



ConocoPhillips Company
6825 South 5300 West
P.O. Box 851
Price, UT 84501

RECEIVED

AUG 24 2005

DIV. OF OIL, GAS & MINING

August 16, 2005

Ms Diana Whitney
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-
LDS 28-861, NE/4 SE/4 Section 28
T14S, R10E, SLB & M, Carbon County, Utah

Dear Ms. Whitney:

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

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: N/A FEE	6. SURFACE: Fee
1A. 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 checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company		9. WELL NAME and NUMBER: LDS 28-861	
3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501		PHONE NUMBER: (435) 613-9777	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash Underground
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1,664' FSL, 281' FEL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 28 14S 10E	
517413X 39.576193 4380531Y -110.797255			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 1.5 miles south of Price, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1,700'	16. NUMBER OF ACRES IN LEASE: N/A	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2,400'	19. PROPOSED DEPTH: 1,660	20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5492.8 GR	22. APPROXIMATE DATE WORK WILL START: 9/15/2005	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
15"	12 3/4" Conductor	40	
11"	8 5/8" J-55 24#/ft	129	56 sks G+2% CaCl 1/4#/skD29
7 7/8"	5 1/2" N-80 17#/ft	1,660	100 sks 50/50 POZ 8%D20, 10% D44, 2% S001 1/4#/skD29 90 sks 10-1 RFC Tail

25. ATTACHMENTS

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input 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 |

NAME (PLEASE PRINT) Jean Semborski TITLE Construction Supervisor
SIGNATURE Jean Semborski DATE 8/17/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31054

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL:
Date: 09-13-05
By: [Signature]
(SEE INSTRUCTIONS FOR REQUIRED SIGN)

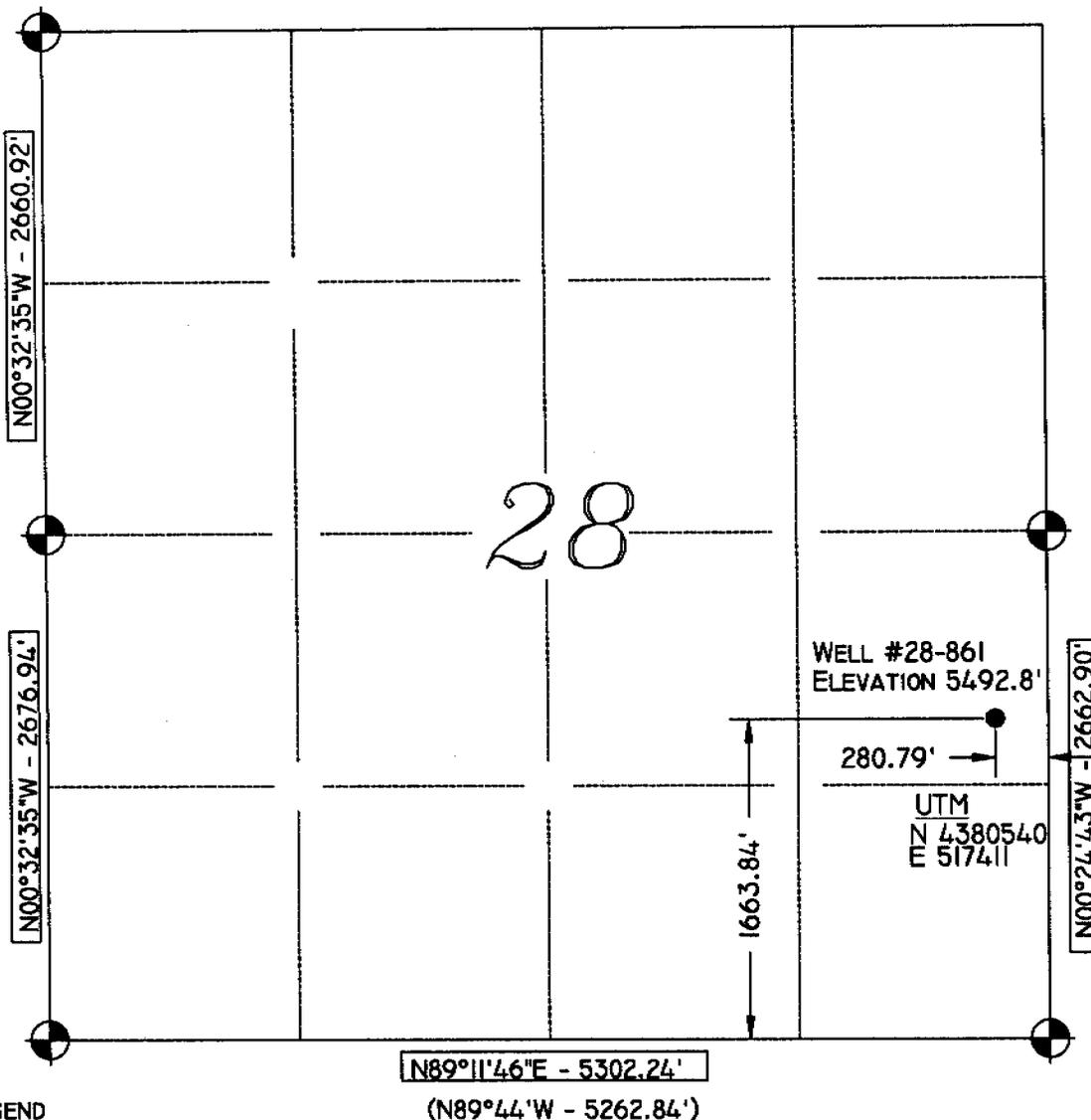
RECEIVED

AUG 24 2005

DIV. OF OIL, GAS & MINING

Range 10 East

Township 14 South



N89°11'46"E - 5302.24'
(N89°44'W - 5262.84')

WELL #28-861
ELEVATION 5492.8'

UTM
N 4380540
E 517411

LEGEND

- DRILL HOLE LOCATION
- ⊙ METAL CAP (FOUND)
- BRASS CAP (SEARCHED FOR, BUT NOT FOUND)
- △ CALCULATED CORNER
- () 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°34'35"N
110°47'50"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 5623' BEING AT THE NORTHWEST SECTION CORNER OF SECTION 29, TOWNSHIP 14 SOUTH, RANGE 10 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PRICE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

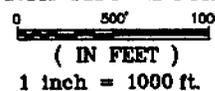
PROPOSED DRILL HOLE LOCATED IN THE NE 1/4 SE 1/4 OF SECTION 28, T14S, R10E, S.L.B.&M., BEING 1663.84' NORTH AND 280.79' WEST FROM THE SOUTHEAST SECTION CORNER OF SECTION 28, T14S, R10E, SALT LAKE BASE & MERIDIAN.

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



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon@tv.net

ConocoPhillips Company

WELL LDS #28-861
Section 28, T14S, R10E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 3/10/05
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 1642

LDS 28-861
August 16, 2005
Page Two

The proposed well is located outside of the Drunkards Wash Federal Unit and is more than 460' from the unit boundary. The proposed location, 1,664' FSL and 281' FEL in Sec. 28, is outside the "spacing window" as defined by Cause Number 243-09 and will be an exception location. This specific location was requested by the surface owner to minimize disturbance to their farmable land. For this well, as shown on the APD Exhibit A, 1 of 3, the proposed well bore is located approximately 435 feet away from a currently unleased owner. ConocoPhillips Company has obtained a statement from the owner stating that he does not oppose the drilling of this well. His e-mail is attached to this letter.

