

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

5. LEASE DESIGNATION AND SERIAL NO.  
U-61154

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
N/A

7. UNIT AGREEMENT NAME  
Drunkards Wash UTU-67921X

8. FARM OR LEASE NAME, WELL NO.  
USA 23-480

9. API WELL NO.

10. FIELD AND POOL, OR WILDCAT  
Drunkards Wash

11. SEC. T., R., M., OR BLK.  
AND SURVEY OR AREA  
NW/4, SW/4, Sec. 23, T14S, R8E,  
SLB&M

12. COUNTY OR PARISH  
Carbon

13. STATE  
UTAH

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK

**DRILL**

**DEEPEN**

b. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

SINGLE ZONE

MULTIPLE ZONE

2. NAME OF OPERATOR

Phillips Petroleum Company

3. ADDRESS AND TELEPHONE NO.

6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. \*)

At surface 2196' FSL, 1245' FWL

At proposed prod. zone

4382281H  
500207E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

10.1 miles west of Price, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.

1245'

(Also to nearest drig. unit line, if any)

16. NO. OF ACRES IN LEASE

3863.87 acres

17. NO. OF ACRES ASSIGNED TO THIS WELL

160 acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

2200'

19. PROPOSED DEPTH

3880'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

7028' GR

22. APPROX. DATE WORK WILL START\*

July 2001

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14"	12-3/4"	Conductor	40'	150 sks G+2% CaCl + 1/4# per sack floccel 362 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 78 sks "G" thixotropic
11"	8-5/8"	24 #/ft	362'	
7-7/8"	5-1/2"	17 #/ft	3870'	

**COPY**

**APPROVED BY THE STATE  
OF UTAH DIVISION OF  
OIL, GAS, AND MINING**  
DATE: 7-18-01  
BY: [Signature]

**CONFIDENTIAL**

**Federal Approval of this  
Action is Necessary**

**RECEIVED**

JUL 19 2001

**DIVISION OF  
OIL, GAS AND MINING**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data 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.

24. SIGNED [Signature] TITLE Permitting Analyst

DATE 6/26/01

(This space for Federal or State office use)

PERMIT NO. 43007-30795 APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

**\*See Instructions On Reverse Side**

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Range 8 East

(EAST - 5293.2')

**N88°43'20"W - 5279.36'**

NE CORNER  
ELEV. 6994'

Township 14 South

**N00°09'15"W - 2709.78'**

(N00°05'W - 5435.76')

**N00°03'37"W - 2677.73'**

(N00°01'W - 5280.0')

23

DRILL HOLE #23-480  
ELEVATION 7028.2'

UTM  
N - 4382293  
E - 500201

1245.06'

2196.30'

(WEST - 5288.58')

## Legend

- Drill Hole Location
- Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- Rock Pile
- GLO

**GPS Measured**

NOTES:  
1. UTM AND LATITUDE / LONGITUDE COORDINATES  
ARE DERIVED USING A GPS PATHFINDER AND ARE  
SHOWN IN NAD 27 DATUM.

LAT / LONG  
39°35'32"N  
110°59'52"W

### Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

### Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

### GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

### Basis of Elevation:

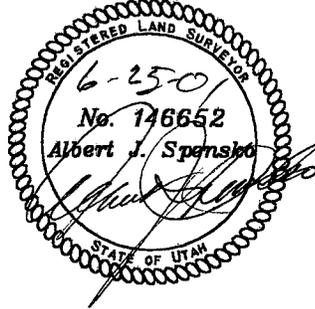
BASIS OF ELEVATION OF 6994' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 23, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PINNACLE PEAK QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NW1/4, SW1/4 OF SECTION 23, T14S, R8E, S.L.B.&M., BEING 2196.30' NORTH AND 1245.06' EAST FROM THE SOUTHWEST SECTION CORNER OF SECTION 23, T14S, R8E, SALT LAKE BASE & MERIDIAN.

### Surveyor's Certificate:

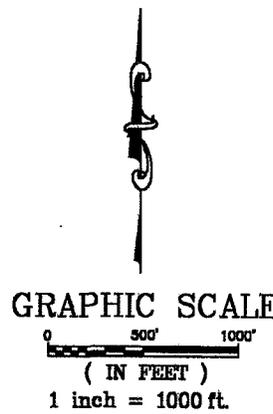
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**PHILLIPS PETROLEUM**  
**WELL #23-480**  
Section 23, T14S, R8E, S.L.B.&M.  
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 06/21/01
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 374





## PHILLIPS PETROLEUM COMPANY

6825 South 5300 West  
P.O. Box 851  
Price, UT 84501  
TEL: (435) 613-9777 FAX: (435) 613-9782

June 29, 2001

Mr. Eric Jones  
Bureau of Land Management  
82 East Dogwood  
Moab, Utah 84532

RE: Application for Permit to Drill-  
USA 23-480, NW/4 SW/4 Sec.23  
T14S, R08E, SLB & M, Carbon County, Utah

Dear Mr. Jones:

Enclosed is the original of the *Application for Permit to Drill* (APD). Included with the APD is the following information:

Exhibit "A" - Survey Plat of the Proposed Well Site;

Exhibit "B" - Proposed Location Map with Pipeline, Power, and Road Access;

Exhibit "C" - Drilling Site Layout;

Exhibit "D" - Drilling Information

Exhibit "E" - Multipoint Surface Use Plan

Exhibit "F" - Typical Road Cross-section;

Exhibit "G" - BOP Diagram;

Exhibit "H" - Typical Wellhead Manifold;

Exhibit "I" - Evidence of Bond;

RECEIVED

JUN 29 2001

DIVISION OF  
OIL, GAS AND MINING

**COPY**

CONFIDENTIAL

This proposed well is located more than 460' from the boundary of the Unit Area and from the boundary of any uncommitted tract within the Unit Area and will not require the administrative approval in accordance with Utah Administrative Code Rule R649-3-3.

Please accept this letter as Phillips Petroleum Company's written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

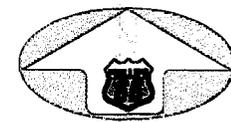
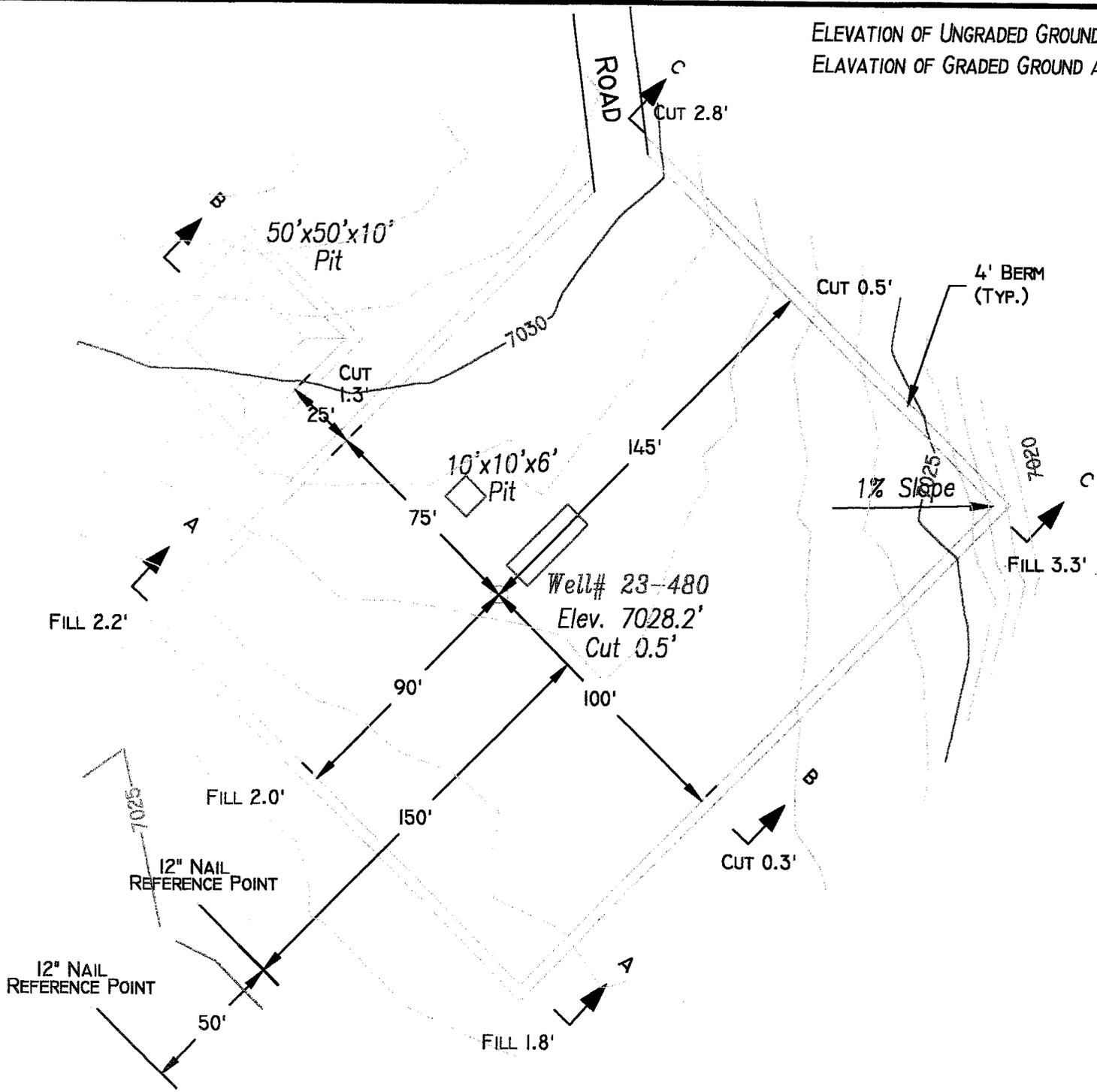
Sincerely,



Jean Semborski  
Permit Analyst

cc: Ms. Lisha Cordova, DOGM  
Mr. Chuck Snure, Texaco  
Ms. Robin Adams, Dominion Resources  
Mr. Don Stephens, BLM, Price, Utah  
Ms. Jeanette Borges, Phillips Petroleum Company  
PPCo Well File

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6515.2'  
 ELAVATION OF GRADED GROUND AT LOCATION STAKE = 6514.7'



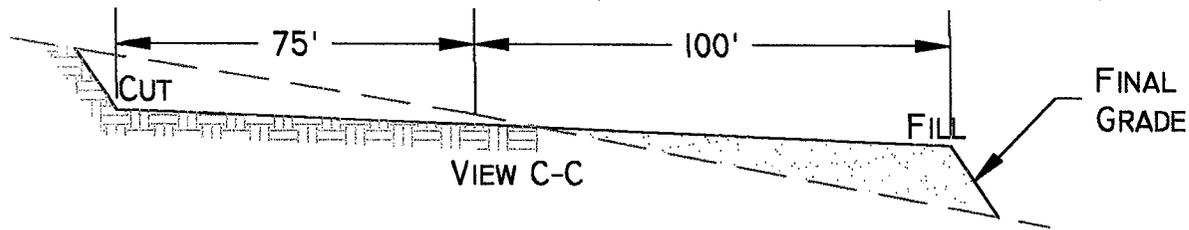
**Talon Resources, Inc.**  
 375 South Carbon Avenue, Suite 101  
 Price, Utah 84501  
 Ph: 435-637-8781  
 Fax: 435-636-8603

**PHILLIPS PETROLEUM**  
**LOCATION LAYOUT**

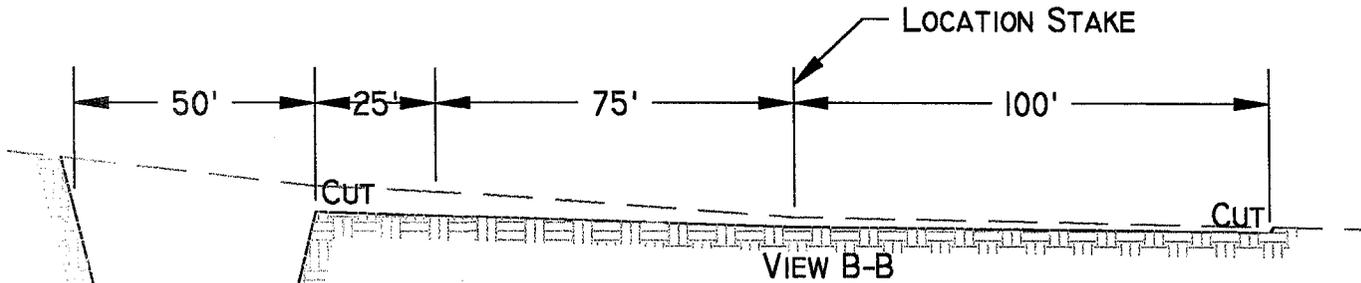
Section 23, T14S, R8E, S.L.B.&M.

**WELL #23-480**

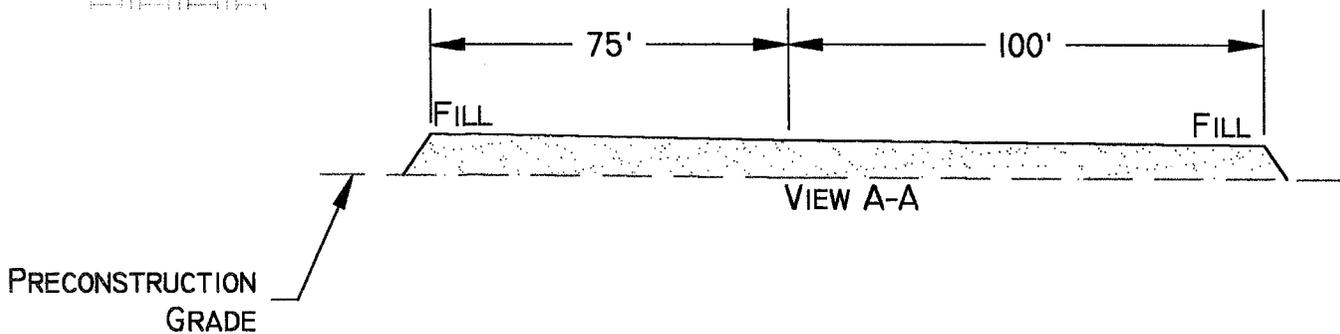
Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 06/21/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 374



1" = 10'  
X-Section  
Scale  
1" = 40'



SLOPE = 1 1/2 : 1  
(EXCEPT PIT)  
PIT SLOPE = 1 ; 1



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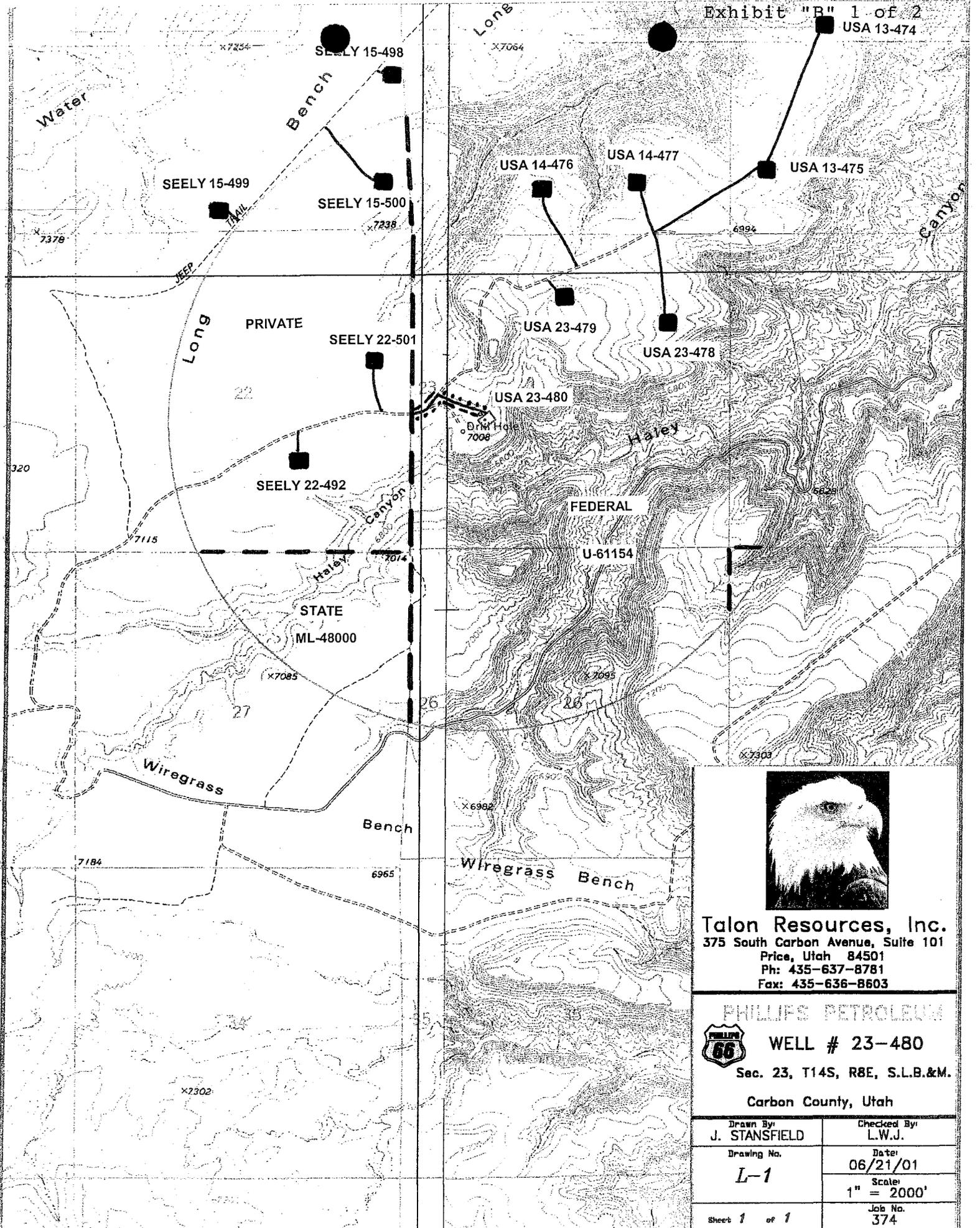
**PHILLIPS PETROLEUM**

