

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

007

5. LEASE DESIGNATION AND SERIAL NO.
U-79150

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 10-696

9. API WELL NO.
43-007-30862

10. FIELD AND POOL, OR WILDCAT
Drunkards Wash

11. SEC., T., R., M., AND SURVEY OR AREA
NW/4, SE/4 Sec. 10, T. 15S, R. 10E, SLB&M

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 **1442' FSL 2273' FWL**
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4.6 miles SE of Price Utah

12. COUNTY OR PARISH
Carbon

13. STATE
Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) **122'**

16. NO. OF ACRES IN LEASE **200 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. **1500'**

19. PROPOSED DEPTH **1100' TD**

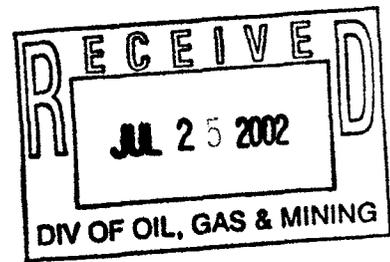
20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5603.6' GR

22. APPROX. DATE WORK WILL START*
Sept. 2002

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'	
11"	8-5/8"	24 #/ft	110'	43sks G+2% CaCl + 1/4# per sack flocc
7- 7/8"	5-1/2"	17 #/ft	1090'	79 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 54sks "G" thixotropic



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 *Jim Semboli* TITLE **Permitting Analyst** DATE **7/17/02**

(This space for Federal or State office use)
 PERMIT NO. 43-007-30862 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.

**PHILLIPS PETROLEUM COMPANY**

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

July 17, 2002

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

RE: Application for Permit to Drill-
USA 10-696, NW/4 SE/4 Sec.10
T15S, R10E, 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;

CONFIDENTIAL

COPY

RECEIVED
JUL 20 2002
DIVISION OF
OIL, GAS AND MINERAL RESOURCES

This proposed well is located more than 460 feet from the exterior boundary of the Drunkards Wash Federal Unit. Based on the request of the surface owner, however, the proposed location, 1442' FSL and 2273' FEL, is outside of the "spacing window" specified by Cause No. 137-2(B) and will be an exception location under Utah Administrative Code Rule R649-3-3-1.3. For this well, as shown on the APD map 1 of 4, Phillips Petroleum Company is the only "owner" of record for the offset drilling unit in the NW/4 of section 10. Therefore the requirements for approval of an exception location should be satisfied as required under 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
Permitting Analyst

cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. Gene Herrington, Texaco
Ms. Julie Bennett, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jeannette Borges, Phillips Petroleum Company
Mr. Mark Jones, DOGM, Price, Utah
Ms. Deanna Walker, PPCo, Denver CO
Mr. Edward Bonner, SITLA
PPCo Well File

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

Company Phillips Petroleum Company Well No. USA 10-696
 Location: Sec. 10, T 15 S, R 10E, Lease No. U-79150
 On-Site Inspection Date: 7/3/02

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: 730' - TD=1100'
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>830'-870'</u>	
Expected Water Zones: <u>830'-870'</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 1090' 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 bloop 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 476_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: 4.6 Miles south east 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.10,T15S,R10E,1442' FSL,2273' FEL
 - b. Length of new access to be constructed: 400'
 - c. Length of existing roads to be upgraded: 0'
 - d. Maximum total disturbed width: 27'
 - e. Maximum travel surface width: 24'

- f. Maximum grades: 4%
- 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 1 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 4" for the gas and 4" for the water. Refer to map Exhibit "B" page 1 for the location of the proposed pipeline. The length of the pipeline will be approximately 1000' long. The pipelines will be brought to the USA 10-696 from the 10-695.

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: Carlsbad Tan

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: East 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: West of location.

The blooie line will be located in the: East 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: Desert Shrub

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: Private surface/BLM subsurface

Surface Owner Contact Information:

John M. Brown
2710 Bridgeport Ave.
Salt Lake City, Utah 84121-5603
(801) 487-3033 (Joshua Kingston, Mr. Brown's Representative)

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 800.111 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: Permitting 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

Permitting Analyst

Title

7/17/02

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 Re-completion 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, work-over, 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 BOP;

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:

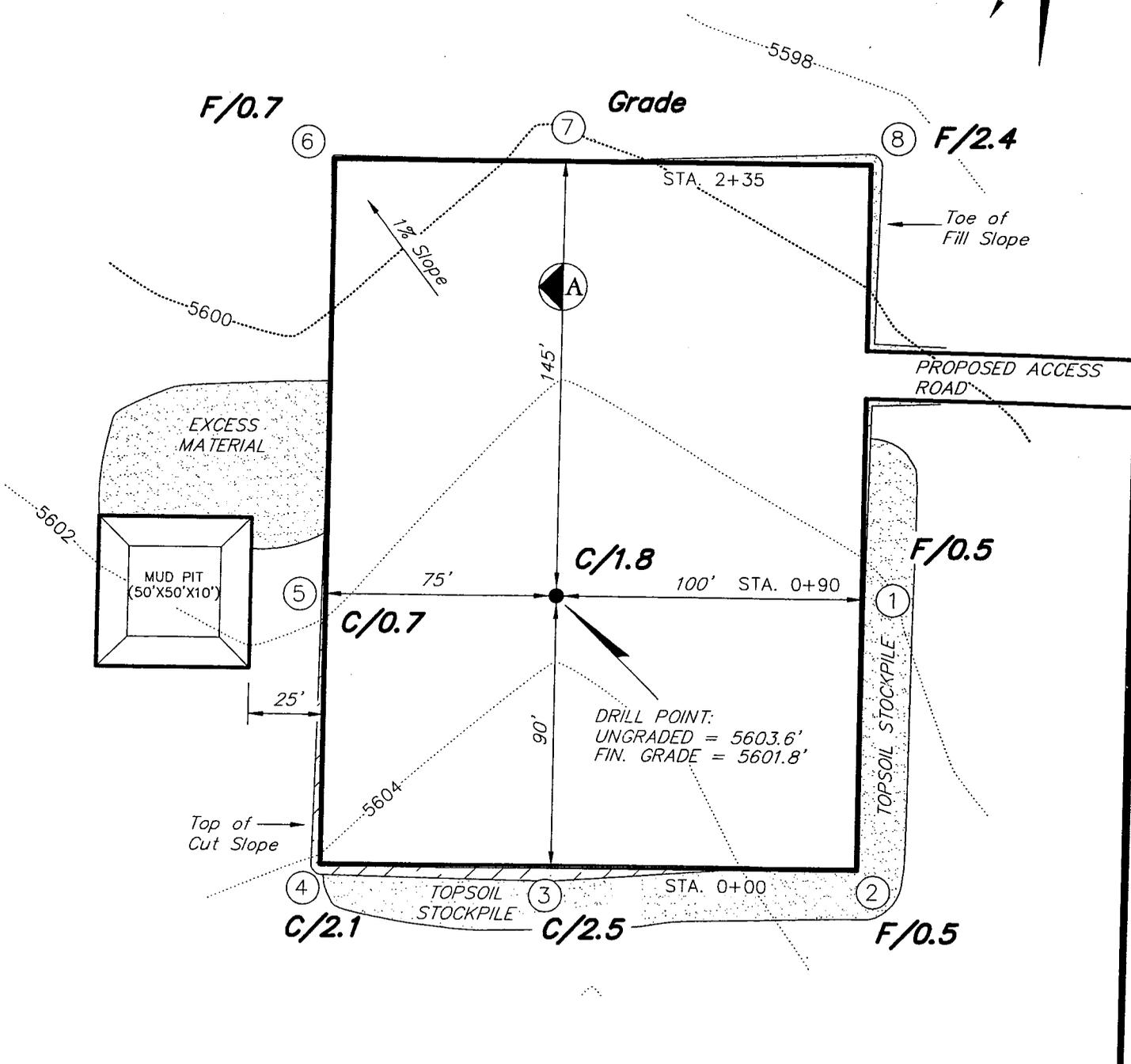
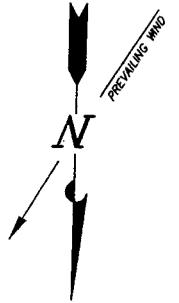
Eric Jones, Petroleum Engineer	Office: (435) 259-6111
	Home: (435) 259-2214

PHILLIPS PETROLEUM COMPANY

CUT / FILL SHEET

USA 10-696

SEC. 10, T15S, R10E, S.L.B.&M.



DRILL POINT
UTM COORDINATES (NAD 27)

N = 4,375,616
E = 518,467

REFERENCE POINTS

150' WEST = 5601.0'
200' WEST = 5601.6'
195' SOUTH = 5598.7'
245' SOUTH = 5597.5'

SURVEYED BY: C.D.S.

SCALE: 1" = 50'

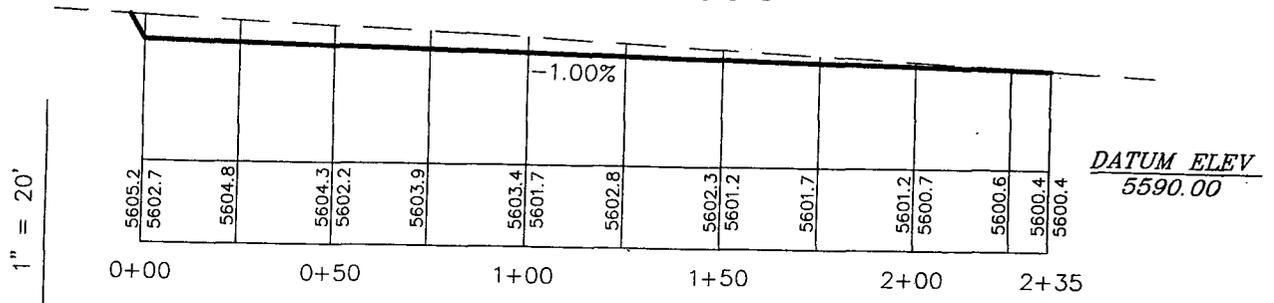
DRAWN BY: J.R.S.

DATE: 7-16-02

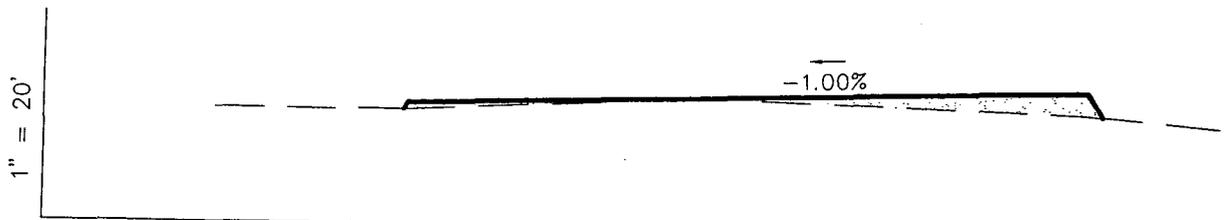
Tri State (435) 781-2501
Land Surveying, Inc.
38 WEST 100 NORTH VERNAL, UTAH 84078

INLAND PRODUCTION COMPANY CROSS SECTIONS

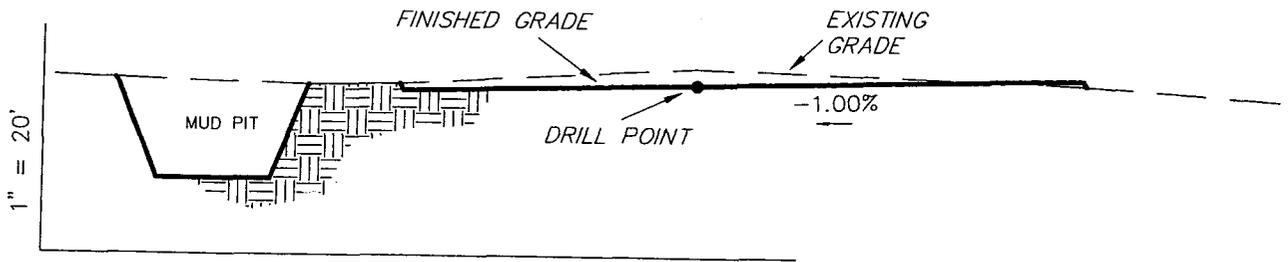
USA 10-696



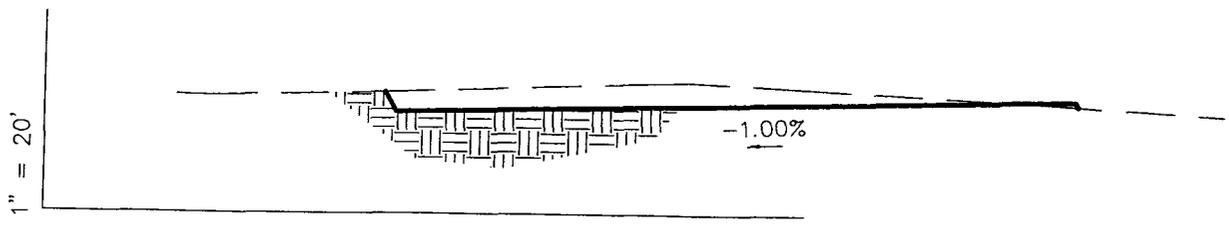
1" = 50' SECTION "A"



1" = 50' STA. 2+35



1" = 50' STA. 0+90



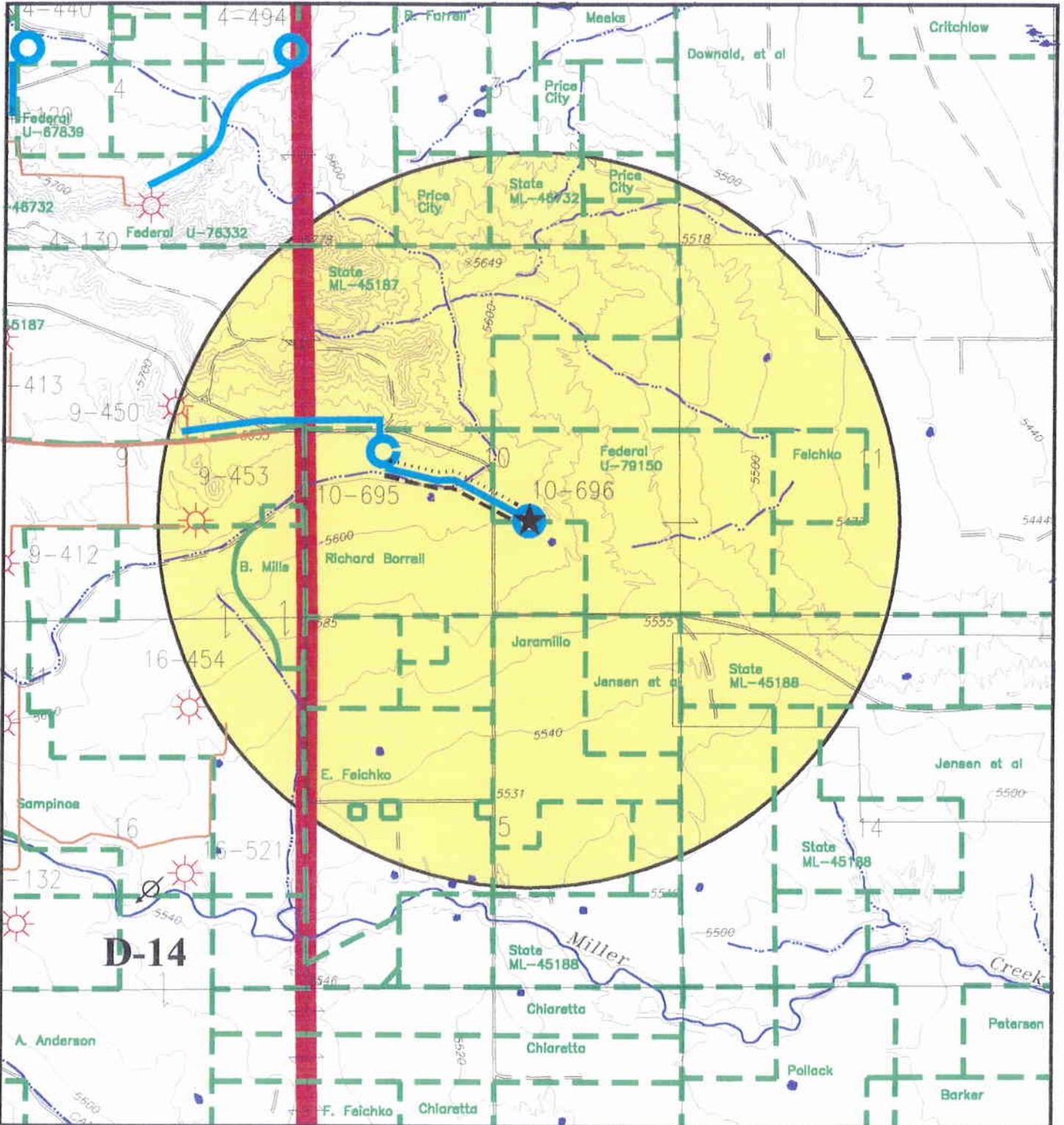
1" = 50' STA. 0+00

ESTIMATED EARTHWORK QUANTITIES				
(Expressed in Cubic Yards)				
ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	630	630	Topsoil is not included in Pad Cut	0
PIT	590	0		590
TOTALS	1,220	630	810	590