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
Construction 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
Mr. Kile Thompson, ConocoPhillips
Mr. Mark Jones, DOGM, Price, Utah
ConocoPhillips Well File



ConocoPhillips Company
William W. (Bill) Franklin
Staff Landman
Lower 48 Business Unit
P.O. Box 2197
Houston, TX 77252
Phone: (832) 486-2313
Fax: (832) 486-2296

August 15, 2005

Mr. R. William Keach II
8219 Pine Thistle Lane
Spring, Texas 77379

Re: Off-Pattern Location
LDS 28-861
1664' FSL, 281' FEL
SE/4 Section 28-T14S-R10E
Carbon County, Utah

Dear Bill:

Please indicate your non-objection to the above off-pattern location by signing this letter in the space below and faxing it to Ms. Jean Semborski, Construction/Asset Integrity Supervisor at 435-613-9782.

If I may assist you, please contact me at (832) 486-2313.

Respectfully,

Bill Franklin
Staff Landman

I do not object to the above described off-pattern location.

R. William Keach II

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
LDS 28-861
NE/4SE/4, Sec. 28, T14S, R10E, SLB & M
1,664' FSL, 281' FEL
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2852'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 3019' - 3203'

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>
15"	40'	12-3/4"	Conductor	New
11"	129'	8-5/8"	24#ST&C	New
7-7/8"	1660'	5-1/2"	17#LT&C	New

Cement Program -

Surface Casing: 56 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: 100 sks 50/50 poz 8%gel +2%CaCl+10%extender;12.5#/gal, density, 1.92 cu.ft/sk yield.

90 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 1527 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 September 2005.

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 Company
LDS 28-861
NE/4SE/4, Sec. 28, T14S, R10E, SLB & M
1,664' FSL, 281' FEL
Carbon County, Utah

1. Existing Roads

- a. There is no 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 6,000' 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: 6 culvert(s) 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 2 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. No ancillary facilities are anticipated 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 LDS Church. 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:

Mr. Robert Stanton

Corporation of the Presiding Bishop of

The Church of Latter Day Saints

12th Floor East

50 East North Temple Street

Salt Lake City, Utah 84150-6320

12. Other Information:

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 1,000 feet to the northwest.
- b. Nearest live water is Drunkards Wash located 300' southeast.
- 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
Construction/Asset Integrity Supervisor
ConocoPhillips Company
6825 S. 5300 W. P.O. Box 851
Price, Utah 84501
(435) 613-9777 ext. 21
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

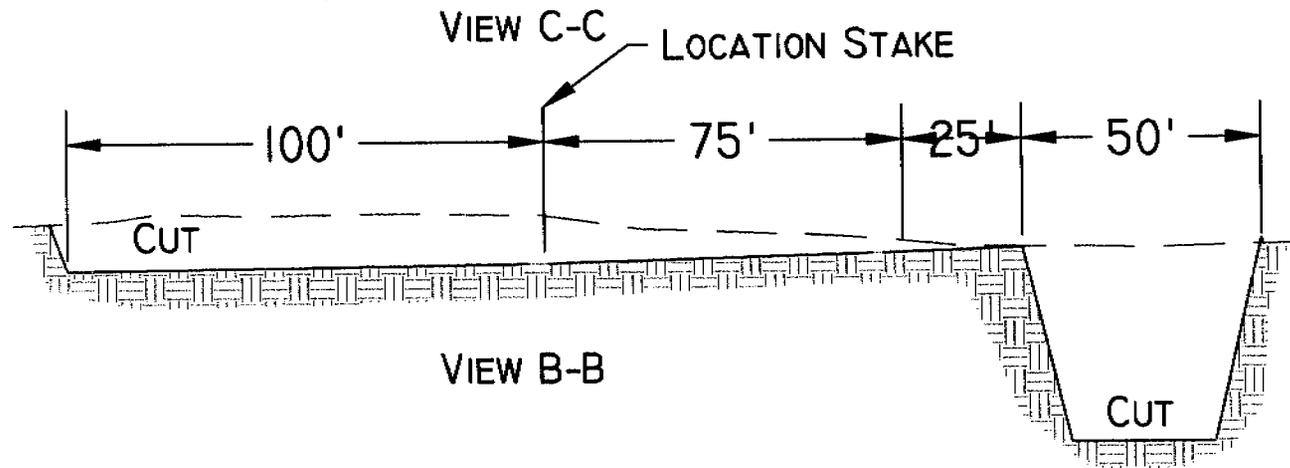
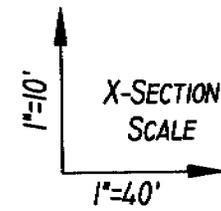
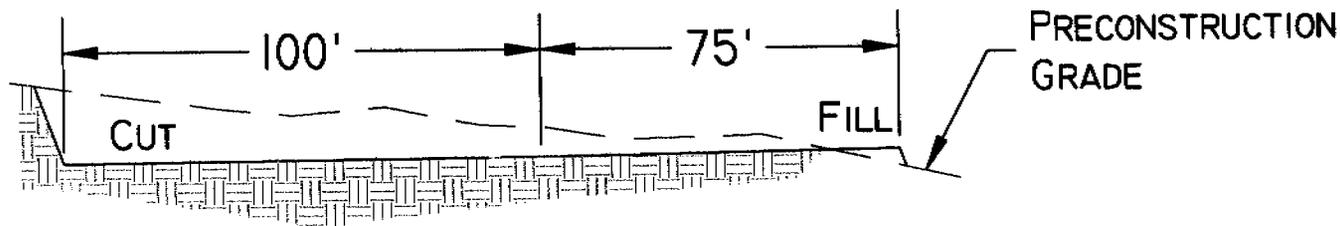
Larry Jensen, Vice President
Nelco Contractors Inc.
Vice President
(435) 637-3495
(435) 636-5268

14. Certification

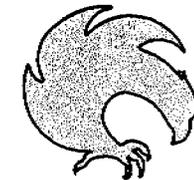
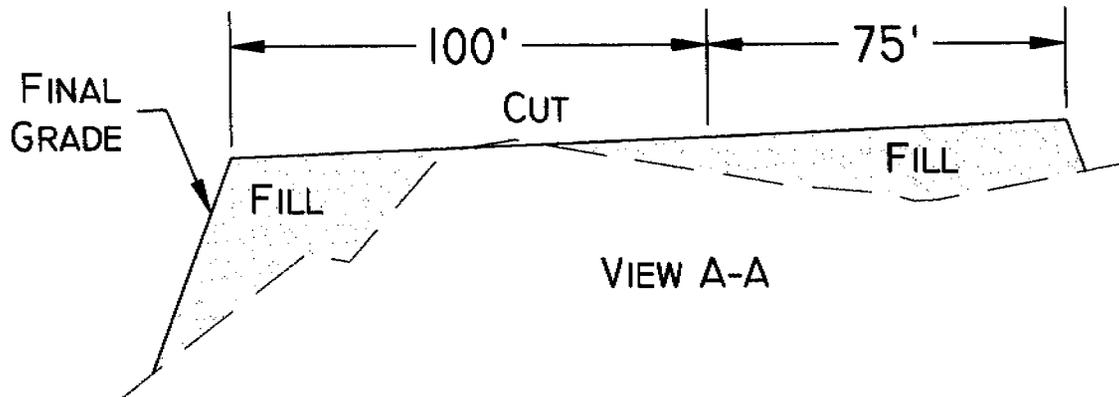
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated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

8/16/05
Date


Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company



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)687-5310 Fax (435)687-5311
 E-Mail talonnetv.net

