 9 E 1512 FNL 1449 FEL
LEGAL WELL SITING: 660'F SEC. LINE; 660 F 1/4,1/4 LINE; 1320F ANOTHER WELL.
GPS COORD (UTM): X = 507402 E; Y = 4373076 N calculated from Lat\Long info
SURFACE OWNER: SITLA

PARTICIPANTS

C. Kierst M. Hebertson(DOGM), C. Colt (DWR), D. Kay Eric Olsen
(U.E.L.S.), Randy Meabon, Clint Carlton (Marathon),

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Western margin of Colorado Plateau/~5.25 miles east of the base of
Wasatch Plateau. The location is on the Quaternary Slope Wash covering
the westward-dipping Blue Gate Member of the Mancos Shale (just above
the Garley Canyon Beds). The pad is on open ground which slopes
gently east and is ~600' northeast of the Wattis Highway, amongst
Quaternary/Tertiary Pediment Mantle-capped erosional remnants.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 300' X 255' pad with 50' X 80' X 8'
inboard pit and ~528' of upgraded surface for approach road. 528' of
new road will also be required.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 0 active gas wells
1 injection well and 6 active APD's are within the 1 mile radius of
this well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ~2.125 miles east of
pad (Questar pipeline runs north-south).

SOURCE OF CONSTRUCTION MATERIAL: Native soils and rock will be used
and soil will be stored in berm.

ANCILLARY FACILITIES: none

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal
waste treatment system; garbage cans on location will be emptied into
centralized dumpsters which will be emptied into an approved landfill.
No crude oil is expected to be produced. Drilling fluid, completion
frac fluid and cuttings will be buried in the pit after evaporation
and slashing the pit liner. Produced water will be gathered to the
evaporation pit and eventually injected into the Navajo Sandstone via
a Marathon-operated salt water disposal well. Used oil from drilling
operations and support is hauled to a used oil re-cycler and re-used.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: sagebrush, grasses / birds, lizards, coyotes, rodents, raptors, elk, deer, reptiles.

SOIL TYPE AND CHARACTERISTICS: Poorly to moderately-permeable silty soil on Quaternary Slope Wash.

SURFACE FORMATION & CHARACTERISTICS: Blue Gate Shale Member (just above Garley Canyon Beds) of Mancos Shale. Garley Canyon Sandstone Beds are discontinuous in the area, relatively thin and near the surface if they are present.

EROSION/SEDIMENTATION/STABILITY: Stable ground with little slope, however the pas will intersect several minor drainages as it lies on the crest of a ridge just at the head of the drainage basin.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner

SURFACE RESTORATION/RECLAMATION PLAN

As per State surface agreement.

SURFACE AGREEMENT: Agreement filed with State.

CULTURAL RESOURCES/ARCHAEOLOGY: cleared and filed with state.

OTHER OBSERVATIONS/COMMENTS

The access road crosses a spur of the Northwest Pipeline trunk that Services the west side of Drunkards Wash Field. Discussions with Marathon indicate that they have discussed this with Northwest and have worked out an agreement to cross the right of way. However the discussions on the same matter with River Gas have not gone as well, and there appears to be some animosity on the subject with the other parties and operators in this area.

ATTACHMENTS:

4 photo was originally taken of this location.

K. Michael Hebertson
DOGM REPRESENTATIVE

14-July-2000 10:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>8</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>3</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>15</u>
Final Score	<u>46</u>	(Level II Sensitivity)

Well name:	7-00 Marathon SITLA #32-21		
Operator:	Marathon	Project ID:	43-007-30719
String type:	Surface		
Location:	Carbon County		

Design parameters:

Collapse

Mud weight: 8.330 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.433 psi/ft
 Calculated BHP: 130 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on buoyed weight.
 Neutral point: 262 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 79 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 160 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 1,850 ft
 Next mud weight: 8.330 ppg
 Next setting BHP: 801 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 1,850 ft
 Injection pressure: 1,850 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	300	8.625	24.00	J-55	ST&C	300	300	7.972	14.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	130	1370	10.56	130	2950	22.73	6	244	38.74 J

Prepared RJK
 by: Utah Dept. of Natural Resources

Date: July 19,2000
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 300 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:

7-00 Marathon SITLA #32-21

Operator: **Marathon**

String type: **Production**

Project ID:

43-007-30719

Location: **Carbon County**

Design parameters:

Collapse

Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 116 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 1,841 ft

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.433 psi/ft
Calculated BHP 1,265 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 2,554 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	2923	5.5	17.00	L-80	LT&C	2923	2923	4.767	100.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1265	6290	4.97	1265	7740	6.12	43	338	7.79 J

Prepared by: RJK
Utah Dept. of Natural Resources

Date: July 19,2000
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 2923 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

7-00 Marathon SITLA #32

Casing Schematic

Surface

8-5/8"
MW 8.3
Frac 19.3

TOC @
0.