NOTE:
UNLESS OTHERWISE NOTED
ALL CUT/FILL SLOPES ARE
AT 1.5:1

SURVEYED BY: C.D.S.	SCALE: 1" = 50'
DRAWN BY: J.R.S.	DATE: 7-16-02

(435) 781-2501
 38 WEST 100 NORTH VERNAL, UTAH 84078



D-14

LEGEND

- Proposed Well Location:
- Other Proposed Well Locations:
- Proposed Powerline:
- Proposed Pipeline:
- Proposed Roads:
- Lease Boundary:
- Existing Wells:

Scale: 1" = 2000'

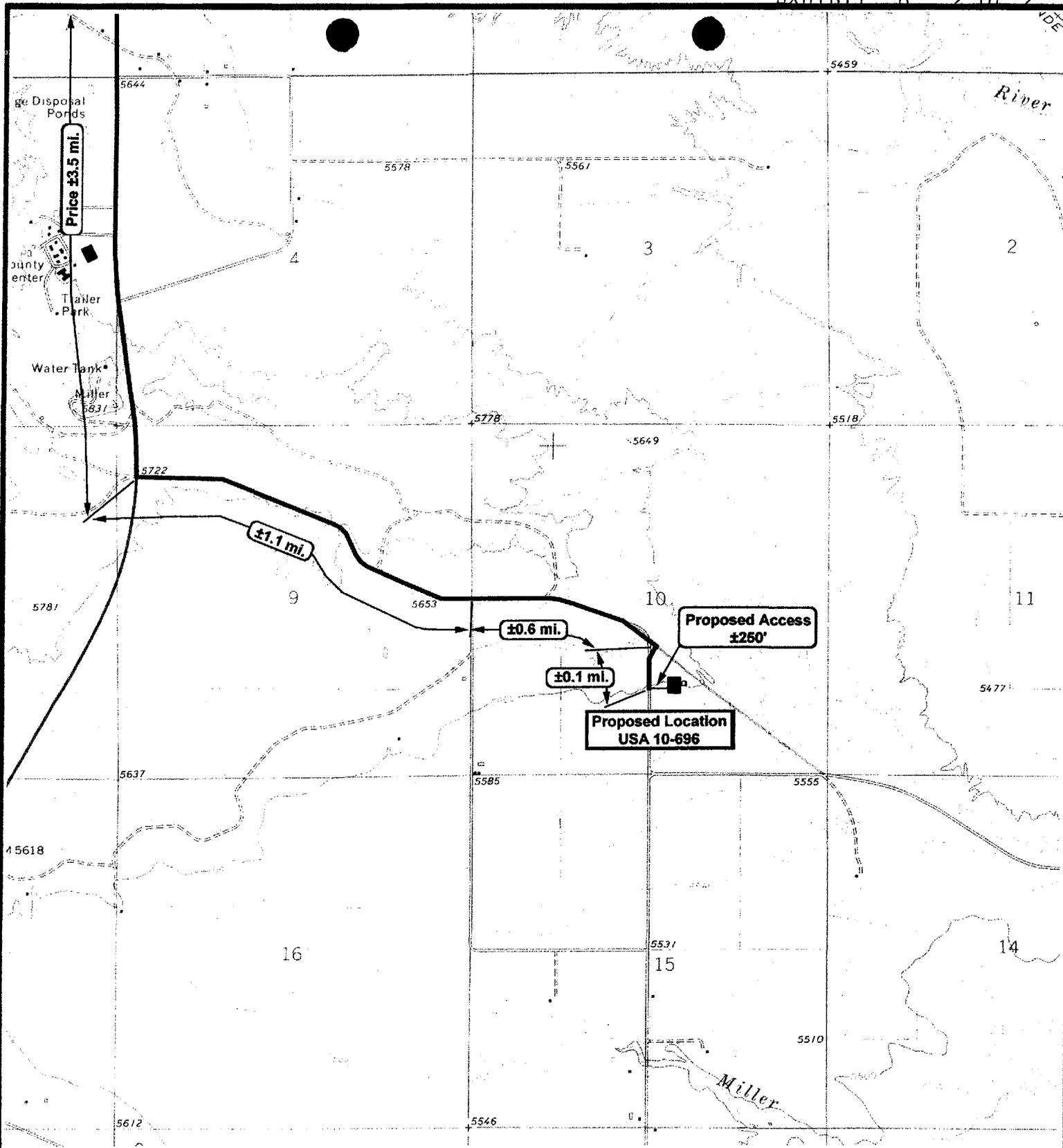
July 18, 2002

PHILLIPS PETROLEUM COMPANY

6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782



WELL # 10-696
 Section 10, T15S, R10E, S.L.B.&M.
 Exhibit B 1 of 2



**PHILLIPS
PETROLEUM CO.**

**USA 10-696
SEC. 10, T15S, R10E, S.L.M.
Carbon County, Utah**



*Tri-State
Land Surveying Inc.*
(435) 781-2501
180 North Vernal Ave. Vernal, Utah 84078

SCALE: 1" = 2,000'

DRAWN BY: R.A.B.

DATE: 07-16-2002

Legend

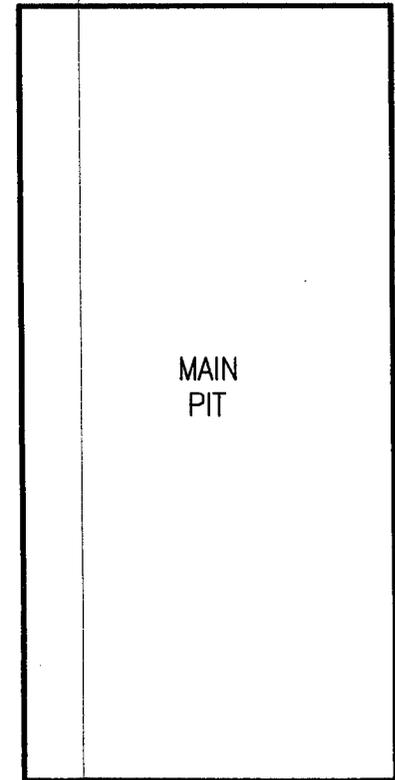
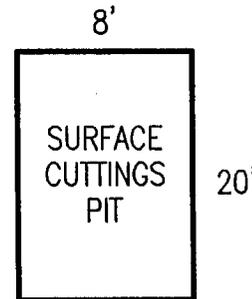
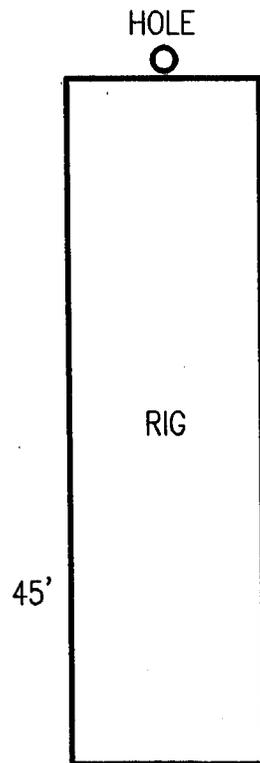
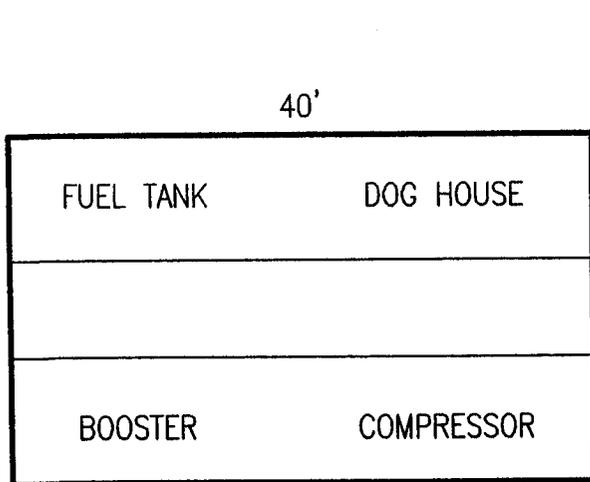
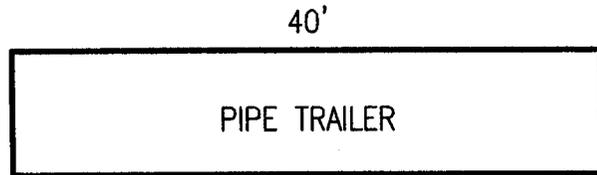
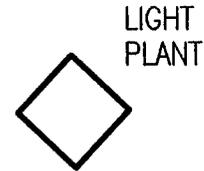
— Existing Road

— Proposed Access

TOPOGRAPHIC MAP

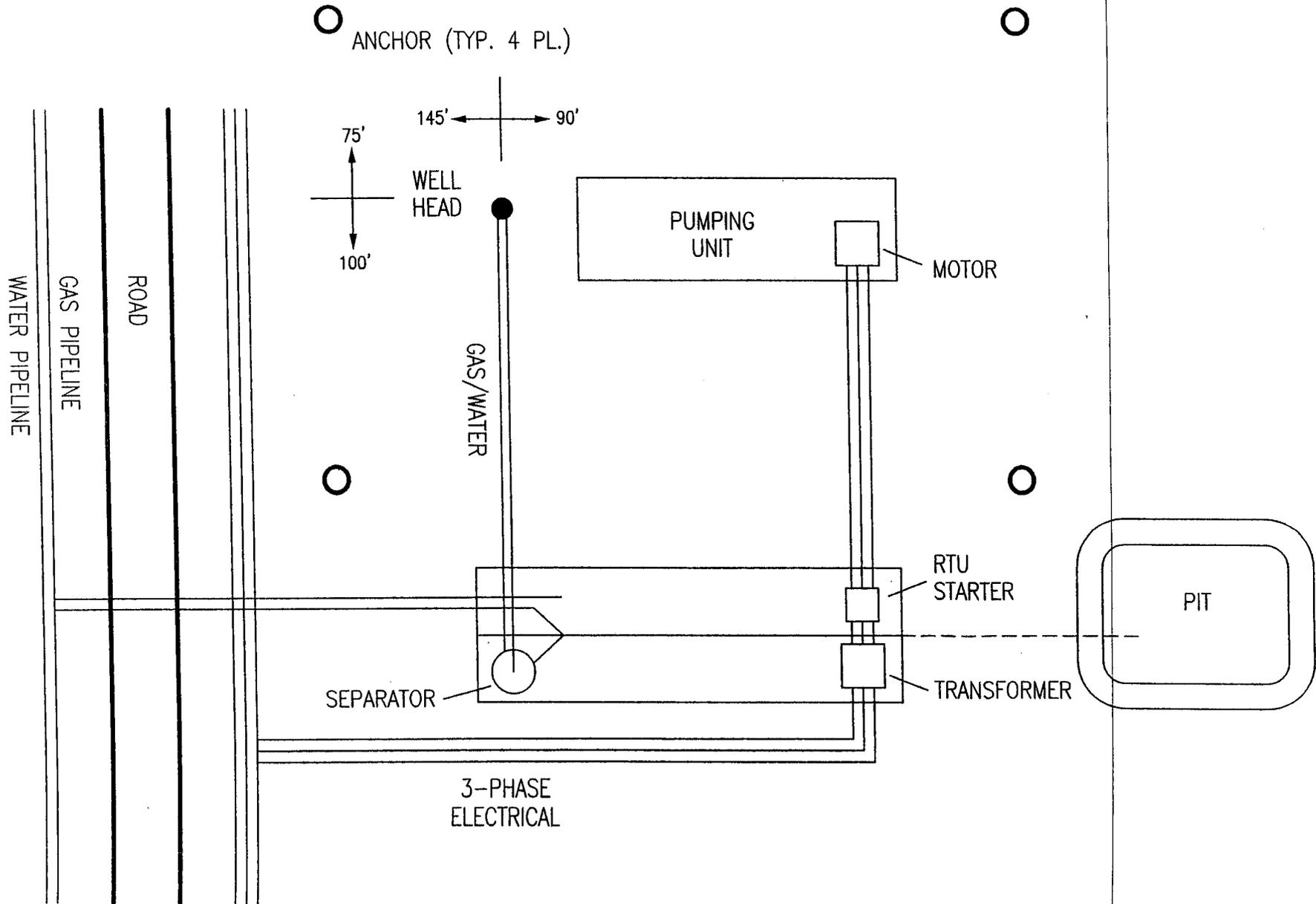
"B"

