



6825 South 5300 West
P.O. Box 851
Price, UT 84501
phone 435.613.9777
fax 435.613.9782

May 29, 2003

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

RE: Application for Permit to Drill-
Feichko 15-675, SW/4 SW/4 Sec. 15
T15S, R10E, SLB & M, Carbon County, Utah

Dear Ms. Mason:

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;

COPY

CONFIDENTIAL

RECEIVED

JUN 02 2003

DIV. OF OIL, GAS & MINING

Feichko 15-675

Page 2

This proposed well is located less 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, 1166' FSL and 201' FWL, 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, ConocoPhillips Company is the only "owner" of record for the offset drilling unit in the SE/4 of section 16. 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 ConocoPhillips' 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 Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. Gene Herrington, Texaco
Mr. John Lennon, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jane Strickland, ConocoPhillips
Mrs. Deanna Walker, ConocoPhillips
Mr. Mark Jones, DOGM, Price, Utah
ConocoPhillips Well File

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

FORM 3

AMENDED REPORT
(HIGHLIGHT CHANGES)

001

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO. Private	6. SURFACE Private
A. Type of Work: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: N/A	
2. NAME OF OPERATOR: ConocoPhillips Company		9. WELL NAME and NUMBER: Feichko 15-675	
3. ADDRESS OF OPERATOR: 6825 South 5300 West, P.O. Box 851, Price, Utah 84501 CITY STATE ZIP		PHONE NUMBER: (435) 613-9777	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash <i>undesignated</i>
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1166' FSL, 201' FWL 517600 X -110, 79526 AT PROPOSED PRODUCING ZONE: <i>4373909Y 39.51652</i>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW/4 SW/4 Section 15, T15S, R10E, SLB&M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 5.5 miles south of Price, UT		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 201'	16. NUMBER OF ACRES IN LEASE: N/A	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2000'	19. PROPOSED DEPTH: 1220'	20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 5545.8' GR	22. APPROXIMATE DATE WORK WILL START: <i>Aut. 2003</i>	23. ESTIMATED DURATION:	

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
14"	12 3/4" Conductor	40'	
11"	J-55 8 5/8" 24#/ft	122'	55 sks G+2&CaCl+1/4#/sk floccel
7 7/8"	N-80 5 1/2" 17#/ft	1210'	75 sks 50/50poz8%gel+2%CaCl+1%extender
			80 sks "G" thixotropic

COPY

25. **ATTACHMENTS**

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

CONFIDENTIAL

Name & Signature: Jean Semborski Title: Permitting Supervisor Date: 5/29/03

(This space for state use only)

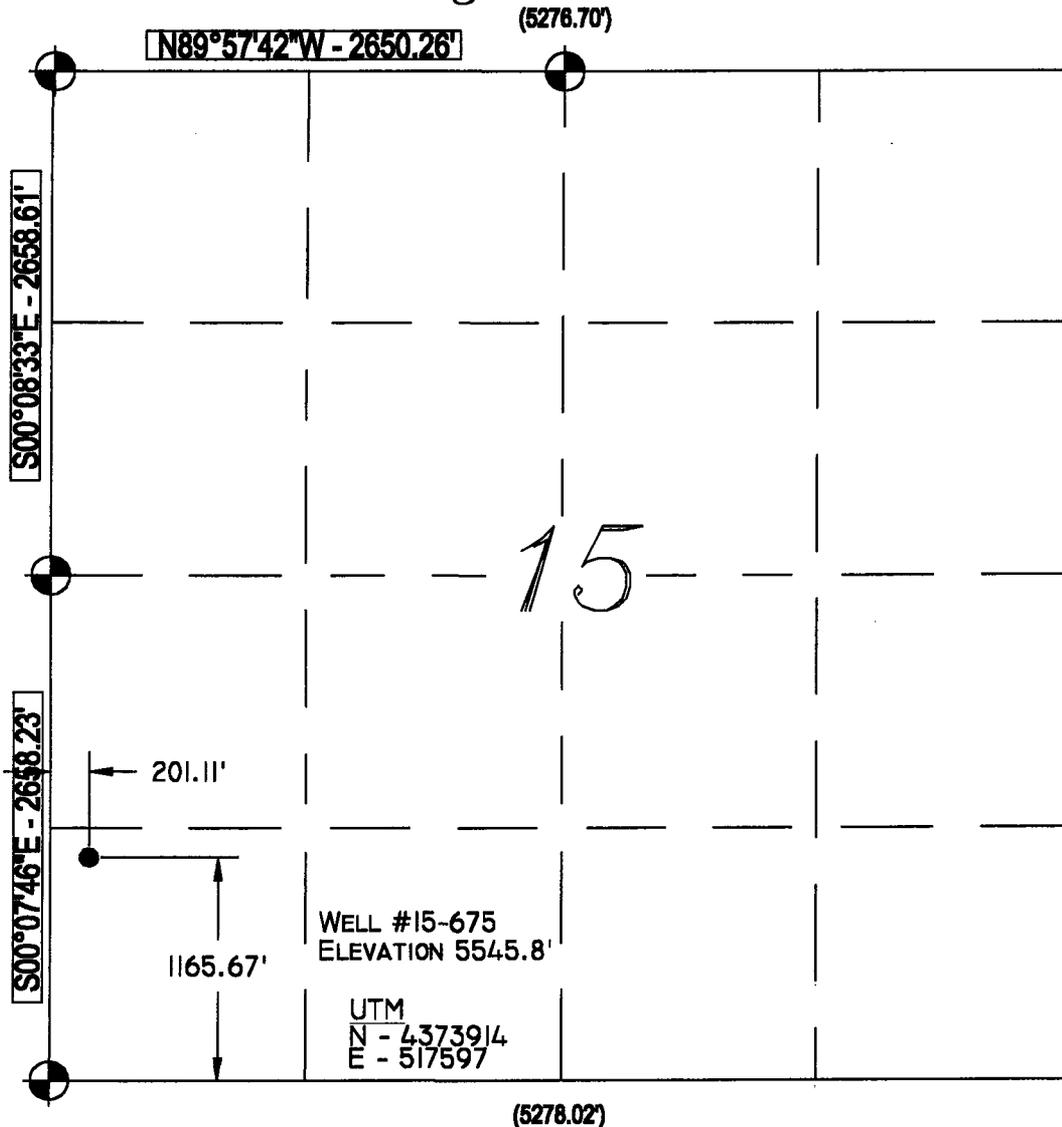
API Number Assigned: 43-007-30925

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 07-23-03
By: [Signature]

RECEIVED
JUN 02 2003
DIV. OF OIL, GAS & MINING

Township 15 South

Range 10 East



(5278.70')

N89°57'42\"W - 2650.26'

S00°08'33\"E - 2658.61'

S00°07'46\"E - 2658.23'

(5278.02')

WELL #15-675
ELEVATION 5545.8'

UTM
N - 4373914
E - 517597

15

Legend

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

NOTES:

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

LAT / LONG
39°31'00\"N
110°47'43\"W

Location:

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

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

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

Basis of Elevation:

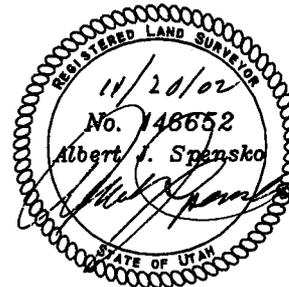
BASIS OF ELEVATION OF 5778' BEING AT THE NORTHWEST SECTION CORNER OF SECTION 4, TOWNSHIP 15 SOUTH, RANGE 10 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE ELMO QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SW1/4 SW1/4 OF SECTION 15, T15S, R10E, S.L.B.&M., BEING 1165.67' NORTH AND 201.11' EAST FROM THE SOUTHWEST CORNER OF SECTION 15, T15S, R10E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

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



GRAPHIC SCALE

0 500' 1000'
1 inch = 1000 ft.



TALON RESOURCES, INC.
375 S. Carbon Ave., Suite 101, (A-10)
Price, Utah 84501
Phone (435)637-8781 Fax (435)636-8603
E-Mail talon@castlenet.com



PHILLIPS PETROLEUM
WELL #15-675
Section 15, T15S, R10E, S.L.B.&M.
Carbon County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 11/20/02
Sheet 1 of 4	Scale: 1" = 1000' Job No. 828

**AFFIDAVIT CONCERNING
SURFACE USE AGREEMENT**

STATE OF COLORADO }
 }
COUNTY OF LARIMER }

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. **The Violet Feichko Family Trust., ("Surface Owner")** owns the surface estate of property located in the **Northwest One-quarter and the Southwest One-quarter of Section 15, 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. The Surface Owner executed a Surface Use and Damage Agreement effective as of the 15th day of May 2003, which covers the Property. In addition to other agreements and as required by the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R649-3-34 ("Well Site Restoration Rules"), the Surface Use and Damage Agreement sets forth the agreement between the parties for the protection of surface resources, reclamation of the Property and well site restoration, or damages in lieu thereof, for the surface pad locations for COPC's **Feichko 15-674 and Feichko 15-675** wells and associated infrastructure, which will be located on the Property. A Memorandum of Surface Use and Damage Agreement is being filed in the public records of Carbon County, Utah.
5. I execute and record this affidavit in accordance with the requirements of the 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 4th day of June, 2003.