ConocoPhillips Company

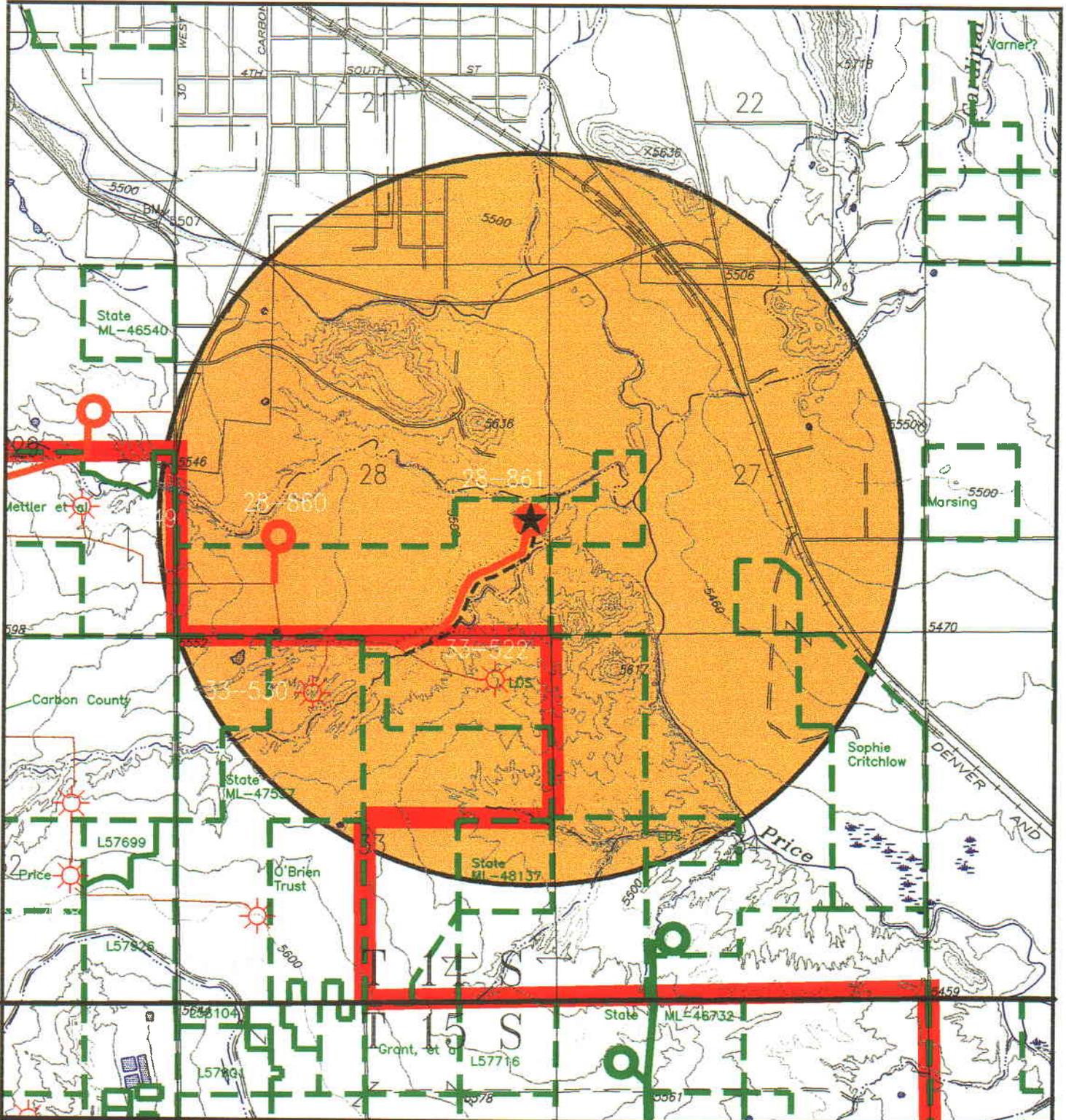
TYPICAL CROSS SECTION
 Section 28, T14S, R10E, S.L.B.&M.
 WELL LDS #28-861

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawings No. C-1	DATE: 3/7/05
	SCALE: 1" = 40'
SHEET 3 OF 4	JOB No. 1642

Exhibit "A" 3 of 3

APPROXIMATE YARDAGES

CUT
 (6") TOPSOIL STRIPPING = 810 CU. YDS.
 REMAINING LOCATION = 2,230 CU. YDS.
 (INCLUDING TOPSOIL STRIPPING)
 TOTAL CUT (INCLUDING PIT) = 2,970 CU. YDS.
 TOTAL FILL = 1,475 CU. YDS.



LEGEND

- Proposed Well Location: ★
- Other Proposed Well Locations: ○
- Proposed Pipeline: ————
- Proposed Pipeline: ————
- Proposed Roads: ————
- Lease Boundary: - - - - -
- Existing Wells: ☀

Scale: 1" = 2000'



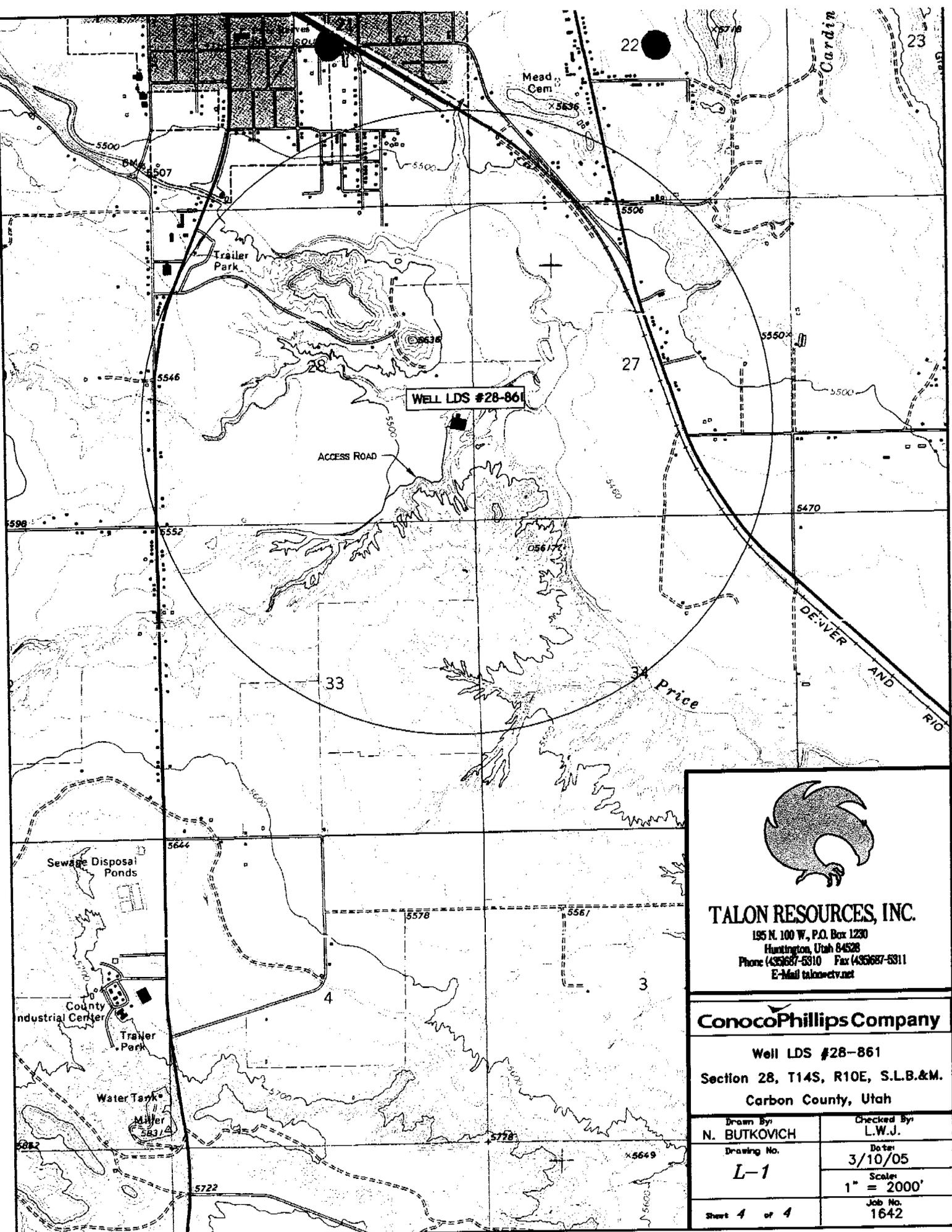
March 17, 2005

ConocoPhillips Company

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



WELL LDS #28-861
 Section 28, T14S, R10E, S.L.B.&M.
 Exhibit B 1 of 2



WELL LDS #28-861

ACCESS ROAD



TALON RESOURCES, INC.