**TYPICAL CROSS SECTION**  
Section 23, T14S, R8E, S.L.B.&M.  
WELL #23-480

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. <b>C-1</b>	Date: 06/21/01
	Scale: 1" = 40'
Sheet <b>3</b> of <b>4</b>	Job No. 374

APPROXIMATE YARDAGES

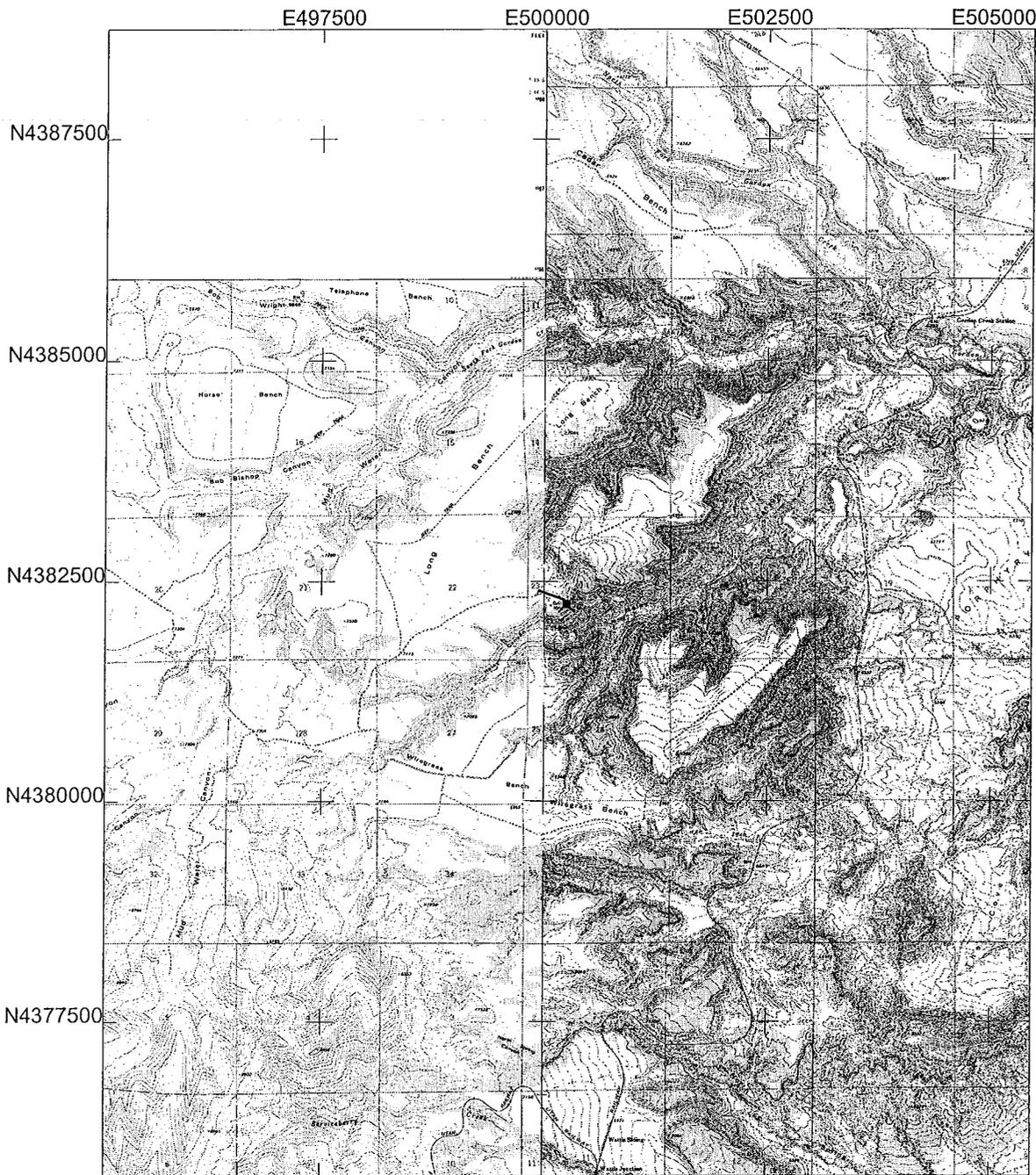
CUT  
(6") TOPSOIL STRIPPING = 750 CU. YDS.  
REMAINING LOCATION = 932 CU, YDS.  
TOTAL CUT = 1682 CU. YDS.  
TOTAL FILL = 950 CU. YDS.



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 Fax: 435-636-8603

PHILLIPS PETROLEUM  
 **WELL # 23-480**  
 Sec. 23, T14S, R8E, S.L.B.&M.  
 Carbon County, Utah

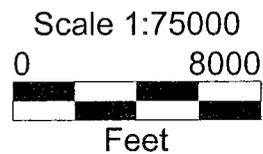
Drawn By: <b>J. STANSFIELD</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>06/21/01</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>1</b> of <b>1</b>	Job No. <b>374</b>



# USA 23-480

## Section 23, T14S, R8E

Universal Transverse Mercator  
 12 North  
 NAD 1927 (Conus)

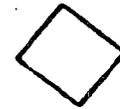


usa23-480.ssf  
 06/26/2001  
 Pathfinder Office  
**Trimble**

# APPROXIMATE LAYOUT OF RIG & EQUIPMENT

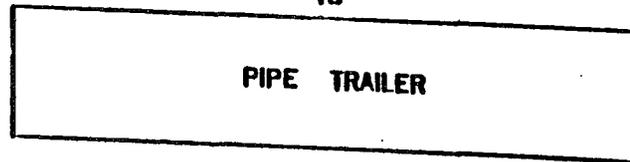


LIGHT  
PLANT



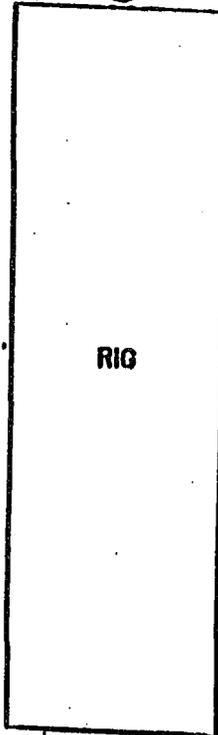
LIGHT  
PLANT

40'



PIPE TRAILER

O HOLE



45'

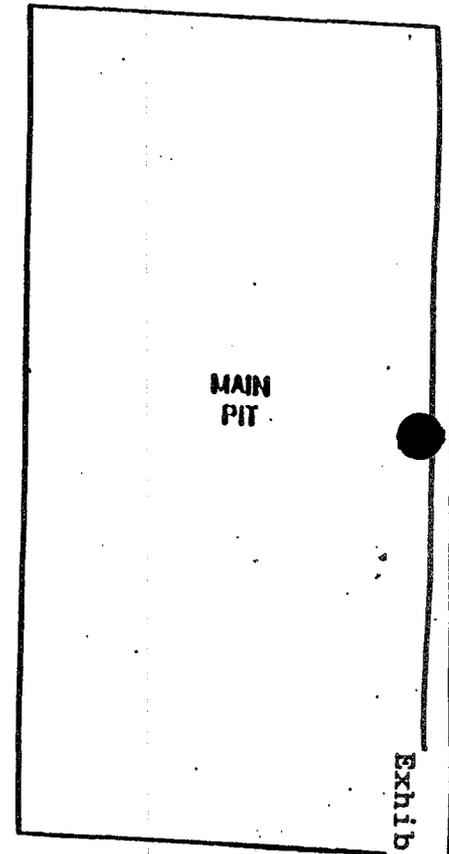
RIG

8'

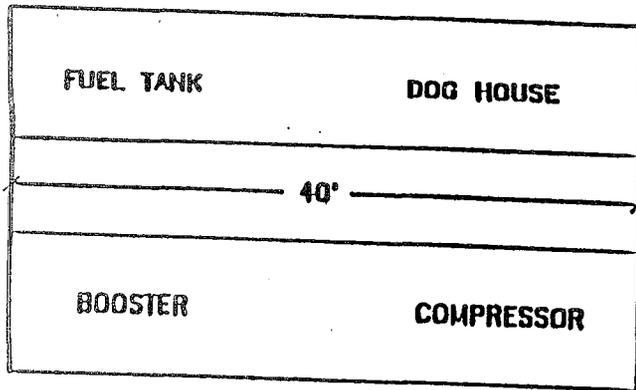


SURFACE  
CUTTINGS  
PIT

20'



MAIN  
PIT



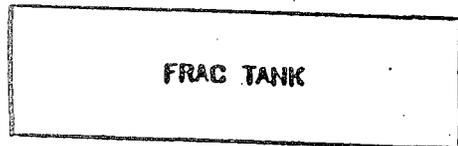
FUEL TANK

DOG HOUSE

40'

BOOSTER

COMPRESSOR



FRAC TANK



AUX  
COMP.

Bureau of Land Management  
Moab District  
Application for Permit to Drill  
On-Site Inspection Checklist

Company Phillips Petroleum Company Well No. USA 23-480  
Location: Sec. 23, T 14 S, R 08E, Lease No. U-61154  
On-Site Inspection Date: 5/24/01

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:  
Surface formation: Upper Mancos Shale  
Estimated top of Ferron Formation: 3410' TD=3880'
2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

<u>Formation</u>	<u>Depth</u>
------------------	--------------

Expected Oil Zones: none	
Expected Gas Zones: Ferron Coal Interval: <u>3440' -3580'</u>	
Expected Water Zones: <u>3440'-3580'</u>	
Expected Mineral Zones: none	

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment- include schematics of the BOP and choke manifold, and describe testing procedures: Quick Test is contracted to test the manifold, blind rams, and B.O.P to 2000 psi. Surface casing is tested to 1 psi/ft. See attachment.

BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment - include casing size, weight, grade, thread and

coupling, setting depth and condition (new or acceptably reconditioned): Approximately 3870' of 5-1/2", N-80 17#/ft production casing will be installed 10% of the above setting depth will be 8-5/8", 24#/ft. J-55 surface casing.

5. Cement-include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: See cement design.
6. Mud Program and Circulating Medium- include mud components and weights. When air drilling, also include: length and location of bleed line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Hole will be drilled with air.
7. Coring, Logging and Testing Program: Bulk Density, Gamma, Neutron Density, Resistivity and Caliper logs will be run.  
Initial opening of drill stem test tools will be restricted to daylight hours.
8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards- include anticipated bottomhole pressure and/or pressure gradient: No abnormal conditions are anticipated, formation is slightly over-pressured, estimated BHP: 1587 PSI.
9. Any Other Aspects of this Proposal that should be Addressed:

B. THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

1. Existing Roads:
  - a. Proposed route to location (submit a map depicting access and well location).
  - b. Location of proposed well in relation to town or other reference point: 10.1 Miles west of Price, Utah.
  - c. Contact the Carbon County Road Department for use of county roads. The use of Carbon County roads will require an encroachment permit from the Carbon County Road Department.
  - d. Plans for improvement and/or maintenance of existing roads: Upgrade and maintain existing state or county roads.
  - e. Other:
2. Planned Access Roads:
  - a. Location (centerline): Sec. 23, T14S, R08E 2196' FSL, 1245' FWL
  - b. Length of new access to be constructed: 900'
  - c. Length of existing roads to be upgraded: 650'
  - d. Maximum total disturbed width: 27'
  - e. Maximum travel surface width: 24'

- f. Maximum grades: 5%
- g. Turnouts: none
- h. Surface materials: In-place residual of Mancos Shale
- i. Drainage (crowning, ditching, culverts, etc): Roads will be crowned with water ditches on both sides. Water will be diverted around pad as necessary and 3-4 culverts will be placed along upgraded roadway.
- j. Cattleguards: none
- k. Length of new and/or existing roads which lie outside the lease boundary for which a BLM right-of-way is required: N/A
- l. Other:

Surface disturbance and vehicular travel will be limited to the approved location access road. Any additional area needed must be approved by the Area Manager in advance.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate shall be recalculated based on the conditions of this grant and the regulations in effect at the time of an automatic amendment.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

- 3. Location of Existing Wells-on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Attachment "B"
- 4. Location of Production Facilities:
  - a. On-site facilities: See Attachment "E"
  - b. Off-site facilities: none
  - c. The pipelines and powerlines will follow the proposed access route with the powerline located on the north/east side of the road and the pipelines on the west/south. The pipelines will be approximately 20" (650') and 4" (900') for gas and 10" (650') and 4" (900') water. Refer to the map Exhibit "B" page 1 for the location of the proposed pipeline. The length of

the pipeline will be approximately 1550' long. The pipelines will be brought to the 23-480 from the west line of section 23.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, non-reflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Olive Black

If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4

Production facilities on location may include a lined or unlined produced water pit as specified in NTL-2B. If water is produced from the well, an NTL-2B application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): PRWID

A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah at (435) 637-1303.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Private Owner

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material): Pit will be lined with native material unless otherwise designated by BLM officers prior to construction.

The reserve pit will be located at the: Northwest side of the location, and the pit walls will be sloped at no greater than 2 to 1.

The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried, all areas not needed for production will be rehabilitated.

Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

8. Ancillary Facilities: Garbage containers and portable toilets.
9. Well Site Layout - depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

All well, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

Access to the well pad will be from: North of location.

The blooie line will be located in the: Northwest, at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Water injection.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately on: adjacent land.

Topsoil along the access road will be reserved in place adjacent to the road.

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled between Sept. and Nov., or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used:

BLM recommended mixture: Pinion/Juniper

The abandonment marker will be one of the following, as specified by BLM:

- 1) At least four feet above ground level,
- 2) At restored ground level, or
- 3) Below ground level.

In any case the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements:

11. Surface and Mineral Ownership: BLM surface/BLM subsurface

12. Other Information:

a. Archeological Concerns: none

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- Whether the materials appear eligible for the National Register of Historic Places;
- The mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- A time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

b. Threatened and Endangered Species Concerns: No

c. Wildlife Seasonal Restrictions (yes/no): See EIS

d. Off Location Geophysical Testing: N/A

e. Drainage crossings that require additional State or Federal approval: N/A

f. Other: N/A

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

Representative:

Name: Jean Semborski

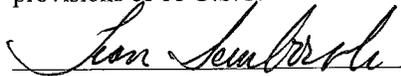
Title: Permit Analyst

Address: 6825 S. 5300 W. P.O. Box 851  
Price, Utah 84501

Phone No: (435) 613-9777 Fax (435) 613-9782

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 exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by PPCo and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond no. ES0048. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.



Signature

Permit Analyst

Title

6/26/01

Date

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 24 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted the District Office within 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notices and Reports on Wells: (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analysis, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings and/or samples) will be submitted when requested by the Assistant District Manager.

Venting/Flaring of Gas-NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 MMcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Assistant District Manager for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Divisions within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

TABLE 1  
NOTIFICATIONS

Notify Don Stephens of the Price Resource Area, at (435)636-3608 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

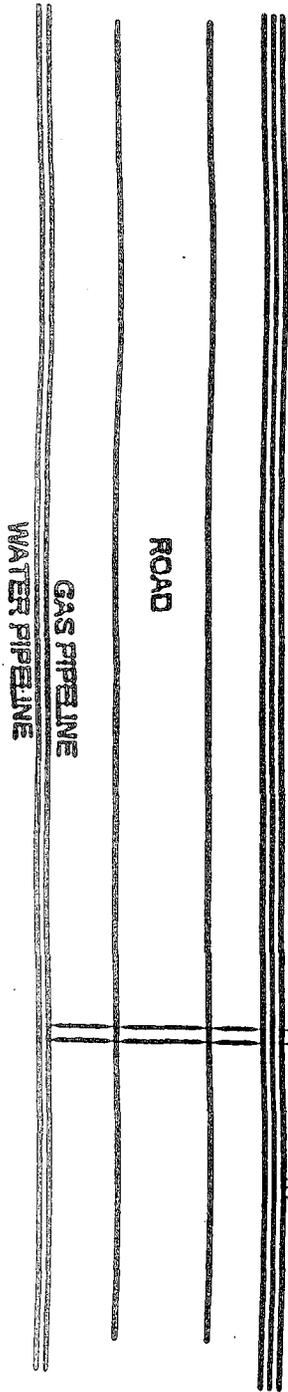
3 hours prior to testing BOPE;

12 hours prior to reaching kickoff point depth (if applicable).

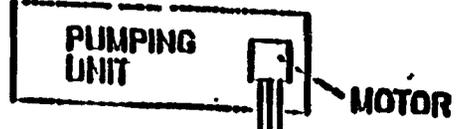
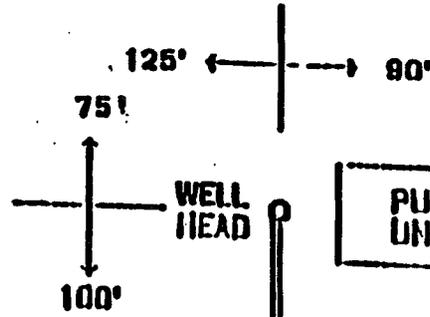
If the person at the above number cannot be reached, notify the Moab District Office at (435) 259-6111. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (435) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: (435) 259-6111
	Home: (435) 259-2214



○ ANCHOR (TYP. 4 PL.)