DEANNA J. WALKER
ConocoPhillips Company
Property Tax, Real Estate,
Right of Way and Claims
Senior Real Estate Specialist

Subscribed, sworn and acknowledged to and by Deanna J. Walker before me this 4th day of June, 2003.



NOTARY PUBLIC
For the State of Colorado

My Commission Expires:

October 15, 2005



EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips
Feichko 15-675
SW/4, SW/4, Sec.15, T15S, R10E, SLB & M
1166' FSL, 201' FWL
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 770'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 800' - 920'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1400 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW, USED</u>
14"	40'	12-3/4"	Conductor	New
11"	122'	8-5/8"	24#ST&C	New
7-7/8"	1210'	5-1/2	17#LT&C	New

Cement Program -

Surface Casing: 55 sks G+2%CaCl+1/4#per sack flocel; 15.8#/gal, density, 1.15 cu.ft/sk yield. Every attempt will be made to bring cement back to surface.

Production Casing: 75 sks 50/50 poz 8%gel +2%CaCl+10%extender; 12.5#/gal, density, 1.92 cu.ft/sk yield.

80 sks "G" thixotropic, 14.2#/gal density, 1.61 cu.ft/sk yield

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;
- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-300	11" hole	Drill with air, will mud-up if necessary.
300-TD	7 7/8" hole	Drill with air. 400 psi @ 1500-1800 Scf.

7. The Testing, Logging and Coring Programs are as followed

300-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 528_ psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around June 2003.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to Form 3
ConocoPhillips
Feichko 15-675
SW/4, SW/4, Sec.15, T15S, R10E, SLB & M
1166' FSL, 201' FWL
Carbon County, Utah

1. Existing Roads

- a. We do not plan to change, alter or improve upon any existing state or county roads.
- b. Existing roads will be maintained in the same or better condition. See Exhibit "B".

2. Planned Access

Approximately 1500' of new access is required (See Exhibit "B")

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 4%
- c. Turnouts: None
- d. Drainage design: 4 culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and Power lines will follow the proposed access road.

3. Location of Existing Wells

- a. See Exhibit "B". There are 1 proposed and 4 existing wells within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H". Buried powerlines run along access on the east and north, gathering lines on the south or west.
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well will be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operation cease with woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.
- b. Following drilling, the liquid waste will be evaporated from the pit and the pit back-filled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tankage until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

11. Surface Ownership:

- a. The wellsite and access road will be constructed on lands owned by Violet Feichko Family Trust. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.

Surface Owner Contact Information:

Violet Feichko Family Trust
1210 East 5500 South
Price, Utah 84501
Phone: 435/637-0311

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 1250' northeast.
- b. Nearest live water is Miller Creek located at 300' south.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. Company Representative

Jean Semborski
Permitting Supervisor
ConocoPhillips
6825 S. 5300 W. P.O. Box 851
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative

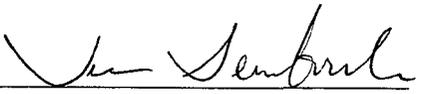
Excavation Contractor

Nelco Contractors Inc.
Larry Jensen
(435) 637-3495
(435) 636-5268

14. Certification

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

Date

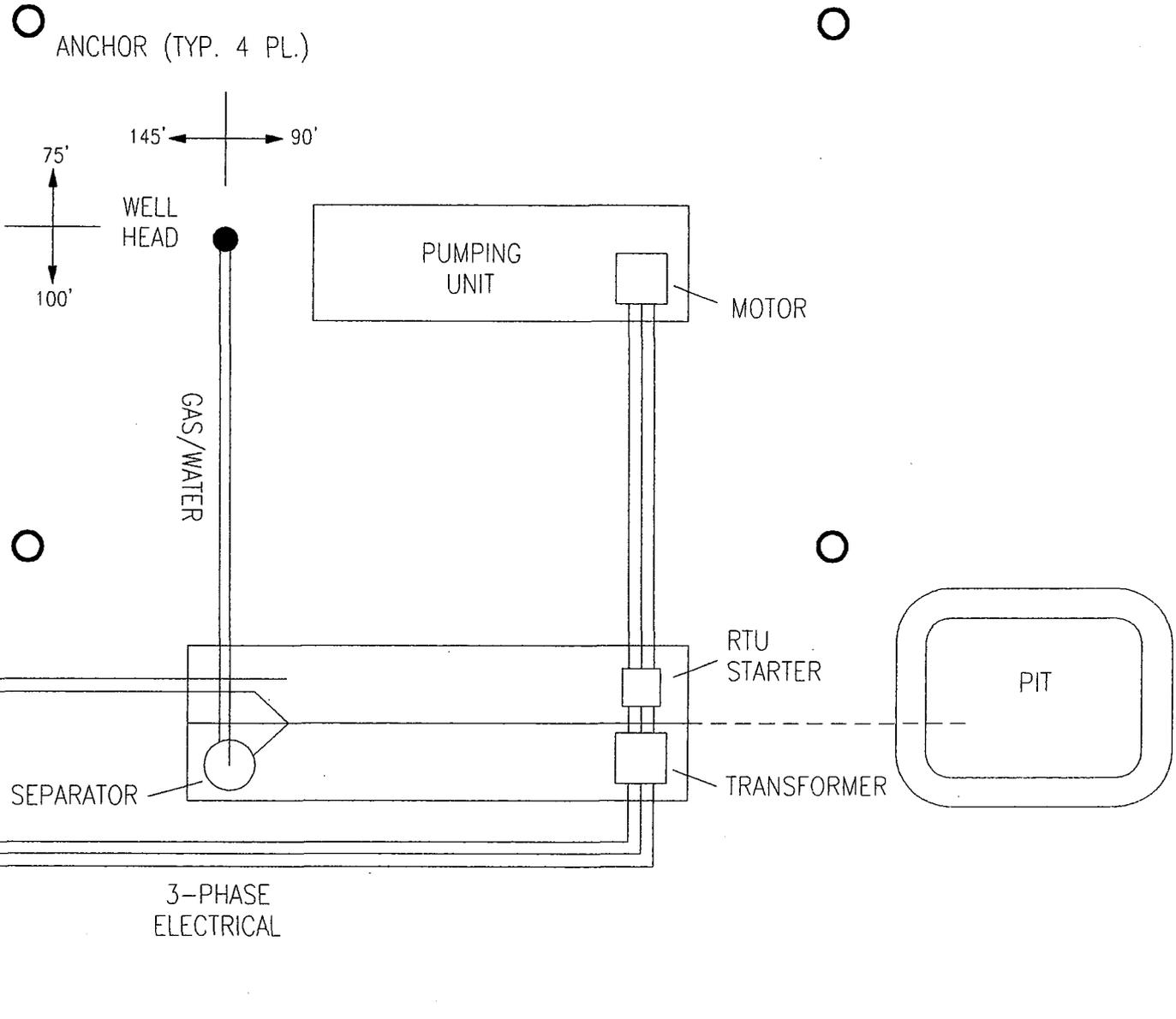


Jean Semborski
Permitting Supervisor
ConocoPhillips

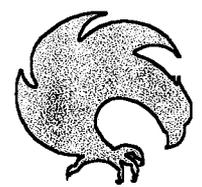
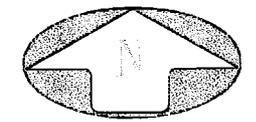
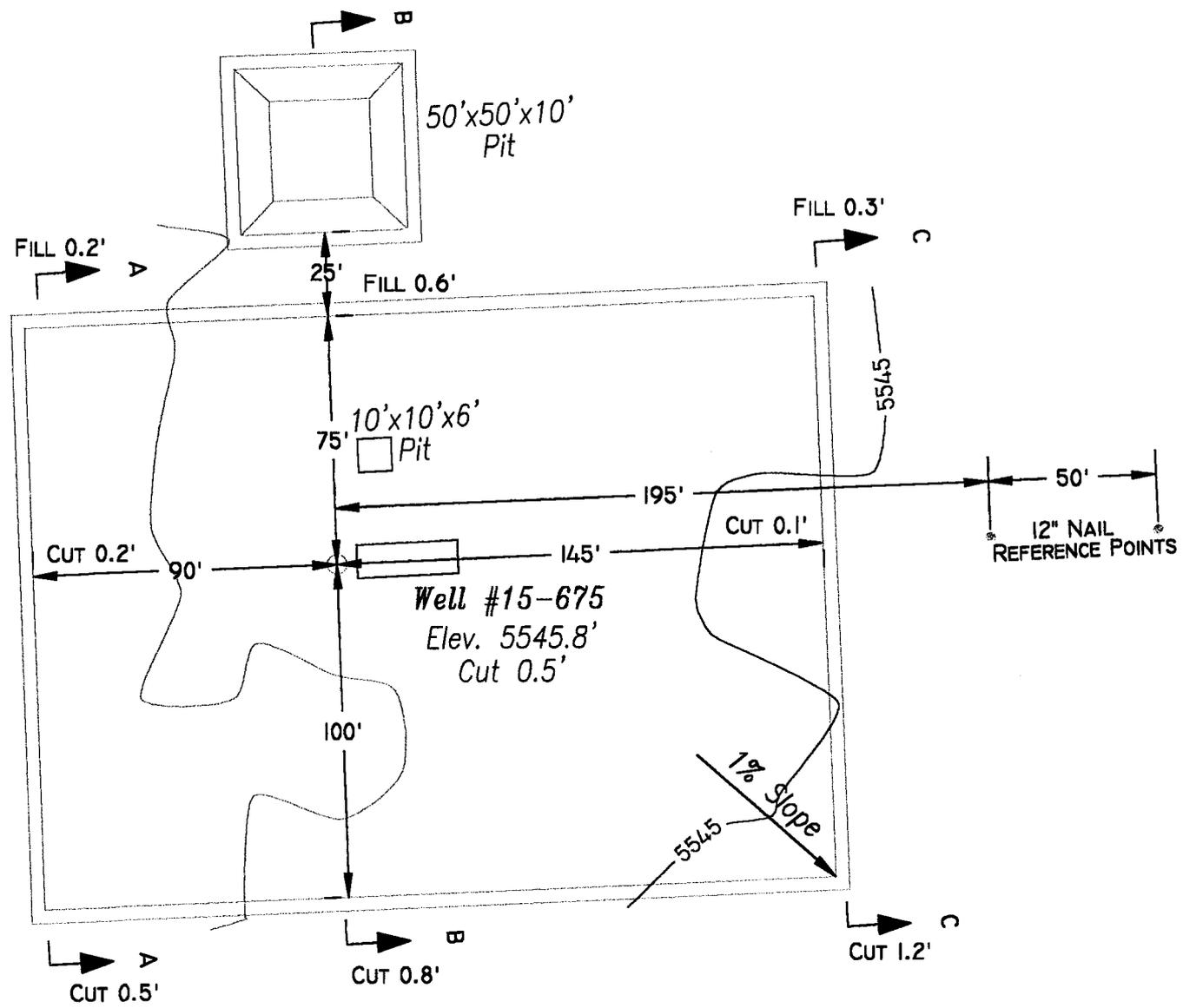
EXHIBIT E

CONOCOPHILLIPS

WELL SITE LAYOUT (235' x 175')



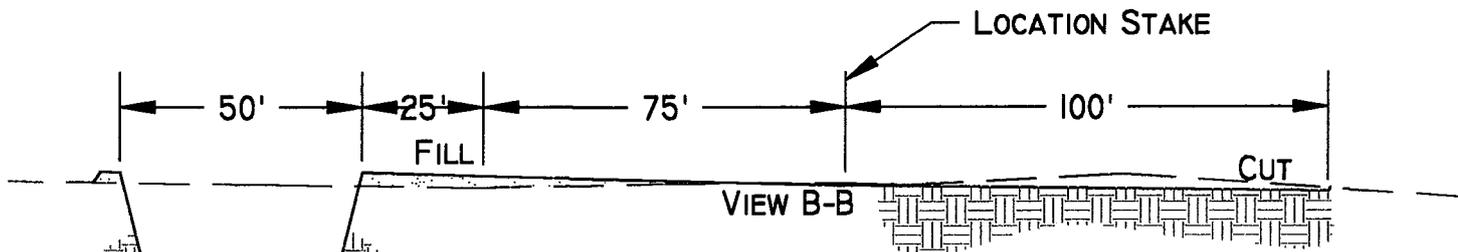
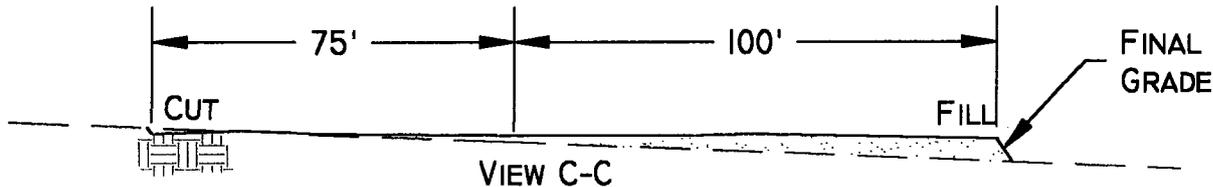
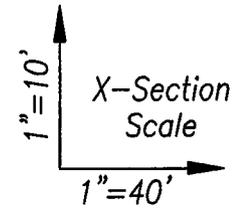
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5545.8'
 ELAVATION OF GRADED GROUND AT LOCATION STAKE = 5545.3'



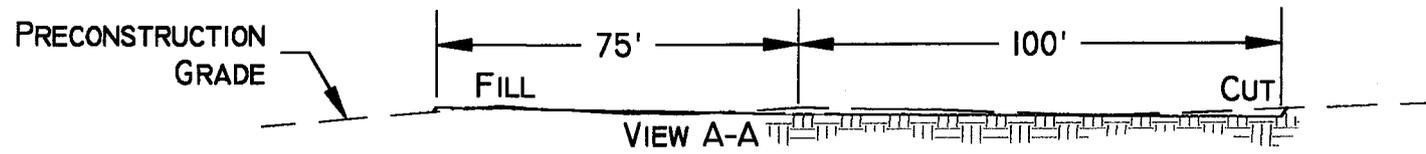
TALON RESOURCES, INC.
 195 North 100 West P.O. Box 1230
 Hurricane, Utah 84528
 Phone (435)637-8781 Fax (435)687-5311
 E-Mail talonnetv.net

PHILLIPS PETROLEUM CO.
LOCATION LAYOUT
 Section 15, T15S, R10E, S.L.B.&M.
WELL #15-675

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 11/20/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 828



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



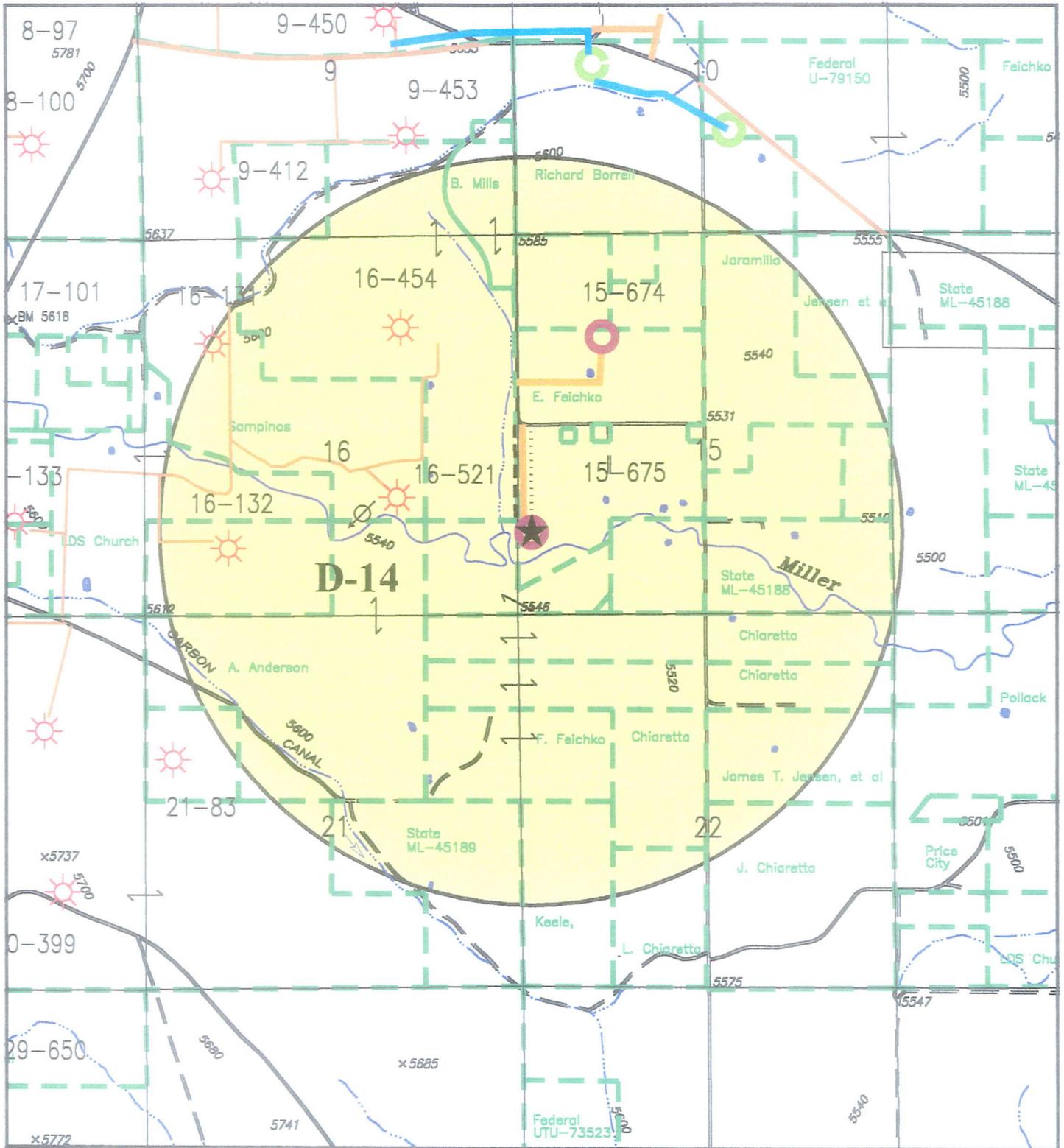
TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)637-8781 Fax (435)687-5311
E-Mail talonwctv.net