195 N. 100 W., P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talon@ctv.net

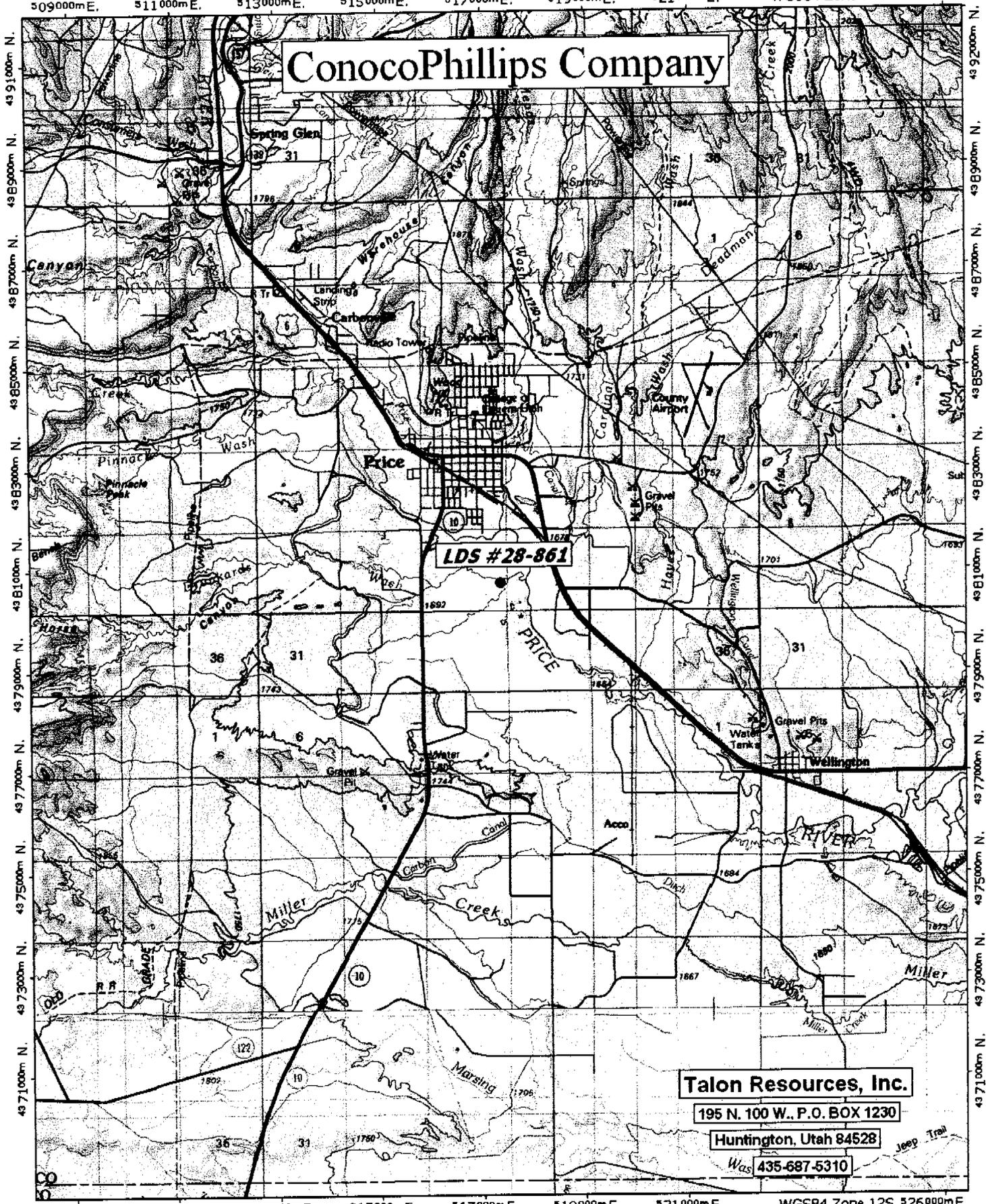
ConocoPhillips Company

Well LDS #28-861
 Section 28, T14S, R10E, S.L.B.&M.
 Carbon County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J.
Drawing No. L-1	Date: 3/10/05
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 1642

TOPOI map printed on 03/11/05 from "Phillips-28-861.tpo"

509000mE, 511000mE, 513000mE, 515000mE, 517000mE, 519000mE, 521000mE, WGS84 Zone 12S 526000mE.



ConocoPhillips Company

LDS #28-861

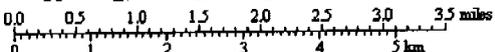
Talon Resources, Inc.

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

Huntington, Utah 84528

Was 435-687-5310

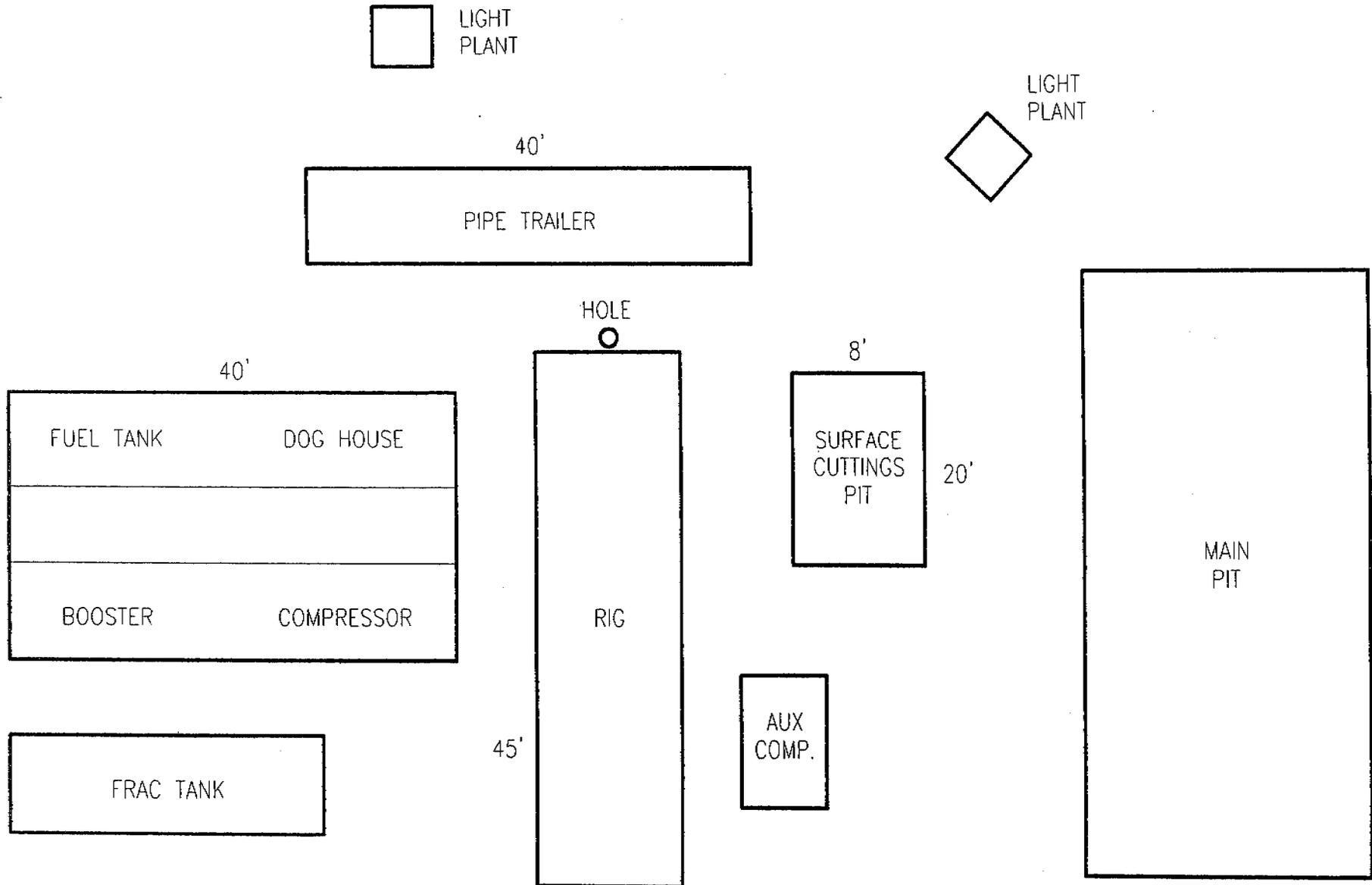
TN ↑ MN
12½°



Map created with TOPOI © 2003 National Geographic (www.nationalgeographic.com/topoi)