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

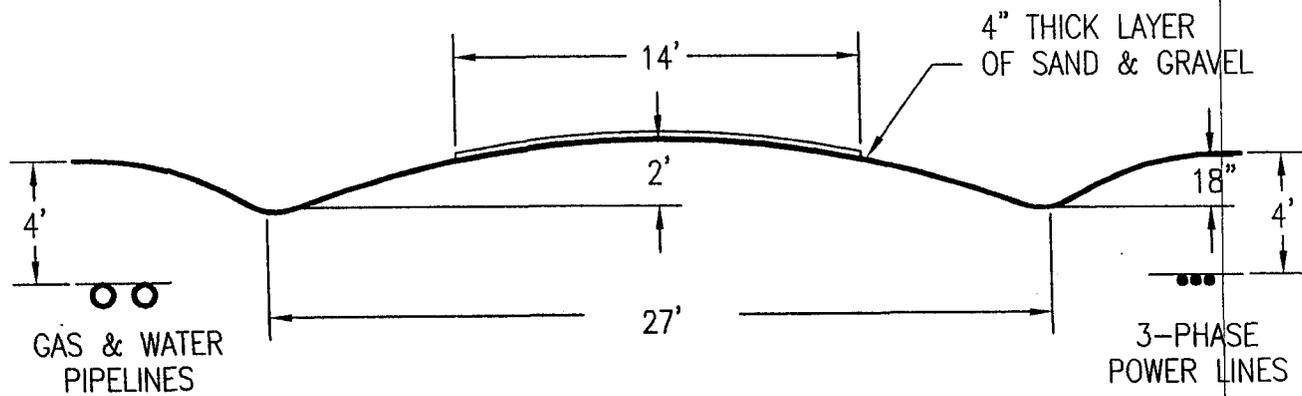


PHILLIPS PETROLEUM COMPANY

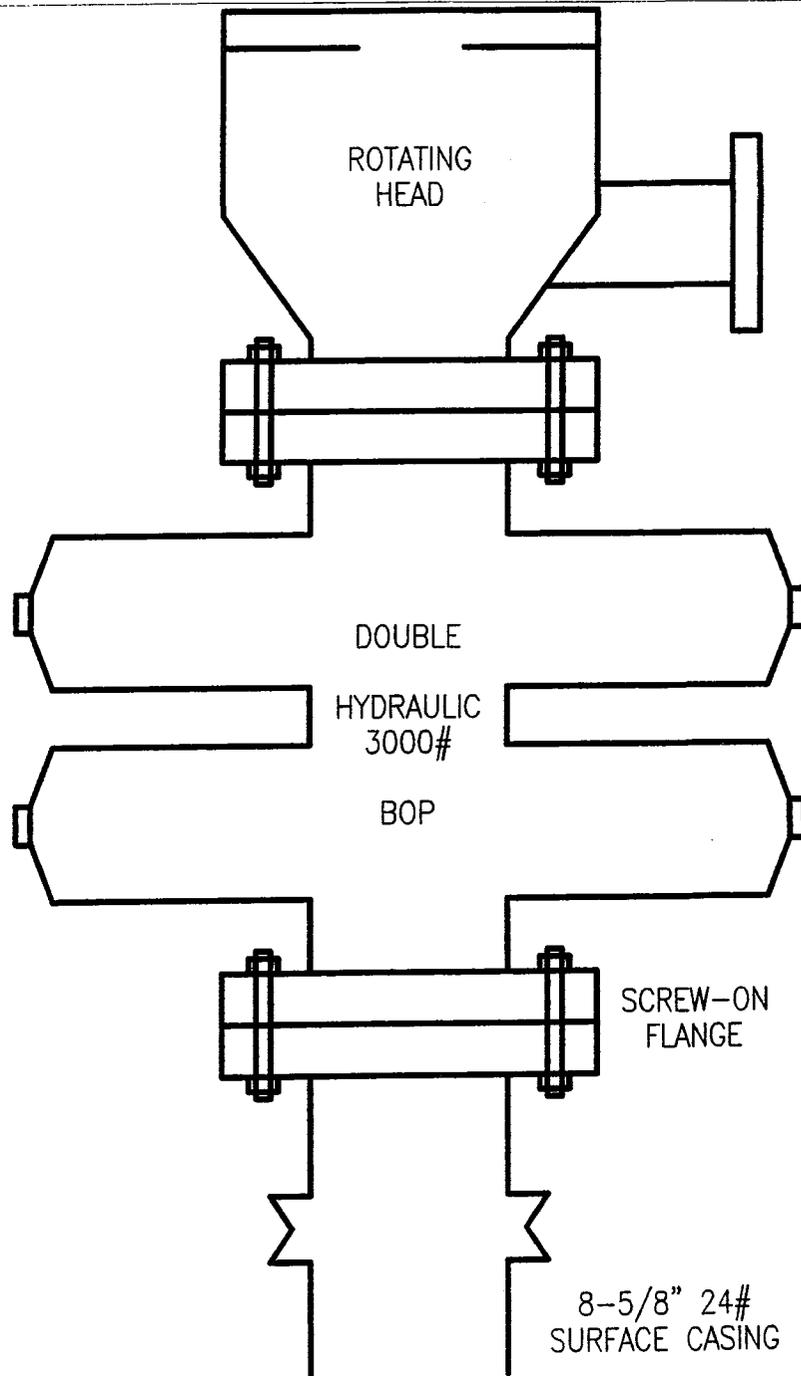
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION



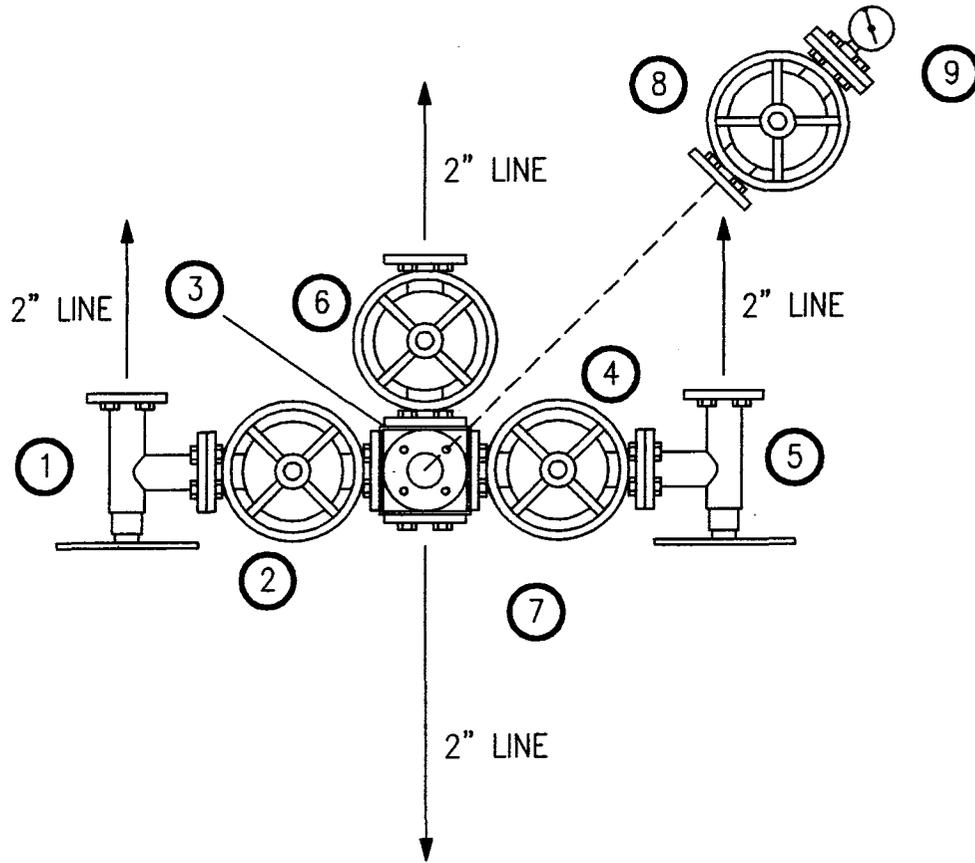
DIVERTER HEAD



- (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 MANIFORD BETWEEN STUDDED CROSS AND 3000# GAUGE.



TO BOP
AND A NEW 2" BALL VALVE
FULL OPEN 5000 PSI

MANIFOLD



PHILLIPS PETROLEUM COMPANY

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

July 26, 2002

Ms. Diana Mason
 State of Utah
 Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 SLC, Utah 84114-5801

RE: Revised Pages For Application for Permit to Drill-
 USA 10-696, NW/4 SE/4 Sec.10
 T15S, R010E, SLB & M, Carbon County, Utah

Dear Ms. Mason:

Please replace the following pages in your original of the *Application for Permit to Drill* (APD). The original pages incorrectly identified the drill point as "2273' FWL". The correct footage is 2273' FEL. The pages to be replaced are as follows:

Second page of APD cover letter;

APD cover sheet;

Page two of the APD;

My apology for the inconvenience. Please feel free to contact me if you have any questions.

Sincerely,

Jean Semborski
 Permitting Analyst

cc: Mr. Eric Jones, BLM, Moab, Utah
 Mr. Gene Herrington, Texaco
 Ms. Julie Bennett, Dominion Resources
 Mr. Don Stephens, BLM, Price, Utah
 Ms. Jeannette Borges, Phillips Petroleum Company
 Mr. Mark Jones, DOGM, Price, Utah
 Ms. Deanna Walker, PPCo, Denver CO
 Mr. Edward Bonner, SITLA
 PPCo Well File

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 JUL 29 2002
 DIVISION OF
 OIL, GAS AND MINING

EW/4 - This proposed well is located more than 460 feet from the exterior boundary of the Drunkards Wash Federal Unit. Based on the request of the surface owner, however, the proposed location, 1442' FSL and 2273' FEL, is outside of the "spacing window" specified by Cause No. 137-2(B) and will be an exception location under Utah Administrative Code Rule R649-3-3-1.3. For this well, as shown on the APD map 1 of 4, Phillips Petroleum Company is the only "owner" of record for the offset drilling unit in the NW/4 of section 10. Therefore the requirements for approval of an exception location should be satisfied as required under 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
Permitting Analyst

cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. Gene Herrington, Texaco
Ms. Julie Bennett, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jeannette Borges, Phillips Petroleum Company
Mr. Mark Jones, DOGM, Price, Utah
Ms. Deanna Walker, PPCo, Denver CO
Mr. Edward Bonner, SITLA
PPCo Well File

RECEIVED

JUL 29 2002

DIVISION OF
OIL, GAS AND MINING

001

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

5. LEASE DESIGNATION AND SERIAL NO.
U-79150

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

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

1a. TYPE OF WORK
DRILL **DEEPEN**

7. UNIT AGREEMENT NAME
Drunkards Wash UTU-67921X

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

8. FARM OR LEASE NAME, WELL NO.
USA 10-696

2. NAME OF OPERATOR
Phillips Petroleum Company

9. API WELL NO.
43-007-30862

3. ADDRESS AND TELEPHONE NO.
6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

10. FIELD AND POOL, OR WILDCAT
Drunkards Wash *undesignated*

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface 1442' FSL 2273' FEL 4375622Y 39.53194
At proposed prod. zone 518464X -110.75316

11. SEC., T., R., M., AND SURVEY OR AREA
NW/4, SE/4 Sec. 10, T. 15S, R. 10E, SLB&M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
4.6 miles SE of Price Utah

12. COUNTY OR PARISH
Carbon

13. STATE
Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
122'

16. NO. OF ACRES IN LEASE
200 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.
1500'

19. PROPOSED DEPTH
1100' TD

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5603.6' GR

22. APPROX. DATE WORK WILL START*
Sept. 2002

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'	
11"	8-5/8"	24 #/ft	110'	43sks G+2% CaCl + 1/4# per sack floccel
7-7/8"	5-1/2"	17 #/ft	1090'	79 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 54sks "G" thixotropic

RECEIVED

AUG 15 2002

**DIVISION OF
OIL, GAS AND MINING**

**Federal Approval of this
Action is Necessary**

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 7/17/02

(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 [Signature] TITLE **BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III** DATE 05-15-03

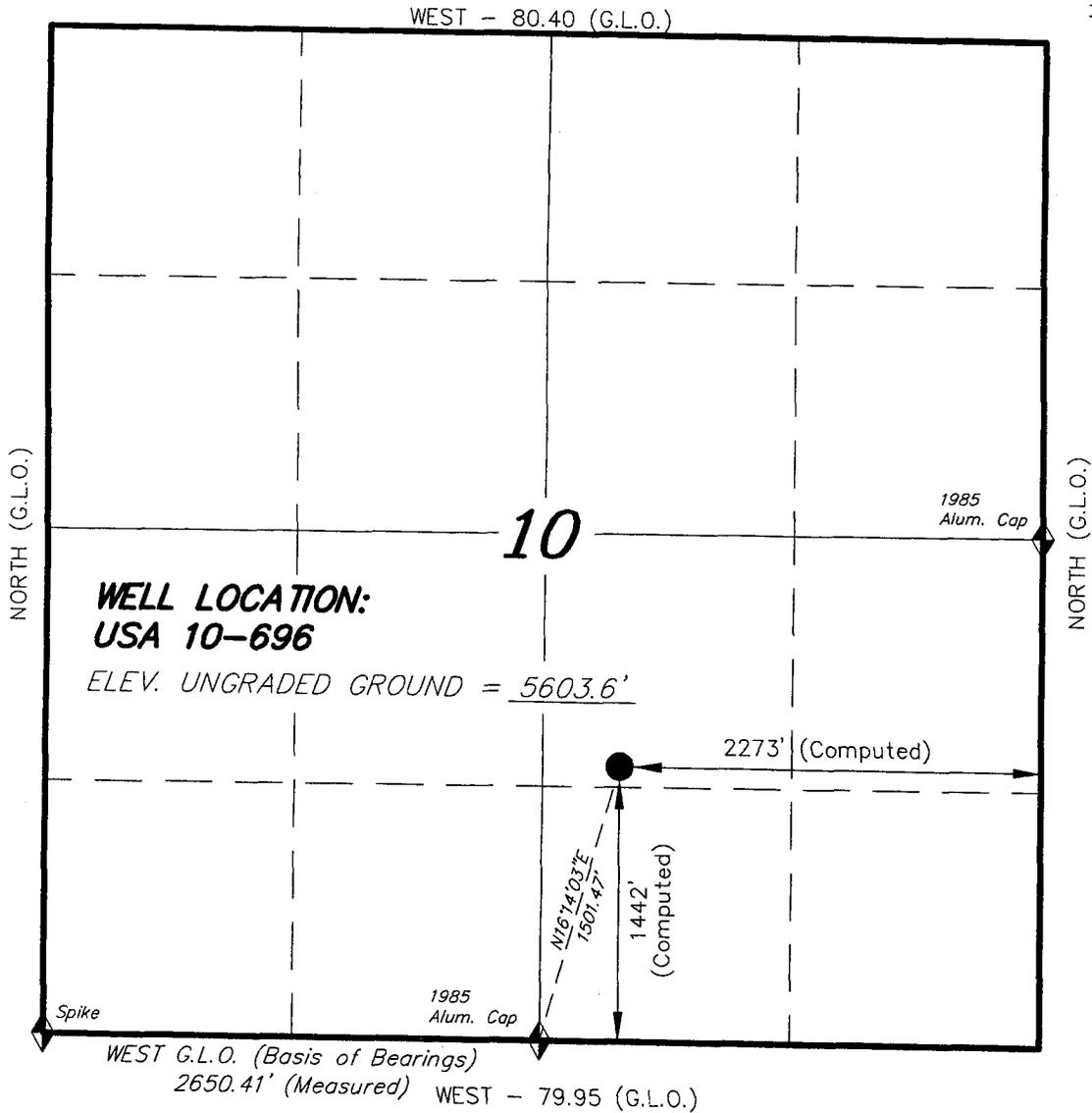
***See Instructions On Reverse Side**

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.

T15S, R10E, S.L.B.&M.

PHILLIPS PETROLEUM COMPANY

WELL LOCATION, USA 10-696, LOCATED AS SHOWN IN THE NW 1/4 SE 1/4 OF SECTION 10, T15S, R10E, S.L.B.&M. CARBON COUNTY, UTAH.

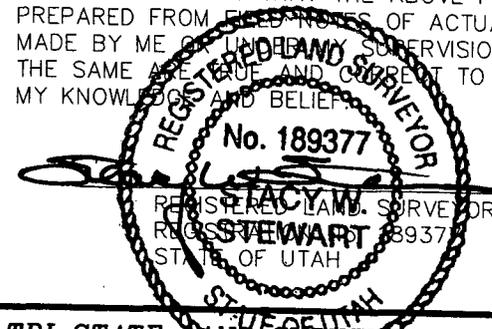


USA 10-696
(NAD 83)
LATITUDE = 39° 31' 54.70"
LONGITUDE = 110° 47' 08.98"

USA 10-696
(UTM NAD 27)
NORTH = 4,375,616
EAST = 518,467



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



TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 7-15-02	
DRAWN BY: J.R.S.	FILE #

◆ = SECTION CORNERS LOCATED
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PRICE)

EXHIBIT A 1 OF 3

005



PHILLIPS PETROLEUM COMPANY

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

July 26, 2002

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

RE: Revised Pages For Application for Permit to Drill-
USA 10-696, NW/4 SE/4 Sec.10
T15S, R010E, SLB & M, Carbon County, Utah

Dear Mr. Jones:

Please replace the following pages in your original of the *Application for Permit to Drill* (APD). The original pages incorrectly identified the drill point as "2273' FWL". The correct footage is 2273' FEL. The pages to be replaced are as follows:

Second page of APD cover letter;

APD cover sheet;

Page two of the APD;

My apology for the inconvenience. Please feel free to contact me if you have any questions.