PHILLIPS PETROLEUM CO.
TYPICAL CROSS SECTION
Section 15, T15S, R10E, S.L.B.&M.
WELL #15-675

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 11/20/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 828

APPROXIMATE YARDAGES
CUT
(6")TOPSOIL STRIPPING = 750 CU. YDS.
REMAINING LOCATION = 380 CU, YDS.
TOTAL CUT = 1,060 CU. YDS.
TOTAL FILL = 100 CU. YDS.

Exhibit "A" 3 of 3



LEGEND

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

Scale: 1" = 2000'

January 6, 2003

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



WELL # 15-675
 Section 15, T15S, R10E, S.L.B.&M.
 Exhibit B 1 of 2

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

FORM 4A

Bond No. 6196922

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal,
and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100***** dollars (\$ 80,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

Blanket Bond: To cover all wells drilled in the State of Utah

 Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

30th day of Dec, 2002.

(Corporate or Notary Seal here)

Attestee: [Signature] Date: 12-30-02

CONOCOPHILLIPS COMPANY
Principal (company name)
By James F. Hughes Corporate Insurance
Name (print) Title Manager
James F. Hughes
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

1ST day of JANUARY, 2003.

(Corporate or Notary Seal here)

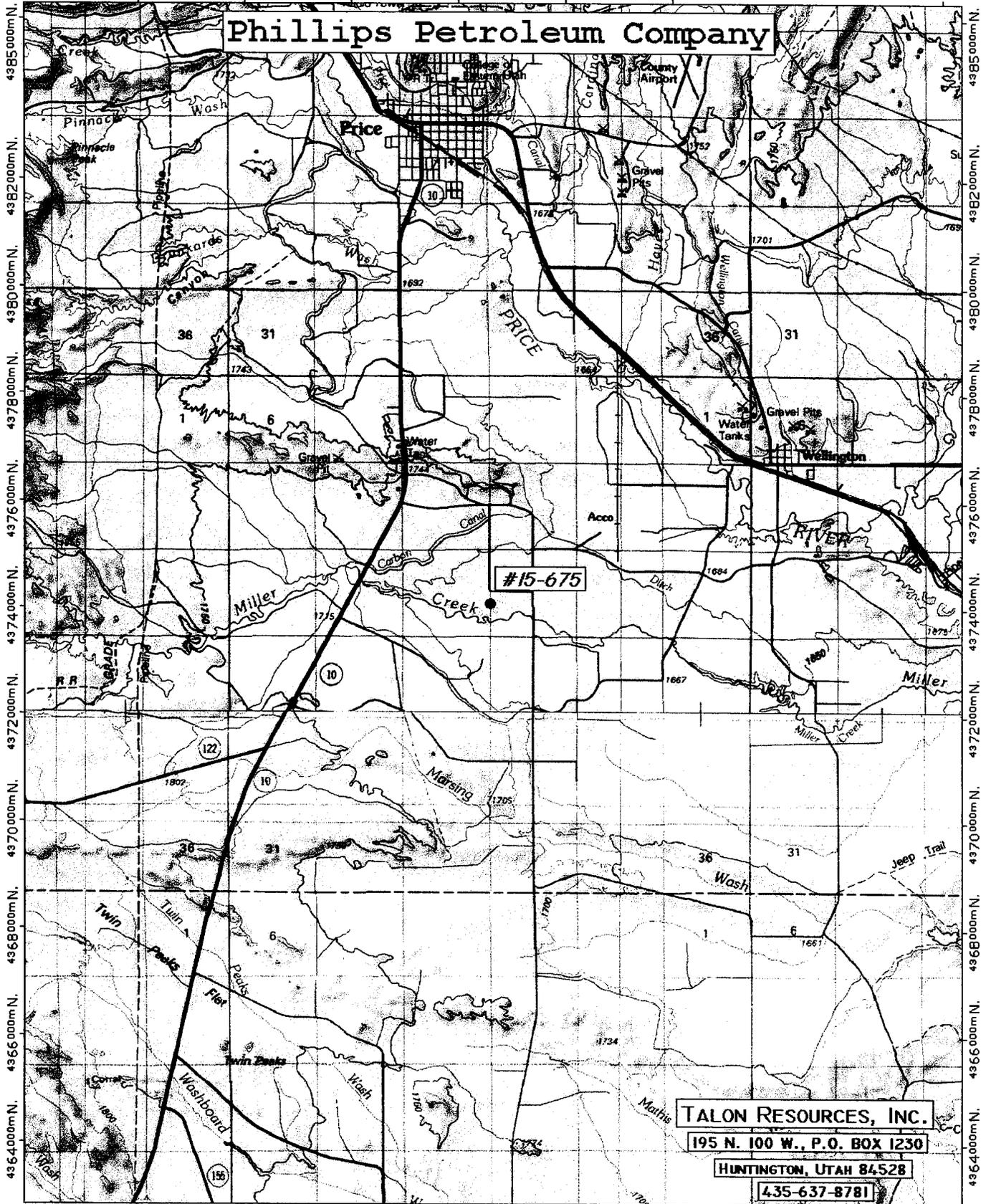
Attestee: Carolyn E. Wheeler
Date: 12/20/2002

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company (Attach Power of Attorney)
By TINA MARIE FOSTER ATTORNEY-IN-FACT
Name (print) Title
Tina Marie Foster
Signature
C/O MARSH USA INC.
Surety Mailing Address
P.O. BOX 36012, KNOXVILLE, TN 37930-6012
City State Zip

CAROLYN E. WHEELER
NOTARY PUBLIC
MY COMMISSION EXPIRES: NOVEMBER 1, 2006
(5/2002)

511000mE. 513000mE. 515000mE. 517000mE. 519000mE. 521000mE. NAD27 Zone 12S 526000mE.

Phillips Petroleum Company



#15-675

TALON RESOURCES, INC.