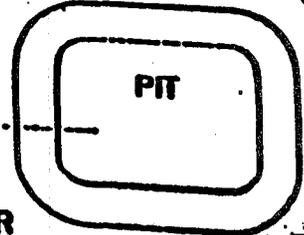
GAS/WATER

3-PHASE  
ELEC.

SEPARATOR

RTU  
STARTER

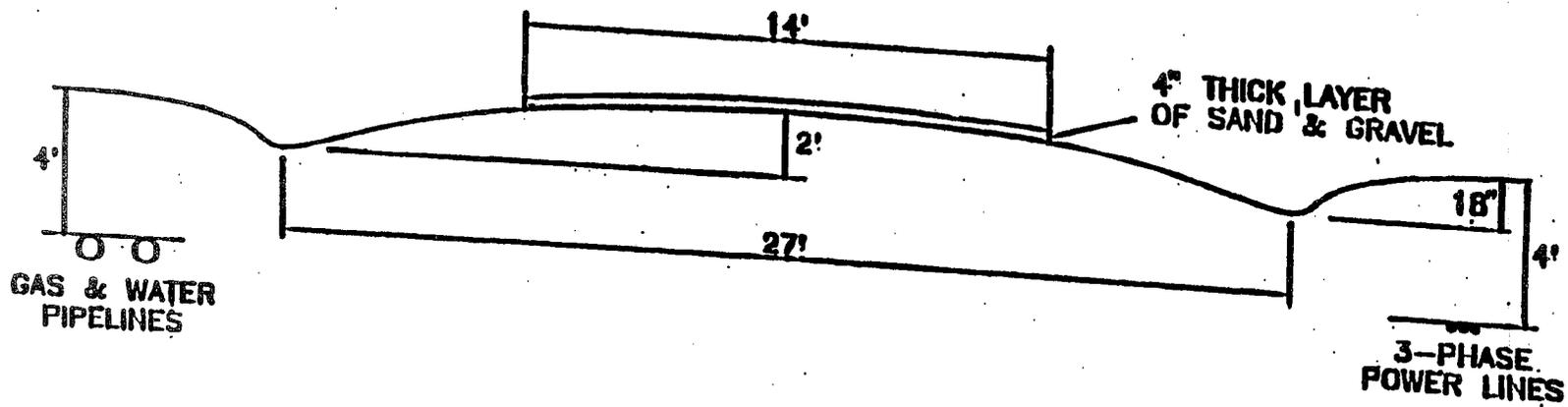
TRANSFORMER



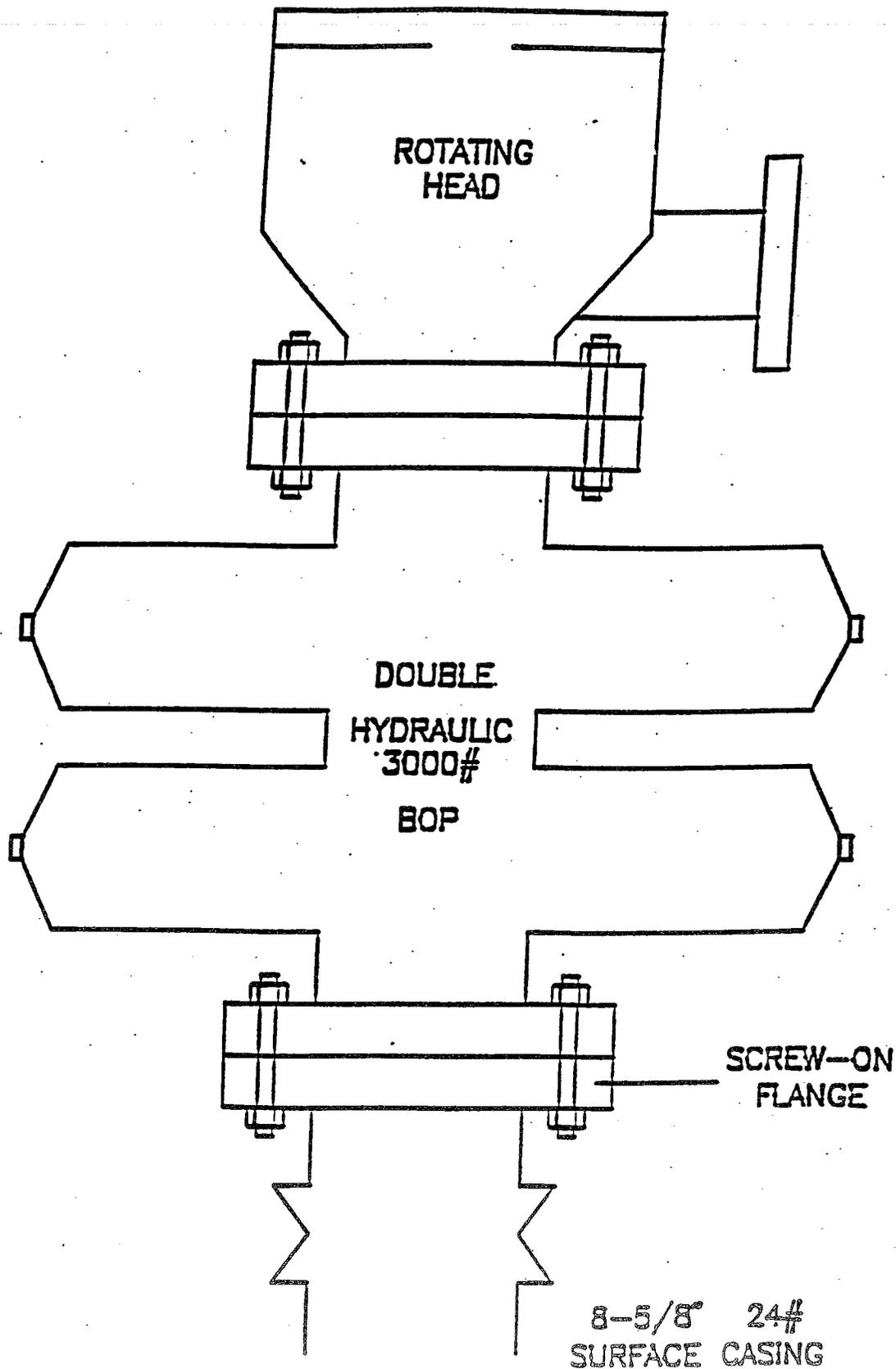
RIVER GAS CORP.  
WELL SITE LAYOUT  
215' X 175'

Exhibit "E"

# TYPICAL ROAD CROSS-SECTION

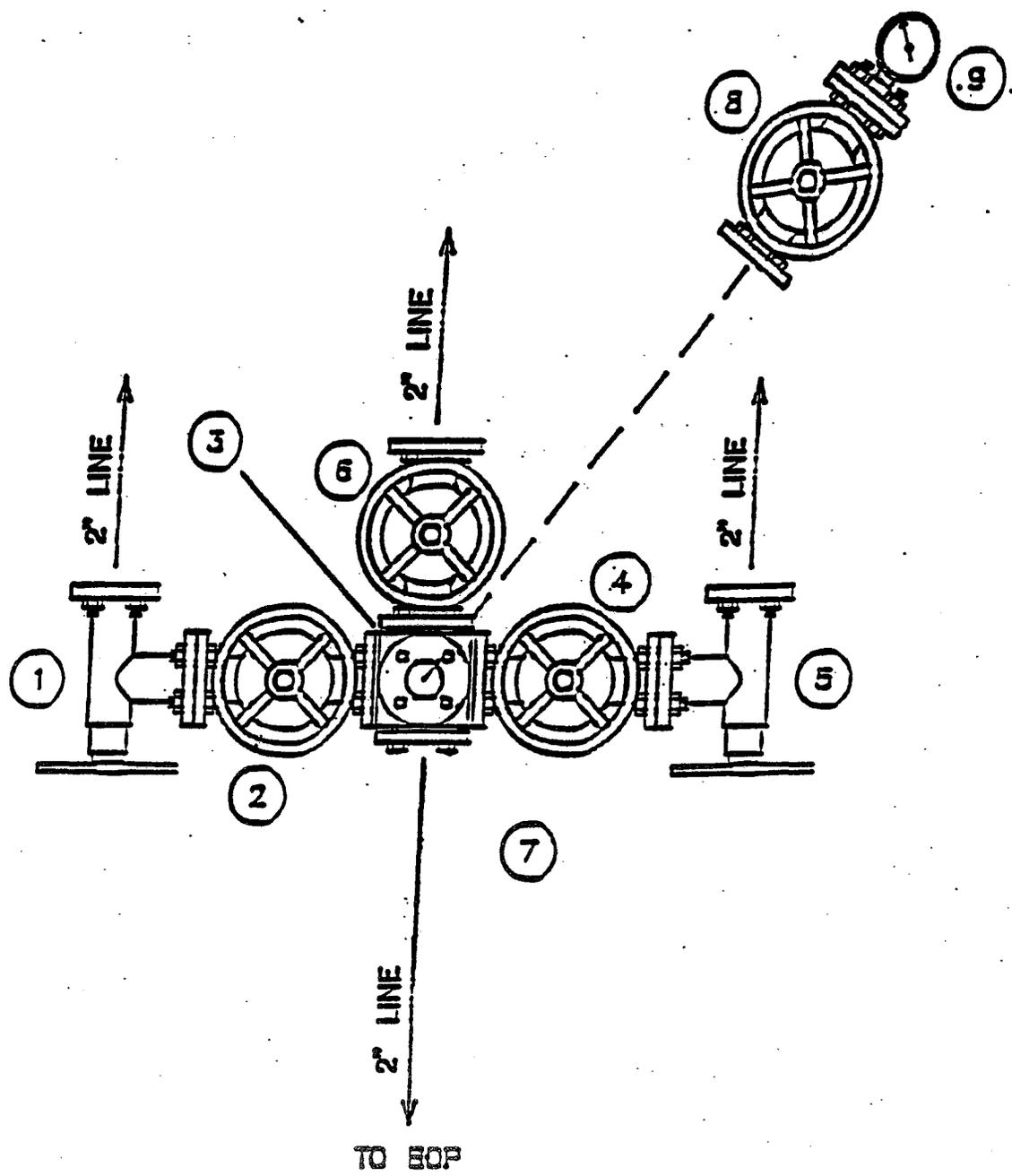


# DIVERTER HEAD



- (1) 2" 5M FLANGED CHOKE
- (2) 2" 5M GATE VALVE (FLANGED)
- (3) 2" 5M STUDDED CROSS
- (4) 2" 5M GATE VALVE (FLANGED)
- (5) 2" 5M FLANGED CHOKE
- (6) 2" 5M GATE VALVE (FLANGED)
- (7) 2" LINE
- (8) 2" 5M GATE VALVE (FLANGED)
- (9) 3000# GAUGE

NOTE:  
NUMBER 8 GATE VALVE  
SITS ON TOP OF MANIFOLD  
BETWEEN STUDDED CROSS  
AND 3000# GAUGE.



AND A NEW 2" BALL VALVE  
FULL OPEN 5000PSI

MANIFOLD

STATE OF UTAH  
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Phillips Petroleum Company  
of Bartlesville, Oklahoma as principal and  
Safeco Insurance Company of America as surety, are held and firmly bound  
unto the State of Utah in the sum of Two Hundred Thousand Dollars (\$200,000.00) lawful money of the United States  
to be paid to the School & Institutional Trust Lands Administration, as agent for the State of Utah, for the use and benefit  
of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described  
lease heretofore sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other  
mineral deposits of any portion of such lands, for which payment, well and truly to be made, we bind ourselves, and each  
of us, and each of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by  
these presents.

Signed with our hands and seals this 31st day of January, 192001

The condition of the foregoing obligation is such that,

WHEREAS: The State of Utah, as Lessor, issued a(n) \_\_\_\_\_  
lease, Lease Number \_\_\_\_\_ and dated \_\_\_\_\_, to  
\_\_\_\_\_ as lessee (and said lease has been duly assigned under date of \_\_\_\_\_  
to \_\_\_\_\_) to drill for, mine, extract, and remove all of the  
deposits in and under the following described lands, to wit:

Statewide Blanket Bond to cover all operations on state of Utah lands.

*st. lease bond on 1/31/01*

NOW, THEREFORE, the principal and surety shall be obligated to pay all monies, rentals, royalties, costs of  
reclamation, damages to the surface and improvements thereon and any other damages, costs, expenses, penalties, interest  
or liabilities which arise by operation of or in connection with the above described lease(s) accruing to the Lessor and  
shall fully comply with all other terms and conditions of said lease, the rules, regulations, and policies relating thereto  
of the School & Institutional Trust Lands Administration, the Board of Oil, Gas and Mining, and the Division of Oil,  
Gas and Mining as they may now exist or may from time to time be modified or amended. This obligation is in effect  
even if the principal has conveyed part of its interest to a successor in interest. If the principal fully satisfies the above  
described obligations, then the surety's obligation to make payment to the State of Utah is void and of no effect.  
otherwise, it shall remain in full force and effect until released by the School & Institutional Trust Lands Administration.

Signed, sealed and delivered  
in the presence of

Jerry L. Hicks  
Witness

Jerry L. Hicks  
Witness

PHILLIPS PETROLEUM COMPANY

R. B. Gisi (SEAL)  
R. B. Gisi Principal Asst. Treasurer

BONDING COMPANY SAFECO INSURANCE COMPANY OF AMERICA

BY Betty Miller  
Betty Miller, Attorney-in-Fact  
Attest: Alfred R. Blum  
Secretary

Resident Agent: N/A

APPROVED AS TO FORM:  
JAN GRAHAM  
ATTORNEY GENERAL

By [Signature]

Bonding Co. Address: Millenium Corps Park, Bldg. C, 18400 NE Union Hill I

Redmond, WA 98052  
Corporate Seal of Bonding Company Must be Affixed.



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 8718

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint SANDRA L. HABERLY; BETTY J. MILLER, Bartlesville, Oklahoma

Its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 27th day of September, 1993

R.A. Pierson
R.A. PIERSON, SECRETARY

W. Randall Stoddard
W. RANDALL STODDARD, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

"Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking."

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

"On any certificate executed by the Secretary or an assistant secretary of the Company setting out,

- (i) The provisions of Article V, Section 13 of the By-Laws, and
(ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and
(iii) Certifying that said power-of-attorney appointment is in full force and effect.

the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof."

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 31st day of January, 2001



R.A. Pierson
R.A. PIERSON, SECRETARY

Registered trademark of SAFECO Corporation.

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/09/2001

API NO. ASSIGNED: 43-007-30795
--------------------------------

WELL NAME: USA 23-480  
 OPERATOR: PHILLIPS PETROLEUM ( N1475 )  
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:  
 NWSW 23 140S 080E  
 SURFACE: 2196 FSL 1245 FWL  
 BOTTOM: 2196 FSL 1245 FWL  
 CARBON  
 UNDESIGNATED ( 2 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-61154  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. ES0048 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. PRWID )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit DRUNKARDS WASH
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 243-2  
Eff Date: 7-13-99  
Siting: 460' fr. Unit Boundary e. Uncomm. Tract
- R649-3-11. Directional Drill

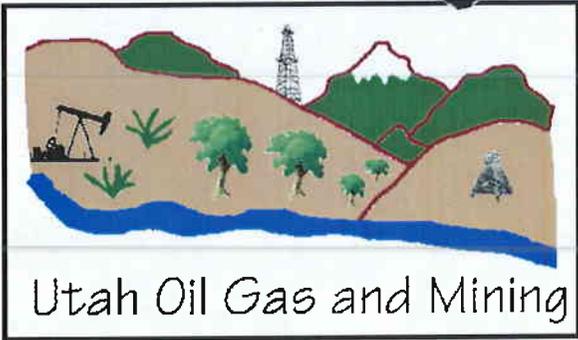
COMMENTS:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

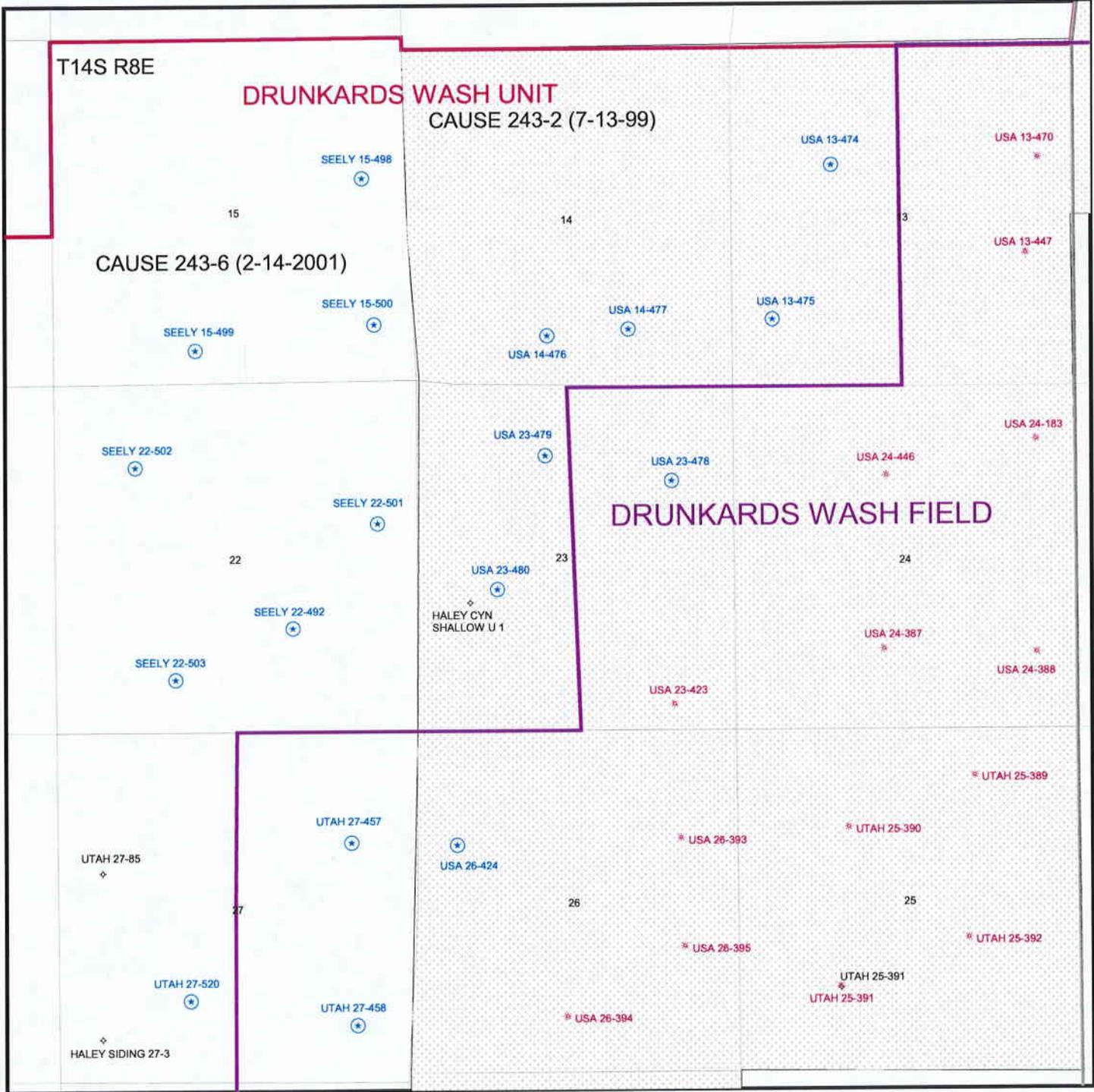
STIPULATIONS:

Fed.