Sincerely,

Jean Semborski
Permitting Analyst

cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. Gene Herrington, Texaco
Ms. Julie Bennett, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jeannette Borges, Phillips Petroleum Company
Mr. Mark Jones, DOGM, Price, Utah
Ms. Deanna Walker, PPCo, Denver CO
Mr. Edward Bonner, SITLA
PPCo Well File

RECEIVED

AUG 15 2002

DIVISION OF
OIL, GAS AND MINING

COPY

CONFIDENTIAL

This proposed well is located more than 460 feet from the exterior boundary of the Drunkards Wash Federal Unit. Based on the request of the surface owner, however, the proposed location, 1442' FSL and 2273' FEL, is outside of the "spacing window" specified by Cause No. 137-2(B) and will be an exception location under Utah Administrative Code Rule R649-3-3-1.3. For this well, as shown on the APD map 1 of 4, Phillips Petroleum Company is the only "owner" of record for the offset drilling unit in the SW/4 of section 10. Therefore the requirements for approval of an exception location should be satisfied as required under 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
Permitting Analyst

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Ms. Julie Bennett, Dominion Resources
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Mr. Mark Jones, DOGM, Price, Utah
Ms. Deanna Walker, PPCo, Denver CO
Mr. Edward Bonner, SITLA
PPCo Well File

006



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Moab Field Office
82 East Dogwood
Moab, Utah 84532

3103
3160
(UTU79150)
(UT-062)

Ms. Jean Semborski
Phillips Petroleum Corporation
P.O. Box 851
~~Price, Utah 84504~~

SEP - 4 2002

Mr. W. E. Herrington
Chevron U.S.A., Inc.
P.O. Box 36366
Houston, Texas 77236

Re: Suspension of Operations
Lease UTU79150
Sections 10 and 11, T15S, R10E
Carbon County, Utah

Dear Ms. Semborski and Mr. Herrington:

We have received your requests for suspension of oil and gas lease UTU79150. Your two companies hold all record title in this lease.

Lease UTU79150 currently has an expiration date of October 20, 2002. An Application for Permit to Drill (APD) was filed by Phillips on July 29, 2002, for well no. USA 10-696, located on split-estate land in NW/SE Section 10, T15S, R10E. A notice of staking (NOS) had been filed earlier, and was posted for the required thirty day public review period which ended July 31.

This proposed drilling location is on split-estate land, with the surface being privately held, while the minerals are held by the federal government and leased to your respective companies. You have indicated that a surface use agreement is currently being negotiated with the surface owner. We believe it is appropriate to allow reasonable time to negotiate an agreement without the lessee being burdened by an impending lease deadline.

Pursuant to the provisions of 43 CFR 3103.4-4, suspension of operations for lease UTU79150 is granted effective August 1, 2002, under Section 17(i) of the Mineral Leasing Act of 1920 as amended. This suspension is for a term of six months, until February 1, 2003; or until you reach a surface use agreement; or when this office determines that you are not taking every reasonable measure to acquire access to the location, whichever occurs first.

RECEIVED

SEP 11 2002

DIVISION OF
OIL, GAS AND MINING

The term of the lease will be extended by adding the period of suspension to the end of the lease term. During the period of lease suspension, the lessee/operator is prohibited from enjoying benefits of the lease. A Section 17(l) suspension does not excuse timely rental/minimum royalty payments.

Should you have any questions, or wish to discuss this matter, please call Eric Jones of this office at 435-259-2117.

Sincerely,



Assistant Field Manager
Division of Resources

cc: UT-924, M. Higgins
UT-070, Price Field Office



ConocoPhillips

Physical Address: 6825 South 5300 West
Price, Utah 84501

Warehouse: 6815 South 5300 West
Price, Utah 84501

Mailing/Billing Address: P.O. Box 851
Price, Utah 84501

DATE: 9/11/02
TO: GRATE SERVICES
COMPANY: _____
FAX NUMBER: _____

FROM: JEAN
FAX#: (435) 613-9782

MESSAGE: _____
_____ Short Suspension for UTA 79150 _____

This transmission consists of 3 pages (incl. cover page). If you receive an incomplete transmittal or have received this facsimile in error, please call (435) 613-9777. Thank You.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 07/26/2002

API NO. ASSIGNED: 43-007-30862

WELL NAME: USA 10-696
OPERATOR: PHILLIPS PETROLEUM (N1475)
CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NWSE 10 150S 100E
SURFACE: 1442 FSL 2273 FEL
BOTTOM: 1442 FSL 2273 FEL
CARBON
UNDESIGNATED (2)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: U-79150
SURFACE OWNER: 4 - Fee
PROPOSED FORMATION: FRSD

LATITUDE: 39.53194
LONGITUDE: 110.78516

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 _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: L37-2(B) (160')
Eff Date: 2-25-82
Siting: * 1000' fr ARI unit boundry
- R649-3-11. Directional Drill

COMMENTS: Need Presite (Recd 7-23-02)

STIPULATIONS: 1- Federal Approval
2- STATEMENT OF BASIS

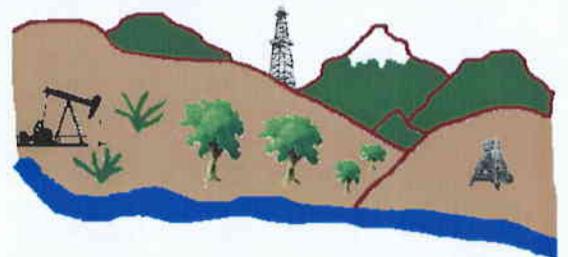


OPERATOR NAME: PHILLIPS PETRO (N1475)

SEC: 10 T15S R10E

FIELD: UNDESIGNATED (002)

COUNTY: CARBON CAUSE: 137-2(B) / 2-25-82



Utah Oil Gas and Mining

Field Status

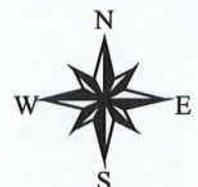
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Township.shp
- Sections

Well Status

- Gas Injection
- Gas Storage
- Location Abandoned
- Location
- Plugged
- Producing Gas
- Producing Oil
- Shut-In Gas
- Shut-In Oil
- Temporarily Abandoned
- Test Well
- Water Injection
- Water Supply
- Water Disposal

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED



Prepared By: D. Mason
Date: 30-July-2002

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

OPERATOR: Phillips
WELL NAME & NUMBER: USA 10-696
API NUMBER: _____
LEASE: Federal FIELD/UNIT: _____
LOCATION: 1/4, 1/4 NWSE Sec: 10 TWP: 15S RNG: 10E 1442 FSL 2273 FWL
LEGAL WELL SITING: 1000' F unit boundary.
GPS COORD (UTM): X = 518469 E; Y = 4375619 N SURFACE OWNER: John Brown

PARTICIPANTS

M. Jones (DOGM), Don Stephens (BLM), J. Semborski and J. Mudon and Deanna Walker (Phillips), Joshua Kingston (surface). Carbon County was invited but chose not to attend the onsite.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~4 miles South of Price, Utah just South of what is called locally "4 mile hill". The direct area drains to the South into Miller Creek and then into the Price River, a year-round live water source. The Carbon Canal lies North of the location ~1000'. The soil is mancos shale clay mix and is moderately erosive when disturbed. The location is located East of Highway 10 ~1 mile. Proposed access will be from the west from the county road not from Ridge Road, also a county road.

SURFACE USE PLAN

CURRENT SURFACE USE: None.
PROPOSED SURFACE DISTURBANCE: 235' x 175' and a 50' x 50' x 10' pit.
LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 2 proposed gas wells are within a 1 mile radius of the above proposed well.
LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadside.
SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.
ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Carbon Canal is located ~1000 feet NW of the location. Looks like a chance of some swampy land being

encountered while building the access road into location.

FLORA/FAUNA: Very little vegetation growing on and near the proposed location site. Some greasewood and salt grass sporadically growing within the immediate area of the location. Soil is of mancos shale type and is currently in a stable condition.

SOIL TYPE AND CHARACTERISTICS: Mancos shale clay.

EROSION/SEDIMENTATION/STABILITY: Moderately erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): None required.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: In negotiation.

CULTURAL RESOURCES/ARCHAEOLOGY: Archeologist will look at the site and a copy of their report will be placed on file.

OTHER OBSERVATIONS/COMMENTS

Access to come from the West off of county roadway rather than from the North off of Ridge Road, also a county road, that is very busy with heavy truck traffic. Utilities and pipelines will also come from the west traveling along the proposed access route. Very little vegetation growing on this location. Mr. Kingston was concerned as to the security of the site once the well is in production. Talk was made with Mrs. Walker in regards to this and a stipulation will be added to the surface use agreement regarding fencing and locked gates onto the property via access road.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

July 03, 2002 / 10:00 am
DATE/TIME

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

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

Final Score 18 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Phillips
WELL NAME & NUMBER: USA 10-696
API NUMBER: 43-007-30862
LOCATION: 1/4,1/4 NWSE Sec:10 TWP: 15S RNG: 10E 1442 FSL 2273 FWL

Geology/Ground Water:

A silty, poorly-permeable soil is developed on the Blue Gate Shale Member of the Mancos Shale or perhaps on a thin veneer of Quaternary Slope Wash covering the same. No aquifers with high quality ground water are likely to be encountered. The proposed casing and cement program will adequately isolate any water-bearing strata. There are no nearby water wells and only one water right has been filed within a mile, that on the Price River.

Reviewer: Christopher J. Kierst **Date:** 8/6/2002

Surface:

Proposed location is ~4 miles South of Price, Utah just South of what is called locally "4 Mile Hill". The direct area drains to the South into Miller Creek and then into the Price River, a year-round live water source. The Carbon Canal lies NW of the location ~1000'. The soil is Mancos shale and is currently in a moderately stable state. The location is located East of Highway 10 ~1.0 mile. Proposed access will be from the west from the county road not from Ridge Road, also a county road, which is very busy with heavy truck traffic. Joshua Kingston was present at the on-site meeting representing the surface owner. Carbon County was invited but chose not to attend.

Reviewer: Mark L. Jones **Date:** July 23, 2002

Conditions of Approval/Application for Permit to Drill:

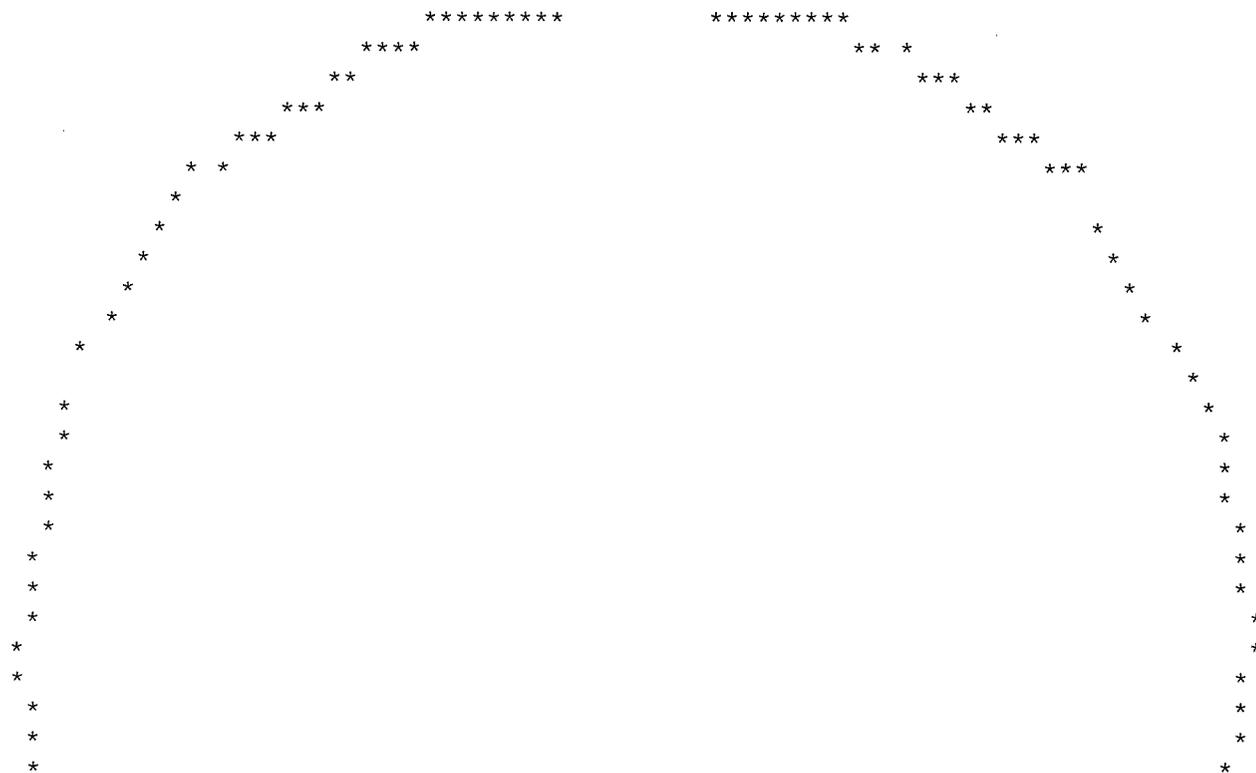
1. Culverts as needed where crossing drainages sufficient to handle run-off.
2. Berm the location and pit to deflect runoff from entering location and prevent any drilling and/or production fluids from leaving the location.
3. Construction of location and access road as per discussion during on-site evaluation.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED TUE, AUG 6, 2002, 2:28 PM
PLOT SHOWS LOCATION OF 1 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 1442 FEET, W 2273 FEET OF THE SE CORNER,
SECTION 10 TOWNSHIP 15S RANGE 10E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H





ConocoPhillips Company
Property Tax, Real Estate,
Right of Way & Claims
P.O. Box 105
Livermore, CO 80536

May 12, 2003

RECEIVED

MAY 13 2003

DIV. OF OIL, GAS & MINING

Diana Mason
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Ms. Mason:

During June 2003 ConocoPhillips Company plans to drill the U.S.A. 10-696 natural gas well, which will be located in the Southeast One-quarter of Section 10, Township 15 South, Range 10 East, S.L.B.&M., Carbon County, Utah. COPC has filed an Application for Permit to Drill (APD) with the U.S.D.O.I. Bureau of Land Management ("BLM") for this well. The surface estate of the location for the subject well pad location is privately owned by John M. Brown ("Surface Owner").

On May 7, 2003 the Surface Owner executed a Surface Use and Damage Agreement effective as of the 15th day of April 2003 covering the property described above. This Agreement was entered into pursuant to Federal Onshore Oil and Gas Order No. 1, BLM's Instruction Memorandum No. 2003-131 and the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R659-3-34. It includes an agreement for the protection of surface resources, access to enter the Property, compensation for damages, reclamation of the subject surface property and well site restoration for the surface pad location for the subject well and associated infrastructure. Enclosed is an Affidavit Concerning Surface Use Agreement evidencing the Surface Owner's agreement, including Exhibit A, which is a true and correct copy of the Memorandum of Surface Use and Damage Agreement signed by the Surface Owner.

Please advise Jean Semborski with COPC or me if you have questions or require additional information regarding the subject Surface Use and Damage Agreement.

Sincerely,

Deanna J. Walker
Phone: 970-498-9677
Fax: 970-498-9687
E-mail: Deanna.J.Walker@conocophillips.com

Enc.

cc: Jean Semborski, ConocoPhillips Company
Marie McGann, U.S.D.O.I. Bureau of Land Management

File: UT/Carbon 173; John M. Brown
Well U.S.A. 10-696

5. I execute and record this affidavit in accordance with the requirements of Federal Onshore Oil and Gas Order No. 1, IM 2003-131 and DOGM's Well Site Restoration Rules.
6. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 12th day of May 2003.



DEANNA J. WALKER
ConocoPhillips Company
Senior Real Estate Specialist

Subscribed, sworn and acknowledged to and by Deanna J. Walker before me this 12th day of May 2003.



NOTARY PUBLIC
For the State of Colorado

My Commission Expires:

October 15, 2005



EXHIBIT A

to
Affidavit Concerning Surface Use Agreement
Executed on May 12, 2003

Once Recorded Please Return To:
Deanna J. Walker
ConocoPhillips Company
P.O. Box 105
Livermore, CO 80536

by
Deanna J. Walker
ConocoPhillips Company

004

MEMORANDUM OF SURFACE USE AND DAMAGE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That John M. Brown, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor") and ConocoPhillips Company, a Delaware Corporation, whose address is Property Tax, Real Estate, Right of Way and Claims, P.O. Box 7500, Bartlesville, Oklahoma, 74005-7500 ("Grantee") have entered into a Surface Use and Damage Agreement dated effective as of the 15th day of April, 2003 ("Agreement").