195 N. 100 W., P.O. BOX 1230

HUNTINGTON, UTAH 84528

435-637-8781

TN ↑ MN
13°

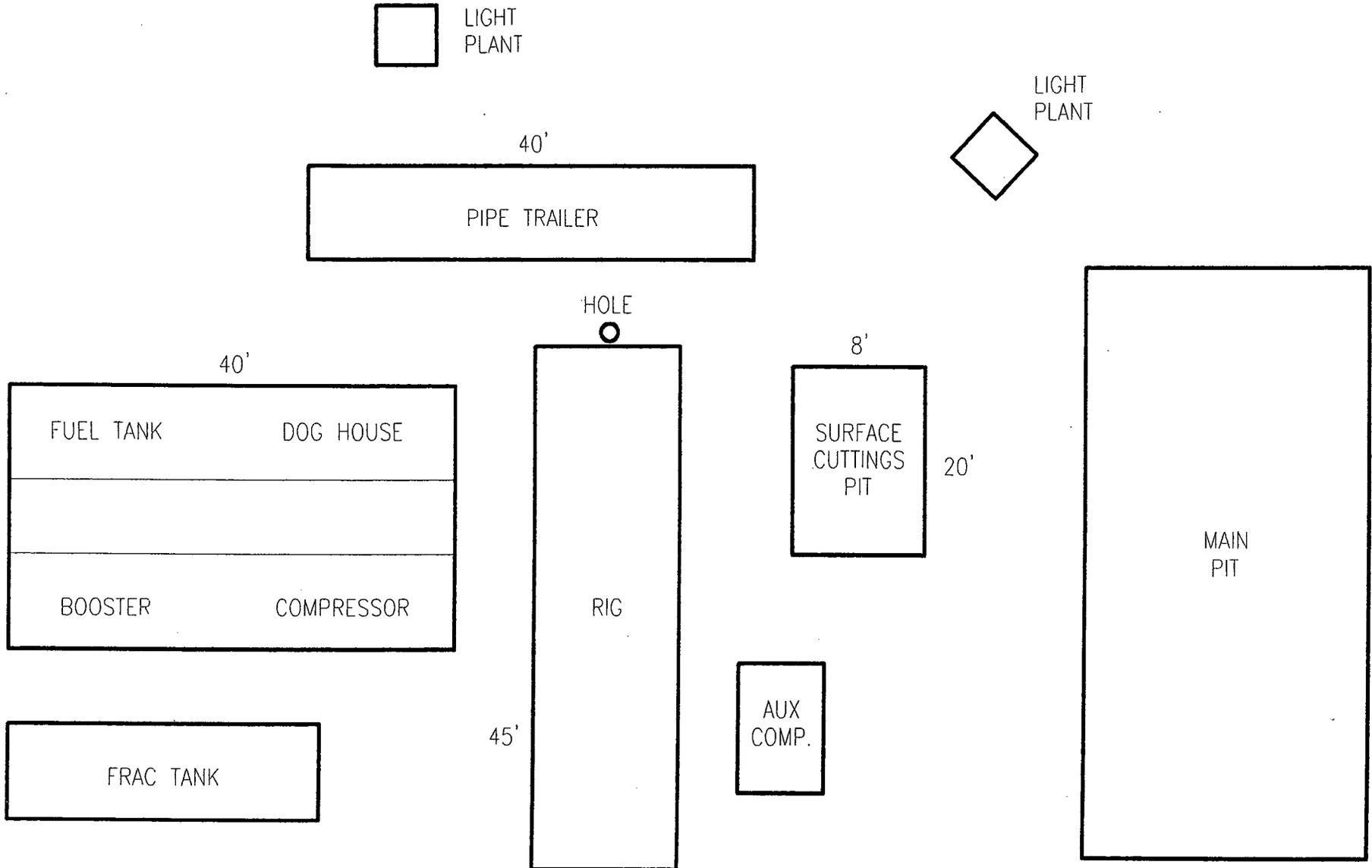
511000mE. 513000mE. 515000mE. 517000mE. 519000mE. 521000mE. NAD27 Zone 12S 526000mE.