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_



OPERATOR: PHILLIPS PETRO CO (N1475)  
 SEC. 23, T14S, R8E  
 FIELD: UNDESIGNATED (002)  
 COUNTY: CARBON UNIT: DRUNKARDS WASH  
 CAUSE: 243-2





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 18, 2001

Phillips Petroleum Company  
PO Box 851  
Price, UT 84501

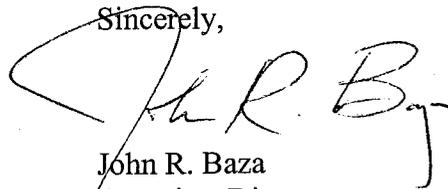
Re: USA 23-480 Well, 2196' FSL, 1245' FWL, NW SW, Sec. 23, T. 14 South, R. 8 East,  
Carbon County, Utah

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 43-007-30795.

Sincerely,



John R. Baza  
Associate Director

er

Enclosures

cc: Carbon County Assessor  
Bureau of Land Management, Moab District Office

**Operator:** Phillips Petroleum Company  
**Well Name & Number** USA 23-480  
**API Number:** 43-007-30795  
**Lease:** U 61154

**Location:** NW SW      **Sec.** 23      **T.** 14 South      **R.** 8 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

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**APPLICATION FOR PERMIT TO DRILL OR DEEPEN**

1a. TYPE OF WORK <b>DRILL</b> <input checked="" type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. U-61154
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/> SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A
2. NAME OF OPERATOR <b>Phillips Petroleum Company</b>		7. UNIT AGREEMENT NAME Drunkards Wash UTU-67921X
3. ADDRESS AND TELEPHONE NO. 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777		8. FARM OR LEASE NAME, WELL NO. USA 23-480
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)* At surface 2196' FSL, 1245' FWL At proposed prod. zone		9. API WELL NO. <b>43-007-30795</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 10.1 miles west of Price, Utah		10. FIELD AND POOL, OR WILDCAT Drunkards Wash
15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 1245'	16. NO. OF ACRES IN LEASE 3863.87 acres	11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA NW/4, SW/4, Sec. 23, T14S, R8E, SLB&M
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2200'	19. PROPOSED DEPTH 3880'	12. COUNTY OR PARISH Carbon
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 7028' GR		13. STATE UTAH
		17. NO. OF ACRES ASSIGNED TO THIS WELL 160 acres
		20. ROTARY OR CABLE TOOLS Rotary
		22. APPROX. DATE WORK WILL START* July 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14"	12-3/4"	Conductor	40'	150 sks G+2% CaCl + 1/4# per sack flocc 362 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 78 sks "G" thixotropic
11"	8-5/8"	24 #/ft	362'	
7-7/8"	5-1/2"	17 #/ft	3870'	

**RECEIVED**

SEP 24 2001

DIVISION OF  
OIL, GAS AND MINING

**RECEIVED**  
MOAB FIELD OFFICE  
2001 JUN 22 1:19 PM  
DEPT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**CONFIDENTIAL**

**CONDITIONS OF APPROVAL ATTACHED**

**FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A**  
Dated 1/1/80

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data 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.

24. SIGNED San Humberto TITLE Permitting Analyst DATE 6/26/01  
(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY Asst Bruce D. Louthan ACTING Assistant Field Manager, DATE SEP 20 2001  
TITLE Division of Resources

**\*See Instructions On Reverse Side**

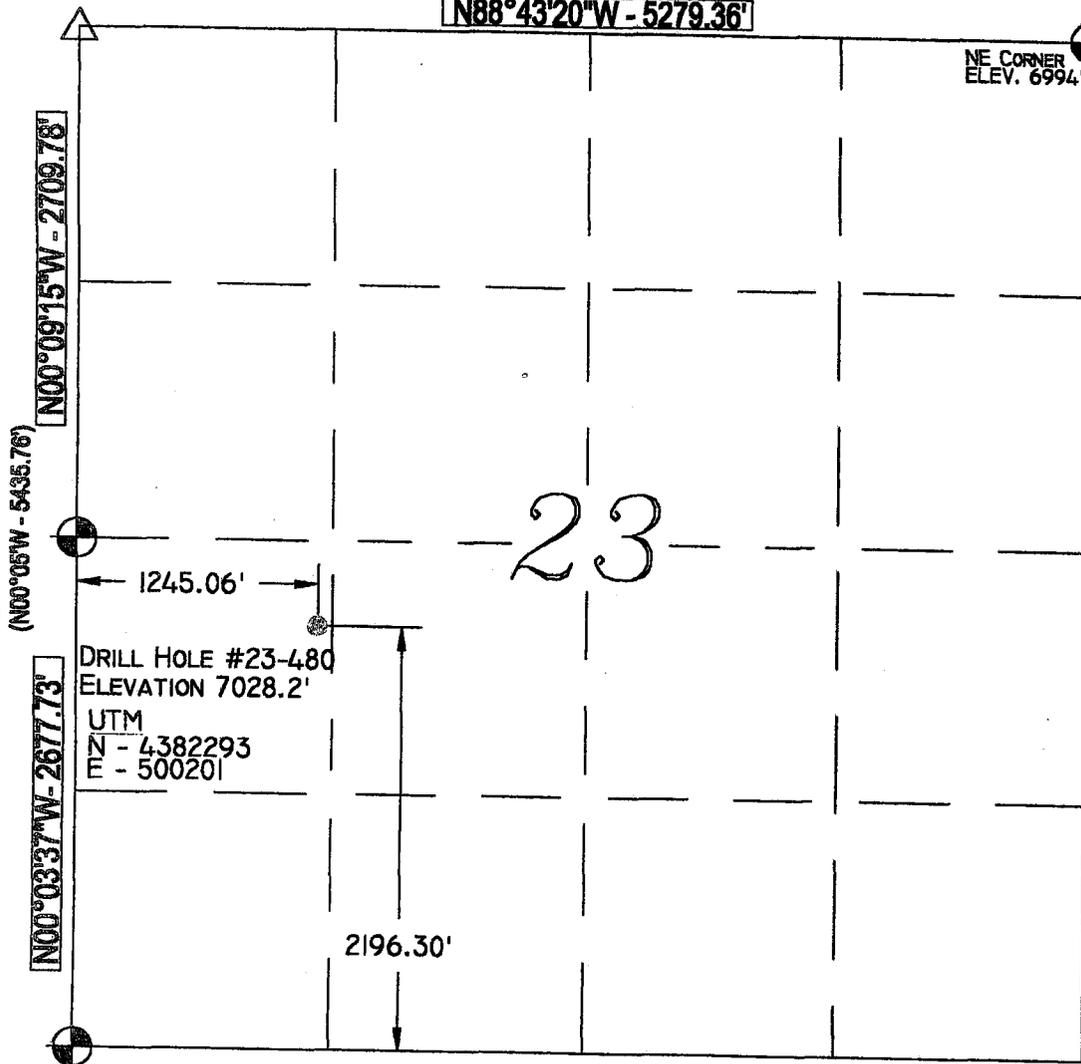
Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# Range 8 East

(EAST - 5293.2')

**N88°43'20"W - 5279.36'**

NE CORNER  
ELEV. 6994'



### Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

### Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

### GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

### Basis of Elevation:

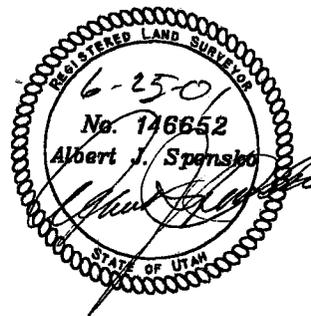
BASIS OF ELEVATION OF 6994' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 23, TOWNSHIP 14 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PINNACLE PEAK QUADRANGLE 7.5 MINUTE SERIES MAP.

### Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NW1/4, SW1/4 OF SECTION 23, T14S, R8E, S.L.B.&M., BEING 2196.30' NORTH AND 1245.06' EAST FROM THE SOUTHWEST SECTION CORNER OF SECTION 23, T14S, R8E, SALT LAKE BASE & MERIDIAN.

### Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



**Talon Resources, Inc.**  
375 South Carbon Avenue, Suite 101  
Price, Utah 84501  
Ph: 435-637-8781  
Fax: 435-636-8603

**PHILLIPS PETROLEUM**  
**WELL #23-480**  
Section 23, T14S, R8E, S.L.B.&M.  
Carbon County, Utah

Drawn By: <b>J. STANSFIELD</b>	Checked By: <b>L.W.J./A.J.S.</b>
Drawing No. <b>A-1</b>	Date: <b>06/21/01</b>
	Scale: <b>1" = 1000'</b>
Sheet <b>1</b> of <b>4</b>	Job No. <b>374</b>

### Legend

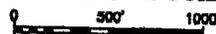
- Drill Hole Location
- Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- Rock Pile
- GLO
- GPS Measured

### NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG  
39°35'32"N  
110°59'52"W

### GRAPHIC SCALE



( IN FEET )

1 inch = 1000 ft.

Phillips Petroleum Company  
USA 23-480  
Lease U-61154  
Drunkards Wash Unit  
NW/SW Section 23, T14S, R8E  
Carbon County, Utah

**A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.**

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Phillips Petroleum Company is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by ES 0048 (Principal - Phillips Petroleum Company) via surety consent as provided for in 43 CFR § 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR § 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR § 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

## A. DRILLING PROGRAM

1. The proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. The requirements for air drilling, found in Onshore Oil and Gas Order No. 2, part III, E (Special Drilling Operations), shall be followed. This section requires, at a minimum, the use of the following equipment not mentioned in the application:
  - Spark arresters
  - Blooie line discharge 100 feet from wellbore
  - Straight blooie line
  - Deduster equipment
  - Float valve above bit
  - Automatic igniter on the blooie line
3. Materials to counteract a gas kick shall be available on location.
4. As proposed, both casing strings shall be cemented back to surface. If cement behind the production (5½") casing does not circulate to surface, a Cement Bond Log or other appropriate tool shall be run to determine the depth to the top-of-cement.
5. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining is required before conducting any surface disturbing activities.

USA 23-480

**B. SURFACE USE**

1. The following appendices are attached for your reference. They are to be followed as conditions of approval:
  - SM-1, Seed Mixture for Green Strip Areas
  - SM-4, Seed Mixture for Final Reclamation
  - BG-2, Critical Winter Range Browse Hand Planting
  - BG-3, Winter Restrictions on High Value and Critical Winter Range
  - RA-1, Raptor Nest Protection Measures
  - Surface Disturbance Mitigation (Acre for Acre) for Big Game Critical Winter Range
2. Whether the mud pit shall be lined will be determined at the time of construction.
3. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Olive Black (5WA20-6). This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.
4. Phillips shall install a new cattleguard and gate located in the Long Bench allotment boundary fence at T. 14 S., R. 8 E., sec 23, NW 1/4 SW 1/4. The cattleguard shall be of sufficient rating to support the heavy equipment traffic used in the natural gas program. BLM standard for this purpose shall be a H-20 grade cattleguard. BLM Manual 9000 provides for ratings and specifications of cattleguards. The associated gate shall be closed after each passage of equipment and/or personnel during the livestock season of use (May 01 thru October 31).

**GENERAL CONSTRUCTION**

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be

designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.

2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.
3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture SM-4 (attached).

**ROAD and PIPELINE CONSTRUCTION**

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support construction equipment.
10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.
11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.

**PAD CONSTRUCTION**

13. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture in appendix SM-4, attached.
14. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize

erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

## **REHABILITATION PROCEDURES**

### **Site Preparation**

15. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

### **Seedbed Preparation**

16. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiseled or disked to a depth of at least 12 inches unless restrained by bedrock.
17. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
18. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

### **Fertilization**

19. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
20. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
21. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type"

seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

### Mulching

22. When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.

An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

### Reseeding

23. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast.

When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.

24. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is attached as appendix SM-4.

#### General

25. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

**SM-1**

**Green Strip Areas**

The following seed mixture will be planted along service road borrow ditches, around the edge of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this seeding is to provide a "green strip" buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these project areas.

<u>Common Plant Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS*</u>
Forage kochia	<u>Kochia prostrata</u>	2
Wyoming big sagebrush	<u>Artemisia tridentata wyomingensis</u> Var. <u>Gordon Creek</u>	1
Douglas low rabbitbrush	<u>Chrysothamnus viscidiflorus</u>	1
Yellow sweetclover	<u>Melilotus officinalis</u>	1
Small burnet	<u>Sanguisorba minor</u>	1
Bottlebrush squirreltail	<u>Elymus elymoides</u>	1
Intermediate wheatgrass	<u>Thinopyrum intermedium</u>	1
<b>Total</b>		<b><u>8</u></b>

SM-4

**Pinyon/Juniper Areas**

**BLM SEED MIXTURES FOR THE PRICE COALBED METHANE PROJECT**

The following seed mixture is for areas that will receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

NOTES: \_\_\_\_\_

<u>Common Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS</u>
<u>Grasses</u>		
Thickspike wheatgrass	<u>Elymus lanceolatus</u>	1.5
Intermediate wheatgrass	<u>Elytrigia intermedia</u>	1.5
Squirreltail	<u>Elymus elymoides</u>	1
Crested wheatgrass	<u>Agropyron desertorum</u>	1
Western wheatgrass	<u>Pascopyrum smithii</u>	1
Needle-and-Thread	<u>Stipa comata</u>	1
<u>Forbes</u>		
Lewis flax	<u>Linum perenne lewisii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	0.5
Small burnet	<u>Sanguisorba</u>	1
Ladac alfalfa	<u>Medicago sativa (Ladac)</u>	0.5
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	1
Fourwing saltbrush	<u>Atriplex canescens</u>	1.5
Wyoming big sagebrush	<u>Artemisa tridenta wyomingensis</u> Var. <u>Gordon Creek</u>	1.5
Antelope bitterbrush	<u>Purshia tridentata</u>	1
True Mt. mahogany	<u>Cercocarpus montanus</u>	1
Whitestem rabbitbrush	<u>Chrysothamnus nauseus albicaulis</u>	1
	<b>Total</b>	<b>17</b>

**PRICE COALBED METHANE PROJECT AREA**

**PROPONENT:** Phillips

**WELL #:** 23-480

**BG-2: CRITICAL WINTER RANGE BROWSE HAND PLANTING (BLM-22)**

Pg. 1 of 1

One of the two browse species lists (checked below) are to be hand planted at the prescribed application rate and according to the following prescribed methods on critical winter range areas that are undergoing long term reclamation. This would include all pipeline corridors, berm around edge of drill pads, miscellaneous disturbed areas associated with construction such as staging areas for equipment, sidecast on road cuts, along side upgraded or new roads up to and including borrow ditch and in the termination of redundant access roads being closed. This planting shall be completed in the first planting window following completion of construction and on all other disturbed areas upon final reclamation.

**Planting Methods:**

Planting shall be accomplished using a labor force with specific experience in landscape restoration, hand planting methods and handling and care of browse tubling and or bareroot stock plants.

Browse plants to be utilized can be bareroot stock or tubling stock plants of 1 year old age class or greater.

Browse seedling protectors will be used to provided protection from browsing ungulates for two years. Seedling protectors will be of an open mesh rigid design that will break down when exposed to sunlight and that measures a minimum of 12 inches in length and 4 inches in diameter.