The Agreement, which is unrecorded and may be found in the files of Grantor and Grantee, is adopted herein and made a part hereof by reference to the same full extent as if all its provisions were copied in full in this Memorandum.

Pursuant to the terms of the Agreement, Grantor grants to Grantee and all of its parent, subsidiary, or other affiliated companies, their agents, employees and others authorized by them the right-of-way to use the Property described in Exhibit A, attached hereto and made a part of this Memorandum ("Property"), for the purpose of access to and from mineral leases and rights it owns and operates underlying and in the vicinity of the Property ("Leases"), for well locations, pipelines and power lines and for other facilities related to its conduct of operations pursuant to the Leases.

This Memorandum shall be binding on and inure to the benefit of Grantor and Grantee, their respective heirs, administrators, successors and assigns.

The parties hereto have executed this Memorandum as of the dates of the respective acknowledgements.

GRANTOR:

GRANTEE:

JOHN M. BROWN

CONOCOPHILLIPS COMPANY

John M Brown

By: _____

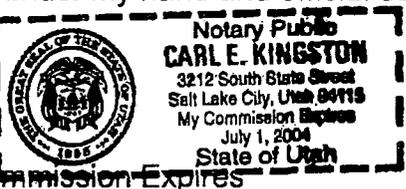
Title: Attorney-in-Fact

State of Utah }

County of Salt Lake }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that **John M. Brown** acknowledged before me on this day that, being informed of the contents of the foregoing Memorandum of Surface Use and Damage Agreement, he executed the same voluntarily..

Given under my hand and official seal, this the 7 day of May, 2003.



Carl E. Kingston
Notary Public

My Commission Expires _____

State of _____ }

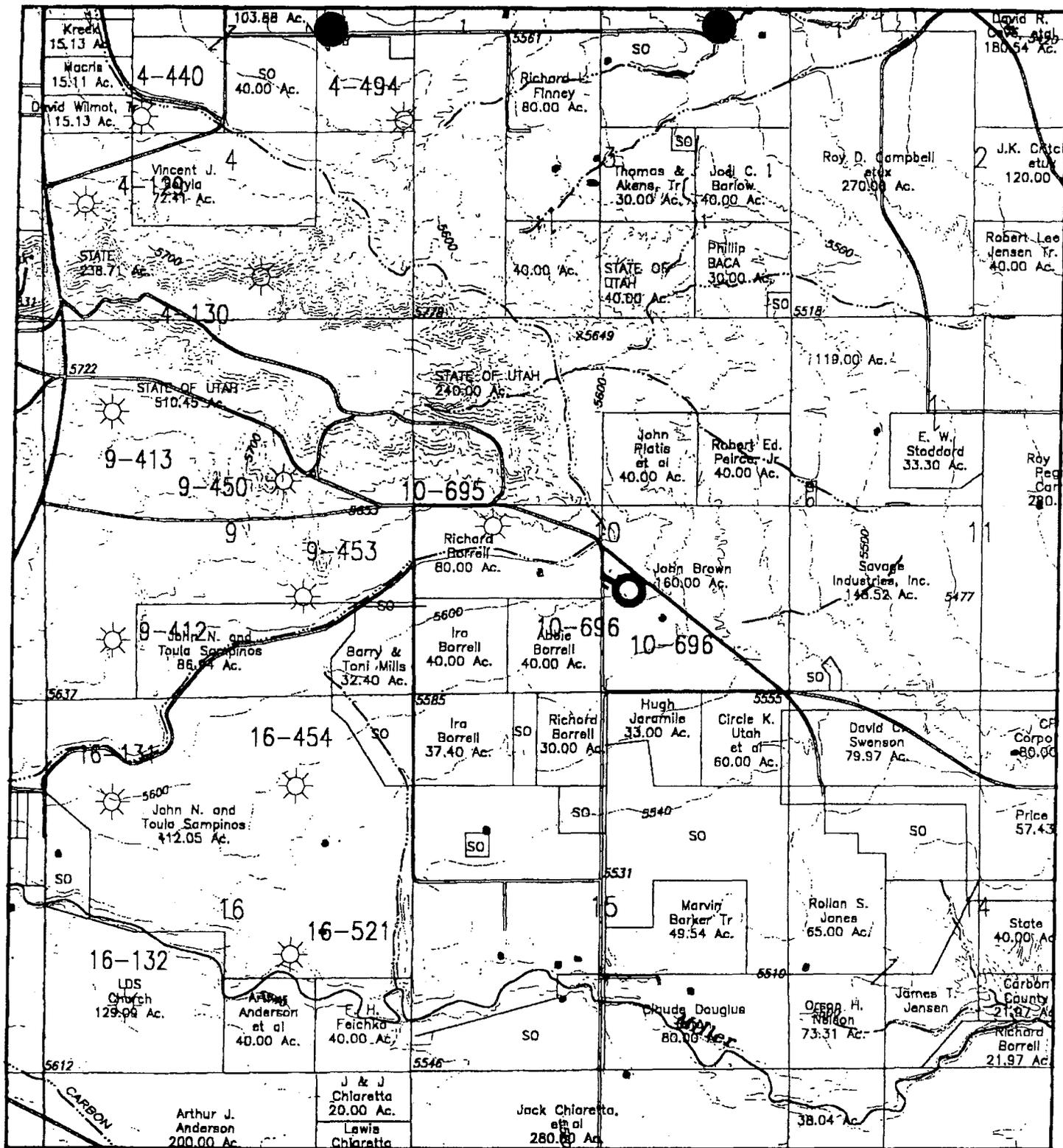
County of _____ }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____, whose name as Attorney-in-Fact of **ConocoPhillips Company**, is signed to the foregoing Memorandum of Surface Use and Damage Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as authorized agent and with full authority, executed the same voluntarily and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 2003.

Notary Public

My Commission Expires _____



LEGEND

- Proposed Well Location: ○
- Proposed Road: - - - -
- Proposed Pipelines: ····
- Proposed Powerlines: — — — —
- Property Boundary: —————
- Existing Wells: ☼

Scale: 1" = 2000'

April 15, 2003

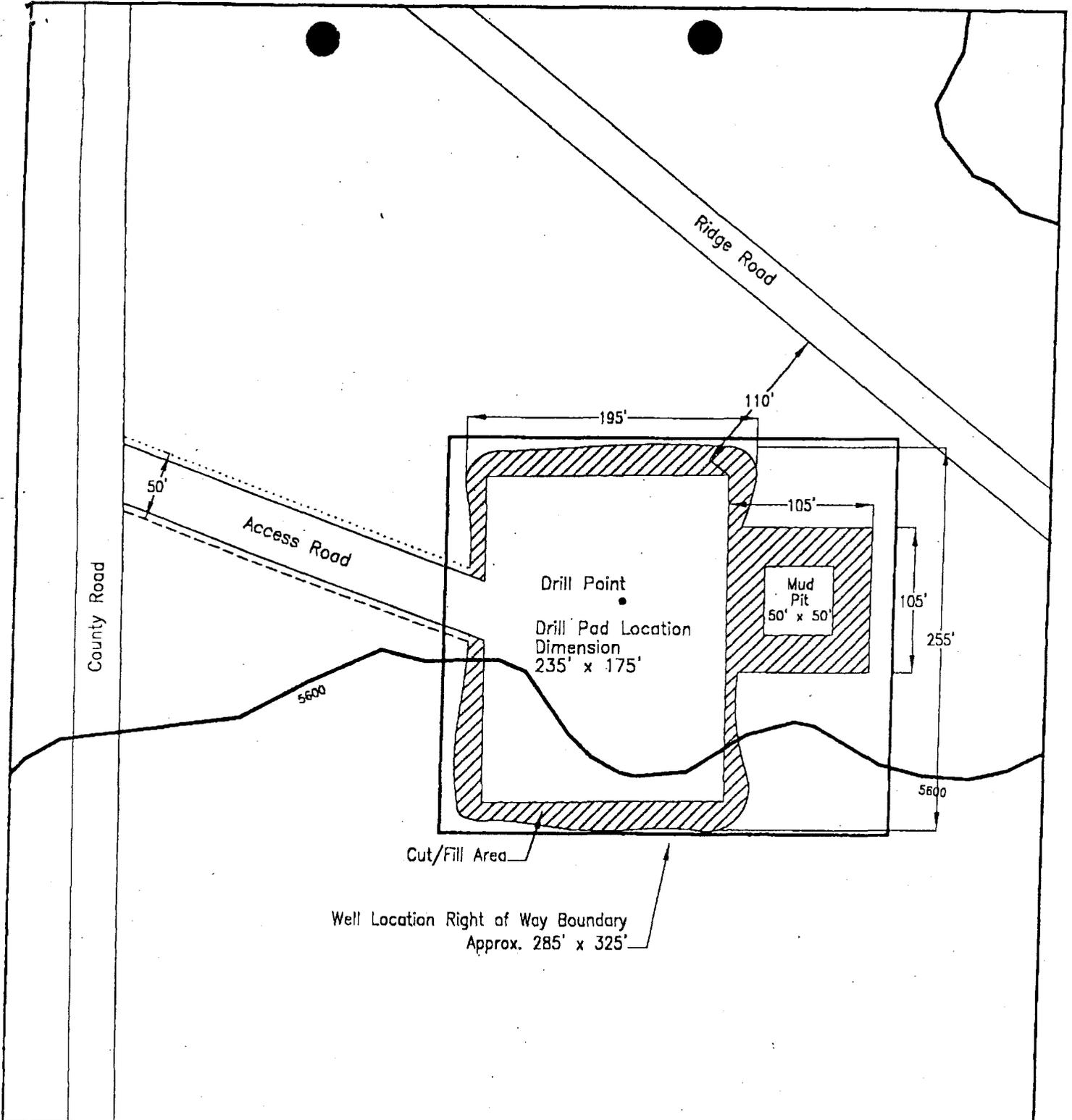
ConocoPhillips Company

6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782



Brown 10-896 Road/Pipeline/Location
 Section 10, T15S, R10E, S.L.B.&M.
 Carbon County, Utah

EXHIBIT A



	LEGEND		ConocoPhillips Company 6825 South 5300 West P.O. Box 851 Price, Utah 84501 Phone: (435) 613-9777 Fax: (435) 613-9782
	Well Location Right of Way Boundary: Pipelines: Powerlines: Access Road: Scale: 1" = 100'		

April 16, 2003

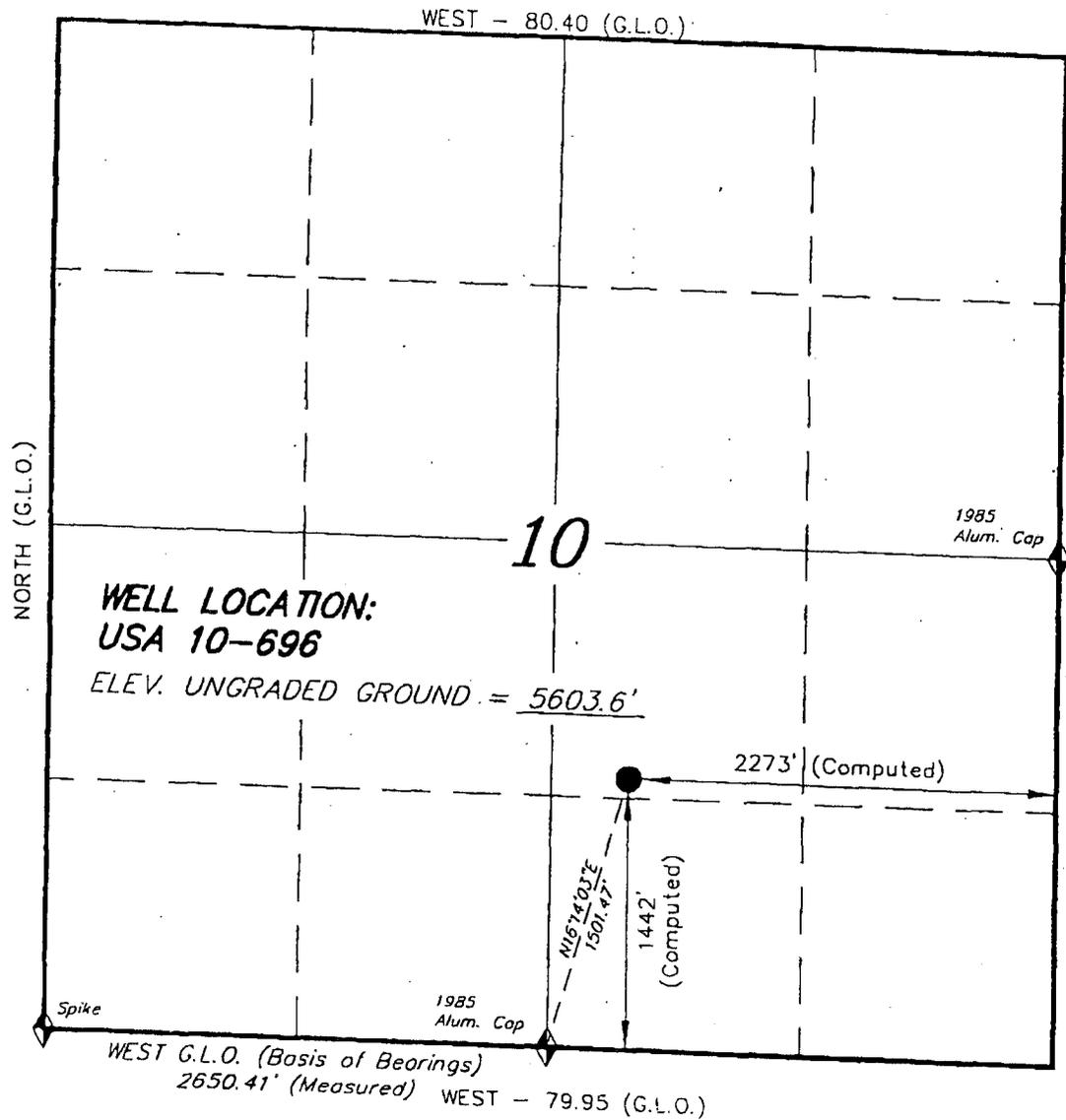
EXHIBIT A

T15S, R10E, S.L.B.&M.

PHILLIPS PETROLEUM COMPANY

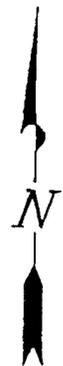
WELL LOCATION, USA 10-696, LOCATED AS SHOWN IN THE NW 1/4 SE 1/4 OF SECTION 10, T15S, R10E, S.L.B.&M. CARBON COUNTY, UTAH.

EXHIBIT A
Page 3

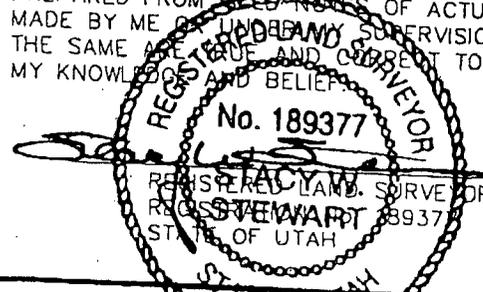


USA 10-696
(NAD 83)
LATITUDE = 39° 31' 54.70"
LONGITUDE = 110° 47' 08.98"

USA 10-696
(UTM NAD 27)
NORTH = 4,375,616
EAST = 518,467



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



TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 7-15-02	
DRAWN BY: J.R.S.	FILE #

◆ = SECTION CORNERS LOCATED
BASIS OF ELEV. U.S.G.S. 7-1/2 min QUAD (PRICE)



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

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 telephone

(801) 359-3940 fax

(801) 538-7223 TTY

www.nr.utah.gov

Michael O. Leavitt
Governor

Robert L. Morgan
Executive Director

Lowell P. Braxton
Division Director

May 15, 2003

Phillips Petroleum Company
P O Box 851
Price, UT 84501

Re: USA 10-696 Well, 1442' FSL, 2273' FEL, NW SE, Sec. 10, T. 15 South, R. 10 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-007-30862.