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

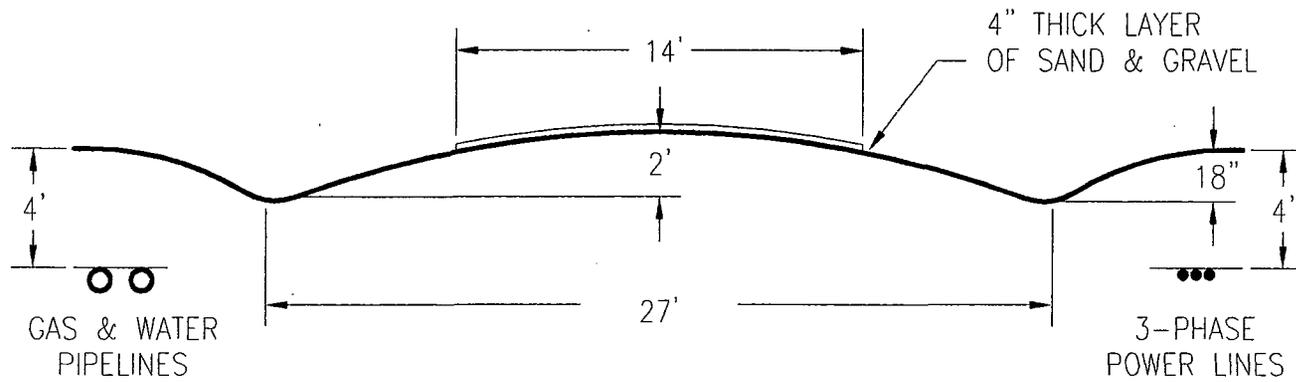
0 1 2 3 4 5 km

EXHIBIT C

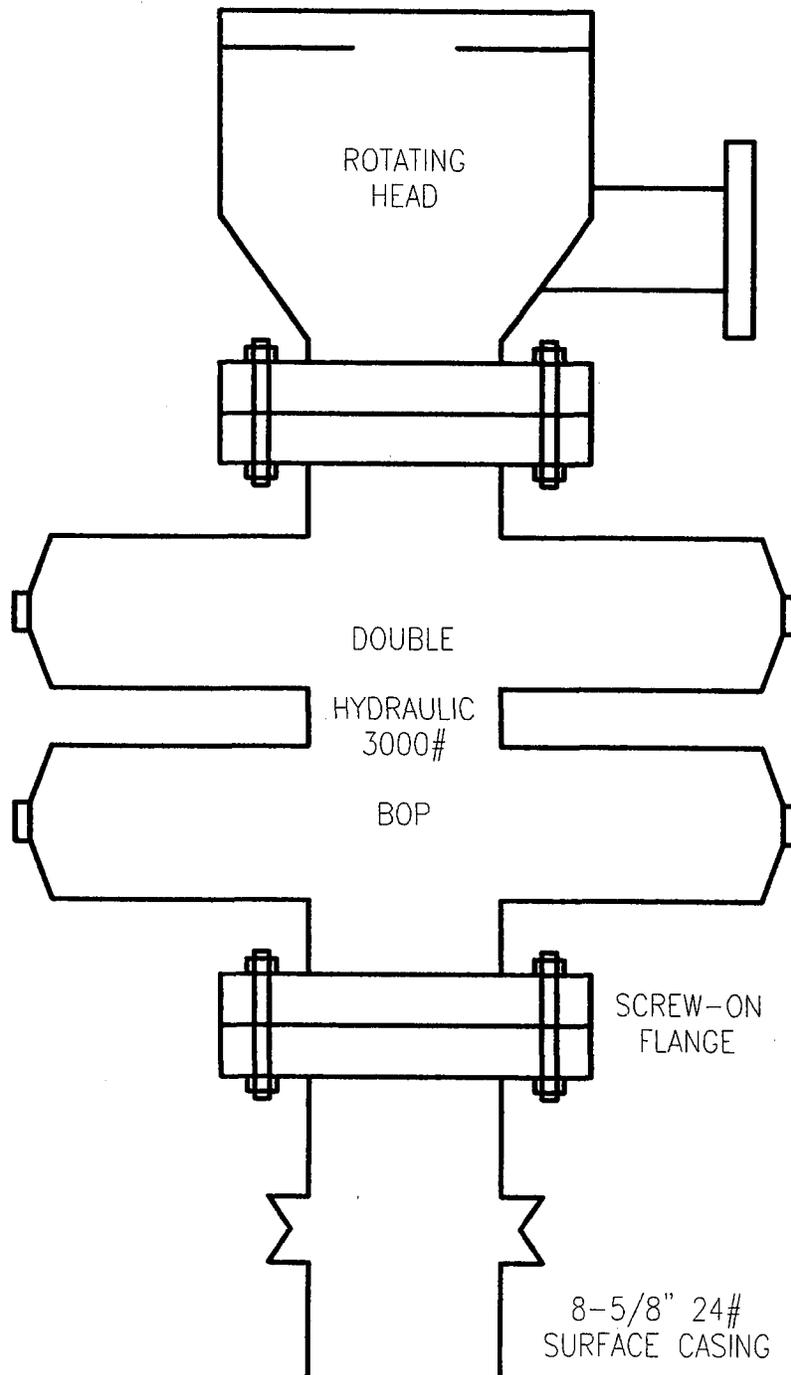
APPROXIMATE LAYOUT OF RIG & EQUIPMENT



TYPICAL ROAD CROSS-SECTION



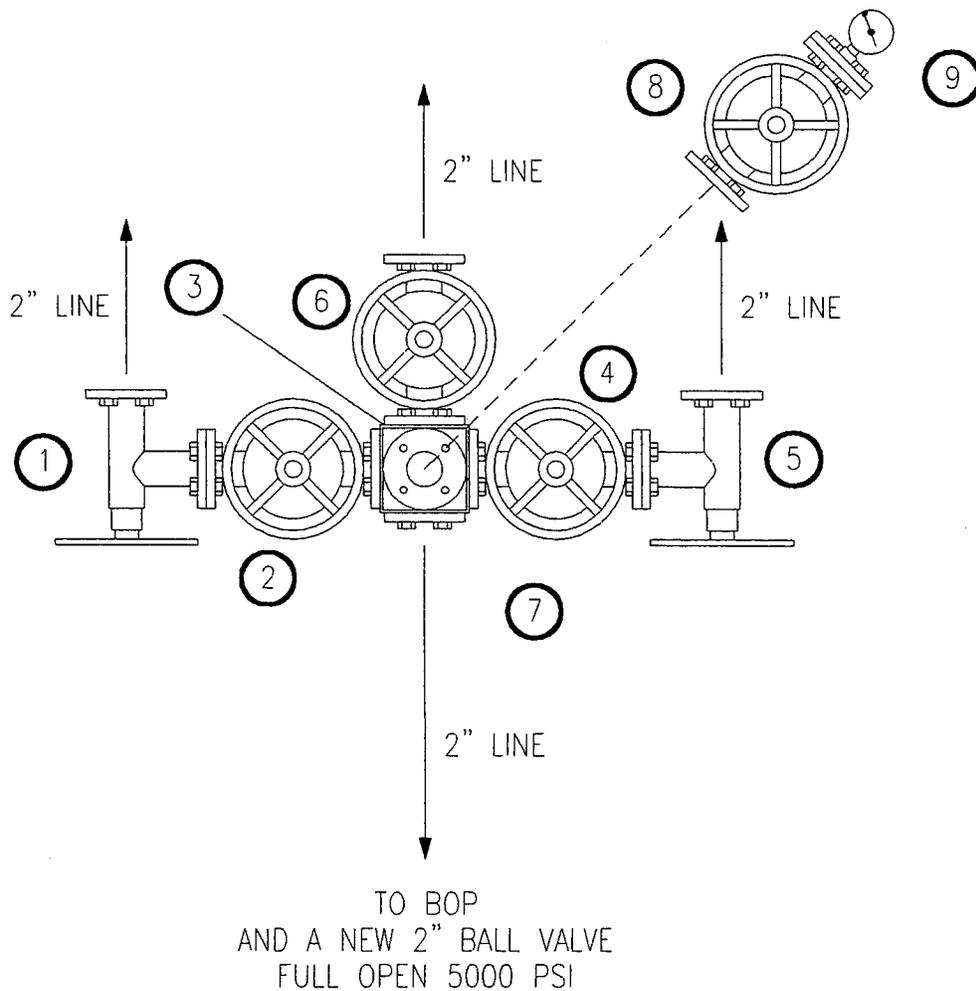
DIVERTER HEAD



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

NOTE:

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



MANIFOLD

EXHIBIT H

✓ Revise letter:
✓ Outside well, exception location

APD MAP
Ready

Label exhibits

INFORMATION FOR APD

FEICHKO

WELL NO. 15-675 LOCATION: SEC. 15 TWSHP 15 RANGE 10

QUARTER SECTION: SW/4 SW/4

LEASE NO. PRIVATE NUMBER OF ACRES IN LEASE NA

Surface ownership: PRIVATE Mineral ownership: PRIVATE

Distance to lease line: 201 feet Distance to nearest well: 2000 *ft*

Elevation: 5545.8 GR

On-site Date: - Start Date: 6/03

Location of well in relation to nearest town: 5.5 miles S of PRICE Utah.

County to contact for road permits: CARSON

Location (centerline): Sec. 15 T 15S R10E 1166 FSL 201' FWL

Cattle Guards: - Turnouts: -

Well color: CARBON TRN

Location of well pad access: N Reserve pit location: N

Location of Blooie line: N Location of Topsoil Storage: Adjacent to location

Recommended BLM seed mixture: Pinyon/Juniper Sagebrush/Grass Desert Shrub

Estimated Ferron Top: 770 - TD 1220

Ferron Coal Interval: 860 - 920

Expected Water Zones: -

Amount of 5 1/2" Casing: - feet BHP=528

TD = 1220
 Top Coal Zone = 800

Hole Size	Casing Size	#/ft	Setting Depth	cement volume (sks)
15"	12-3/4"	Conductor	40'	
11"	8-5/8"	24 #/ft	122	47.55 surface
7-7/8"	5-1/2"	17 #/ft	1210	26.75 lead
				76.20 tail

350' Max Surface =
 135 sks

cementing program

8 5/8in surface csg:	122	TOTAL SACKS F/ SURFACE CSG:	53
surface hole depth	122		
sks of cement needed	53		

5 1/2in production csg:			
	LEAD:		TAIL:
0-3000ft	100sks		90sks
3000-4000	200sks		90sks
4000-5000	250sks		90sks

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 06/02/2003

API NO. ASSIGNED: 43-007-30925

WELL NAME: FEICHKO 15-675
OPERATOR: CONOCOPHILLIPS COMPANY (N2335)
CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-7777

PROPOSED LOCATION:

SWSW 15 150S 100E
SURFACE: 1166 FSL 0201 FWL
BOTTOM: 1166 FSL 0201 FWL
CARBON
UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DND	7/22/03
Geology		
Surface		

LEASE TYPE: 4 - Fee
LEASE NUMBER: FEE
SURFACE OWNER: 4 - Fee
PROPOSED FORMATION: FRSD

LATITUDE: 39.51652
LONGITUDE: 110.79526

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 6196922)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

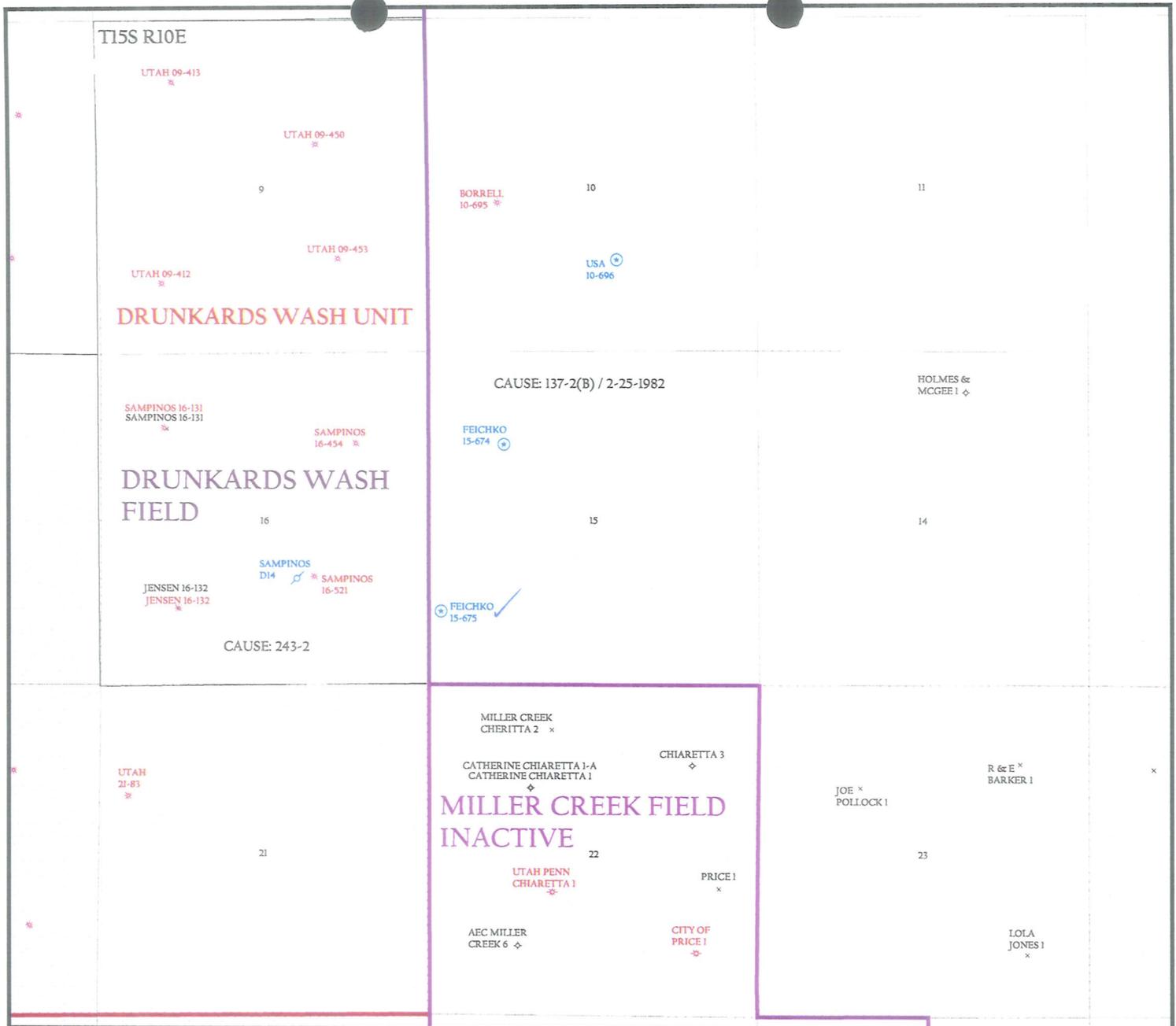
- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. ~~Exception~~
- Drilling Unit
Board Cause No: 137-2(B)
Eff Date: 2-25-1982
Siting: 1000' fr drilling unit boundary
- R649-3-11. Directional Drill