Planting shall be completed in the spring (March 1- April 1) and or fall (November 1- December 1) planting windows.

Browse plants shall be stored and handled in such a manner as to maintain viability, according to the type of browse stock being used.

**Planting Species and Application Rate:**

<u>Species</u>	<input checked="" type="checkbox"/> Sagebrush-Grass <input type="checkbox"/> Pinyon-Juniper <u>Plants Per Acre</u>	
	Wyoming Sagebrush (Gordon Creek)	100
Fourwing Saltbush (Utah seed source collected at or above 5,000 feet elevation)	100	50
True Mountain Mahogany (Utah seed source)	0	50
Antelope Bitterbrush (Utah seed source)	0	50
<b>Total</b>	<b>200</b>	<b>200</b>

**Suitable Substitutions:**

Prostrate Kochia	yes	yes
Whitestem Rubber Rabbitbrush	no	yes
Utah Serviceberry	no	yes
Winterfat	yes	no

**PRICE COALBED METHANE PROJECT AREA**PROPOSER: PhillipsWELL #: 23-480**BG-3: WINTER RESTRICTIONS ON HIGH VALUE AND CRITICAL WINTER RANGE (BLM-37, FEIS, Chapter 2, Alternative D, pg. 2-48, see also Decision Record pg. 2 paragraph 4) Pg. 1 of 2**

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1 - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On nonfederal lands (where the federal government does not have either surface or subsurface ownership) RGC would be allowed to conduct construction phase activity if needed to avoid breach of contract or loss of lease rights. In the event construction phase activity proceeds into the winter closure period on non federal interest lands, RGC would make available appropriate documentation to UDWR, upon request.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

RGC would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader, backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year.
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A CBM well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: RGC is required to schedule non-emergency workover operations (defined below) on big game high value winter range outside the December 1 to April 15 date of the seasonal closure. RGC will be required to submit Sundry notices to BLM (or notification to UDWR on non-federal interest wells) in advance of workover operations proposed between December 1 and April 15. Sundry notices submitted as emergency work, may require independent corroboration by BLM geologist/petroleum engineers prior to work proceeding. Should BLM object to the emergency designation of the sundry notice, BLM would make notification of the objection within five working days of receipt of the sundry notice. In the absence of such notification or in the event of corroboration with the sundry notice, RGC would be permitted to proceed with the workover operation.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of five percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

**BG-3: WINTER RESTRICTIONS ON HIGH VALUE AND CRITICAL WINTER RANGE (BLM-37, FEIS, Chapter 2, Alternative D, pg. 2-48, see also Decision Record pg. 2 paragraph 4) Pg. 2 of 2**

Emergency Workover Operations: Emergency work over operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than five percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation.

## PRICE COALBED METHANE PROJECT AREA

PROPONENT: Phillips WELL #: 23-480

## RA-1: RAPTOR NEST SITE PROTECTION MEASURES (BLM-40, 41) Pg. 1 of 2

The subject permit application is proposed within or near known suitable raptor nesting habitat. In order to avoid potential adverse affects to nesting raptors protected under the Migratory Bird Treaty Act and/or the Bald Eagle Protection Act, the operator must comply with all applicable provisions below.

Provisions check marked below are directly applicable to this Federal action, based on available data at the time of this review. Any other provisions, listed below (even if not check marked) may become applicable to this Federal action as updated raptor data becomes available.

**Survey Requirement:** Conduct raptor surveys to determine the status of known nests and verify presence of additional nests in the affected area of this Federal action. Surveys are to be conducted by consultants qualified to conduct such surveys and approved by the authorized officer. All surveys would be conducted by helicopter during May of each year unless otherwise provided for in BLM's Raptor Survey Protocol developed for this project. The surveys are required to be completed in the same year as the proposed drilling/construction so that current nest activity status data are available prior to APD/Federal Permit approval. Cost for surveys and preparation of a report of the findings of the survey would be the obligation of the lease holder.

**Raptor Nest Site Bufferzone Permanent Occupancy:** Upon the finding of the above survey (or other appropriate documentation) that the federal action lies within .5 miles of a raptor nest occupied (defined below) in any of the the three years preceding the proposed date of construction, the federal action would be subject to the no surface occupancy provision stated below and provided for in the Price CBM FEIS and Price River Resource Area Management Framework Plan.

Permanent surface disturbance and occupancy (i.e. oil and gas production facilities) is prohibited within 0.5 miles of raptor nests which have been documented as occupied within three years.

This provision will apply as long as the nest status remains unchanged (i.e. documented as occupied within any of the three years preceding the proposed date of construction. If the nest is documented as unoccupied for a period of three or more consecutive years, it will be deemed to have been abandoned and the federal action will no longer be subject to the no surface occupancy provision.

In the event a federal action involving a permanent facility, as described above, is proposed within the .5 mile bufferzone, BLM will complete a site specific evaluation. The evaluation will consider site terrain features such as topographic and vegetative screening, and existing intrusions which may already exist in the bufferzone. Specific standard guidelines used in this analysis are available in the Price Field Office. If the site specific evaluation determines that the federal action can be accommodated with no significant adverse affect to the current or future productivity of the nest, the no surface disturbance/occupancy provision referenced above would not be applicable.

Site Specific Evaluation Found No Adverse Affect  Special Mitigation Measures Attached

**Raptor Nest Site Bufferzone Temporary Occupancy:** Any temporary surface disturbance and occupancy (i.e. road and pipeline line construction, etc.) associated with this federal permit, occurring within .5 miles of a raptor nest documented as occupied in one or more of the three years preceding the proposed date of construction must be conducted outside the nesting period of February 1 to July 15. This will include but not be limited to road construction or upgrading required to reach this well location. If such work is required to access this location with heavy equipment, the seasonal closure of February 1 to July 15 will also apply to the drilling of this well.

## PRICE COALBED METHANE PROJECT AREA

PROPOSER: PhillipsWELL #: 23-480

RA-1: RAPTOR NEST SITE PROTECTION MEASURES (BLM-40, 41)

Pg. 2 of 2

Maintenance and Operation of Existing Wells Within .5 miles of Raptor Nests: In the event a federal action is authorized and constructed and a raptor nest is subsequently built within .5 miles of the development, maintenance and operations involving workovers or heavy equipment operation under this federal action will be subject to the following conditions and notifications.

The proponent is required to submit (at least 5 days in advance of proposed work) a sundry notice for all work over or maintenance operations requiring use of heavy equipment proposed during the raptor breeding season (February 1- July 15) and within the .5 mile bufferzone of any known raptor nest site. Upon receipt of this notification BLM in consultation with DWR and the USFWS would issue a determination on the activity status of the affected raptor nest. If the nest is found to be occupied, site specific protection measures would be developed to protect the nesting raptors and prevent conditions or actions that may result or contribute to a taking as defined under the Bald Eagle Protection Act and or the Migratory Bird Treaty Act.

To avoid the necessity for this provision, the operator is encouraged to schedule all such work outside of the nesting period, on wells subject to this provision.

Occupied Nest Site Definition:

An occupied raptor nest is defined, for the purposes of this stipulation, as any nest site exhibiting physical evidence of current use by raptors. Evidence may include but is not limited to: presence of raptors (adults, eggs or young) at the nest or within the nesting territory, presence of greenery in the nest, and/or presence of current year's whitewash at the nest or in the immediate vicinity of the nest.

**PRICE COALBED METHANE PROJECT AREA**PROPOSER: PhillipsWELL #: 23-480**SPECIAL STIPULATION****SURFACE DISTURBANCE MITIGATION (ACRE FOR ACRE) FOR BIG GAME CRITICAL WINTER RANGE**  
Pg. 1 of 1

The subject permit application is proposed within critical winter range (FEIS) and the surface disturbance associated with the project exceeds that which was analysed and mitigated for in the Price CBM FEIS. Since this surface disturbance has not been mitigated for in the EIS, the action is subject to the acre for acre mitigation for surface disturbance on critical winter range as provided for in the Price River Resource Area Management Framework Plan.

The proponent shall complete a wildlife enhancement project designed to mitigate impacts on big game critical winter range at the rate of one acre of enhancement for each acre of disturbance. Acceptable projects may include vegetative manipulation designed to increase winter forage or other winter range habitat enhancements to improve big game distribution patterns. Projects shall be completed commensurate with (during the same calendar year) the surface disturbing activity.

All aspects of project design and implementation, NEPA compliance, project design and implementation shall be the responsibility of the proponent. Projects proposed by the proponent must be completed on public land and approved in advance by the Authorized Officer of the BLM.

## C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Price Field Office, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed, with the Moab Field Office, for approval of all changes of plans and subsequent operations in accordance with 43 CFR § 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Price Field Office. The Price Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR § 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Don Stephens (work: 435-636-3608, home: 435-637-7967)  
or Mike Kaminski (work: 435-636-3640, home: 435-637-2518)  
of the BLM, Price Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth.

If the people at the above numbers cannot be reached, notify the Moab Field Office at (435) 259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer      Office: (435) 259-2117  
Home: (435) 259-2214

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
ENTITY ACTION FORM - FORM 6

OPERATOR Phillips Petroleum Company  
ADDRESS 6825 S. 5300 W. P.O. Box 851  
Price, UT 84501

OPERATOR ACCT. NO. 1475

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	13280	43-007-30793	USA 23-478	SENE	23	14S	08E	Carbon	9/18/01	9-27-01
WELL 1 COMMENTS: New single well, new spud outside PA but inside of Unit boundary CONFIDENTIAL											
A	99999	13281	43-007-30744	Utah 21-401	S2NW	21	15S	09E	Carbon	9/21/01	9-27-01
WELL 2 COMMENTS: New single well, new spud outside PA but inside of Unit boundary CONFIDENTIAL											
A	99999	13300	43-007-30790	USA 13-475	NWSW	13	14S	08E	Carbon	9/22/01	9-27-01
WELL 3 COMMENTS: New single well, new spud outside PA but inside of Unit boundary CONFIDENTIAL											
A	99999	13301	43-007-30759	USA 07-472	SWSW	07	14S	09E	Carbon	9/24/01	9-27-01
WELL 4 COMMENTS: New single well, new spud outside PA but inside of Unit boundary CONFIDENTIAL											
A	99999	13302	43-007-30795	USA 23-480	NWSW	23	14S	08E	Carbon	9/26/01	9-27-01
WELL 5 COMMENTS: New single well, new spud outside PA but inside of Unit boundary CONFIDENTIAL											

**ACTION CODES (See instructions on back of form)**

- 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 to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

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SEP 27 2001

DIVISION OF OIL, GAS AND MINING

Signature Frankie Hathaway

Administrative Assistant 9/25/01  
Title Date

Phone No. (435)613-9777

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.  
U-61154

6. If Indian, Allottee or Tribe Name  
N/A

7. If Unit or CA, Agreement Designation  
Drunkards Wash UTU-67921X

8. Well Name and No.  
USA 23-480

9. API Well No.  
43-007-30795

10. Field and Pool, or Exploratory Area  
Drunkards Wash

11. County or Parish, State  
Carbon County, Utah

*SUBMIT IN TRIPLICATE*

**CONFIDENTIAL**

1. Type of Well  
 Oil     Gas     Other

2. Name of Operator  
Phillips Petroleum Company

3. Address and Telephone No.  
6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2196' FSL, 1245' FWL  
NW/4 SW/4, Sec.23, T14S, R08E,SLB&M

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Spud Notice	<input type="checkbox"/>
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Change of Name	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	Other _____	<input type="checkbox"/> Dispose Water

13. 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.)\*

Please be advised that the USA 23-480 well was spud on 9/26/01 at 11:00 am  
Pense Bros. Rig #24  
Dry Drill

ORIGINAL

RECEIVED

SEP 29 2001

BUREAU OF LAND MANAGEMENT  
OIL, GAS AND MINING

CONFIDENTIAL

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

Signed Frankie Hathaway Title Administrative Assistant Date 11/6/01

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT--" for such proposals

5. Lease Designation and Serial No.  
U-61154

6. If Indian, Allottee or Tribe Name  
N/A

7. If Unit or CA, Agreement Designation  
Drunkards Wash UTU-67921X

8. Well Name and No.  
USA 23-480

9. API Well No.  
43-007-30795

10. Field and Pool, or Exploratory Area  
Drunkards Wash

11. County or Parish, State  
Carbon County, Utah

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well  
 Oil  Gas

2. Name of Operator  
Phillips Petroleum Company

3. Address and Telephone No.  
6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
2196' FSL, 1245' FWL  
NW/4, SW/4, Sec23, T14S, R08E, SLB&M

12. CHECK APPROPRIATE BOX(s) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Well Report	<input type="checkbox"/> Change of Plans
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Change of Name	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Dispose Water
	Other _____	

13. 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.)\*

See Attached.

RECEIVED  
NOV 28 2001  
DIVISION OF  
OIL AND GAS ADMINISTRATION  
**COPY**  
CONFIDENTIAL

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

Signed Frankie Hathaway Title Administrative Assistant Date 8/22/01

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

# DRUNKARDS WASH PROJECT DAILY WELL REPORT

CONFIDENTIAL

USA

23-480

API NO: 43-007-30795

2196' FSL, 1245' FWL

NWS SEC: 23 TWN 14S RNG 08E

SPUD TIME/DATE: 9/26/2001 11:00:00 AM

COUNTY: Carbon

TD TIME/DATE: 9/28/2001 6:45:00 PM

ELEVATION: 7028

TD DEPTH: 3885

DRILLING CONTRACTOR: Pense Brothers Rig #24

ON-LINE TIME/DATE:

## Bit Information

Type	Size	In	Out	Hours	Rotating Hours
Air Hammer	15 in	0.00	4.00	1	0.25
Air Hammer	11 in	4.00	415.00	4	3
Air Hammer	7 7/8	415.00	2815.00	19.5	11.5
Tri-cone	7 7/8	2815.00	3885.00	34.5	12

## Conductor Casing

Bore Hole Size: 15 in Conductor From: 0.00 To: 4.00

Casing Description: 12 3/4 in PE Number of Joints: 1 Set @: 4.00

Cement: Amount:

Cement Report:

## Surface Casing

Bore Hole Size: 11 in Surface Casing From: 4.00 To: 415.00

Casing Description: 8 5/8 in 24#/ft J-55 Number of Joints: 14 Set @: 407.00

Cement: G + 2%S-1 + 1/4#/sk D-29 Amount 175.00

Cement Report: r/up cementers, safety meeting, test lines, pump 30 bbls h2o ahead, mix & pump cement, displace w/ 23bbls of h2o, close valve @ 8:30pm 9/26/01, 14 bbls good cement to surface,

## Production Casing

Bore Hole Size: 7 7/8 in Prod.Casing From: 415.00 To: 3885.00

Casing Description: 5 1/2 in 17#/ft N-80 Number of Joints: 89 Length: 3862.00

Lead Cement 50/50 POZ, 8%D20, 10%D44, 2%S001, 1/4#/sk Amount: 340.00

Tail Cement: 10-1 RFC Amount: 90.00

Cement Report: r/up cementers, safety meeting, test lines, wash down 18 ft of csg, n/up cement head, circulate 15 bbls of h2o, mix & pump cement, drop plug, displace w/ 89 bbls of h2o, plug down @ 5:55pm 9/30/01, 3 bbls good cement to surface,

Float Equipment: 5 1/2 in float shoe Centralizers ran on: 2,5,9,13,21

CONFIDENTIAL

**Drilling Data**

**DAY 1 9/27/2001**

CURRENT DEPTH 415 CURRENT OPERATIONS: drill out cement ROTATING HRS: 3.25

7am-10am move on location, 10am-11am r/up & service equipment, 11am-12pm spud @ 11am 9/26/01, drill & set 4ft of conductor, 12pm-1:15pm work on rig, 1:15pm-4:10pm drill 415ft of 11in hole, 4:10pm-5pm clean hole & pooh, 5pm-6pm rih w/ 8 5/8in guide shoe + 14 jts of 8 5/8in csg land csg @ 407 ft, 6pm-7:30pm wait on cementers, 7:30pm-8pm r/up cementers, 8pm-8:30pm cement surface pipe, close valve @ 8:30pm 9/26/01, 14 bbls of good cement to surface, 8:30pm-12:30am woc, 12:30am-4:30am break loose, n/up bope & manifold, 4:30am-5:30am test bope, 5:30am-7am n/up f/ 7 7/8in hole, rih,

**Estimated Daily Cost:** [REDACTED]

**DAY 2 9/28/2001**

CURRENT DEPTH 2835 CURRENT OPERATIONS: drilling w/ tri cone, ROTATING HRS: 11.7

7am-11am drill 415-1015ft, 11am-3pm drill 1015-1495ft, 3pm-11:35pm drill 1495-2815ft, 11:35pm-12:30am condition hole, 12:30am-2:30am pooh, 2:30am-6am rih w/ tri cone, 6am-7am condition hole, drilling @ 2835ft,

**Estimated Daily Cost:** [REDACTED]

**DAY 3 9/29/2001**

CURRENT DEPTH 3885 CURRENT OPERATIONS: circulating on bottom, ROTATING HRS: 0.00

7am-10am drill 2835-3165ft, 10am-1pm drill 3165-3465ft, 1pm-5pm drill 3465-3735ft, 5pm-6:45pm drill 3735-3885ft, td @ 3885ft @ 6:45pm 9/28/01, 6:45pm-7:45pm clean hole, 7:45pm-9pm pooh to check valve, 9pm-11pm mix & pump 8 tubs of mud, 11pm-3:30am circulate to bottom, 3:30am-5:30am circulate on bottom, 5:30am-6:30am short trip, 6:30am-7am circulate on bottom, LS

**Estimated Daily Cost:** [REDACTED]

**DAY 4 9/30/2001**

CURRENT DEPTH 3885 CURRENT OPERATIONS: moving workover on locati ROTATING HRS: 0.00

7am-8:30am circulate on bottom, 8:30am-1pm pooh, 1pm-4pm r/up loggers, log well, r/down loggers, release rig @ 4pm 9/29/01, 4pm-7pm r/down & move off location, LS

**Estimated Daily Cost:** [REDACTED]

**DAY 5 10/1/2001**

CURRENT DEPTH 3862 CURRENT OPERATIONS: making scraper run ROTATING HRS: 0.00

7am-8am no activity, 8am-11:30am r/up workover rig, set racks, unload csg, remove thread protectors, & tally pipe, 11:30am-2:30pm rih w/ 5 1/2in float shoe + 89 jts of 5 1/2in csg, tag fill 18 ft out on last joint, 2:30pm-3:30pm wait on cementers, 3:30pm-5:55pm r/up cementers, wash down csg, land @ 3862ft, cement csg, plug down @ 5:55pm 9/30/01, 3 bbls good cement to surface, 5:55pm-7pm r/down cementers, n/down bope & sdfn, LS

**Estimated Daily Cost:** [REDACTED]

**DAY 6 10/2/2001**

CURRENT DEPTH 3862 CURRENT OPERATIONS: none ROTATING HRS: 0.00

set up to run 2 7/8 tubing, tripped in with 4 3/4 scraper & 121 jts. Of 2 7/8 tagged up @ 3861 ft., tripped out laying down, rigged down. Bs

**Estimated Daily Cost:** [REDACTED]

**DAY 7 10/19/2001**

CURRENT DEPTH 0 CURRENT OPERATIONS: Perforation/Stimulation ROTATING HRS: 0.00

Rig up Halliburton, perforate and frac three zones:

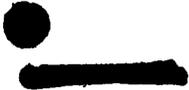
Upper Ferron: 3386-3428

Milde Ferron: 3450-3507

Lower Ferron: 3548-3598

MW

**Estimated Daily Cost:** [REDACTED]

Cum. Estimated Daily Cost: 

  
**CONFIDENTIAL**

**Frac Data**

Upper Ferron: Pumped extra sand into the middle ferron, so we were a little short on this one.