Sincerely,

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Phillips Petroleum Company
Well Name & Number USA 10-696
API Number: 43-007-30862
Lease: U-79150

Location: NW SE **Sec.** 10 **T.** 15 South **R.** 10 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.

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



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

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

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,

RECEIVED

DEC 02 2002

DIVISION OF
OIL, GAS AND MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>All</u>		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Phillips Petroleum Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 980 Plaza Office CITY Bartlesville STATE OK ZIP 74004		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (918) 661-4415		8. WELL NAME and NUMBER: See Attached List
4. LOCATION OF WELL FOOTAGES AT SURFACE: See Attached List		9. API NUMBER: See List
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		10. FIELD AND POOL, OR WILDCAT:
COUNTY:		STATE: UTAH

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

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

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

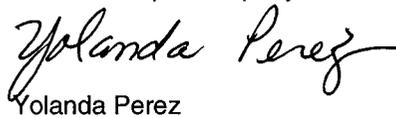
Conoco Inc. was merged into Phillips Petroleum Company, the surviving corporation, on December 31, 2002. In connection with this merger and effective on the same date, the name of the surviving corporation was changed to "ConocoPhillips Company". We are requesting that a new Operator Number be assigned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

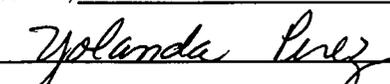
New Operator
ConocoPhillips Company


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)

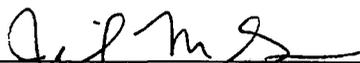


SECRETARY'S CERTIFICATE

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 12th 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 12th 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.

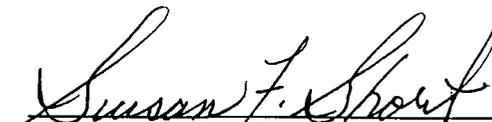

 Assistant Secretary
 ConocoPhillips Company

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

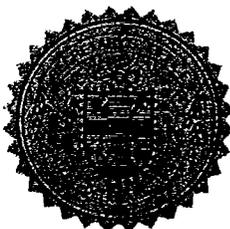
I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "PHILLIPS PETROLEUM COMPANY", CHANGING ITS NAME FROM "PHILLIPS PETROLEUM COMPANY" TO "CONOCOPHILLIPS COMPANY", FILED IN THIS OFFICE ON THE 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.

RECEIVED

JAN 08 2003

DIV. OF OIL, GAS & MINING



0064324 8100

030002793

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 2183360

DATE: 01-02-03

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.

RECEIVED

JAN 08 2003

DIV. OF OIL, GAS & MINING

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

PHILLIPS PETROLEUM COMPANY

W3

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

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

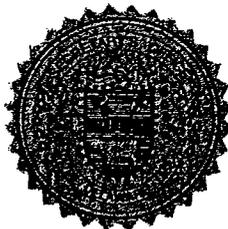
WITH AND INTO "CONOCOPHILLIPS COMPANY" UNDER THE NAME OF "CONOCOPHILLIPS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWELFTH DAY OF DECEMBER, A.D. 2002, AT 1:44 O'CLOCK P.M.

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

DIV. OF OIL, GAS & MINING

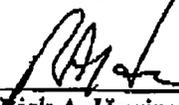
Sixth: A copy of the agreement and plan of merger will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of any Constituent Corporation; and

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)

W7

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

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

Corporation - Foreign - Profit
562960-0143

CONOCOPHILLIPS COMPANY

EFFECTIVE
06/14/1946

EXPIRATION
*RENEWAL

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

RECEIVED

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	Twprd	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	Twpr	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



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.

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

S/ Wilbert 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

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW ✓
3. FILE

013

Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

X Merger

The operator of the well(s) listed below has changed, effective: 12-31-02	
FROM: (Old Operator):	TO: (New Operator):
PHILLIPS PETROLEUM COMPANY	CONOCOPHILLIPS COMPANY
Address: 980 PLAZA OFFICE	Address: P O BOX 2197, WL3 4066
BARTLESVILLE, OK 74004	HOUSTON, TX 77252
Phone: 1-(918)-661-4415	Phone: 1-(832)-486-2329
Account No. N1475	Account No. N2335

CA No. Unit:

WELL(S)	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
RGC 28-319	28-15S-09E	43-007-30518	13111	FEE	GW	P
UTAH 29-339	29-15S-09E	43-007-30739	13151	STATE	GW	P
UTAH 29-340	29-15S-09E	43-007-30740	13152	STATE	GW	P
UTAH 29-341	29-15S-09E	43-007-30741	13254	STATE	GW	P
UTAH 29-342	29-15S-09E	43-007-30742	13262	STATE	GW	P
UTAH 30-484	30-15S-09E	43-007-30750	13153	STATE	GW	P
UTAH 30-485	30-15S-09E	43-007-30751	13154	STATE	GW	P
UTAH 30-486	30-15S-09E	43-007-30752	13256	STATE	GW	P
UTAH 30-487	30-15S-09E	43-007-30753	13255	STATE	GW	P
UTAH 34-688	34-15S-09E	43-007-30847	99999	STATE	GW	NEW
UTAH 27-686	27-16S-09E	43-007-30848	99999	STATE	GW	NEW
PEIRCE 04-494	04-15S-10E	43-007-30856	13687	FEE	GW	DRL
PEIRCE 04-440	04-15S-10E	43-007-30857	13688	FEE	GW	DRL
BORRELL 10-695	10-15S-10E	43-007-30861	13686	FEE	GW	DRL
USA 10-696	10-15S-10E	43-007-30862	99999	FEDERAL	GW	NEW
UTAH 21-83	21-15S-10E	43-007-30259	11712	STATE	GW	P
USA 29-455 (CA UTU-79452)	29-15S-10E	43-007-30507	13110	FEDERAL	GW	P
USA 31-309	31-15S-10E	43-007-30515	99999	FEDERAL	GW	APD
UTAH 10-556	10-16S-08E	43-015-30266	99999	STATE	GW	NEW
PPCO 10-557	10-16S-08E	43-015-30279	13633	FEE	GW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 01/08/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 01/08/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 02/03/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 562960-0143
5. If **NO**, the operator was contacted contacted on: _____

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:

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CONOCOPHILLIPS COMPANY

Well Name: USA 10-696

Api No: 43-007-30862 Lease Type: FEDERAL - FEE SURF

Section 10 Township 15S Range 10E County CARBON

Drilling Contractor PENSE BROTHERS RIG # 9

SPUDDED:

Date 06/11/03

Time 8:00 AM

How DRY

Drilling will commence: _____

Reported by FRANKIE HATHAWAY

Telephone # 1-435-613-9777

Date 06/11/2003 Signed: CHD



ConocoPhillips Company
Property Tax, Real Estate,
Right of Way & Claims
P.O. Box 105
Livermore, CO 80536

May 12, 2003

Diana Mason
State of Utah Department of Natural Resources
Division of Oil, Gas and Mining
Oil and Gas Program
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Dear Ms. Mason:

During June 2003 ConocoPhillips Company plans to drill the U.S.A. 10-696 natural gas well, which will be located in the Southeast One-quarter of Section 10, Township 15 South, Range 10 East, S.L.B.&M., Carbon County, Utah. COPC has filed an Application for Permit to Drill (APD) with the U.S.D.O.I. Bureau of Land Management ("BLM") for this well. The surface estate of the location for the subject well pad location is privately owned by John M. Brown ("Surface Owner").

On May 7, 2003 the Surface Owner executed a Surface Use and Damage Agreement effective as of the 15th day of April 2003 covering the property described above. This Agreement was entered into pursuant to Federal Onshore Oil and Gas Order No. 1, BLM's Instruction Memorandum No. 2003-131 and the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R659-3-34. It includes an agreement for the protection of surface resources, access to enter the Property, compensation for damages, reclamation of the subject surface property and well site restoration for the surface pad location for the subject well and associated infrastructure. Enclosed is an Affidavit Concerning Surface Use Agreement evidencing the Surface Owner's agreement, including Exhibit A, which is a true and correct copy of the Memorandum of Surface Use and Damage Agreement signed by the Surface Owner.

Please advise Jean Semborski with COPC or me if you have questions or require additional information regarding the subject Surface Use and Damage Agreement.

Sincerely,

Deanna J. Walker
Phone: 970-498-9677
Fax: 970-498-9687
E-mail: Deanna.J.Walker@conocophillips.com

Enc.

cc: Jean Semborski, ConocoPhillips Company
Marie McGann, U.S.D.O.I. Bureau of Land Management

File: UT/Carbon 173; John M. Brown
Well U.S.A. 10-696



ConocoPhillips Company
Property Tax, Real Estate,
Right of Way & Claims

P.O. Box 105
Livermore, CO 80536

May 12, 2003

Federal Express Delivery

Marie McGann
U.S.D.O.I. Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

Dear Ms. McGann:

During June 2003 ConocoPhillips Company plans to drill the U.S.A. 10-696 natural gas well, which will be located in the Southeast One-quarter of Section 10, Township 15 South, Range 10 East, S.L.B.&M., Carbon County, Utah. COPC has filed an Application for Permit to Drill (APD) with the U.S.D.O.I. Bureau of Land Management ("BLM") for this well. The surface estate of the location for the subject well pad location is privately owned by John M. Brown ("Surface Owner").

On May 7, 2003 the Surface Owner executed a Surface Use and Damage Agreement effective as of the 15th day of April 2003 covering the property described above. This Agreement was entered into pursuant to Federal Onshore Oil and Gas Order No. 1, BLM's Instruction Memorandum No. 2003-131 and the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R659-3-34. It includes an agreement for the protection of surface resources, access to enter the Property, compensation for damages, reclamation of the subject surface property and well site restoration for the surface pad location for the subject well and associated infrastructure. Enclosed is an Affidavit Concerning Surface Use Agreement evidencing the Surface Owner's agreement, including Exhibit A, which is a true and correct copy of the Memorandum of Surface Use and Damage Agreement signed by the Surface Owner.

Please advise Jean Semborski with COPC or me if you have questions or require additional information regarding the subject Surface Use and Damage Agreement.

Sincerely,

Deanna J. Walker

Phone: 970-498-9677

Fax: 970-498-9687

E-mail: Deanna.J.Walker@conocophillips.com

Enc.

cc: Jean Semborski, ConocoPhillips Company
Diana Mason, State of Utah Division of Oil, Gas and Mining

File: UT/Carbon 173; John M. Brown
Well U.S.A. 10-696

**AFFIDAVIT CONCERNING
SURFACE USE AGREEMENT**

STATE OF COLORADO }
 }
COUNTY OF LARMER }

DEANNA J. WALKER, being first duly sworn upon her oath, deposes and says:

1. I am a Senior Real Estate Specialist in the Property Tax, Real Estate, Right of Way and Claims Organization of ConocoPhillips Company, a Delaware corporation duly authorized to transact business in the State of Utah, ("COPC") and am authorized to execute this Affidavit on behalf of said corporation.
2. **John M. Brown** ("Surface Owner") owns the surface estate of property located in the **Southeast One-quarter of Section 10, Township 15 South, Range 10 East, S.L.B.&M., Carbon County, Utah** ("Property").
3. COPC owns or operates oil and gas rights, including mineral leases, and may become holder of other oil and gas rights, including mineral leases, underlying and in the vicinity of the Property ("Leases") and desires to enter on the Property for the purposes of conducting oil and gas operations related to such oil and gas rights, including mineral leases.
4. **On May 7, 2003 the Surface Owner executed a Surface Use and Damage Agreement effective as of the 15th day of April, 2003 covering the Property.** In addition to other agreements and as required by Federal Onshore Oil and Gas Order No. 1, the U.S.D.O.I. Bureau of Land Management's Instruction Memorandum No. 2003-131 ("IM 2003-131") and the State of Utah Division of Oil, Gas and Mining ("DOGMA"), Oil and Gas Conservation General Rules, R649-3-34 ("Well Site Restoration Rules"), the Surface Use and Damage Agreement sets forth the agreement between COPC and the Surface Owner for the protection of surface resources, access to enter the Property, compensation for damages, reclamation of the Property and well site restoration for the surface pad location for COPC's U.S.A. 10-696 well and associated infrastructure, which will be located on the Property. **A true and correct copy of the Memorandum of Surface Use and Damage Agreement, as executed by the Surface Owner on May 7, 2003, is attached to this Affidavit as Exhibit A and made a part hereof.** The fully executed Memorandum of Surface Use and Damage Agreement will be filed in the public records of Carbon County.

5. I execute and record this affidavit in accordance with the requirements of Federal Onshore Oil and Gas Order No. 1, IM 2003-131 and DOGM's Well Site Restoration Rules.
6. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 12th day of May 2003.



DEANNA J. WALKER
ConocoPhillips Company
Senior Real Estate Specialist

Subscribed, sworn and acknowledged to and by Deanna J. Walker before me this 12th day of May 2003.



NOTARY PUBLIC
For the State of Colorado

My Commission Expires:

October 15, 2005

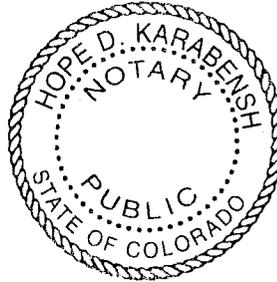


EXHIBIT A
to
Affidavit Concerning Surface Use Agreement
Executed on May 12, 2003

Once Recorded Please Return To:
Deanna J. Walker
ConocoPhillips Company
P.O. Box 105
Livermore, CO 80538

by
Deanna J. Walker
ConocoPhillips Company

MEMORANDUM OF SURFACE USE AND DAMAGE AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

That John M. Brown, whose address is 3212 South State Street, Salt Lake City, Utah 84115-3825, ("Grantor") and ConocoPhillips Company, a Delaware Corporation, whose address is Property Tax, Real Estate, Right of Way and Claims, P.O. Box 7500, Bartlesville, Oklahoma, 74005-7500 ("Grantee") have entered into a Surface Use and Damage Agreement dated effective as of the 15th day of April, 2003 ("Agreement").

The Agreement, which is unrecorded and may be found in the files of Grantor and Grantee, is adopted herein and made a part hereof by reference to the same full extent as if all its provisions were copied in full in this Memorandum.

Pursuant to the terms of the Agreement, Grantor grants to Grantee and all of its parent, subsidiary, or other affiliated companies, their agents, employees and others authorized by them the right-of-way to use the Property described in Exhibit A, attached hereto and made a part of this Memorandum ("Property"), for the purpose of access to and from mineral leases and rights it owns and operates underlying and in the vicinity of the Property ("Leases"), for well locations, pipelines and power lines and for other facilities related to its conduct of operations pursuant to the Leases.

This Memorandum shall be binding on and inure to the benefit of Grantor and Grantee, their respective heirs, administrators, successors and assigns.

The parties hereto have executed this Memorandum as of the dates of the respective acknowledgements.

GRANTOR:

GRANTEE:

JOHN M. BROWN

CONOCOPHILLIPS COMPANY

John M. Brown

By: _____

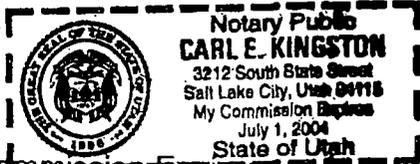
Title: Attorney-in-Fact

State of Utah }

County of Salt Lake }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that **John M. Brown** acknowledged before me on this day that, being informed of the contents of the foregoing Memorandum of Surface Use and Damage Agreement, he executed the same voluntarily.

Given under my hand and official seal, this the 7 day of May, 2003.