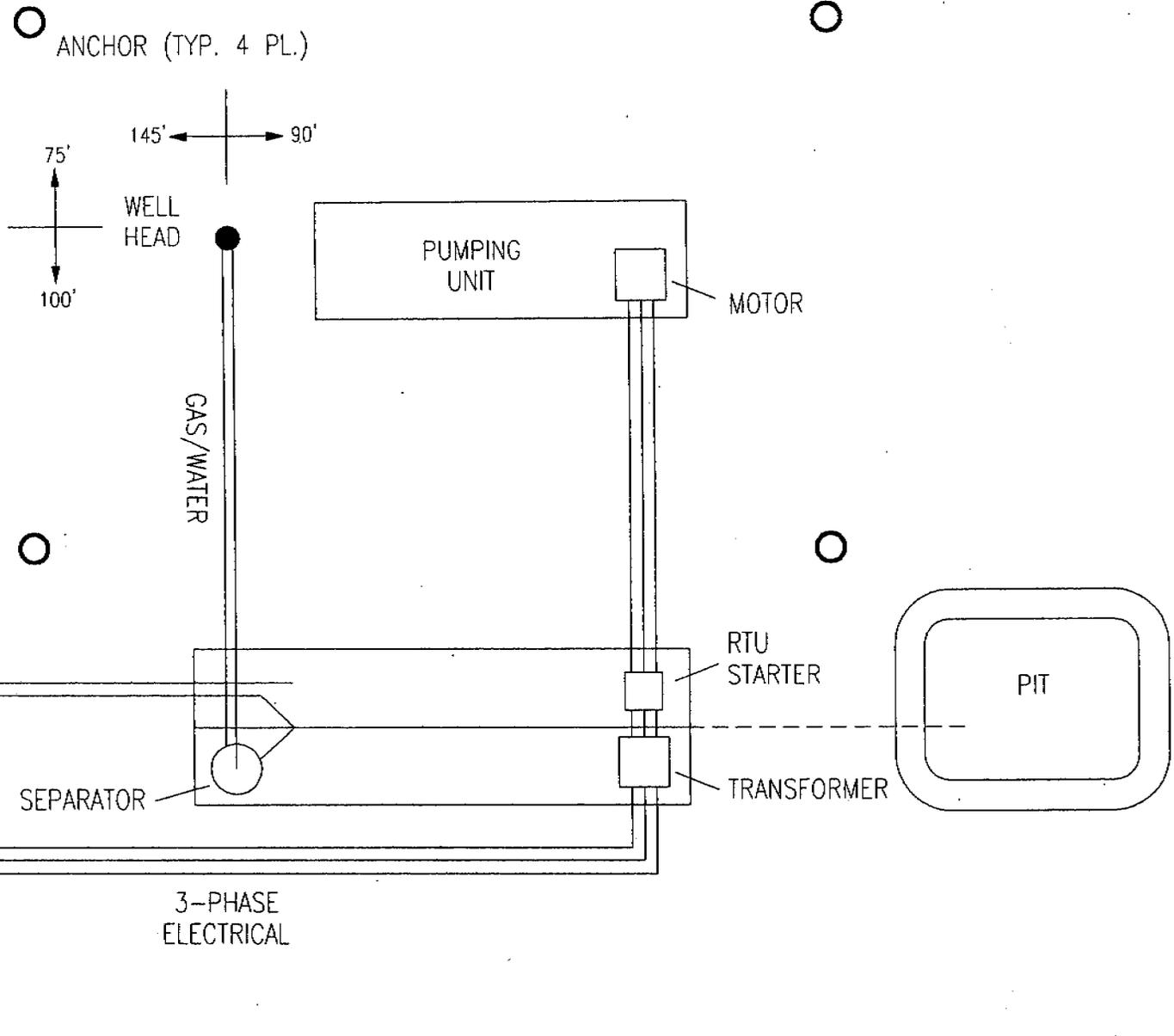
EXHIBIT C

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

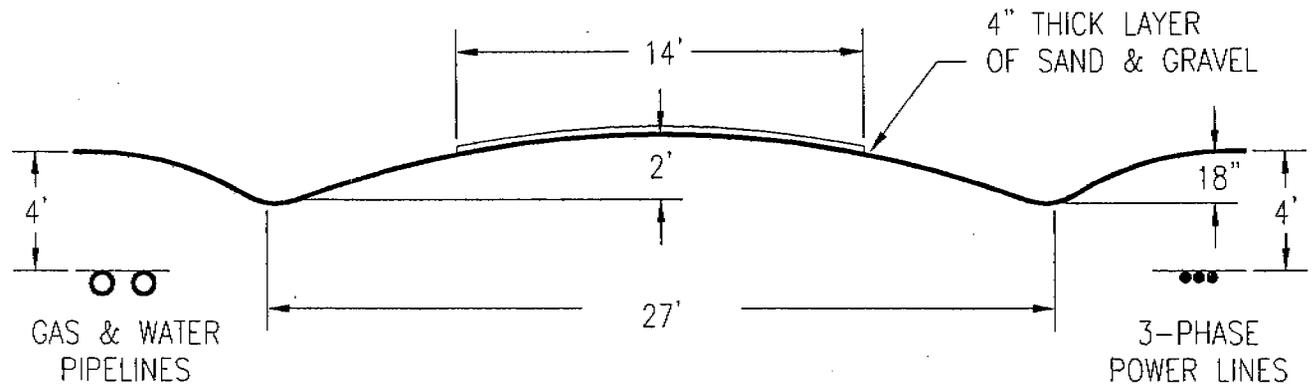


CONOCOPHILLIPS

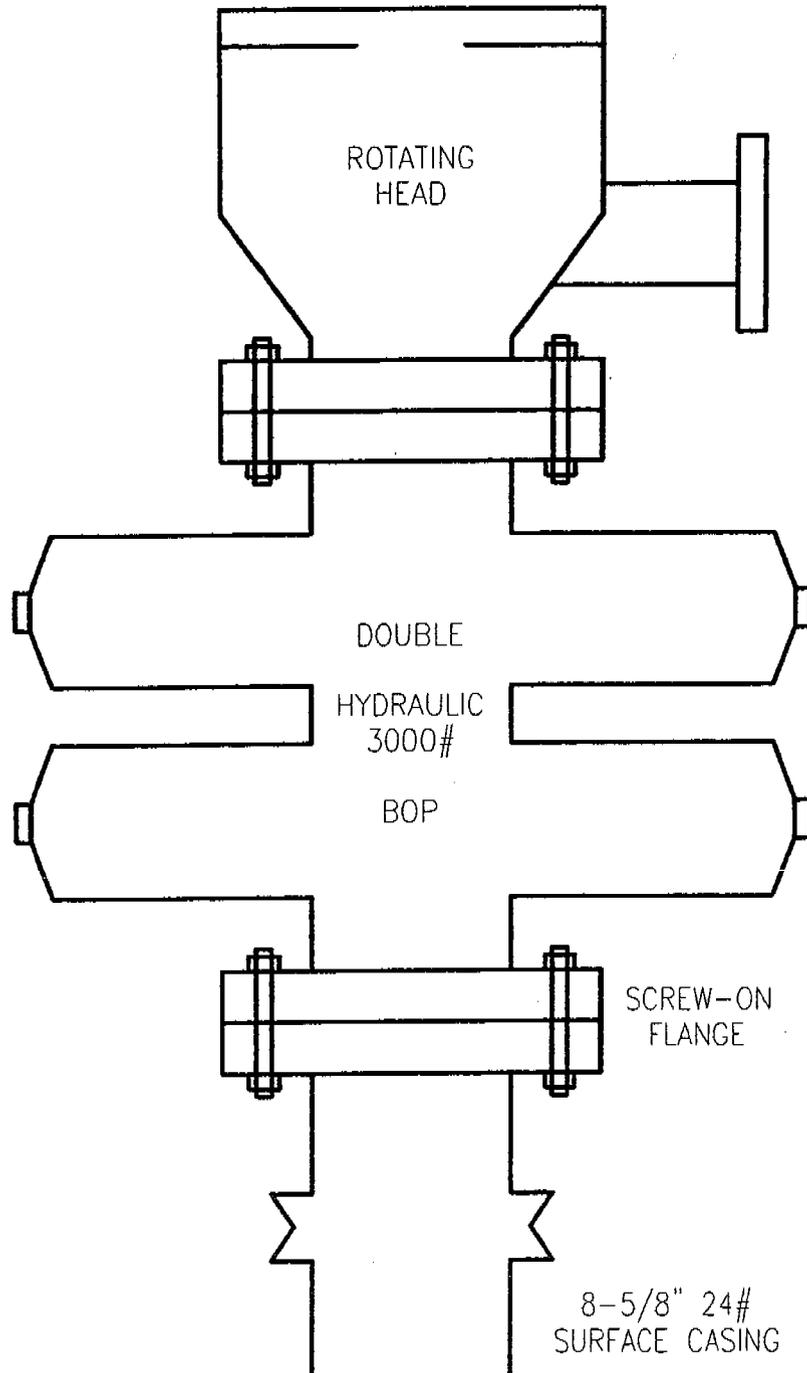
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION



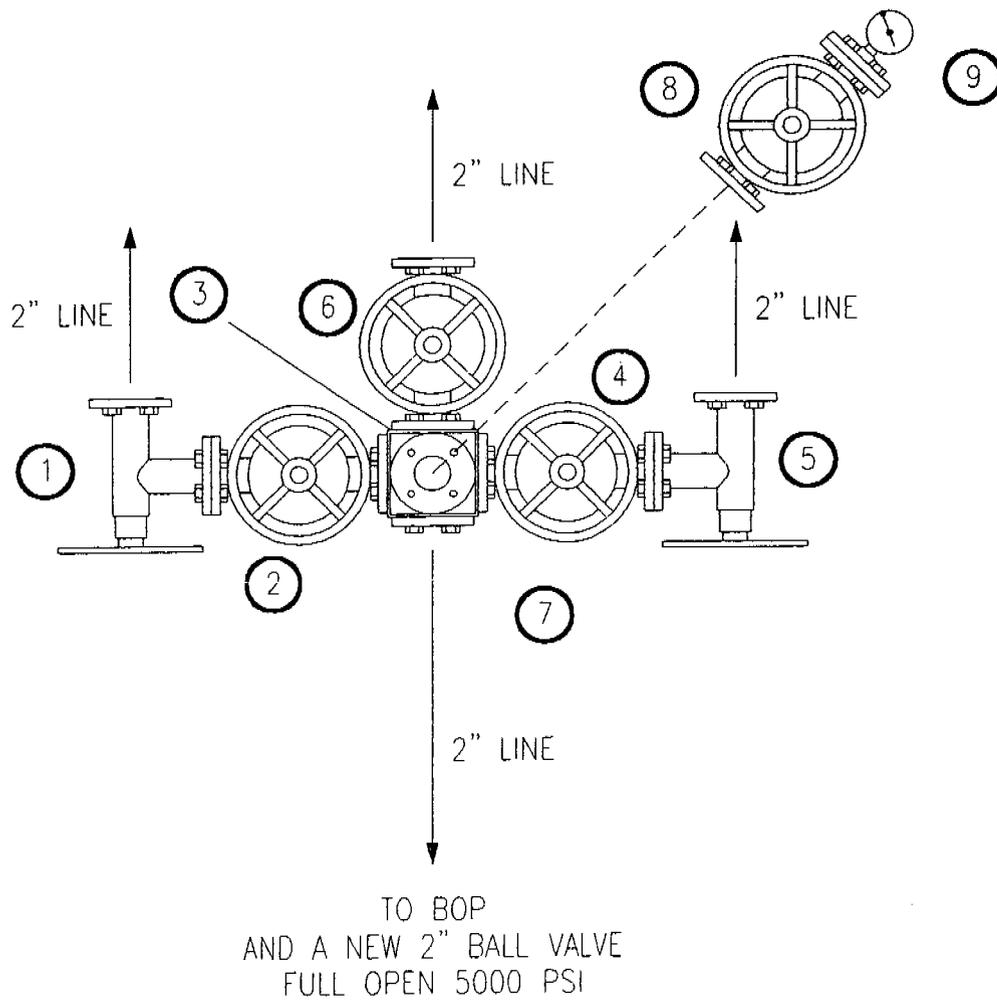
DIVERTER HEAD



- (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 MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.



MANIFOLD

EXHIBIT H

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, re-drilling, 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 Title Corporate Insurance Manager
Name (print) 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)

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

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company (Attach Power of Attorney)

By TINA MARIE FOSTER Title ATTORNEY-IN-FACT
Name (print) Signature

C/O MARSH USA INC
Surety Mailing Address

P.O. BOX 36012, KNOXVILLE, TN 37930-6012
City State Zip

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/24/2005

API NO. ASSIGNED: 43-007-31054

WELL NAME: LDS 28-861

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NESE 28 140S 100E
 SURFACE: 1664 FSL 0281 FEL
 BOTTOM: 1664 FSL 0281 FEL
 CARBON
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DGD	9/13/05
Geology		
Surface		

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: FRSD

COALBED METHANE WELL? YES

LATITUDE: 39.57619

LONGITUDE: -110.7973

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 16196922)
- 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)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