Middle Ferron: No comments.

Lower Ferron: Had big pressure drop last 25% of job...picked up rate. Apparently we broke into something big.

**Completion Data**

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

Form 3160-4  
(November 1983)  
(formerly 9-330)

SUBMIT IN DUPLICATE  
(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 1004-0137  
Expires August 31, 1985

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  DEEP-EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR

Phillips Petroleum Company

3. ADDRESS OF OPERATOR

6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)

At surface 2196' FSL, 1245' FWL  
 At top prod. interval reported below  
 At total depth

14. PERMIT NO. 43-007-30795 DATE ISSUED 7/18/01

5. LEASE DESIGNATION AND SERIAL NO. U-61154  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME N/A  
 7. UNIT AGREEMENT NAME Drunkards Wash UTU-67921X  
 8. FARM OR LEASE NAME USA  
 9. WELL NO. 23-480  
 10. FIELD AND POOL, OR WILDCAT Drunkards Wash  
 11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA NW/SW, Sec.23,T14S,R08E,SLB&M  
 12. COUNTY Carbon 13. STATE UTAH  
 15. DATE SPUDED 9/26/01 16. DATE T.D. REACHED 9/28/01 17. DATE COMPL. (Ready to prod.) 10/22/01 18. ELEVATIONS (DF, REB, RT, GR, ETC.) 7028' GR 19. ELEV. CASINGHEAD N/A  
 20. TOTAL DEPTH, MD & TVD 3885' 21. PLUG BACK T.D., MD & TVD 3862' 22. IF MULTIPLE COMPL., HOW MANY N/A 23. INTERVALS DRILLED BY → ROTARY TOOLS TO TD CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD OR TVD) Ferron Coal- Top Coal 3386' & Bottom Coal 3598'  
 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induct. Laterolog, CBL, Spect. Litho Dens. Comp. Neut. GR log  
 27. WAS WELL CORED No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
12-3/4"	Conductor PE	4'	15"	175sksG+2%S1,+1/4#sk D29	
8-5/8"	J5524#	407'	11"	340 sks 50/50poz,8%D20,10%D44,1/4#/skD20,2%S1	
5-1/2"	N80 17#	3862'	7-7/8"	90 sks10-1 RFC (thixotropic)	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET
					2-7/8"	3690'	

30. TUBING RECORD

31. PERFORATION RECORD (Interval size and number)

Ferron Coal:  
 Upper: 3386'-3400', 3404'-3408', 3414'-3416', 3420'-3428' 4spf .88"  
 Middle: 3450'-3455', 3472'-3477', 3490'-3494', 3505'-3507' 4spf .88"  
 Lower: 3548'-3550', 3590'-3598' 4spf .88"

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
Upper: 3386'-3428'	19,700#, 20/40; 78,500#, 16/30; 41,354 gal fluid
Middle: 3450'-3507'	19,000#, 20/40; 68,000#, 16/30; 38,087 gal fluid
Lower: 3548'-3598'	11,000#, 20/40, 28,600#, 16/30, 21,908 gal fluid

33. PRODUCTION

DATE FIRST PRODUCTION 11/2/01 PRODUCTION METHOD (Flowing, gas lift, pumping---size and type of pump) Pumping 2-1/2x2x16 RWAC WELL STATUS (Producing or shut-in) Producing

DATE OF TEST 11/2/01 HOURS TESTED 24 CHOKER SIZE N/A PROD.N. FOR TEST PERIOD → OIL---BBL. N/A GAS---MCF. 603 WATER---BBL. 316 GAS-OIL RATIO N/A

FLOW. TUBING PRESS. 88 CASING PRESSURE 87 CALCULATED 24-HOUR RATE → OIL---BBL. N/A GAS---MCF. 603 WATER---BBL. 316 GAS-OIL RATIO N/A

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) SOLD

35. LIST OF ATTACHMENTS

36 I hereby certify that the foregoing and attached information is complete and correct as determined from all available records  
 SIGNED Jean Semborski TITLE Permit Analyst DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL  
 CONFIDENTIAL PERIOD EXPIRED ON 11-22-02

COPY

DEC 17 2001

CONFIDENTIAL

WELL NUMBER: USA 23-480

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.
	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
	MEAS. DEPTH	TRUE VERT. DEPTH	
Ferron	3427'	3598'	Coals and Sandstones Coal Interval: 3427'-3598'
	3213'		Blue Gate Bentonite
	3719'		Tununk Shale
	3380'		Ferron Sandston



1730 W. Pyramid Ct. Ste. 200  
Salt Lake City, UT 84117

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

Re: Notice of Address Change, Merger and Name Change  
Address Change effective **December 2, 2002**  
Merger and Name Change effective **December 31, 2002**

Gentlemen:

1. Effective December 2, 2002, Phillips Petroleum Company will close its Englewood, Colorado Rocky Mountain Region office. After that time, all correspondence, notices and invoice for Land related matters should be directed to the address(es) noted below. Note that until December 31, 2002, all properties in which Phillips held an interest will continue to be operated by Phillips Petroleum Company, a wholly-owned subsidiary of ConocoPhillips.
2. On December 31, 2002, Phillips Petroleum Company and Conoco Inc. will merge, and the surviving corporation will be renamed "ConocoPhillips Company".

In accordance with the notice provisions of the Operating Agreements and other agreements, if any, between our companies, please adjust your company/organization records, effective for address purposes as of December 2, 2002, and for company name purposes, as of January 1, 2003, to reflect the following information for addressing and delivery of notices, invoicing and payment, and communications with ConocoPhillips Company. This will also apply to Lease Sale notices and other lease-related correspondence and notifications.

**U.S. Mail Address:**

ConocoPhillips Company  
P.O. Box 2197  
Houston, Texas 77252  
Attn: Chief Landman,  
San Juan/Rockies

**Physical Address & Overnight Delivery:**

ConocoPhillips Company  
550 Westlake Park Blvd.  
Three Westlake Park  
3WL, Room WL 9000  
Houston, Texas 77079  
Attn: Chief Landman,  
San Juan/Rockies

**All ballots and official notices/responses sent by facsimile transmission should be sent to the following contact:**

**Attn: Chief Landman,  
San Juan/Rockies**

**Fax No.: 832-486-2688 or  
832-486-2687**

Please contact the undersigned immediately if you have any questions. This notice does not apply to royalty inquiries, joint interest billings, or revenue remittances. Please continue to use the same addresses you are currently using for these matters

Sincerely, *William Rainbat*

**RECEIVED**

**DEC 02 2002**

**DIVISION OF  
OIL, GAS AND MINING**

# Delaware

PAGE 1

*The First State*

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"CONOCO INC.", A DELAWARE CORPORATION,

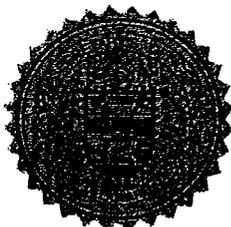
WITH AND INTO "CONOCOPHILLIPS COMPANY" UNDER THE NAME OF "CONOCOPHILLIPS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWELFTH DAY OF DECEMBER, A.D. 2002, AT 1:44 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2002, AT 11:59 O'CLOCK P.M.

RECEIVED

JAN 08 2003

DIV. OF OIL, GAS & MINING



0064324 8100M

030002793

*Harriet Smith Windsor*  
Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 2183370

DATE: 01-02-03

**CERTIFICATE OF MERGER**

of

**Conoco Inc.**  
(a Delaware corporation)

with and into

**ConocoPhillips Company**  
(a Delaware corporation)

Phillips Petroleum Company, a Delaware corporation to be renamed ConocoPhillips Company prior to the effective time of this certificate of merger (the "Surviving Corporation"), in compliance with the requirements of the General Corporation Law of the State of Delaware (the "DGCL") and desiring to effect a merger of Conoco Inc., a Delaware corporation formerly incorporated under the name Du Pont Holdings, Inc. (the "Merging Corporation," and together with the Surviving Corporation, the "Constituent Corporations"), with and into the Surviving Corporation, and acting by its duly authorized officer, DOES HEREBY CERTIFY that:

**First:** As of the date hereof, the name and state of incorporation of each of the Constituent Corporations of the merger are as follows:

<u>NAME</u>	<u>STATE OF INCORPORATION</u>
PHILLIPS PETROLEUM COMPANY	Delaware
CONOCO INC.	Delaware

**Second:** An agreement and plan of merger has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations in accordance with the requirements of Section 251 of the DGCL;

**Third:** The name of the Surviving Corporation will be ConocoPhillips Company;

**Fourth:** The Certificate of Incorporation of ConocoPhillips Company immediately prior to the merger shall be the Certificate of Incorporation of the Surviving Corporation until such time as it may be amended in accordance with applicable law and the provisions thereof;

**Fifth:** The executed agreement and plan of merger is on file at an office of the Surviving Corporation, the address of which is 600 North Dairy Ashford, Houston, Texas 77079;

RECEIVED

JAN 08 2003

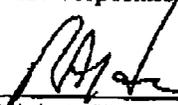
**Sixth:** A copy of the agreement and plan of merger will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of any Constituent Corporation; and

**Seventh:** Pursuant to Section 103(d) of the DGCL, this certificate of merger will become effective at 11:59 p.m., Eastern time, on December 31, 2002.

Dated: December 12, 2002

**PHILLIPS PETROLEUM COMPANY**  
(a Delaware corporation)

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By:   
Name: Rick A. Harrington  
Title: Senior Vice President, Legal,  
and General Counsel

RECEIVED  
JAN 08 2003  
DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF COMMERCE  
REGISTRATION

CONOCOPHILLIPS COMPANY

EFFECTIVE  
06/14/1946

EXPIRATION  
\*RENEWAL

REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)

Corporation - Foreign - Profit  
562960-0143

UNITED STATES CORP CO  
CONOCOPHILLIPS COMPANY  
GATEWAY TOWER EAST STE 900  
10 EAST SOUTH TEMPLE  
SLC UT 84133

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JAN 08 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH  
DEPARTMENT OF COMMERCE  
DIVISION OF CORPORATIONS & COMMERCIAL CODE  
REGISTRATION

EFFECTIVE DATE: 06/14/1946

EXPIRATION DATE: \*RENEWAL

ISSUED TO: CONOCOPHILLIPS COMPANY



REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)

562960-0143 Corporation - Foreign - Profit

\*RENEWAL

You will need to renew your registration each anniversary date of the effective date.

Exceptions: DBAs and Business Trusts renew every three (3) years from the effective date.

## Utah Well List as of 12/26/02

API Well Number	Well Name	Well Type	Well Status	Sec	Twpn	Twpd	Rngn	Rngd
43-007-30887-00-00	ANDREEN 32-529	Gas Well	APD	32	14	S	10	E
43-007-30865-00-00	COTNER 29-549	Gas Well	APD	29	14	S	10	E
43-007-30837-00-00	DALLIN 32-615	Gas Well	APD	32	13	S	9	E
43-047-34551-00-00	FED 43-24-3 #1	Gas Well	APD	24	10	S	17	E
43-047-33982-00-00	FEDERAL 12-17 #1	Gas Well	APD	17	10	S	18	E
43-047-34471-00-00	FEDERAL 12-29-7 1	Gas Well	APD	29	9	S	19	E
43-047-34472-00-00	FEDERAL 31-31-6 1	Gas Well	APD	31	9	S	19	E
43-007-30864-00-00	MCKENDRICK 29-548	Gas Well	APD	29	14	S	10	E
43-015-30512-00-00	PPCO 19-379	Gas Well	APD	19	16	S	9	E
43-015-30515-00-00	PPCO 24-562	Gas Well	APD	24	16	S	8	E
43-015-30548-00-00	PPCO 30-605	Gas Well	APD	30	16	S	9	E
43-007-30888-00-00	PRICE 32-438	Gas Well	APD	32	14	S	10	E
43-007-30813-00-00	RITZAKIS 33-514	Gas Well	APD	33	13	S	9	E
43-007-30766-00-00	RITZAKIS 33-516	Gas Well	APD	33	13	S	9	E
43-007-30838-00-00	ROWLEY 32-616	Gas Well	APD	32	13	S	9	E
43-007-30863-00-00	SCHMIDT 29-531	Gas Well	APD	29	14	S	10	E
43-007-30797-00-00	SEELY 15-498	Gas Well	APD	15	14	S	8	E
43-007-30798-00-00	SEELY 15-499	Gas Well	APD	15	14	S	8	E
43-007-30799-00-00	SEELY 15-500	Gas Well	APD	15	14	S	8	E
43-007-30796-00-00	SEELY 22-492	Gas Well	APD	22	14	S	8	E
43-007-30801-00-00	SEELY 22-502	Gas Well	APD	22	14	S	8	E
43-007-30802-00-00	SEELY 22-503	Gas Well	APD	22	14	S	8	E
43-007-30711-00-00	USA 09-452	Gas Well	APD	9	15	S	8	E
43-015-30351-00-00	USA 11-313	Gas Well	APD	11	16	S	9	E
43-015-30398-00-00	USA 12-385	Gas Well	APD	12	16	S	9	E
43-015-30409-00-00	USA 12-426	Gas Well	APD	12	16	S	9	E
43-007-30805-00-00	USA 14-490	Gas Well	APD	14	14	S	8	E
43-007-30806-00-00	USA 14-491	Gas Well	APD	14	14	S	8	E
43-007-30676-00-00	USA 15-421	Gas Well	APD	15	15	S	8	E
43-015-30417-00-00	USA 21-427	Gas Well	APD	21	16	S	9	E
43-015-30416-00-00	USA 21-428	Gas Well	APD	21	16	S	9	E
43-015-30415-00-00	USA 21-429	Gas Well	APD	21	16	S	9	E
43-007-30515-00-00	USA 31-309	Gas Well	APD	31	15	S	10	E
43-007-30835-00-00	USA 33-515	Gas Well	APD	33	13	S	9	E
43-007-30836-00-00	USA 33-624	Gas Well	APD	33	13	S	9	E
43-007-30803-00-00	USA 34-518	Gas Well	APD	34	14	S	8	E
43-007-30478-00-00	UTAH 05-224	Gas Well	APD	5	15	S	9	E
43-015-30411-00-00	UTAH 16-365	Gas Well	APD	16	16	S	9	E
43-015-30412-00-00	UTAH 16-366	Gas Well	APD	16	16	S	9	E
43-015-30413-00-00	UTAH 16-430	Gas Well	APD	16	16	S	9	E
43-015-30299-00-00	UTAH 18-374	Gas Well	APD	18	16	S	9	E
43-015-30420-00-00	UTAH 19-377	Gas Well	APD	19	16	S	9	E
43-015-30492-00-00	UTAH 19-378	Gas Well	APD	19	16	S	9	E
43-007-30891-00-00	UTAH 19-533	Gas Well	APD	19	14	S	10	E
43-015-30414-00-00	UTAH 20-381	Gas Well	APD	20	16	S	9	E
43-015-30421-00-00	UTAH 20-382	Gas Well	APD	20	16	S	9	E
43-015-30518-00-00	UTAH 25-576	Gas Well	APD	25	16	S	8	E
43-015-30539-00-00	UTAH 25-578	Gas Well	APD	25	16	S	8	E
43-015-30540-00-00	UTAH 25-579	Gas Well	APD	25	16	S	8	E
43-007-30817-00-00	UTAH 25-618	Gas Well	APD	25	13	S	9	E
43-015-30543-00-00	UTAH 26-582	Gas Well	APD	26	16	S	8	E
43-015-30547-00-00	UTAH 29-608	Gas Well	APD	29	16	S	9	E
43-007-30889-00-00	UTAH 32-128	Gas Well	APD	32	14	S	10	E
43-007-30814-00-00	UTAH 35-506	Gas Well	APD	35	13	S	9	E