COMMENTS:

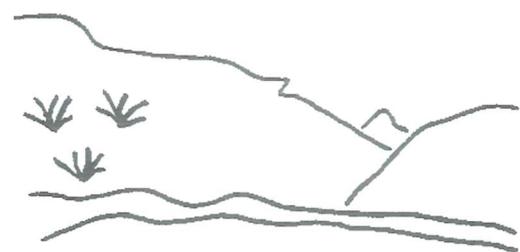
Needs Permit (Recd 7-7-03)

STIPULATIONS:

(i) STATEMENT OF BASIS



OPERATOR: CONOCOPHILLIPS (N2335)
 SEC. 15 T.15S, R.10E
 FIELD: UNDESIGNATED (002)
 COUNTY: CARBON
 CAUSE: 137-2(B) / 2-25-1982



Utah Oil Gas and Mining

- | | | |
|-----------------------|--------------------|---------------------|
| Wells | Unit Status | Field Status |
| • GAS INJECTION | □ EXPLORATORY | □ ABANDONED |
| • GAS STORAGE | □ GAS STORAGE | ■ ACTIVE |
| • LOCATION ABANDONED | □ NF PP OIL | □ COMBINED |
| ⊙ NEW LOCATION | □ NF SECONDARY | ■ INACTIVE |
| • PLUGGED & ABANDONED | □ PENDING | □ PROPOSED |
| • PRODUCING GAS | ■ PI OIL | □ STORAGE |
| • PRODUCING OIL | ■ PP GAS | □ TERMINATED |
| • SHUT-IN GAS | □ PP GEOTHERML | |
| • SHUT-IN OIL | ■ PP OIL | |
| × TEMP. ABANDONED | □ SECONDARY | |
| • TEST WELL | □ TERMINATED | |
| • WATER INJECTION | | |
| • WATER SUPPLY | | |
| • WATER DISPOSAL | | |



PREPARED BY: DIANA MASON
 DATE: 12-JUNE-2003

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

OPERATOR: Phillips
WELL NAME & NUMBER: Feichko 15-675
API NUMBER: 43-007-30925
LOCATION: 1/4,1/4 SWSW Sec:15 TWP:15S RNG:10E 1166 FSL 201 FWL

Geology/Ground Water:

An aquifer containing a minor ground water resource may be encountered along Miller Creek in saturated soil along the bank. Surficial geology is mapped as Quaternary Slope Wash over the Blue Gate Shale Member of the Mancos Shale and is most likely poorly permeable. The proposed casing and cement program will adequately isolate any zones of water penetrated. Many water rights have been filed on Miller Creek for stock watering but none are filed on water wells.

Reviewer: Christopher J. Kierst **Date:** 7/11/03

Surface:

Proposed location is ~4.5 miles South of Price, Utah. The direct area drains to the South into Miller Creek and then east into the Price River, a year-round live water source. The soil is a silty clay and is erosive upon disturbance. Proposed access will be from the north off of an existing county road. Other issues discussed were zoning issues, disturbance to nearby residences, and access from county roads. Violet Feichko and Bruce Feichko, surface owners, were present during the on-site. Carbon County was invited and was also in attendance for this on-site meeting.

Reviewer: Mark L. Jones **Date:** July 7, 2003

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. A min 12 mil synthetic liner will be required in the reserve pit.

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

OPERATOR: Phillips
WELL NAME & NUMBER: Feichko 15-675
API NUMBER: 43-007-30925
LEASE: Fee FIELD/UNIT: _____
LOCATION: 1/4, 1/4 SWSW Sec: 15 TWP: 15S RNG: 10E 1166 FSL 201 FWL
LEGAL WELL SITING: 1000' from drilling unit boundary
GPS COORD (UTM): X = 517597 E; Y = 4373914 N SURFACE OWNER: Violet Feichko.

PARTICIPANTS

M. Jones (DOGM), J. Semborski (Phillips), L. Jensen (NELCO), Violet Feichko and Bruce Feichko (surface). G. Williams and Richard Tatton (Carbon County) were also in attendance at this onsite.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~4.5 miles South of Price, Utah. The direct area drains to the South into Miller Creek and then east into the Price River, a year-round live water source. The soil is a silty clay and is erosive upon disturbance. Proposed access will be from the north off of an existing county road.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and farming activities.

PROPOSED SURFACE DISTURBANCE: 235' x 175' and a 50' x 50' x 10' pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 1 proposed gas well, 6 producing gas wells, 1 SWD well, and 3 PA 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: The location lies directly north of Miller Creek, a year-round live water source. The creek is ~200' south of the south edge of the location.

FLORA/FAUNA: Greasewood, alfalfa, deer, various small game and rodents, various fowl.

SOIL TYPE AND CHARACTERISTICS: Clay loam.

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): Liner optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: In negotiation.

CULTURAL RESOURCES/ARCHAEOLOGY: Will be done.

OTHER OBSERVATIONS/COMMENTS

Rotation of the location 90 degrees clockwise to put the pit on the east side, saving some of the farmable acreage of the field, was discussed and agreed upon.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

June 06, 2003 / 10:30 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>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>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>5</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 25 (Level I Sensitivity)

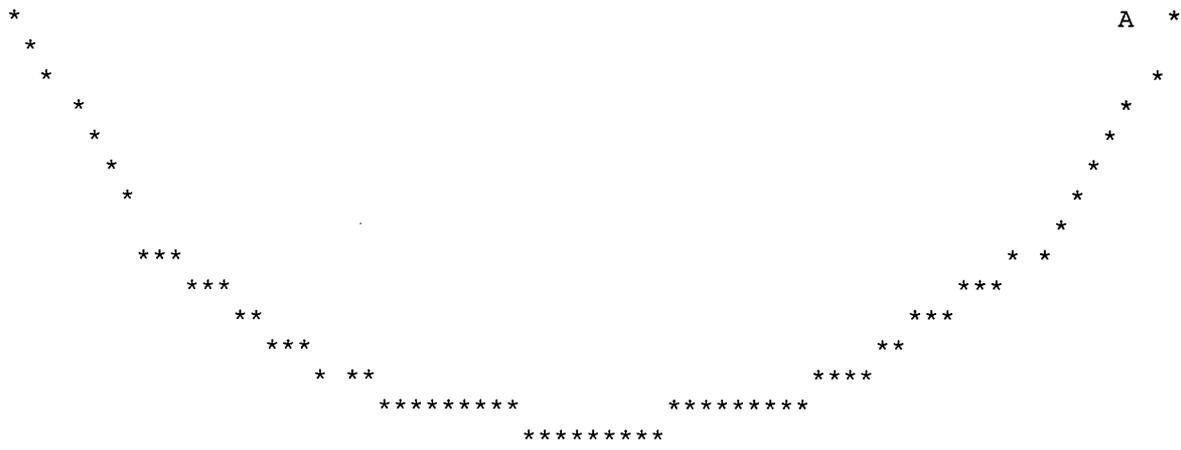
Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.