Carl E. Kingston
Notary Public

My Commission Expires _____

State of _____ }

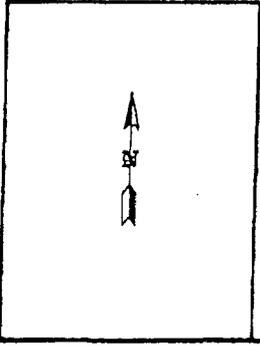
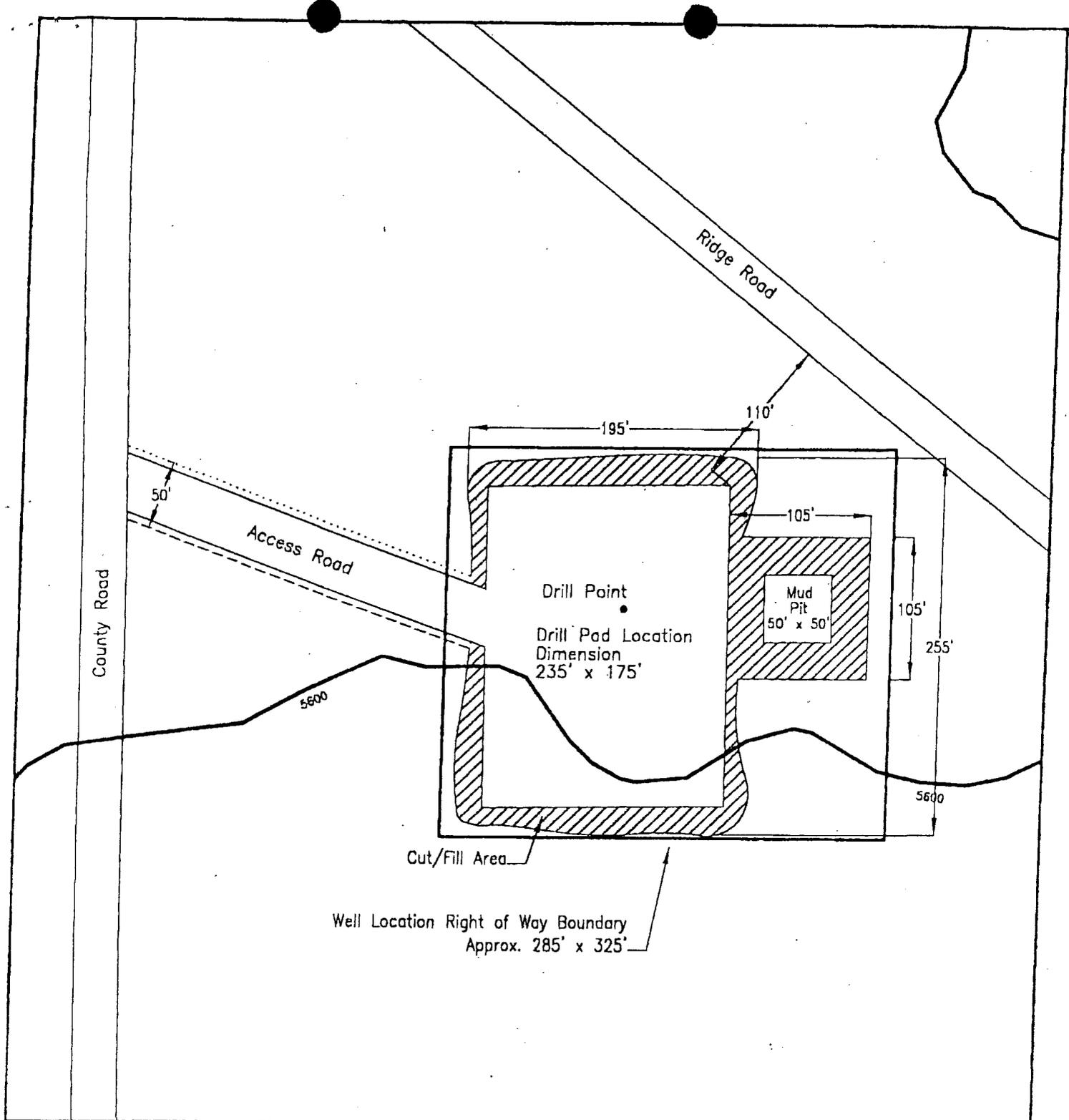
County of _____ }

I, the undersigned authority, a Notary Public in and for said County in said State, hereby certify that _____ whose name as Attorney-in-Fact of **ConocoPhillips Company**, is signed to the foregoing Memorandum of Surface Use and Damage Agreement, and who is known to me, acknowledged before me on this day that, being informed of the contents of the instrument, he, as authorized agent and with full authority, executed the same voluntarily and as the act of said corporation.

Given under my hand and official seal, this the _____ day of _____, 2003.

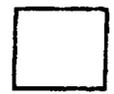
Notary Public

My Commission Expires _____



LEGEND

Well Location Right of Way Boundary:



Pipelines: .
Powerlines: - - - - -
Access Road: = = = = =

Scale: 1" = 100'

April 16, 2003

ConocoPhillips Company
6825 South 5300 West
P.O. Box 851
Price, Utah 84501
Phone: (435) 613-9777
Fax: (435) 613-9782



Well # 10-896
Sec. 10, NW 1/4 SE 1/4, T15S, R10E,
S.L.B.&M., Carbon County, Utah

EXHIBIT A

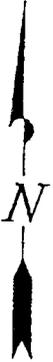
T15S, R10E, S.L.B.&M.

PHILLIPS PETROLEUM COMPANY

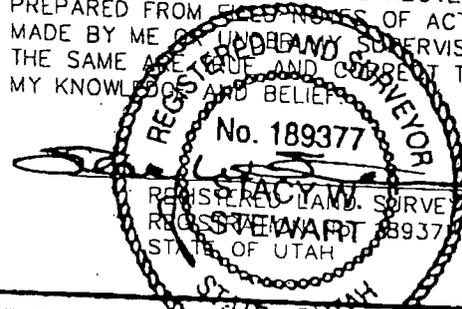
WELL LOCATION, USA 10-696, LOCATED AS SHOWN IN THE NW 1/4 SE 1/4 OF SECTION 10, T15S, R10E, S.L.B.&M. CARBON COUNTY, UTAH.

USA 10-696
(NAD 83)
LATITUDE = 39° 31' 54.70"
LONGITUDE = 110° 47' 08.98"

USA 10-696
(UTM NAD 27)
NORTH = 4,375,616
EAST = 518,467



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



TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

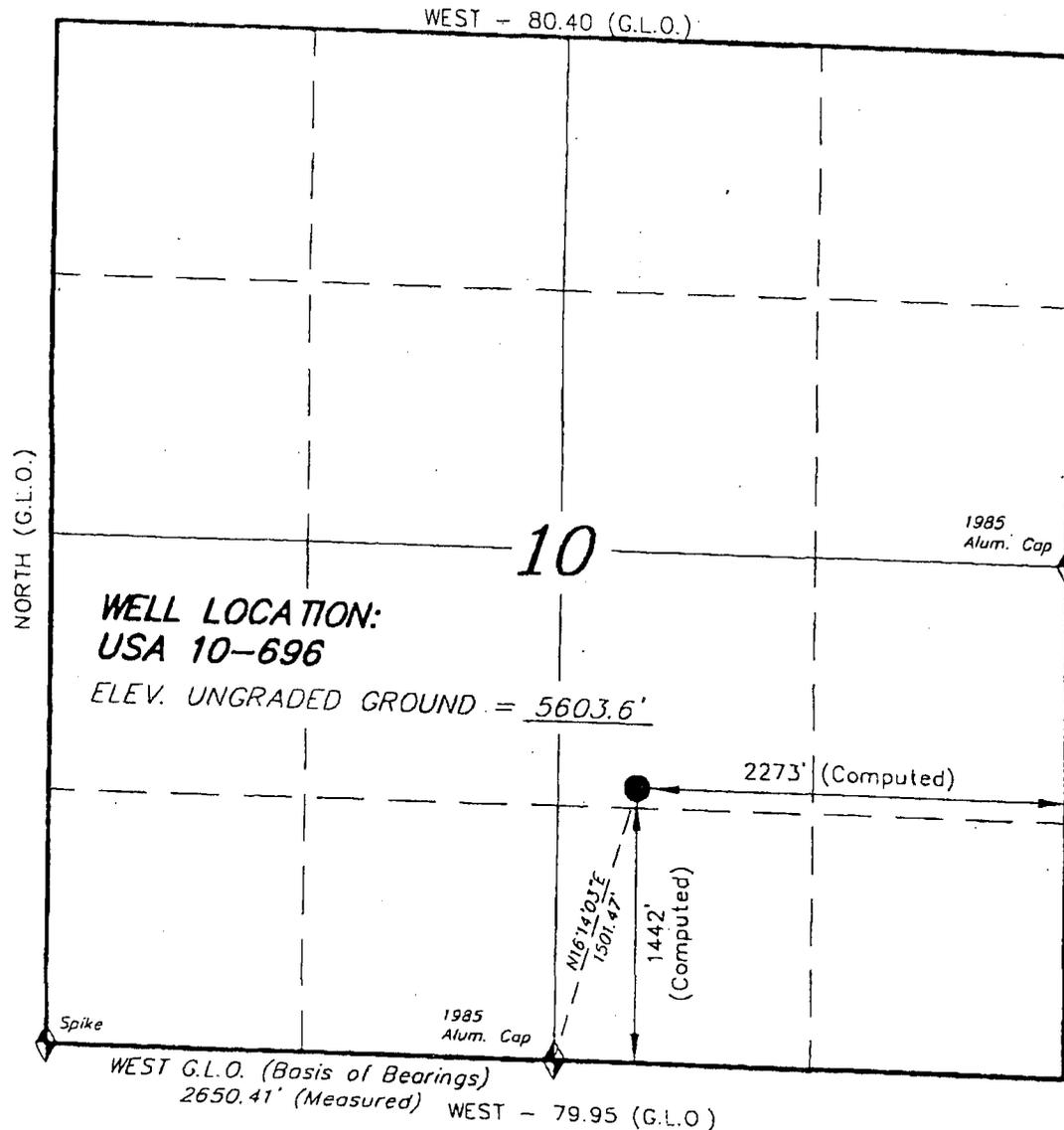
SCALE: 1" = 1000' SURVEYED BY: D.J.S.

DATE: 7-15-02

DRAWN BY: J.R.S.

FILE #

EXHIBIT A
Page 3



◆ = SECTION CORNERS LOCATED
BASIS OF ELEV.; U.S.G.S. 7-1/2 min QUAD (PRICE)

WELL LOCATION:
USA 10-696
ELEV. UNGRADED GROUND = 5603.6'

WEST G.L.O. (Basis of Bearings)
2650.41' (Measured) WEST - 79.95 (G.L.O.)

WEST - 80.40 (G.L.O.)

10

1985 Alum. Cap

2273' (Computed)

1442' (Computed)

N16°15'01"E
1501.47'

1985 Alum. Cap

Spike

NORTH (G.L.O.)

NORTH (G.L.O.)

1990)

SUBMIT IN DUPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

015

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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 1442' FSL 2273' FWT FEL
At proposed prod. zone

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

4.6 miles SE of Price Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)

122'

16. NO. OF ACRES IN LEASE

200 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.

1500'

19. PROPOSED DEPTH

1100' TD

20. ROTARY OR CABLE TOOLS

Rotary

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

5603.6' GR

22. APPROX. DATE WORK WILL START*

Sept. 2002

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'	43sks G+2% CaCl + 1/4# per sack flocl 79 sks 50/50 POZ +8%gel+2%CaCl+10%extender. 54sks "G" thixotropic
11"	8-5/8"	24 #/ft	110'	
7-7/8"	5-1/2"	17 #/ft	1090'	

RECEIVED

MAY 29 2003

DIV. OF OIL, GAS & MINING

RECEIVED
MAD FIELD OFFICE
2002 JUL 29 A 11: 04
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

CONDITIONS OF APPROVAL ATTACHED

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 Jan Semberki TITLE Permitting Analyst DATE 7/17/02

(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 William Stringer TITLE Assistant Field Manager, Division of Resources DATE MAY 23 2003

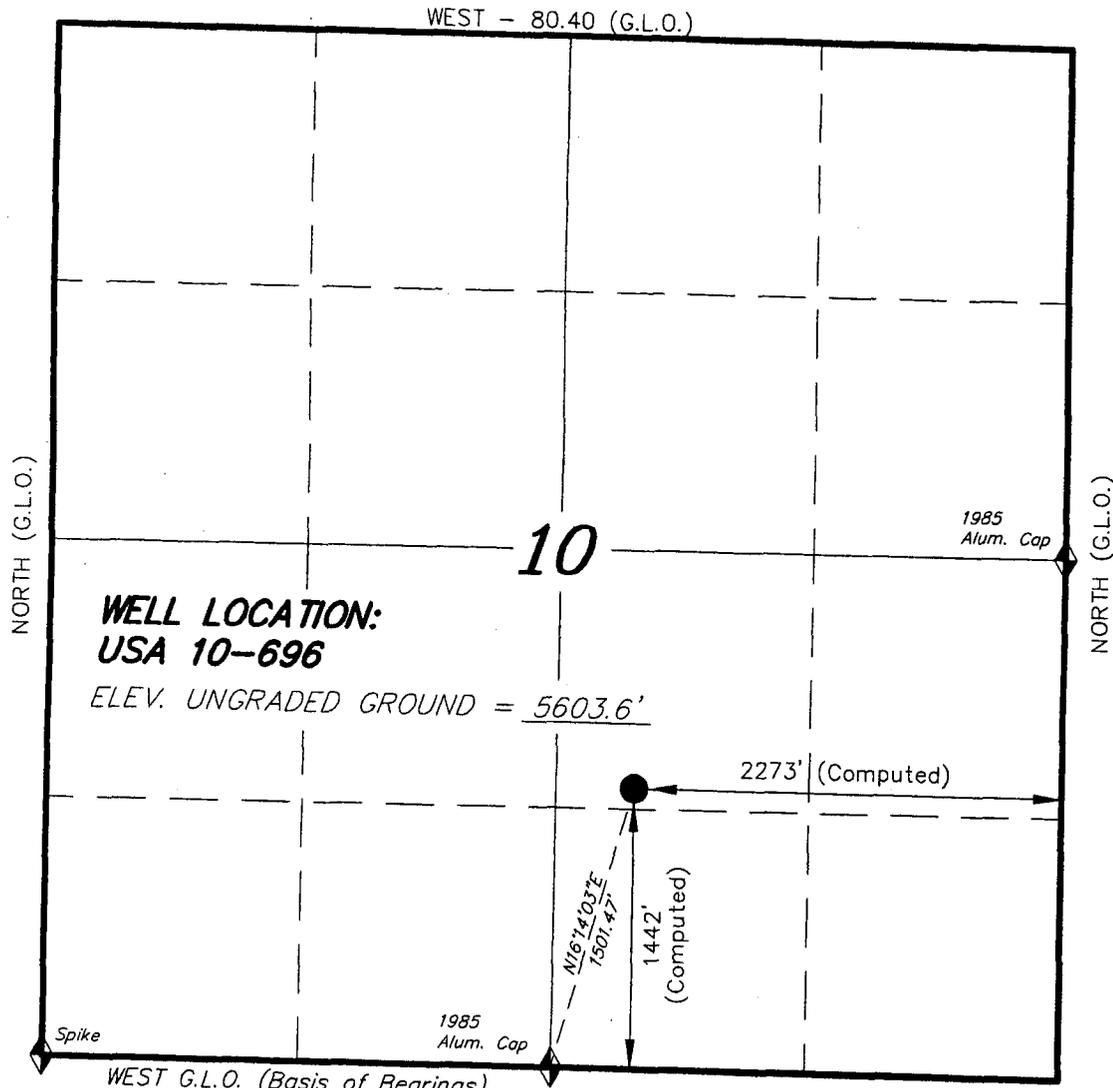
*See Instructions On Reverse Side

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.

T15S, R10E, S.L.B.&M.

PHILLIPS PETROLEUM COMPANY

WELL LOCATION, USA 10-696, LOCATED AS SHOWN IN THE NW 1/4 SE 1/4 OF SECTION 10, T15S, R10E, S.L.B.&M. CARBON COUNTY, UTAH.