## Utah Well List as of 12/26/02

API Well Number	Well Name	Well Type	Well Status	Sec	Twpn	Twpd	Rngn	Rngd
43-047-33750-00-00	FEDERAL 34-29	Gas Well	P	29	9	S	19	E
43-007-30782-00-00	GAROFOLA 26-482	Gas Well	P	26	15	S	8	E
43-007-30335-00-00	GIACOLETTO 11-113	Gas Well	P	11	14	S	9	E
43-007-30407-00-00	GIACOLETTO 13-120	Gas Well	P	13	14	S	9	E
43-007-30345-00-00	GIACOLETTO 14-121	Gas Well	P	14	14	S	9	E
43-007-30487-00-00	HELPER & ASSOC 07-307	Gas Well	P	7	15	S	9	E
43-007-30459-00-00	HELPER & ASSOC 18-236	Gas Well	P	18	15	S	9	E
43-007-30720-00-00	HELPER & ASSOC 18-308	Gas Well	P	18	15	S	9	E
43-007-30412-00-00	HELPER & ASSOC 8-232	Gas Well	P	8	15	S	9	E
43-007-30258-00-00	HELPER & ASSOCIATES 7-84	Gas Well	P	7	15	S	9	E
43-007-30588-00-00	JENSEN 16-132	Gas Well	P	16	15	S	10	E
43-007-30420-00-00	KAKATSIDES 31-197	Gas Well	P	31	14	S	9	E
43-007-30296-00-00	LDS 17-133	Gas Well	P	17	15	S	10	E
43-007-30323-00-00	PAAR 16-146	Gas Well	P	16	14	S	9	E
43-047-34286-00-00	PETES WASH 23-12 #1	Gas Well	P	12	10	S	17	E
43-007-30748-00-00	PIERUCCI 25-461	Gas Well	P	25	15	S	8	E
43-007-30749-00-00	PIERUCCI 25-462	Gas Well	P	25	15	S	8	E
43-007-30754-00-00	PIERUCCI 26-463	Gas Well	P	26	15	S	8	E
43-007-30755-00-00	PIERUCCI 26-464	Gas Well	P	26	15	S	8	E
43-007-30745-00-00	PIERUCCI 26-481	Gas Well	P	26	15	S	8	E
43-007-30117-00-00	PINNACLE PEAK 19-171	Gas Well	P	19	14	S	9	E
43-007-30845-00-00	PMC 10-526	Gas Well	P	10	15	S	8	E
43-007-30282-00-00	POWELL 19-104	Gas Well	P	19	15	S	10	E
43-007-30283-00-00	POWELL 19-105	Gas Well	P	19	15	S	10	E
43-007-30346-00-00	POWELL 30-173	Gas Well	P	30	15	S	10	E
43-015-30279-00-00	PPCO 10-557	Gas Well	P	10	16	S	8	E
43-015-30494-00-00	PPCO 15-555	Gas Well	P	15	16	S	8	E
43-007-30211-00-00	PRETTYMAN 10-15-34	Gas Well	P	10	14	S	9	E
43-007-30340-00-00	PRETTYMAN 11-114	Gas Well	P	11	14	S	9	E
43-007-30653-00-00	RGC 21-331	Gas Well	P	21	15	S	9	E
43-007-30743-00-00	RGC 21-332	Gas Well	P	21	15	S	9	E
43-007-30747-00-00	RGC 25-460	Gas Well	P	25	15	S	8	E
43-007-30559-00-00	RGC 28-318	Gas Well	P	28	15	S	9	E
43-007-30518-00-00	RGC 28-319	Gas Well	P	28	15	S	9	E
43-007-30509-00-00	RITZAKIS 03-408	Gas Well	P	3	14	S	9	E
43-007-30473-00-00	RITZAKIS 5-304	Gas Well	P	5	14	S	9	E
43-007-30474-00-00	RITZAKIS 5-305	Gas Well	P	5	14	S	9	E
43-007-30475-00-00	RITZAKIS 8-298	Gas Well	P	8	14	S	9	E
43-007-30479-00-00	RITZAKIS 8-299	Gas Well	P	8	14	S	9	E
43-007-30476-00-00	RITZAKIS 8-300	Gas Well	P	8	14	S	9	E
43-007-30374-00-00	ROBERTSON 32-127	Gas Well	P	32	14	S	10	E
43-007-30610-00-00	SAMPINOS 16-131	Gas Well	P	16	15	S	10	E
43-007-30723-00-00	SAMPINOS 16-454	Gas Well	P	16	15	S	10	E
43-007-30765-00-00	SAMPINOS 16-521	Gas Well	P	16	15	S	10	E
43-007-30800-00-00	SEELY 22-501	Gas Well	P	22	14	S	8	E
43-007-30130-00-00	ST OF UT 25-9-1	Gas Well	P	25	14	S	9	E
43-007-30142-00-00	ST OF UT 36-3-4	Gas Well	P	36	14	S	9	E
43-007-30116-00-00	STELLA-HAMAKER 10-174	Gas Well	P	10	15	S	8	E
43-007-30746-00-00	TABOR 23-468	Gas Well	P	23	15	S	8	E
43-007-30319-00-00	TELONIS 15-142	Gas Well	P	15	14	S	9	E
43-007-30322-00-00	TELONIS 16-145	Gas Well	P	16	14	S	9	E
43-007-30300-00-00	TELONIS 19-150	Gas Well	P	19	14	S	9	E
43-007-30299-00-00	TELONIS 19-151	Gas Well	P	19	14	S	9	E
43-007-30327-00-00	TELONIS 20-152	Gas Well	P	20	14	S	9	E

## Utah Well List as of 12/26/02

API Well Number	Well Name	Well Type	Well Status	Sec	Twpn	Twpd	Rngn	Rngd
43-007-30631-00-00	USA 13-419	Gas Well	P	13	15	S	8	E
43-007-30707-00-00	USA 13-447	Gas Well	P	13	14	S	8	E
43-007-30706-00-00	USA 13-470	Gas Well	P	13	14	S	8	E
43-007-30789-00-00	USA 13-474	Gas Well	P	13	14	S	8	E
43-007-30790-00-00	USA 13-475	Gas Well	P	13	14	S	8	E
43-007-30568-00-00	USA 13-91	Gas Well	P	13	14	S	9	E
43-007-30404-00-00	USA 14-122	Gas Well	P	14	14	S	9	E
43-015-30418-00-00	USA 1-425	Gas Well	P	1	16	S	9	E
43-007-30579-00-00	USA 14-325	Gas Well	P	14	15	S	8	E
43-007-30634-00-00	USA 14-386	Gas Well	P	14	15	S	8	E
43-007-30646-00-00	USA 14-416	Gas Well	P	14	15	S	8	E
43-007-30647-00-00	USA 14-417	Gas Well	P	14	15	S	8	E
43-007-30791-00-00	USA 14-476	Gas Well	P	14	14	S	8	E
43-007-30792-00-00	USA 14-477	Gas Well	P	14	14	S	8	E
43-007-30529-00-00	USA 14-74	Gas Well	P	14	14	S	9	E
43-007-30263-00-00	USA 14-75	Gas Well	P	14	14	S	9	E
43-007-30450-00-00	USA 15-176	Gas Well	P	15	14	S	9	E
43-007-30423-00-00	USA 15-177	Gas Well	P	15	14	S	9	E
43-007-30690-00-00	USA 15-420	Gas Well	P	15	15	S	8	E
43-007-30691-00-00	USA 15-422	Gas Well	P	15	15	S	8	E
43-007-30264-00-00	USA 15-88	Gas Well	P	15	14	S	9	E
43-007-30422-00-00	USA 17-179	Gas Well	P	17	14	S	9	E
43-007-30622-00-00	USA 17-180A	Gas Well	P	17	14	S	9	E
43-007-30618-00-00	USA 18-181	Gas Well	P	18	14	S	9	E
43-007-30417-00-00	USA 18-182	Gas Well	P	18	14	S	9	E
43-007-30619-00-00	USA 18-435	Gas Well	P	18	14	S	9	E
43-007-30393-00-00	USA 19-222	Gas Well	P	19	15	S	10	E
43-007-30392-00-00	USA 19-73	Gas Well	P	19	15	S	10	E
43-007-30448-00-00	USA 20-287	Gas Well	P	20	15	S	10	E
43-007-30451-00-00	USA 20-288	Gas Well	P	20	15	S	10	E
43-007-30590-00-00	USA 20-398	Gas Well	P	20	15	S	10	E
43-007-30591-00-00	USA 20-399	Gas Well	P	20	15	S	10	E
43-007-30424-00-00	USA 21-184	Gas Well	P	21	14	S	9	E
43-007-30425-00-00	USA 21-35	Gas Well	P	21	14	S	9	E
43-007-30426-00-00	USA 22-185	Gas Well	P	22	14	S	9	E
43-007-30477-00-00	USA 22-186	Gas Well	P	22	14	S	9	E
43-007-30700-00-00	USA 22-466	Gas Well	P	22	15	S	8	E
43-007-30611-00-00	USA 23-423	Gas Well	P	23	14	S	8	E
43-007-30650-00-00	USA 23-445	Gas Well	P	23	15	S	8	E
43-007-30704-00-00	USA 23-451	Gas Well	P	23	15	S	8	E
43-007-30503-00-00	USA 23-467	Gas Well	P	23	15	S	8	E
43-007-30793-00-00	USA 23-478	Gas Well	P	23	14	S	8	E
43-007-30794-00-00	USA 23-479	Gas Well	P	23	14	S	8	E
43-007-30795-00-00	USA 23-480	Gas Well	P	23	14	S	8	E
43-007-30469-00-00	USA 24-183	Gas Well	P	24	14	S	8	E
43-007-30612-00-00	USA 24-387	Gas Well	P	24	14	S	8	E
43-007-30613-00-00	USA 24-388	Gas Well	P	24	14	S	8	E
43-007-30651-00-00	USA 24-443	Gas Well	P	24	15	S	8	E
43-007-30648-00-00	USA 24-444	Gas Well	P	24	15	S	8	E
43-007-30708-00-00	USA 24-446	Gas Well	P	24	14	S	8	E
43-007-30652-00-00	USA 24-448	Gas Well	P	24	15	S	8	E
43-007-30705-00-00	USA 24-449	Gas Well	P	24	15	S	8	E
43-007-30505-00-00	USA 25-459	Gas Well	P	25	15	S	8	E
43-007-30614-00-00	USA 26-393	Gas Well	P	26	14	S	8	E

## Utah Well List as of 12/26/02

API Well Number	Well Name	Well Type	Well Status	Sec	Twpn	Twpd	Rngn	Rngd
43-007-30430-00-00	UTAH 06-223	Gas Well	P	6	15	S	9	E
43-007-30562-00-00	UTAH 06-330	Gas Well	P	6	15	S	9	E
43-007-30716-00-00	UTAH 06-483	Gas Well	P	6	15	S	9	E
43-007-30409-00-00	UTAH 07-234	Gas Well	P	7	15	S	9	E
43-007-30421-00-00	UTAH 07-235	Gas Well	P	7	15	S	9	E
43-007-30411-00-00	UTAH 08-231	Gas Well	P	8	15	S	9	E
43-007-30488-00-00	UTAH 08-233	Gas Well	P	8	15	S	9	E
43-015-30464-00-00	UTAH 08-354	Gas Well	P	8	16	S	9	E
43-015-30378-00-00	UTAH 08-355	Gas Well	P	8	16	S	9	E
43-015-30379-00-00	UTAH 08-356	Gas Well	P	8	16	S	9	E
43-015-30380-00-00	UTAH 08-357	Gas Well	P	8	16	S	9	E
43-007-30449-00-00	UTAH 09-227	Gas Well	P	9	15	S	9	E
43-007-30561-00-00	UTAH 09-329	Gas Well	P	9	15	S	9	E
43-015-30300-00-00	UTAH 09-358	Gas Well	P	9	16	S	9	E
43-015-30407-00-00	UTAH 09-359	Gas Well	P	9	16	S	9	E
43-015-30397-00-00	UTAH 09-360	Gas Well	P	9	16	S	9	E
43-015-30408-00-00	UTAH 09-361	Gas Well	P	9	16	S	9	E
43-007-30580-00-00	UTAH 09-412	Gas Well	P	9	15	S	10	E
43-007-30605-00-00	UTAH 09-413	Gas Well	P	9	15	S	10	E
43-007-30657-00-00	UTAH 09-450	Gas Well	P	9	15	S	10	E
43-007-30722-00-00	UTAH 09-453	Gas Well	P	9	15	S	10	E
43-007-30302-00-00	UTAH 10-01-36	Gas Well	P	10	15	S	9	E
43-007-30298-00-00	UTAH 10-219	Gas Well	P	10	15	S	9	E
43-007-30432-00-00	UTAH 10-220	Gas Well	P	10	15	S	9	E
43-007-30303-00-00	UTAH 10-221	Gas Well	P	10	15	S	9	E
43-007-30228-00-00	UTAH 11-50	Gas Well	P	11	15	S	9	E
43-007-30229-00-00	UTAH 11-51	Gas Well	P	11	15	S	9	E
43-007-30230-00-00	UTAH 11-52	Gas Well	P	11	15	S	9	E
43-007-30231-00-00	UTAH 11-53	Gas Well	P	11	15	S	9	E
43-007-30467-00-00	UTAH 1-209	Gas Well	P	1	15	S	8	E
43-007-30210-00-00	UTAH 12-15-37	Gas Well	P	12	15	S	9	E
43-007-30232-00-00	UTAH 12-54	Gas Well	P	12	15	S	9	E
43-007-30233-00-00	UTAH 12-55	Gas Well	P	12	15	S	9	E
43-007-30234-00-00	UTAH 12-56	Gas Well	P	12	15	S	9	E
43-015-30493-00-00	UTAH 13-376	Gas Well	P	13	16	S	8	E
43-015-30301-00-00	UTAH 13-550	Gas Well	P	13	16	S	8	E
43-007-30243-00-00	UTAH 13-65	Gas Well	P	13	15	S	9	E
43-007-30244-00-00	UTAH 13-66	Gas Well	P	13	15	S	9	E
43-007-30245-00-00	UTAH 13-67	Gas Well	P	13	15	S	9	E
43-007-30246-00-00	UTAH 13-68	Gas Well	P	13	15	S	9	E
43-007-30439-00-00	UTAH 13-92	Gas Well	P	13	14	S	9	E
43-007-30220-00-00	UTAH 1-42	Gas Well	P	1	15	S	9	E
43-007-30221-00-00	UTAH 1-43	Gas Well	P	1	15	S	9	E
43-007-30222-00-00	UTAH 1-44	Gas Well	P	1	15	S	9	E
43-007-30223-00-00	UTAH 1-45	Gas Well	P	1	15	S	9	E
43-015-30330-00-00	UTAH 14-551	Gas Well	P	14	16	S	8	E
43-015-30331-00-00	UTAH 14-552	Gas Well	P	14	16	S	8	E
43-007-30239-00-00	UTAH 14-61	Gas Well	P	14	15	S	9	E
43-007-30240-00-00	UTAH 14-62	Gas Well	P	14	15	S	9	E
43-007-30241-00-00	UTAH 14-63	Gas Well	P	14	15	S	9	E
43-007-30242-00-00	UTAH 14-64	Gas Well	P	14	15	S	9	E
43-015-30334-00-00	UTAH 15-553	Gas Well	P	15	16	S	8	E
43-007-30416-00-00	UTAH 17-101	Gas Well	P	17	15	S	10	E
43-007-30277-00-00	UTAH 17-102	Gas Well	P	17	15	S	10	E