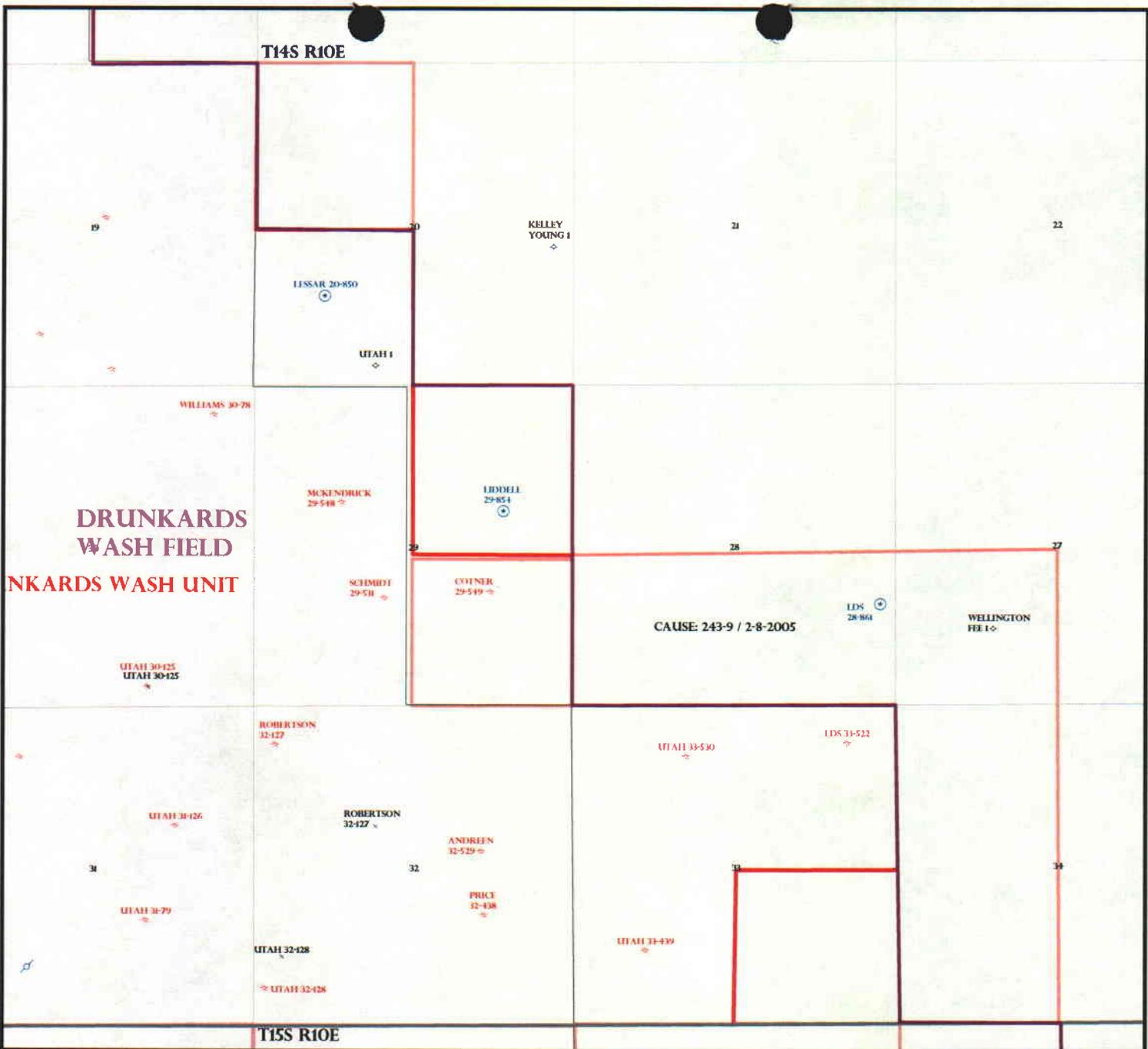
- _____ R649-2-3.
Unit _____
- _____ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- _____ R649-3-3. Exception
- Drilling Unit
Board Cause No: 243-09
Eff Date: 2-8-05
Siting: 460' fr outer barg unit & 920' fr other wells.
- _____ R649-3-11. Directional Drill

COMMENTS:

Needs Permit (08-30-05)

STIPULATIONS:

1- STATEMENT OF BASIS



OPERATOR: CONOCOPHILLIPS CO (N2335)
 SEC: 28 T. 14S R. 10E
 FIELD: UNDESIGNATED (002)
 COUNTY: CARBON
 CAUSE: 243-09 / 2-8-2005

Field Status	Unit Status
ABANDONED	EXPLORATORY
ACTIVE	GAS STORAGE
COMBINED	NF PP OIL
INACTIVE	NF SECONDARY
PROPOSED	PENDING
STORAGE	PI OIL
TERMINATED	PP GAS
	PP GEOTHERML
	PP OIL
	SECONDARY
	TERMINATED

Wells Status

	GAS INJECTION
	GAS STORAGE
	LOCATION ABANDONED
	NEW LOCATION
	PLUGGED & ABANDONED
	PRODUCING GAS
	PRODUCING OIL
	SHUT-IN GAS
	SHUT-IN OIL
	TEMP. ABANDONED
	TEST WELL
	WATER INJECTION
	WATER SUPPLY
	WATER DISPOSAL
	DRILLING



PREPARED BY: DIANA WHITNEY
 DATE: 26-AUG-2005

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: LDS 28-861
API NUMBER: 43-007-31054
LOCATION: 1/4,1/4 NESE Sec:28 TWP: 14 S RNG: 10 E 1664FSL 281 FEL

Geology/Ground Water:

A silty, poorly permeable soil is developed on a thin veneer of Quaternary Slope Wash covering the Blue Gate Member of the Mancos Shale. 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. Many water rights have been filed within a mile of the location but only two have been filed on the resources of a 192' deep water well in the SWSW corner in adjacent Section 22, Township 14 South, Range 10 East. This shallow well is about 3/4 mile north northeast of the location.

Reviewer: Christopher J. Kierst **Date:** August 31, 2005

Surface:

Proposed location is ~2 miles south of Price, Utah. Staked location lies east of Highway 10 on LDS Church owned property, known as the "Stake Farm", in Carbon County Utah. The immediate area surrounding the proposed well is agriculture use. Access to this well will be along existing ConocoPhillips gas field roads from UDOT and County maintained roads. Approximately 6000' of upgraded access road will be built for this location. All proposed new access for this well will be on the same surface ownership as the well, the LDS Church. The direct area drains to the east into Drunkards wash then further eastward eventually into the Price River, a year-round live water source ~1100' east of the proposed location. An un-named wash, tributary to Drunkards Wash, runs west to east on the east side of the location. This wash carries live water almost year-round, because it serves primarily as irrigation water drainage to the river. It does have the potential, in large storm events of packing a large amount of water. An irrigation collection / stock watering pond sits at the NW corner of the pad. All proposed new access for this well will be on the same surface ownership as the well, the LDS Church. The well and its access shouldn't impact any residences. Jean Semborski and Kile Thompson represented ConocoPhillips. The surface owner and Carbon County were invited but chose not to attend this on-site evaluation.

Reviewer: Mark L. Jones

Date: August 30, 2005

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: LDS 28-861
API NUMBER: 43-007-31054
LEASE: Fee **FIELD/UNIT:** _____
LOCATION: 1/4,1/4 NESE Sec: 28 TWP: 14S RNG: 10E 1664 FSL 281 FEL
LEGAL WELL SITING: 460' from unit boundary and 920' from another well.
GPS COORD (UTM): X =517409 E; Y =4380537 N **SURFACE OWNER:** The Church of Jesus Christ of Latter Day Saints.

PARTICIPANTS

M. Jones (DOGM), Jean Semborski and Kile Thompson (ConocoPhillips).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~2 miles south of Price, Utah. Staked location lies east of Highway 10 on LDS Church owned property, known as the "Stake Farm", in Carbon County Utah. The immediate area surrounding the proposed well is agriculture use. Access to this well will be along existing ConocoPhillips gas field roads from UDOT and County maintained roads. Approximately 6000' of upgraded access road will be built for this location. The direct area drains to the east into Drunkards wash then further eastward eventually into the Price River, a year-round live water source ~1100' east of the proposed location. Dry washes run throughout the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and agriculture activities.

PROPOSED SURFACE DISTURBANCE: 175' x 205' w/ 50' x 50' x 10' (excluded) pit.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 3 proposed, producing, and/or PA wells are within a 1-mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): Drilling may spark interest and curiosity of local public and possibly local public officials due to the general area of the proposed location. There are no residences within ~1000' of the proposed well, therefore, none of the associated activities of constructing, drilling, or producing this well should be of impact to the general public.

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: A wash, tributary to Drunkards Wash, runs west to east on the east side of the location. This wash primarily collects irrigation water and storm runoff. An irrigation collection / stock watering pond sits at the NW corner of the pad.

FLORA/FAUNA: Sagebrush, greasewood, resident deer, rodents, fowl.

SOIL TYPE AND CHARACTERISTICS: Silty clay.

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen, 50'x50'x10', exterior to location.

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

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: In negotiation.

CULTURAL RESOURCES/ARCHAEOLOGY: Will be done as standard procedures by the operator.