Surface
300. MD

*Cement Tops
w/ 19%
hole
was lost.*

TOC @
1841.

Production
2923. MD

5-1/2"
MW 8.3

14%



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)

July 19, 2000

Marathon Oil Company
1501 Stampede Ave
Cody, WY 82414

Re: SITLA 32-21 Well, 1512' FNL, 1449' FEL, SW NE, Sec. 21, T. 15 South, R. 9 East,
Carbon County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-30719.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

er

Enclosures

cc: Carbon County Assessor
SITLA

Operator: Marathon Oil Company
Well Name & Number SITLA 32-21
API Number: 43-007-30719
Lease: ML-48235

Location: SW NE Sec. 21 T. 15 South R. 9 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Robert Krueger at (801) 538-5274 (plugging)
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MARATHON OIL COMPANY

Well Name: SITLA 32-21

Api No. 43-007-30719 LEASE TYPE: STATE

Section 21 Township 15S Range 09E County CARBON

Drilling Contractor BILL JR RATHOLE DRILL RIG # AIR

SPUDDED:

Date 08/30/2000

Time 7:00 AM

How DRY

Drilling will commence _____

Reported by WOODY SANDLIN

Telephone # 1-307-272-0065

Date 08/30/2000 Signed: CHD

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

6. Lease Designation and Serial Number
 ML-48235

7. Indian Allottee or Tribe Name
 NA

8. Unit or Communitization Agreement
 NA

9. Well Name and Number
 SITLA # 32-21

10. API Well Number
 43-007-30719

11. Field and Pool, or Wildcat
 DRUNKARD'S WASH

SUNDRY NOTICES AND REPORTS ON WELLS
 Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT -- for such proposals.

1. Type of Well
 Oil Well Gas Well Other (specify) 2

2. Name of Operator
 Marathon Oil Company

3. Address of Operator
 1501 Stampede Ave., Cody, Wyoming 82414

4. Telephone Number
 307-527-2211

5. Location of Well
 Footage : 1512' FNL, 1449' FEL County : CARBON
 QQ, Sec, T., R., M : SWNE 21-15S-9E State : UTAH

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

NOTICE OF INTENT
 (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
 (Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other _____ | SPUD |

Date of Work Completion 09/10/2000

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
 * Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE ABOVE NAMED WELL WAS SPUDDED ON 9/10/00 WITH ELENBURG RIG #15.
 SURFACE CASING WAS PRE-SET TO 260'.

GL: 6048'

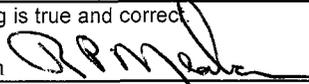
KB: 6060'

RECEIVED

SEP 18 2000

DIVISION OF
 OIL, GAS AND MINING

CC: WRF,RPM,DRILLING,DTJ,T&C(HOU),MEW

14. I hereby certify that the foregoing is true and correct.
 Name & Signature R.P. Meabon  Title _____ Reg. Coord. _____ Date 09/11/00

(State Use Only)

Form 9

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

6. Lease Designation and Serial Number	ML-48235
7. Indian Allottee or Tribe Name	NA
8. Unit or Communitization Agreement	NA
9. Well Name and Number	SITLA # 32-21
10. API Well Number	43-007-30719
11. Field and Pool, or Wildcat	DRUNKARD'S WASH

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
(Use APPLICATION FOR PERMIT for such proposals.)

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) 2
2. Name of Operator Marathon Oil Company
3. Address of Operator 1501 Stampede Ave., Cody, Wyoming 82414
4. Telephone Number 307-527-2211
5. Location of Well Footage : 1512' FNI, 1449' FFEL OO, Sec. T., R., M : SWNE 21-15S-9E County : CARRON State : UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other _____	SPUD

Date of Work Completion 09/10/2000

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
* Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE ABOVE NAMED WELL WAS SPUDDED ON 9/10/00 WITH ELENBURG RIG #15.
SURFACE CASING WAS PRE-SET TO 260'.