## Utah Well List as of 12/26/02

API Well Number	Well Name	Well Type	Well Status	Sec	Twprn	Twprd	Rngn	Rngd
43-007-30255-00-00	UTAH 24-80	Gas Well	P	24	15	S	9	E
43-007-30256-00-00	UTAH 24-81	Gas Well	P	24	15	S	9	E
43-007-30267-00-00	UTAH 24-86	Gas Well	P	24	15	S	9	E
43-007-30375-00-00	UTAH 24-87	Gas Well	P	24	15	S	9	E
43-007-30227-00-00	UTAH 2-49	Gas Well	P	2	15	S	9	E
43-007-30157-00-00	UTAH 25-11-7	Gas Well	P	25	14	S	9	E
43-007-30399-00-00	UTAH 25-134	Gas Well	P	25	15	S	9	E
43-007-30400-00-00	UTAH 25-252	Gas Well	P	25	15	S	9	E
43-007-30401-00-00	UTAH 25-253	Gas Well	P	25	15	S	9	E
43-007-30402-00-00	UTAH 25-254	Gas Well	P	25	15	S	9	E
43-007-30600-00-00	UTAH 25-389	Gas Well	P	25	14	S	8	E
43-007-30599-00-00	UTAH 25-390	Gas Well	P	25	14	S	8	E
43-007-30658-00-00	UTAH 25-391	Gas Well	P	25	14	S	8	E
43-007-30602-00-00	UTAH 25-392	Gas Well	P	25	14	S	8	E
43-007-30206-00-00	UTAH 25-4-33	Gas Well	P	25	14	S	9	E
43-015-30519-00-00	UTAH 25-577	Gas Well	P	25	16	S	8	E
43-007-30156-00-00	UTAH 25-7-6	Gas Well	P	25	14	S	9	E
43-007-30204-00-00	UTAH 26-11-25	Gas Well	P	26	14	S	9	E
43-007-30205-00-00	UTAH 26-1-23	Gas Well	P	26	14	S	9	E
43-007-30181-00-00	UTAH 26-16-8	Gas Well	P	26	14	S	9	E
43-007-30446-00-00	UTAH 26-255	Gas Well	P	26	15	S	9	E
43-007-30445-00-00	UTAH 26-256	Gas Well	P	26	15	S	9	E
43-007-30444-00-00	UTAH 26-257	Gas Well	P	26	15	S	9	E
43-007-30514-00-00	UTAH 26-267	Gas Well	P	26	15	S	9	E
43-015-30541-00-00	UTAH 26-580	Gas Well	P	26	16	S	8	E
43-015-30542-00-00	UTAH 26-581	Gas Well	P	26	16	S	8	E
43-015-30544-00-00	UTAH 26-583	Gas Well	P	26	16	S	8	E
43-007-30202-00-00	UTAH 26-6-24	Gas Well	P	26	14	S	9	E
43-007-30395-00-00	UTAH 27-187	Gas Well	P	27	14	S	9	E
43-007-30292-00-00	UTAH 27-188	Gas Well	P	27	14	S	9	E
43-007-30457-00-00	UTAH 27-268	Gas Well	P	27	15	S	9	E
43-007-30458-00-00	UTAH 27-269	Gas Well	P	27	15	S	9	E
43-007-30712-00-00	UTAH 27-457	Gas Well	P	27	14	S	8	E
43-007-30714-00-00	UTAH 27-458	Gas Well	P	27	14	S	8	E
43-007-30777-00-00	UTAH 27-520	Gas Well	P	27	14	S	8	E
43-015-30545-00-00	UTAH 27-584	Gas Well	P	27	16	S	8	E
43-007-30193-00-00	UTAH 27-8-29	Gas Well	P	27	14	S	9	E
43-007-30186-00-00	UTAH 27-9-30	Gas Well	P	27	14	S	9	E
43-007-30396-00-00	UTAH 28-189	Gas Well	P	28	14	S	9	E
43-007-30397-00-00	UTAH 28-190	Gas Well	P	28	14	S	9	E
43-007-30293-00-00	UTAH 28-191	Gas Well	P	28	14	S	9	E
43-007-30294-00-00	UTAH 28-192	Gas Well	P	28	14	S	9	E
43-007-30551-00-00	UTAH 28-320	Gas Well	P	28	15	S	9	E
43-007-30560-00-00	UTAH 28-321	Gas Well	P	28	15	S	9	E
43-007-30405-00-00	UTAH 29-193	Gas Well	P	29	14	S	9	E
43-007-30427-00-00	UTAH 29-194	Gas Well	P	29	14	S	9	E
43-007-30739-00-00	UTAH 29-339	Gas Well	P	29	15	S	9	E
43-007-30740-00-00	UTAH 29-340	Gas Well	P	29	15	S	9	E
43-007-30741-00-00	UTAH 29-341	Gas Well	P	29	15	S	9	E
43-007-30742-00-00	UTAH 29-342	Gas Well	P	29	15	S	9	E
43-007-30262-00-00	UTAH 30-125	Gas Well	P	30	14	S	10	E
43-007-30185-00-00	UTAH 30-13-14	Gas Well	P	30	14	S	10	E
43-007-30265-00-00	UTAH 30-195	Gas Well	P	30	14	S	9	E
43-007-30344-00-00	UTAH 30-196	Gas Well	P	30	14	S	9	E

## Utah Well List as of 12/26/02

API Well Number	Well Name	Well Type	Well Status	Sec	Twpn	Twpd	Rngn	Rngd
43-007-30178-00-00	UTAH 36-1-2	Gas Well	P	36	14	S	9	E
43-007-30341-00-00	UTAH 36-135	Gas Well	P	36	15	S	9	E
43-007-30343-00-00	UTAH 36-136	Gas Well	P	36	15	S	9	E
43-007-30342-00-00	UTAH 36-137	Gas Well	P	36	15	S	9	E
43-007-30315-00-00	UTAH 36-162	Gas Well	P	36	14	S	8	E
43-007-30316-00-00	UTAH 36-163	Gas Well	P	36	14	S	8	E
43-007-30317-00-00	UTAH 36-164	Gas Well	P	36	14	S	8	E
43-007-30318-00-00	UTAH 36-165	Gas Well	P	36	14	S	8	E
43-007-30144-00-00	UTAH 36-9-5	Gas Well	P	36	14	S	9	E
43-015-30341-00-00	UTAH 4-280	Gas Well	P	4	16	S	9	E
43-015-30342-00-00	UTAH 4-282	Gas Well	P	4	16	S	9	E
43-007-30384-00-00	UTAH 5-205	Gas Well	P	5	15	S	9	E
43-007-30269-00-00	UTAH 5-94	Gas Well	P	5	15	S	10	E
43-007-30270-00-00	UTAH 5-95	Gas Well	P	5	15	S	10	E
43-007-30271-00-00	UTAH 5-96	Gas Well	P	5	15	S	10	E
43-007-30217-00-00	UTAH 6-38	Gas Well	P	6	15	S	10	E
43-007-30218-00-00	UTAH 6-39	Gas Well	P	6	15	S	10	E
43-007-30219-00-00	UTAH 6-40	Gas Well	P	6	15	S	10	E
43-007-30254-00-00	UTAH 6-41	Gas Well	P	6	15	S	10	E
43-007-30235-00-00	UTAH 7-57	Gas Well	P	7	15	S	10	E
43-007-30236-00-00	UTAH 7-58	Gas Well	P	7	15	S	10	E
43-007-30237-00-00	UTAH 7-59	Gas Well	P	7	15	S	10	E
43-007-30238-00-00	UTAH 7-60	Gas Well	P	7	15	S	10	E
43-007-30275-00-00	UTAH 8-100	Gas Well	P	8	15	S	10	E
43-007-30410-00-00	UTAH 8-230	Gas Well	P	8	15	S	9	E
43-007-30272-00-00	UTAH 8-97	Gas Well	P	8	15	S	10	E
43-007-30285-00-00	UTAH 8-98X	Gas Well	P	8	15	S	10	E
43-007-30274-00-00	UTAH 8-99	Gas Well	P	8	15	S	10	E
43-007-30413-00-00	UTAH 9-228	Gas Well	P	9	15	S	9	E
43-007-30414-00-00	UTAH 9-229	Gas Well	P	9	15	S	9	E
43-007-30279-00-00	WILLIAMS 30-78	Gas Well	P	30	14	S	10	E
43-007-30481-00-00	WOOLSTENHULME 05-266	Gas Well	P	5	15	S	10	E
43-015-30250-00-00	UTAH 16-110	Gas Well	Shut In	16	16	S	9	E

If you have any questions, please contact Bill Forbes at 703-440-1536.

*S/W. Dept B. Forbes*

Wilbert B. Forbes  
Land Law Examiner  
Branch of Use Authorization  
Division of Resources Planning, Use  
and Protection

bc: JFO, BLM State Offices, MMS, ES RF, 930 RF, ES-932:  
Bforbes:wbf:01/16/03;440-1536/ConocoPhillips Co

**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.

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>All</u>		8. WELL NAME and NUMBER: <b>See Attached List</b>
2. NAME OF OPERATOR: <b>Phillips Petroleum Company</b>		9. API NUMBER: <b>See List</b>
3. ADDRESS OF OPERATOR: <b>980 Plaza Office</b> CITY <b>Bartlesville</b> STATE <b>OK</b> ZIP <b>74004</b>		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>See Attached List</b> COUNTY: _____		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: <b>UTAH</b>		

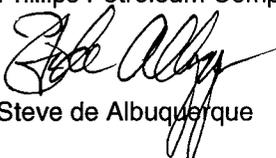
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

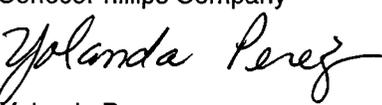
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input checked="" 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 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.

Conoco Inc. was merged into Phillips Petroleum Company, the surviving corporation, on December 31, 2002. In connection with this merger and effective on the same date, the name of the surviving corporation was changed to "ConocoPhillips Company". We are requesting that a new Operator Number be assigned to ConocoPhillips Company.

Please send production reporting forms to Herb Henderson at ConocoPhillips Company, 315 S. Johnstone, 980 Plaza Office, Bartlesville, OK 74004. Herb's phone number is 918-661-4415.

Current Operator  
Phillips Petroleum Company  
  
Steve de Albuquerque

New Operator  
ConocoPhillips Company  
  
Yolanda Perez

**RECEIVED**  
**JAN 08 2003**  
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Yolanda Perez</u>	TITLE <u>Sr. Regulatory Analyst</u>
SIGNATURE 	DATE <u>12/30/2002</u>

(This space for State use only)

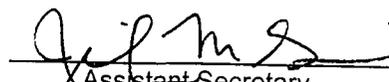


## SECRETARY'S CERTIFICATE

I, the undersigned, Jennifer M. Garcia, Assistant Secretary of ConocoPhillips Company, formerly Phillips Petroleum Company, organized and existing under and by virtue of the laws of the State of Delaware (the "Corporation"), hereby certify that:

1. As Assistant Secretary I am authorized to execute this certificate on behalf of the Corporation.
2. The attached photocopy of the Certificate of Amendment to the Restated Certificate of Incorporation of Phillips Petroleum Company (to be renamed ConocoPhillips Company) is a true and correct copy as filed in the office of the Secretary of State of Delaware on the 12<sup>th</sup> day of December 2002, with an effective date of January 1, 2003 and such Certificate of Amendment has not been modified, amended, rescinded or revoked and is in full force and effect as of the date hereof.
3. The attached photocopy of the Certificate of Merger of Conoco Inc. with and into ConocoPhillips Company is a true and correct copy as filed in the office of the Secretary of State of Delaware on the 12<sup>th</sup> day of December 2002, with an effective date of December 31, 2002 and such Certificate of Merger has not been modified, amended, rescinded or revoked and is in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as Assistant Secretary and affixed the corporate seal of the Corporation this 7th day of January 2003.

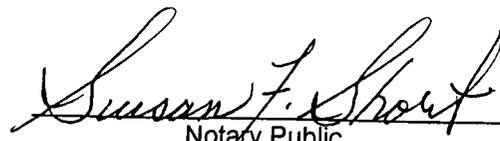
  
 Assistant Secretary  
 ConocoPhillips Company

STATE OF TEXAS           §  
                                       §  
 COUNTY OF HARRIS       §

This instrument was acknowledged before me on January 7, 2003, by Jennifer M. Garcia, Assistant Secretary of ConocoPhillips Company, a Delaware corporation, on behalf of said Corporation.



RECEIVED  
 JAN 08 2003

  
 Notary Public

# Delaware

PAGE 1

*The First State*

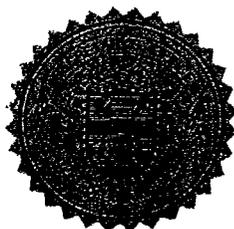
I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "PHILLIPS PETROLEUM COMPANY", CHANGING ITS NAME FROM "PHILLIPS PETROLEUM COMPANY" TO "CONOCOPHILLIPS COMPANY", FILED IN THIS OFFICE ON THE TWELFTH DAY OF DECEMBER, A.D. 2002, AT 1:41 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2002, AT 11 O'CLOCK P.M.

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JAN 08 2003

DIV. OF OIL, GAS & MINING



*Harriet Smith Windsor*

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 2183360

DATE: 01-02-03

0064324 8100

030002793

FROM RL&F#1

(THU) 12. 12 ' 02 13:32/ST. 13:32  
STATE OF DELAWARE  
SECRETARY OF STATE 5  
DIVISION OF CORPORATIONS  
FILED 01:41 PM 12/12/2002  
020763238 - 0064324

**CERTIFICATE OF AMENDMENT**

to the

**RESTATED CERTIFICATE OF INCORPORATION**

of

**PHILLIPS PETROLEUM COMPANY  
(to be renamed ConocoPhillips Company)**

Phillips Petroleum Company ("Phillips"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies that:

1. The amendments to Phillips' Restated Certificate of Incorporation set forth below were duly adopted in accordance with the provisions of Section 242 of the DGCL and have been consented to in writing by the sole stockholder of Phillips in accordance with Section 228 of the DGCL.

2. Phillips' Restated Certificate of Incorporation is hereby amended by deleting Article I thereof and replacing in lieu thereof a new Article I reading in its entirety as follows:

"The name of the corporation (which is hereinafter referred to as the "Corporation") is ConocoPhillips Company."

3. Phillips' Restated Certificate of Incorporation is hereby amended by deleting Section 1 of Article IV thereof and replacing in lieu thereof a new Section 1 reading in its entirety as follows:

"Section 1. The Corporation shall be authorized to issue 2,100 shares of capital stock, of which 2,100 shares shall be shares of Common Stock, \$.01 par value ("Common Stock")."

4. Pursuant to Section 103(d) of the DGCL, this amendment will become effective at 11:00 p.m., Eastern time, on December 31, 2002.

HOU03:884504.1

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JAN 08 2003

DIV. OF OIL, GAS & MINING



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

Eastern States Office  
7450 Boston Boulevard  
Springfield, Virginia 22153

IN REPLY REFER TO  
3106.8(932.34)WF

January 16, 2003

### NOTICE

ConocoPhillips Company	:	Oil & Gas Leases
P.O. Box 7500	:	
Bartlesville, Oklahoma 74005	:	

#### Merger/Name Change Recognized

Acceptable evidence was received in this office on January 14, 2003, concerning the change of name of Phillips Petroleum Company to **ConocoPhillips Company** and the merger of **Conoco Incorporated** into **ConocoPhillips Company** on Federal oil and gas leases, with **ConocoPhillips Company being the surviving entity.**

The Secretary of the State of Delaware certified the effective date of this merger effective December 31, 2002.

The oil and gas lease files identified on the enclosed exhibit have been noted to the merger. The exhibit was compiled from a list of leases obtained from your list of leases. Eastern States has not abstracted the lease files to determine if the entities affected by this merger hold an interest in the leases identified nor have we attempted to identify leases where the entities are the operator on the ground maintaining no vested record title or operating rights interest. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of this merger and name change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

If you identify other leases in which the merging entity maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

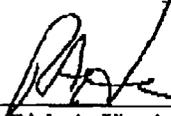
By Operation of law the name of the principal on Nationwide Oil and Gas Bond held by Conoco Incorporated (ES0085) has been changed to ConocoPhillips Company.

FROM RL&F#1

(THU) 12. 12 ' 02 13:32 / ST. 13:31 / NO. 4864756279 P 6

IN WITNESS WHEREOF, Phillips has caused this certificate to be executed this  
12th day of December, 2002.

PHILLIPS PETROLEUM COMPANY

WJ  
By:   
Name: Rick A. Harrington  
Title: Senior Vice President, Legal,  
and General Counsel

HOU03:884504.1

RECEIVED  
JAN 08 2003  
DIV. OF OIL, GAS & 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: 01/14/2003

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 01/14/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: 01/14/2003

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: 02/13/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 02/13/2003

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: 8140-60-24

**FEDERAL WELL(S) BOND VERIFICATION:**

1. Federal well(s) covered by Bond Number: 8015-16-69

**INDIAN WELL(S) BOND VERIFICATION:**

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

**FEE WELL(S) BOND VERIFICATION:**

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6196922

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

**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: N/A

**COMMENTS:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

DIVISION OF OIL, GAS AND MINING

**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 TO DRILL OR DEEPEN form for such proposals.

**CONFIDENTIAL**

1. Type of Well: OIL  GAS  OTHER:  OTHER: \_\_\_\_\_

2. Name of Operator: Phillips Petroleum Company

3. Address and Telephone Number: 6825 South 5300 West, P.O. Box 851, Price, UT 84501 (435) 613-9777

4. Location of Well Footages: 2196' FSL, 1245' FWL  
 QQ, Sec., T., R., M.: NW/SW, SEC. 23, T14S, R08E, SLB & M

5. Lease Designation and Serial Number: U-61154

6. If Indian, Allottee or Tribe Name: N/A

7. Unit Agreement Name: UTU67921X Drunkards Wash

8. Well Name and Number: USA 23-480

9. API Well Number: 43-007-30795

10. Field or Pool, or Wildcat: Drunkards Wash

County: Carbon County  
 State: Utah

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

- Abandon
  - Repair Casing
  - Change of Plans
  - Convert to Injection
  - Fracture Treat or Acidize
  - Multiple Completion
  - Other \_\_\_\_\_
- Approximate date work will start \_\_\_\_\_

- New Construction
- Pull or Alter Csg
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

- Abandon \*
  - Repair Casing
  - Change of Plans
  - Convert to Injection
  - Fracture Treat or Acidize
  - Other Chemical/Flush Treatment
- Date of work completion 04/25/02

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

\* Must be accompanied by a cement verification report.

12. 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.)

Please be advised that the above referenced well was chemically treated with 4000 gallons of low Ph fluid & 250 gallons of 4% HCL on 04/25/02.

13.

Name & Signature: Lynnette Allred  Title: Administrative Assistant Date: 05/01/02

(This space for state use only)

**RECEIVED**

MAY 06 2002

DIVISION OF  
OIL, GAS AND MINING