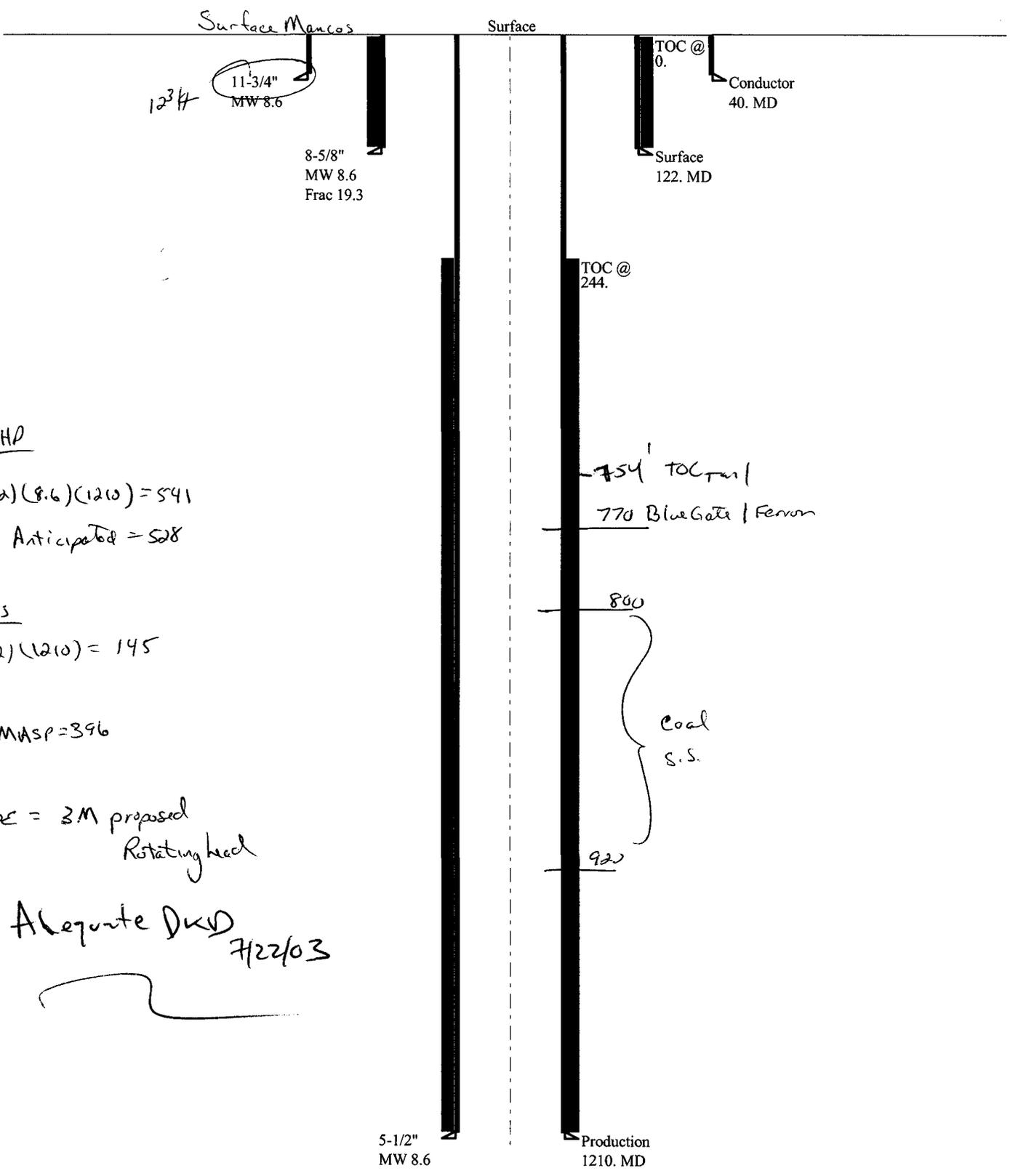


UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO	POINT OF DIVERSION DESCRIPTION	U A N P
				DIAMETER DEPTH YEAR LOG NORTH EAST	CNR SEC TWN RNG B&M	N P
0	91 2323	.0000	.00	Price River		
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869
		Draper, Asa & Beulah				Wellington UT 8
1	91 2716	.0000	.00	Miller Creek		
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869
		LDS Church, North Carbon Stake				Price UT 8
1	91 3278	.0000	.00	Miller Creek		
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869
		Sampinos, Nick and Toni		897 North 100 East		Price UT 8
2	91 3278	.0000	.00	Miller Creek		
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869
		Sampinos, Nick and Toni		897 North 100 East		Price UT 8

3	<u>91 3290</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Easton, A. J.		Route #1		Price	UT 8
4	<u>91 3290</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Easton, A. J.		Route #1		Price	UT 8
5	<u>91 3289</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Feichko, Andrew				Carbonville	UT
5	<u>91 3280</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Feichke, Frank H. and Carol				Price	UT 8
6	<u>91 3289</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Feichko, Andrew				Carbonville	UT
7	<u>91 2716</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		LDS Church, North Carbon Stake				Price	UT 8
8	<u>91 3280</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Feichke, Frank H. and Carol				Price	UT 8
9	<u>91 3279</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Anderson, Clarence (Estate)		190 North Carbon Avenue		Price	UT 8
9	<u>91 3279</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Anderson, Clarence (Estate)		190 North Carbon Avenue		Price	UT 8
A	<u>91 3291</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Chiaretta, Catherine		Route #1		Price	UT 8
A	<u>91 3291</u>	.0000	.00	Miller Creek			
		WATER USE(S): STOCKWATERING				PRIORITY DATE: 00/00/1869	
		Chiaretta, Catherine		Route #1		Price	UT 8

07-03 ConocoPhillips Feichco 15-675
Casing Schematic



BHP
 $(0.052)(8.6)(1210) = 541$
 Anticipated = 528

Gas
 $(0.12)(1210) = 145$

MASP = 396

BOPE = 3M proposed
 Rotating head

Alegante DWD
 7/22/03

TOC @ 0.
 Conductor 40. MD
 Surface 122. MD
 TOC @ 244.
 -754' TOC run
 770 Blue Gate / Fenon
 800
 Coal s.s.
 920

5-1/2"
 MW 8.6

Production
 1210. MD

Well name:	07-03 ConocoPhillips Feichco 15-675	
Operator:	PhillipsConoco Company	
String type:	Surface	Project ID: 43-007-30925
Location:	Carbon County	

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.447 psi/ft
Calculated BHP: 55 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

Tension is based on air weight.
Neutral point: 106 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 67 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 122 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 5,000 ft
Next mud weight: 8.600 ppg
Next setting BHP: 2,234 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 650 ft
Injection pressure: 650 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	122	8.625	24.00	J-55	ST&C	122	122	7.972	5.9

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	55	1370	25.136	55	2950	54.12	3	244	83.33 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Date: July 16, 2003
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 122 ft, a mud weight of 8.6 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

Well name:	07-03 ConocoPhillips Feichco 15-675	
Operator:	PhillipsConoco Company	
String type:	Production	Project ID: 43-007-30925
Location:	Carbon County	

Design parameters:

Collapse
Mud weight: 8.600 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.447 psi/ft
Calculated BHP: 541 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

Tension is based on air weight.
Neutral point: 1,052 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 82 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 244 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1210	5.5	17.00	N-80	LT&C	1210	1210	4.767	41.7

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	541	6290	11.636	541	7740	14.32	21	348	16.92 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Date: July 16, 2003
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 1210 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.



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

June 4, 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:

ConocoPhillips Company (COPC) plans to drill the Feichko 15-674 and 15-675 natural gas wells, which will be located respectively in the Northwest One-quarter and the Southwest One-quarter of Section 15, Township 15 South, Range 10 East, S.L.B.&M., Carbon County, Utah. COPC has filed an Application for Permit to Drill (APD) for each of these wells with the State of Utah Division of Oil, Gas and Mining. The Violet Feichko Family Trust ("Surface Owner") owns the surface estate of the property underlying each of these well locations.

The Surface Owner executed a Surface Use and Damage Agreement effective as of May 15, 2003, pursuant to the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R659-3-34 ("Well Site Restoration Rules). The Agreement covers the property described above and includes an agreement between the Surface Owner and COPC for the protection of surface resources, reclamation of the subject surface property and well site restoration, or damages in lieu thereof, for the surface locations for each of the subject wells. Enclosed are two Affidavits Concerning Surface Use Agreement evidencing COPC's agreement with the Surface Owner for each of these wells.

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

RECEIVED

JUN 09 2003

DIV. OF OIL, GAS & MINING

File: UT/Carbon 171-76 & 171-77
The Violet Feichko Family Trust
Feichko 15-674 & 15-675 Wells



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

July 23, 2003

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: Feichko 15-675 Well, 1166' FSL, 201' FWL, SW SW, Sec. 15, 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 43-007-30925.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza
Associate Director

pab
Enclosures

cc: Carbon County Assessor

Operator: ConocoPhillips Company
Well Name & Number Feichko 15-675
API Number: 43-007-30925
Lease: Fee

Location: SW SW **Sec.** 15 **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

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

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

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

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

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

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



State of Utah

Department of
Natural ResourcesROBERT L. MORGAN
*Executive Director*Division of
Oil, Gas & MiningLOWELL P. BRAXTON
*Division Director*OLENE S. WALKER
*Governor*GAYLE F. McKEACHNIE
Lieutenant Governor

September 21, 2004

Jean Semborski
ConocoPhillips Company
P O Box 851
Price, UT 84501Re: APD Rescinded – Feichko 15-675 Sec. 15, T. 15S, R. 10E Carbon County,
Utah API No. 43-007-30925

Dear Ms. Semborski:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 23, 2003. On September 21, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective September 21, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney
Engineering Techniciancc: Well File
Gil Hunt, Technical Services Manager