GL: 6048'

KB: 6060'

33667
Klm

Tow -

CC: WRF,RPM,DRILLING,DTJ,T&C(HOU),MEW

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

Name & Signature R.P. Meabon Title _____ Reg. Coord. _____ Date 09/11/00

(State Use Only)

(8/86)

See Instructions on Reverse Side

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OCT 02 2000
DIVISION OF
OIL, GAS AND MINING

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

ENTITY ACTION FORM

Operator: Marathon Oil Company
Address: Attn: Michael L. Meyer
539 South Main St.
Findlay, OH 45840

Operator Account Number: N 3490
Phone Number: (419) 421-3217

Well 1

API Number	Well Number		QQ	Sec	Twp	Rng	County
43-007-30719	Sitla 32-21		SW NE	21	15S	9E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	12899	9-10-00			9-10-00	
Comments: 10-2-00							

Well 2

API Number	Well Number		QQ	Sec	Twp	Rng	County
43-007-30667	Sitla 41-15		NE NE	15	15S	9E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	12900	9-07-00			9-7-00	
Comments: 10-2-00							

Well 3

API Number	Well Number		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999						
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

Michael L. Meyer
Name (Please Print)
Michael L. Meyer
Signature
Supervisor (RMS)
Title

9-27-00
Date

(6/2000)

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OCT 02 2000

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NO.
ML-48235

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
NA

7. UNIT AGREEMENT NAME
NA

8. FARM OR LEASE NAME
SITLA

9. WELL NO.
32-21

10. FIELD AND POOL, OR WILDCAT
DRUNKARD'S WASH

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
21-15S-9E

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEPEN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
MARATHON OIL COMPANY

3. ADDRESS OF OPERATOR
1501 STAMPEDE AVENUE, CODY, WYOMING 82414

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements.)*
At surface
1512' FNL, 1449' FEL SWNE

At top prod. interval reported below
SAME

At total depth
SAME

14. API NO. **43-007-30719** DATE ISSUED **7/19/2000**

12. COUNTY **CARBON** 13. STATE **UTAH**

15. DATE SPUDDED **8/30/00** 16. DATE T.D. REACHED **9/11/00** 17. DATE COMPL. (Ready to prod.) **11/16/00** 18. ELEVATIONS (DF, RKB, RT, GR, ETC.) **6048' GR 6060' RKB** 19. ELEV. CASINGHEAD **NA**

20. TOTAL DEPTH, MD & TVD **2954 MD 2954 TVD** 21. PLUG BACK T.D., MD & TVD **2910 MD 2910 TVD** 22. IF MULTIPLE COMPL., HOW MANY* **SINGLE** 23. INTERVALS DRILLED BY **----->** ROTARY TOOLS **0-2954'** CABLE TOOLS **NA**

24. PRODUCING INTERVAL(S), OF THIS COMPLETION---TOP, BOTTOM, NAME (MD AND TVD)
2560'-64', 2570'-74', 2587'-98', 2600'-02' - FERRON COAL
2618'-20', 2626'-34', 2641'-45', 2654'-58' - FERRON COAL

25. WAS DIRECTIONAL SURVEY MADE
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN **VCL/GR, TMDL - 10-2-00** 27. WAS WELL CORED? YES NO (Submit analysis)
DRILL STEM TEST? YES NO (See reverse side)

23. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	24	316'	11	140 SXS CLASS "G"	0
5-1/2"	17	2952'	7-7/8"	90 sxs. 50/50 POZ + 185 sxs Thixotropic	0

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
none					2-3/8"	2804'	none

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
2560' - 2602'	22.7 gm	92
2618' - 2658'	22.7 gm	76

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2560'-2602'	50M# 16/30 sd in 27,143 gals 20# Gel
2618'-58'	90M# 16/30 sd in 39,202 gals 20# Gel

33.* PRODUCTION

DATE FIRST PRODUCTION **11/16/00** PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) **Pumping -- 2-1/2"x2"x15' Insert Pump** WELL STATUS (Producing or shut-in) **Producing**

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL--BBL.	GAS--MCF.	WATER--BBL.	GAS-OIL RATIO
11/20/00	24	64/64	----->	0	151	71	na