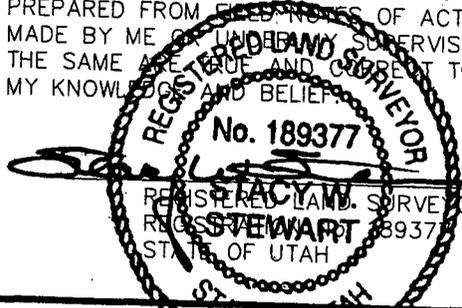


USA 10-696
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LATITUDE = 39° 31' 54.70"
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TRI STATE LAND SURVEYING & CONSULTING
180 NORTH VERNAL AVE. - VERNAL, UTAH 84078
(435) 781-2501

SCALE: 1" = 1000'	SURVEYED BY: D.J.S.
DATE: 7-15-02	
DRAWN BY: J.R.S.	FILE #

◆ = SECTION CORNERS LOCATED
BASIS OF ELEV; U.S.G.S. 7-1/2 min QUAD (PRICE)

ConocoPhillips Company
USA 10-696
Lease U-79150
NWSE Section 10, T15S, R10E
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 ConocoPhillips 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 - ConocoPhillips 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. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III,E, Special Drilling Operations, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
4. If cement behind the production casing (5-1/2") does not circulate to surface, a Cement Bond Log (CBL), temperature survey or other appropriate tool shall be used to determine top of cement.
5. Should this well prove to be capable of production, a Communitization Agreement (CA) must be established to provide for the protection of correlative rights of the non-federal portion of the spacing unit (SWSE). Please contact the Teresa Thompson, BLM Utah State Office at 801-539-4047, with any questions you might have on how to form a CA. Application must be made within 120 days of well completion.

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
2. The mud pit shall be unlined.
3. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Slate Gray (5WA20-6) taken from the Munsell color chart. Any facilities that must be painted to comply with OSHA standards are exempt.

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
	Total	<hr/> 8

SM-3

Salt Desert 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>		
Indian rice grass	<u>Oryzopsis hymenoides</u>	2
Squirreltail	<u>Elymus elymoides</u>	2
Galleta	<u>Hilaria jamesii</u>	2
<u>Forbes</u>		
Lewis flax	<u>Linum perenne lewisii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	1
Gooseberryleaf globemallow	<u>Sphaeralcea grossulariifolia</u>	0.5
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	2
Rubber rabbitbrush	<u>Chrysothamnus nauseosus</u>	1
Fourwing saltbrush	<u>Atriplex canescens</u>	2
Winterfat	<u>Krascheninnikovia (Eurotia) lanta</u>	2
	Total	<hr/> 15.5

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) 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

017

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

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

OPERATOR ACCT. NO. N2335

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	13814	43-007-30862	USA 10-696	NWSE	10	15S	10E	Carbon	6/11/03	6/19/03
WELL 1 COMMENTS: New single well spud outside PA but inside of Unit Boundary <i>of outside</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS: RE											
WELL 5 COMMENTS: ORIGINAL RECEIVED JUN 16 2003 DIV. OF OIL, GAS & MINING											
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.

Frankie Hathaway *Frankie Hathaway*
 Signature
 Operations Clerk 6/10/03
 Title Date
 Phone No. (435) 613-9777

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

016

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.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator: ConocoPhillips Company

3. Address and Telephone Number: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. Location of Well Footages: 1442' FSL, 2273' FEL
Q, Sec., T., R., M.: NW/4, SE4 Sec. 10, T. 15S, R. 10E, SLB&M

5. Lease Designation and Serial Number: U-79150

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

7. Unit Agreement Name: Drunkards Wash UTU-67921X

8. Well Name and Number: USA 10-696

9. API Well Number: 43-007-30862

10. Field or Pool, or Wildcat: Drunkards Wash

County: Carbon County
State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

- 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 Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other Spud Notice
- Date of work completion _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

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 USA 10-696 well was spud on 6/11/03 at 11:00 A.M..
Pense bros. Rig #9
Dry drill

ORIGINAL

CONFIDENTIAL

13.

Name & Signature: Frankie Hathaway

Title: Operations Clerk

Date: 6/12/03

(This space for state use only)

RECEIVED

JUN 16 2003

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

018

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

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
 Oil Gas

2. Name of Operator
ConocoPhillips

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)
1442' FSL, 2273' FEL
NW/4, SE/4, Sec. 10, T15S, R10E, SLB&M

5. Lease Designation and Serial No.
U-79150
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 10-696
9. API Well No.
43-007-30862
10. Field and Pool, or Exploratory Area
Drunkards Wash
11. County or Parish, State
Carbon County, Utah

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.

COPY

CONFIDENTIAL

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

Signed Markie Hayward Title Operations Clerk/Development Date 6/23/03

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval, if any:

RECEIVED
JUN 25 2003

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.

DIV. OF OIL, GAS & MINING

DRUNKARDS WASH PROJECT DAILY WELL REPORT

CONFIDENTIAL

USA

10-696

API NO: 43-007-30862

1442' FSL, 2273' FEL

NWSE SEC: 10 TWN: 15S RNG: 10E

COUNTY: Carbon

ELEVATION: 5603.6

DRILLING CONTRACTOR: Pense Brothers Rig #9

SPUD TIME/DATE: 6/11/2003 11:00:00 AM

TD TIME/DATE: 6/12/2003 4:00:00 PM

TD DEPTH: 1160

ON-LINE TIME/DATE:

Bit Information

Type	Size	In	Out	Hours	Rotating Hours
Air Hammer	15 in	0.00	17.00	1	0.5
Air Hammer	11 in	17.00	280.00	2	1.5
Air Hammer	7 7/8	268.00	1160.00	7	5.5

Conductor Casing

Bore Hole Size: 15 in Conductor From: 0.00 To: 17.00

Casing Description: 12 3/4in PE Number of Joints: 1 Set @: 17.00

Cement: Amount:

Cement Report:

Surface Casing

Bore Hole Size: 11 in Surface Casing From: 17.00 To: 280.00

Casing Description: 8 5/8 in 24#/ft J-55 Number of Joints: 9 Set @: 266.10

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

Cement Report: jsa, safety mtg, r/up cementers, pump 30bbls h2o ahead, mix & pump cement, displace w/ 14bbls h2o, close valve @ 3:05pm 6/11/03, 7 bbls good cement to surface,

Production Casing

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

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

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

Tail Cement: 10-1 RFC Amount:

Cement Report:

Float Equipment: Centralizers ran on:

Drilling Data

DAY 1 6/12/2003

CURRENT DEPTH: 280 CURRENT OPERATIONS: n/up bope ROTATING HRS: 2.00

7am-9am no activity,
9am-10am move on location, jsa, safety mtg,
10am-11am r/up & service equipment,
11am-12pm spud @ 11am 6/11/03, drill & set 17ft of conductor, n/up to drill 11in hole,
12pm-1:30pm drill 280ft of 11in hole,
1:30pm-2pm clean hole, pooh,
2pm-2:30pm rih w/ 8 5/8in guide shoe + 9 jts of 8 5/8in csg, land @ 266.1ft,
2:30pm-3:05pm jsa, safety mtg, r/up cementers, cement surface csg, close valve @ 3:05pm 6/11/03, 7bbls good cement to surface,
3:05pm-7pm prep to break loose, service equipment,
7pm-7am no activity,

Estimated Daily Cost: [REDACTED]

DAY 2 6/13/2003

CURRENT DEPTH: 1160 CURRENT OPERATIONS: moving off location, ROTATING HRS: 5.50

7am-8:30am jsa, safety mtg, n/up bope,
8:30am-9:30am test bope,
9:30am-10:30am n/up to drill 7 7/8in hole,
10:30am-12pm drill 7 7/8in hole to 740ft,
12pm-4pm drill 740-1160ft, td @ 4pm 6/12/03,
4pm-4:30pm clean hole,
4:30pm-5:15pm pooh,
5:15pm-7pm r/up loggers, log well, r/down loggers,
7pm-8pm r/down drill rig,
8pm-7am no activity,

Estimated Daily Cost: [REDACTED]

DAY 3 6/14/2003

CURRENT DEPTH: 1060 CURRENT OPERATIONS: WOC ROTATING HRS: 0.00

07:00 - 08:00 RDMO Pense Drilling.
08:00 - 10:00 No activity
10:00 - 12:00 MIRU Key Rig 920. Change BOPE rams.
12:00 - 13:00 Rack pipe off trucks.
13:00 - 13:30 Tally casing.
13:30 - 15:30 TIH 5 1/2" 17# N-80 LT&C rg-2 casing. 50 jts 1065.70'. Tagged fill at 1075' NOTE FLAG JOINT #24.
15:30 - 16:00 make up casing hanger and landing sub.
16:00 - 1730 WO cementers.
1730-1830 land csg, r/up cementers,
1830-1910 safety mtg, cement longstring, plug down @ 1710, 2 bbls good cement to surface,
1710-1800 r/down cementers, sdfn

Estimated Daily Cost: [REDACTED]

DAY 4 6/15/2003

CURRENT DEPTH: 1060 CURRENT OPERATIONS: no activity ROTATING HRS: 0.00

7am-11:30am jsa, safety mtg, n/down bop, n/up wellhead, test wellhead to 5000#, r/down & move close to 128 well,

Estimated Daily Cost: [REDACTED]



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO
UT-922

September 11, 2003

ConocoPhillips Company
c/o Dolar Energy LLC
935 East South Union Avenue, Suite D-202
Midvale, Utah 84047-2393

Gentlemen:

Enclosed is one approved copy of Communitization Agreement No. UTU80976. This agreement communitizes all rights as to natural gas and associated liquid hydrocarbons producible from the Ferron Formation, covering the SE $\frac{1}{4}$ of Section 10, Township 15 South, Range 10 East, SLB&M, Carbon County, Utah. This agreement conforms with the spacing set forth in Order No. 137-2(B) which was issued by the State of Utah, Board of Oil, Gas and Mining on February 25, 1982.

This agreement is effective as of June 1, 2003. The communitized area covers 160.00 acres and includes portions of Federal oil and gas lease UTU79150.

Approval of this agreement does not warrant or certify that the operator thereof and other holders of operating rights hold legal or equitable title to those rights in the subject leases which are committed hereto.

Minerals Management Service Form MMS-4054, "Oil & Gas Operations Report", must be submitted for this agreement beginning with the month in which drilling operations commence for Well No. 10-696, located in the NW $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 10, Township 15 South, Range 10 East, SLB&M, Carbon County, Utah, API # [REDACTED], on Federal Lease UTU79150. Form MMS-4054 is to be mailed to the Minerals Management Service, Production Accounting Division, P. O. Box 17110, Denver, Colorado 80217.

Please furnish all interested principals with necessary evidence of this approval.

Sincerely,

/s/ Robert Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Minerals Adjudication Group w/enclosure
Field Manager - Moab w/enclosure
Division Oil, Gas & Mining
File - UTU80976
MMS - Data Management Division (Attn: James Sykes)
Agr. Sec. Chron.
Fluid Chron.

UT922:TATHOMPSON:tt:9/11/03

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

020

SUBMIT IN TRIPLICATE

1. Type of Well
 Oil Gas Other

CONFIDENTIAL

2. Name of Operator
ConocoPhillips

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)
1442' FSL, 2273' FEL
NW/4,SE/4, Sec.10, T15S, R10E,SLB&M

5. Lease Designation and Serial No.
U-79150

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 10-696

9. API Well No.
43-007-30862

10. Field and Pool, or Exploratory Area
Drunkards Wash

11. County or Parish, State
Carbon County, Utah

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"/> 1st Production Notification	<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
	<input type="checkbox"/> 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.)*

Please be advised that the USA 10-696 showed first production on: 8/13/03.
Gas production: 2 mcf
Water production: 313 bbl

COPY

CONFIDENTIAL

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

Signed Frank Hatraway Title Operations Clerk/Development Date 10/22/03 **RECEIVED**

(This space for Federal or State office use)

Approved by _____ Title _____ Date OCT 2 / 2003
Conditions of approval, if any: **DIV. OF OIL, GAS & MINING**

Tit. 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.

021

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE
(See other In-
structions 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
b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR.
Other **RECEIVED**
Other **NOV 03 2003**

2. NAME OF OPERATOR
ConocoPhillips Company **DIV. OF OIL, GAS & MINING**

3. ADDRESS OF OPERATOR
6825 S. 5300 W. P.O. Box 851 Price, Utah 84501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface **1442' FSL, 2273' FEL**
At top prod. interval reported below
At total depth

14. PERMIT NO. **43-007-30862** DATE ISSUED **5/15/03**

15. DATE SPUDDED **6/11/03** 16. DATE T.D. REACHED **6/12/03** 17. DATE COMPL. (Ready to prod.) **8/13/03** 18. ELEVATIONS (OF, REB, RT, GR, ETC.) **5603.6' GR** 19. ELEV. CASINGHEAD **N/A**

20. TOTAL DEPTH, MD & TVD **1160'** 21. PLUG BACK T.D., MD & TVD **1066'** 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 706' & Bottom Coal 839' 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	17'	15"		
8-5/8"	24#	266'	11"	150sksG+2%S1,+1/4#sk D29	
5-1/2"	17#	1066'	7-7/8"	100 sks 50/50poz,8%D20,10%D44,1/4#/skD20,2%S1	
				90sks10-1 RFC (thixotropic)	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET
					2-7/8"	839'	

31. PERFORATION RECORD (Interval, size and number) 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

INTERVAL (MD)	CHOKE SIZE	AMOUNT AND KIND OF MATERIAL USED
Ferron Coal: Upper: 706'-716'	4 slots/ft	6000#, 20/40; 14,710 gal fluid (cobra jet)
Upper Middle: 724'-734'	4 slots/ft	16,000#, 20/40; 30,800 gal fluid (cobra jet)
Lower Middle: 812'-820'	4 slots/ft	20,000#, 20/40, 65,810 gal fluid (cobra jet)
Lower: 836'-839'	4 slots/ft	20,000#, 20/40; 100,810 gal fluid (cobra jet)

33. PRODUCTION

DATE FIRST PRODUCTION 8/13/03	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) Pumping PC 200-2100	WELL STATUS (Producing or shut-in) Producing					
DATE OF TEST 8/13/03	HOURS TESTED 24	CHOKE SIZE N/A	PROD'N. FOR TEST PERIOD →	OIL--BBL. N/A	GAS--MCF. 2	WATER--BBL. 313	GAS-OIL RATIO N/A
FLOW. TUBING PRESS. 14	CASING PRESSURE 14	CALCULATED 24-HOUR RATE →	OIL--BBL. N/A	GAS--MCF. 2	WATER--BBL. 313	OIL GRAVITY - API (CORR.) N/A	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) **SOLD** TEST WITNESSED BY **Kevin E. Snow**

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 **Kevin Snow** TITLE **Operations Superintendent** DATE **10/31/03**

CONFIDENTIAL
PERIOD
EXPIRED
ON 9-13-04

CONFIDENTIAL

WELL NUMBER: USA 10-696

37 SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):		38. GEOLOGIC MARKERS				
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP MEAS. DEPTH	TRUE VERT. DEPTH
Ferron	703'	839'	Coals and Sandstones Coal Interval: 703'-839'	Blue Gate Bentonite	548'	
				Tununk Shale	975'	
				Ferron Sandston	692'	

0-22

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:

2. Name of Operator:

ConocoPhillips 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:

1442' FSL, 2273' FEL

QQ, Sec., T., R., M.:

NW/ SE, SEC. 10, T15S, R10E, SLB & M

5. Lease Designation and Serial Number:

U-79150

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

Drunkards Wash UTU-67921X

8. Well Name and Number:

USA 10-696

9. API Well Number:

43-007-30862

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)

- | | |
|--|--|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Csg |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |
- Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|--|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Csg |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Acid Treatment</u> | |
- Date of work completion 10/29/03

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 and 250 gallons 4% HCL on 10/29/2003.

13.

Name & Signature: Lynnette Allred

Title: Operations Clerk—Production

Date: 11/11/2003

(This space for state use only)

RECEIVED
NOV 14 2003