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL-BBL.	GAS--MCF.	WATER--BBL.	OIL GRAVITY-API (CORR.)
30	30	----->	0	151	71	na

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **Sold** TEST WITNESSED BY **Field Supervisor**

35. LIST OF ATTACHMENTS
Wellbore Diagram

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

SIGNED **Frank M. Krugh** TITLE **REGULATORY COORDINATOR** DATE **12/1/00**

(3/89) *See Spaces for Additional Data on Reverse Side*
Dat: sub 06M-oig+2, WRF, KLM, WRH, FMK, T&C(Hous), Wamsutter office

INSTRUCTIONS

This form should be completed in compliance with the Utah Oil and Gas Conservation General Rules. If not filed prior to this time, all logs, tests, and directional surveys as required by Utah Rules should be attached and submitted with this report.

ITEM 18: Indicate which elevation is used as reference for depth measurements given in other spaces on this form and on any attachments.

ITEMS: 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s), and name(s) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

ITEM 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

ITEM 33: Submit a separate completion report on this form for each interval to be separately produced (see instruction for items 22 and 24 above).

37. SUMMARY OF POROUS ZONES:

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.

38. GEOLOGIC MARKERS

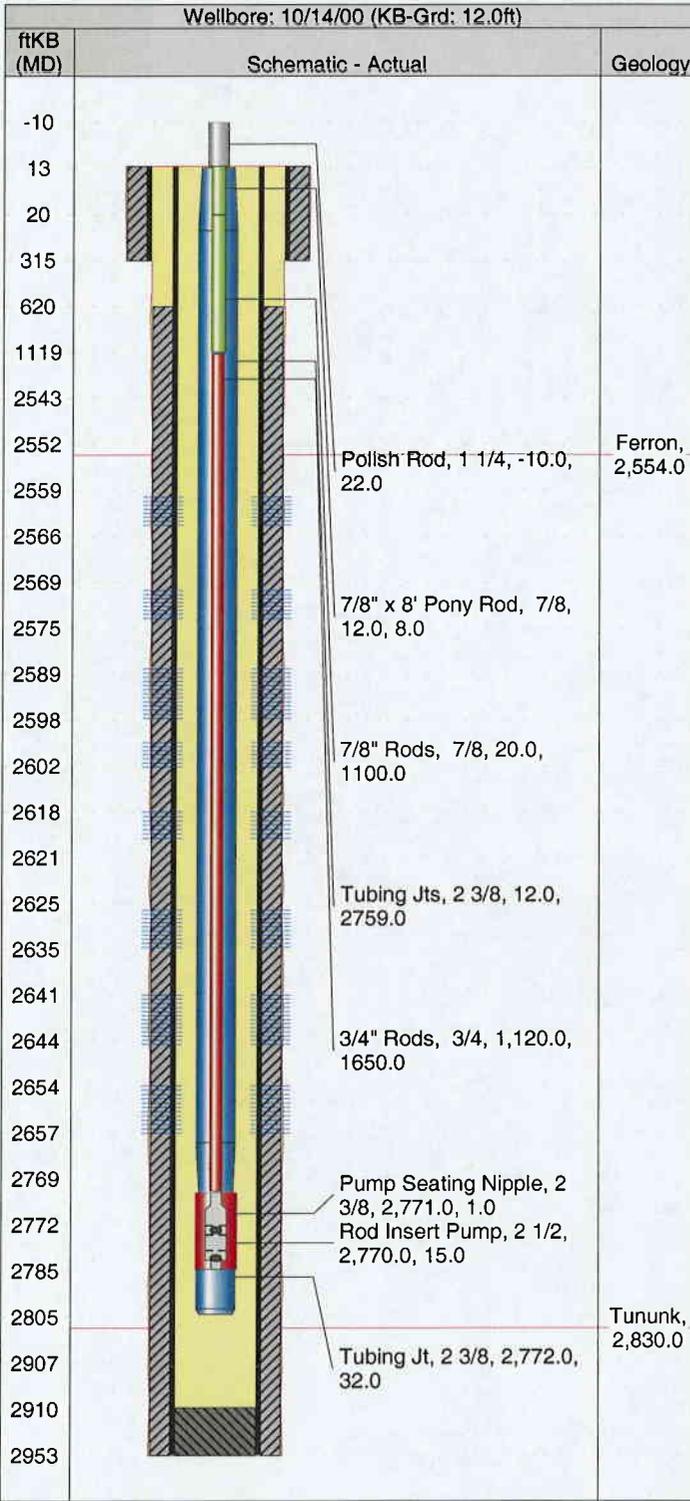
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
				FERRON	2554	2554
				TUNUNK	2830	2830

SITLA 32-21

Location

East-West Distance (ft)	From E or W Line	NS Dist. (ft)	From N or S Line
1449.0	E	1512.0	N
Latitude (DMS)		Longitude (DMS)	
Congressional		SW/NE SEC. 21, T15S, R9E	

API	Field Name	Area	Price, UT	Operator	County	State/Province
43-007-30719	Drunkard's Wash			Marathon Oil Company	Carbon	Utah
KB Elev (ft)	Ground Elev (ft)	Casing Flange Elev (ft)	KB-Ground (ft)	KB-Casing Flange (ft)	Spud Date	
6060.00	6048.00		12.00	12.00	8/30/00	



Group List - Actual							
Wellbore							
Date	Des	OD	Int (MD)				
8/30/00	Wellbore	11	12.0-316.0				
9/10/00	Wellbore	7 7/8	316.0-2,954.0				
Surface Casing							
Date	Des	OD	ID	Top (MD)	Len	Btm (MD)	
8/30/00	Casing Jts	8 5/8	8.097	12.0	303.0	315.0	
8/30/00	Float Shoe	8 5/8	8.097	315.0	1.0	316.0	
Production Casing							
Date	Des	OD	ID	Top (MD)	Len	Btm (MD)	
9/11/00	Casing Jts	5 1/2	4.892	12.2	2529.1	2,541.3	
9/11/00	Marker Jt	5 1/2	4.892	2,541.3	11.3	2,552.7	
9/11/00	Casing Jts	5 1/2	4.892	2,552.7	354.3	2,907.0	
9/11/00	Float Collar	5 1/2	4.892	2,907.0	0.1	2,907.1	
9/11/00	Casing Jt	5 1/2	4.892	2,907.1	44.3	2,951.4	
9/11/00	Float Shoe	5 1/2	4.892	2,951.4	0.6	2,952.0	
2-3/8" Production Tubing							
Date	Des	OD	ID	Len	Top (MD)	Btm (MD)	
10/14/00	Tubing Jts	2 3/8	1.995	2759.0	12.0	2,771.0	
10/14/00	Pump Seating Nipple	2 3/8	1.995	1.0	2,771.0	2,772.0	
10/14/00	Tubing Jt	2 3/8	1.995	32.0	2,772.0	2,804.0	
3/4" & 7/8" Rod String							
Date	Des	OD	Top (MD)	Len	Btm (MD)		
10/14/00	Polish Rod	1 1/4	-10.0	22.0	12.0		
10/14/00	7/8" x 8' Pony Rod	7/8	12.0	8.0	20.0		
10/14/00	7/8" Rods	7/8	20.0	1100.0	1,120.0		
10/14/00	3/4" Rods	3/4	1,120.0	1650.0	2,770.0		
10/14/00	Rod Insert Pump	2 1/2	2,770.0	15.0	2,785.0		
Cement							
Date	Des	Int (MD)	Com				
8/30/00	Surface Casing	12.0-316.0					
9/12/00	PBTD	2,910.0-2,954.0					
9/12/00	Production Casing	620.0-2,954.0					
Perforations							
Date	Int (MD)	Com					
9/19/00	2,560.0-2,564.0						
9/19/00	2,570.0-2,574.0						
9/19/00	2,587.0-2,598.0						
9/19/00	2,600.0-2,602.0						
9/18/00	2,618.0-2,620.0						
9/18/00	2,626.0-2,634.0						
9/18/00	2,641.0-2,645.0						
9/18/00	2,654.0-2,658.0						
Formations							
Des	Top (MD)						
Ferron	2,554.0						
Tununk	2,830.0						

RECEIVED

DEC 07 2000

DIVISION OF
OIL, GAS AND MINING

MARATHON OIL COMPANY
COMPLETION REPORT OF GAS WELL
FROM 30-AUG-2000 TO 16-NOV-2000

WELL NO: **SITLA 32-21**
FIELD: DRUNKARDS WASH
OPR PROP: SITLA 32-21
STATE: UT COUNTY: CARBON

SW NE Sec 21 T15S R9E
1512' FNL & 1449' FEL

KB Elev : 6060
Grd. Elev.: 6048
TD : 2954
PBSD : 2910

Prep by: *WR Handley*
Route 1 to Regulatory
WRF

CLASS: GAS STATUS: ACTIVE PRESENT STATUS FORMATION: FERRON TYPE: SINGLE

AFE#: 3-617-00 INTENT: DRILL & COMPLETE

Project Summary: Pre-set 8⁵/₈", 24#, J-55 surface casing at 316' KB. Cemented to surface with 140 sacks of Class "G" cement. MIRU Elenburg Rig #15. Drilled to TD of 2954' KB. Run open hole logs. Land 5¹/₂", 17# casing at 2952' KB and cemented with 275 sxs of total cement. Perforate and fracture stimulate the Ferron Coals (2560' - 2658' gross). Clean out to PBSD. Run 2³/₈" production tubing and land at 2804'. Run in with rods and 2" insert pump. Put gas to sales on 11/16/00.

WRH/wh (WRF-999)
XC: WAMSUTTER FIELD OFFICE, CCC, PAT, EWS, TKS, PSO, RHS, WRH, HA Alker

RECEIVED
OCT 17 2000
BUREAU OF
OIL AND GAS ADMINISTRATION

MARATHON OIL COMPANY
COMPLETION REPORT OF GAS WELL
FROM 30-AUG-2000 TO 19-NOV-2000

WELL NO: SITLA 32-21
FIELD: DRUNKARDS WASH
OPR PROP: SITLA 32-21
STATE: UT COUNTY: CARBON

SW NE Sec 21 T15S R9E
1512' FNL & 1449' FEL

KB Elev : 6060
Grd. Elev.: 6048
TD : 2954
PBSD : 2910

Prep by: _____
Route 1 to Regulatory__
WRF__

CLASS: GAS STATUS: ACTIVE PRESENT STATUS FORMATION: FERRON TYPE: SINGLE

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WRH/wh (WRF-999)

XC: WAMSUTTER FIELD OFFICE, CCC, PAT, EWS, TKS, PSO, RHS, WRH, HA Alker

APPROVED FOR
SUBMITTED BY
DATE
REVISIONS
DATE

MOC MORNING REPORT
WELL HISTORY FOR SITLA 32-21

Page: 2
 REGION: RMR

30-AUG-2000 MIRU Bill Jr's Rathole Service. Drilled 325' of 11" surface hole and set 316' of 8-5/8", 24#, J-55 casing.

10-SEP-2000 DEPTH:1400' FOOTAGE:1140 PRESENT OPERATION: DRILLING. SUMMARY OF OPERATIONS: MIRU ELENBURG #15. NU WELLHEAD AND BOP. TEST BOP. RIH W/NEW 7-7/8" BIT ON DRILL PIPE AND TAG CEMENT AT 260'. DRILL CEMENT FROM 260'-320'. DRILL FORMATION TO 1400'. MW:AIR
 DIRECTIONAL SURVEYS:
 M.D.
 837' 0.75
 1335' 1.50

SHUT-IN/RIG DATA

SI DATE	MIRU DATE	RIG NAME	RIG#
	10-SEP-2000	DRILLING RIG	15

11-SEP-2000 DEPTH:2954' FOOTAGE:1554' FORMATION:TUNUNK PRESENT OPERATION: RUNNING CASING. SUMMARY OF OPERATIONS:DRILLED FORMATION TO TD @ 2954'. CIRCULATED HOLE CLEAN AND LOADED W/2% KCL WATER. POOH LAYING DOWN DRILL PIPE. RIH W/CASING. MW: AIR
 DIRECTIONA; SURVEYS:
 M.D. ANGLE
 1839' 2.50
 2340' 2.75
 2839' 2.50

12-SEP-2000 DEPTH:2954' FORMATION:TUNUNK PRESENT OPERATION:RIG RELEASED. SUMMARY OF OPERATIONS: RUN 5-1/2" PRODUCTION CASING TO 2952'. CEMENTED CASING W/90 SXS 50-50 POZ FOLLOWED BY 185 SXS. THOXOTROPIC. NIPPLE DOWN BOPE. RELEASED RIG AT 11:00 HRS, 9/11/00. ****FINAL DRILLING REPORT****

13-SEP-2000 RU HES and ran GR-CBL-CCL log. Cement top at 622'. Tagged PBTD at 2648' which is 20' high to run pulse neutron log over all the coals. Welded on 5-1/2" bell nipple. Set and tested rig anchors. MIRU Key Well Svc. RIH with 4-3/4" blade bit while PU 2-7/8" tubing. Tagged cement stringer at 2650' and fell through to 2699'. Circulated hole clean. SION.

SHUT-IN/RIG DATA

SI DATE	MIRU DATE	RIG NAME	RIG#
	13-SEP-2000	KEY ENERGY SERVICES	97

14-SEP-2000 Drilled out cement from 2699' to 2910'. Circulated hole clean. POH laying down 2 7/8" tubing. RDMO. RU HES and ran pulse neutron log. SION.

15-SEP-2000 NU BOP. RU hot oiler and PT BOP and casing to 5000 psi. Spotted 7-400 bbl frac tanks and filled with fresh water. SION.

18-SEP-2000 RU HES wireline and perf'd the Lower Ferron coals as shown below. SION.

PERF DATA

VENDOR: HES GUN SIZE: 4 CHG SIZE(GM): 22.7
 CHG TYPE: BH CORRELATION LOG USED: TMD

FORM: FERRON COAL SUB: LOWER TOP DEP: 2618
 BOT DEP: 2620 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 9

RECEIVED
 SEP 20 2000
 10:00 AM
 OPERATIONS
 62,600,000

WELL HISTORY FOR SITLA 32-21

PERF DATA (CONT)

VENDOR: HES GUN SIZE: 4 CHG SIZE(GM): 22.7
 CHG TYPE: BH CORRELATION LOG USED: TMD

FORM: FERRON COAL SUB: LOWER TOP DEP: 2626
 BOT DEP: 2634 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 33

FORM: FERRON COAL SUB: LOWER TOP DEP: 2641
 BOT DEP: 2645 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 17

FORM: FERRON COAL SUB: LOWER TOP DEP: 2654
 BOT DEP: 2658 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 17

19-SEP-2000 RU HES and PT lines to 6000 psi. Pumped 500 gallons of 15% HCl at 3.8 BPM and 1364 psi ahead of pad. Frac'd the lower Ferron coals as shown below. Ramped sand from 1-5 ppg in 28,600 gals of gel. Frac gradient - 1.24 psi/ft. Over-flush with 200 gals of slick water after ISIP. RU wireline truck and set 5-1/2" frac plug at 2612'. Perf'd the middle Ferron coals as shown below. Pumped 500 g of 15% HCl at 5.5 BPM and 2040 psi. Frac'd the middle Ferron as shown below. Coals were very tight with very little perf friction. Only pumped an estimated 20,000-lb in formation. Flowed well back to pit for clean up. Pumped an additional 2560 g of Clayfix water. Since middle zones were so tight with no perf friction decided to perf upper Ferron coals and frac all together. Perf'd the upper Ferron as shown below. Pumped 500 g of 15% HCl ahead of pad. Frac'd the upper and middle Ferron coals as shown below. Ramped sand from 1-5 ppg in 14,430 g of water followed by a 5-ppg stage. Left well flowing to pit for clean up.

PERF DATA

VENDOR: HES GUN SIZE: 4 CHG SIZE(GM): 22.7
 CHG TYPE: BH CORRELATION LOG USED: TMD

FORM: FERRON COAL SUB: MIDDLE TOP DEP: 2587
 BOT DEP: 2598 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 49

FORM: FERRON COAL SUB: MIDDLE TOP DEP: 2600
 BOT DEP: 2602 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 9

FORM: FERRON COAL SUB: UPPER TOP DEP: 2560
 BOT DEP: 2564 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 17

FORM: FERRON COAL SUB: UPPER TOP DEP: 2570
 BOT DEP: 2574 DEN SPF: 4 PHASE DEG: 90 TOT SHOTS: 17

FRAC DATA

FORMATION	SUB	TOP PERF	BOT PERF	VENDOR
FERRON COAL	LOW	2618	2658	HES

PPG	RATE	PPG (BPM)	FRAC LIQUID	PRESS (PSI)	VOLUME (GAL)	PROP SZ	PROP TYPE	LBS PRO
PAD	PPG	62.0	20# Delta	3365	4032			
0.3	PPG	82.0	20# Delta	3343	4010	16-30	Sand	1000
3.2	PPG	84.0	20# Delta	3277	28600	16-30	Sand	89000
DISPL	PPG	86.0	20# Slick	2935	2560			
TOTALS	PPG				39202			90000

ISIP 2100 , MIN SIP , MIN SIP , MIN SIP

90000
 10/1/2000
 10/1/2000
 10/1/2000
 10/1/2000

WELL HISTORY FOR SITLA 32-21

FORMATION	SUB	2 nd FRAC DATA		PERF VENDOR
		TOP	BOT	
FERRON COAL	U&M	2560	2602	HES

PPG	RATE	PRESS VOLUME		PROP SZ	PROP TYPE	LBS PRO
PPG	(BPM)	FRAC LIQUID	(PSI) (GAL)			
PAD PPG	70.0	20# Delta Frac	4036 4131			
0.3 PPG	76.0	20# Delta Frac	3884 4402	16-30	Sand	1100
2.7 PPG	81.0	20# Delta Frac	3521 13431	16-30	Sand	36667
4.6 PPG	85.0	20# Delta Frac	3455 2659	16-20	Sand	12233
DISPL PPG	88.0	20# Slick Water	3546 2520			
TOTALS PPG			27143			50000

ISIP 1920, 5 MIN SIP 1705, 10 MIN SIP 1697, 15 MIN SIP 1681 PSI.

13-OCT-2000 MIRU. RIH with 4-3/4" bit on 2-7/8" tubing. Drilled out frac plug at 2609' in 15 minutes. Tagged sand at 2789' and circulated out to 2908'. Circulated hole clean. POOH and LD bit. SION.

SI DATE	MIRU DATE	SHUT-IN/RIG DATA		RIG#
		RIG NAME		
	13-OCT-2000	KEY ENERGY SERVICES		97

14-OCT-2000 RIH with 1 joint of 2-7/8" tubing, 2-7/8" SN and 89 joints of 2-7/8" tubing. Landed EOT at 2804' and SN at 2771'. NU wellhead. Swabbed as shown below. RIH with 2 1/2" X 2" X 15' insert pump, 66 - 3/4" rods, 44 - 7/8" rods and 1 - 8' pony rod. Spaced well out. RDMO.

SI DATE	MIRU DATE	SHUT-IN/RIG DATA		RIG#
		RIG NAME		
	13-OCT-2000	KEY ENERGY SERVICES		97

16-NOV-2000 Put well to sales. Date of 1st Production.

20-NOV-2000 Well pumping at 6 spm, producing 0 BCPD, 151 MCFD, 71 BHPD, with LP of 30 psi, Separator pressure of 135 psi. **Final Report.**

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

6. Lease Designation and Serial Number ML-48235
7. Indian Allottee or Tribe Name NA
8. Unit or Communitization Agreement NA
9. Well Name and Number SITLA # 32-21
10. API Well Number 43-007-30719
11. Field and Pool, or Wildcat DRUNKARD'S WASH

SUNDRY NOTICES AND REPORTS ON WELLS
 Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
 Use APPLICATION FOR PERMIT for such proposals

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) <u>2</u>	
2. Name of Operator <p align="center">Marathon Oil Company</p>	
3. Address of Operator <p align="center">1501 Stampede Ave., Cody, Wyoming 82414</p>	4. Telephone Number <p align="center">307-527-2225</p>
5. Location of Well Footage : 1512' FNL, 1449' FEL County : CARBON QQ, Sec, T., R., M : SWNE 21-15S-9E State : UTAH	

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

NOTICE OF INTENT
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Other _____	<u>FIRST PRODUCTION</u>

Date of Work Completion 11/16/2000

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.
 * Must be accompanied by a cement verification report.

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The above named well was placed on first production on November 16, 2000, as an active Single (S1) Ferron gas producer.

CC: WRF,KLM,FMK,T&C(HOUS),WAMSUTTER OFFICE

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

Name & Signature Frank M. Krugh *Frank M. Krugh* Title Reg. Spec. II Date 01/03/01

(State Use Only)