OTHER OBSERVATIONS/COMMENTS

Un-leased acreage ~435 SE of the proposed location.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

August 30, 2005 / 1:30 pm
DATE/TIME

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

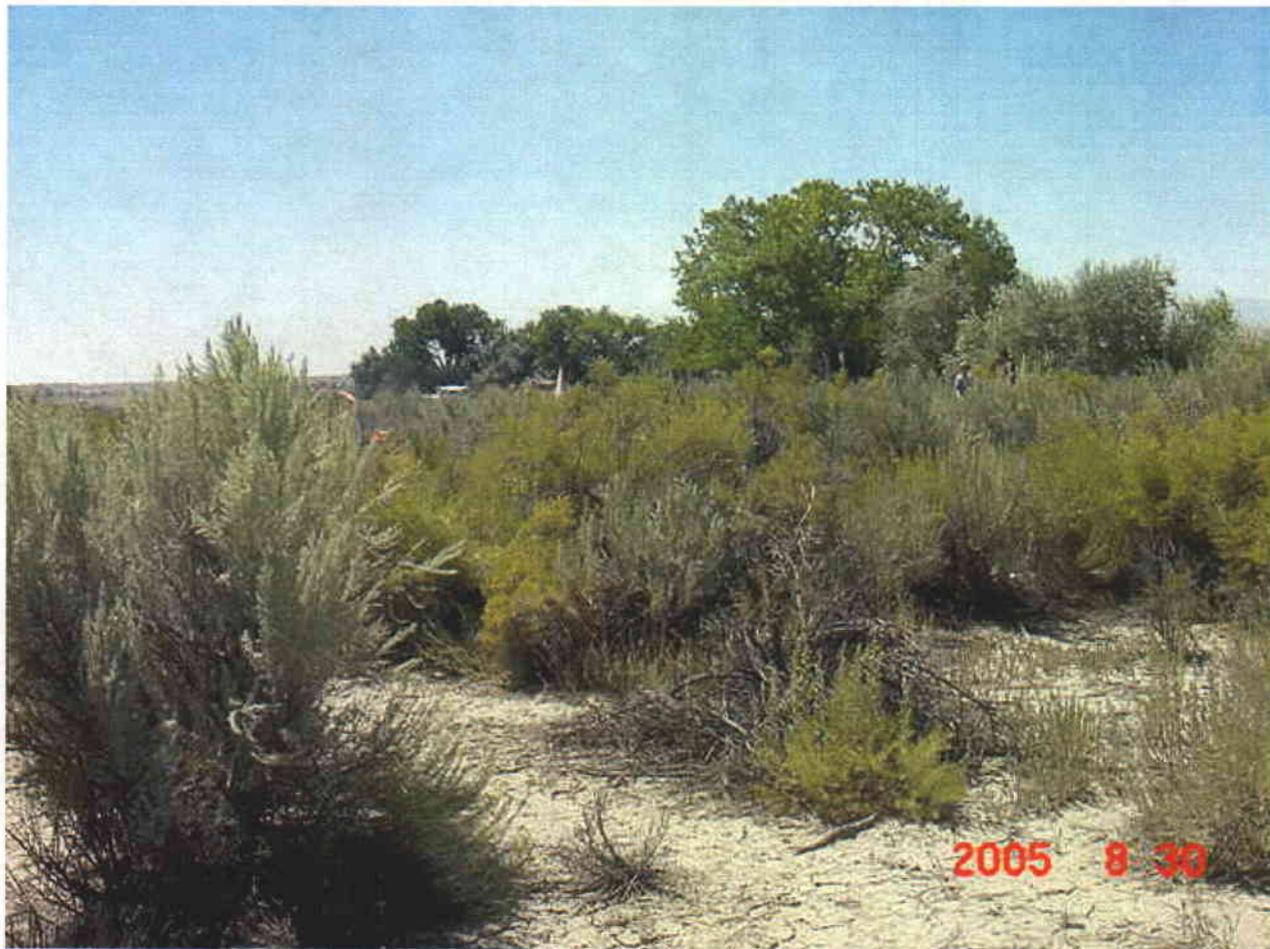
<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>15</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>20</u>
Distance to Nearest 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>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

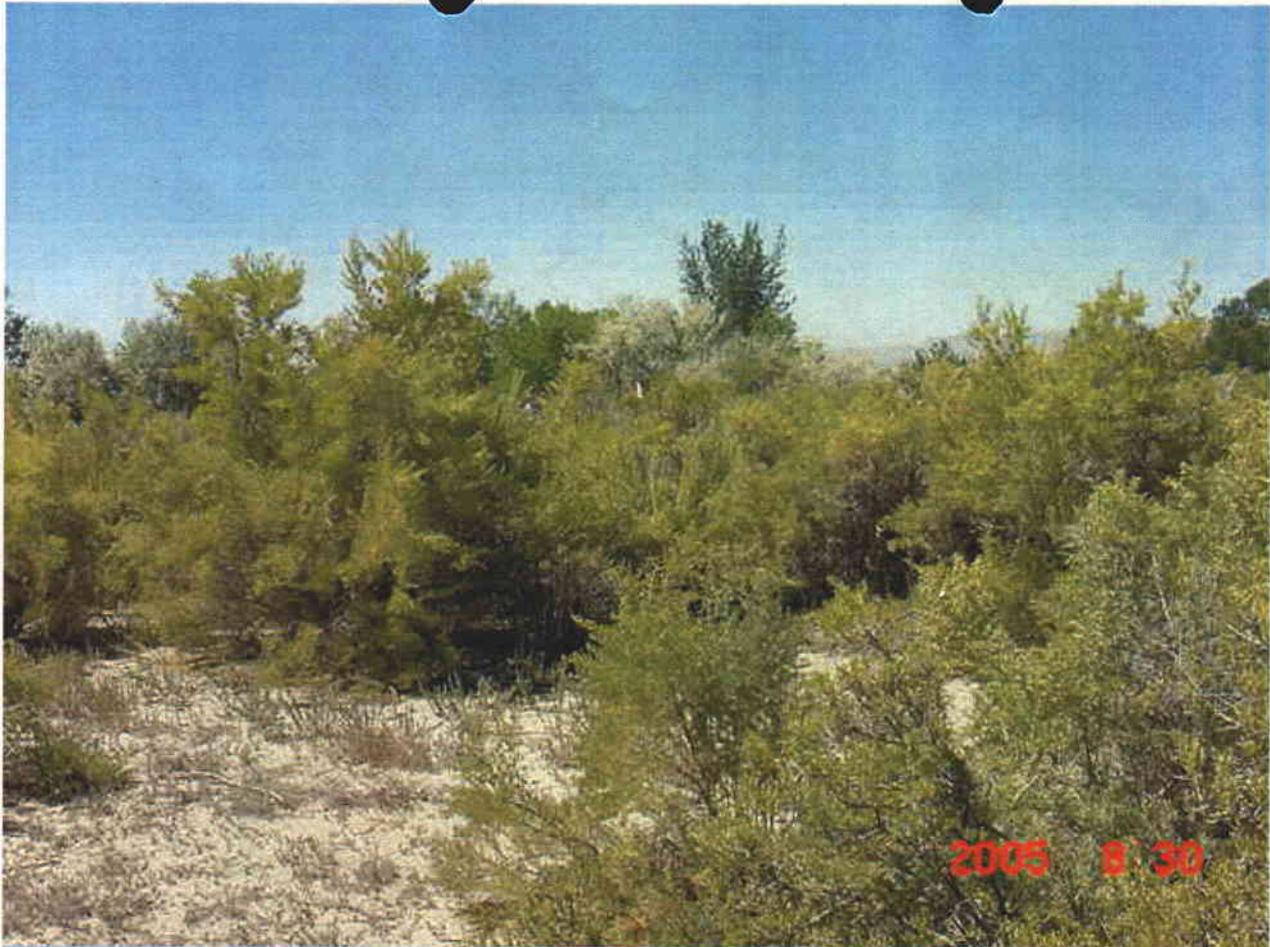
Final Score 40 (Level I Sensitivity)

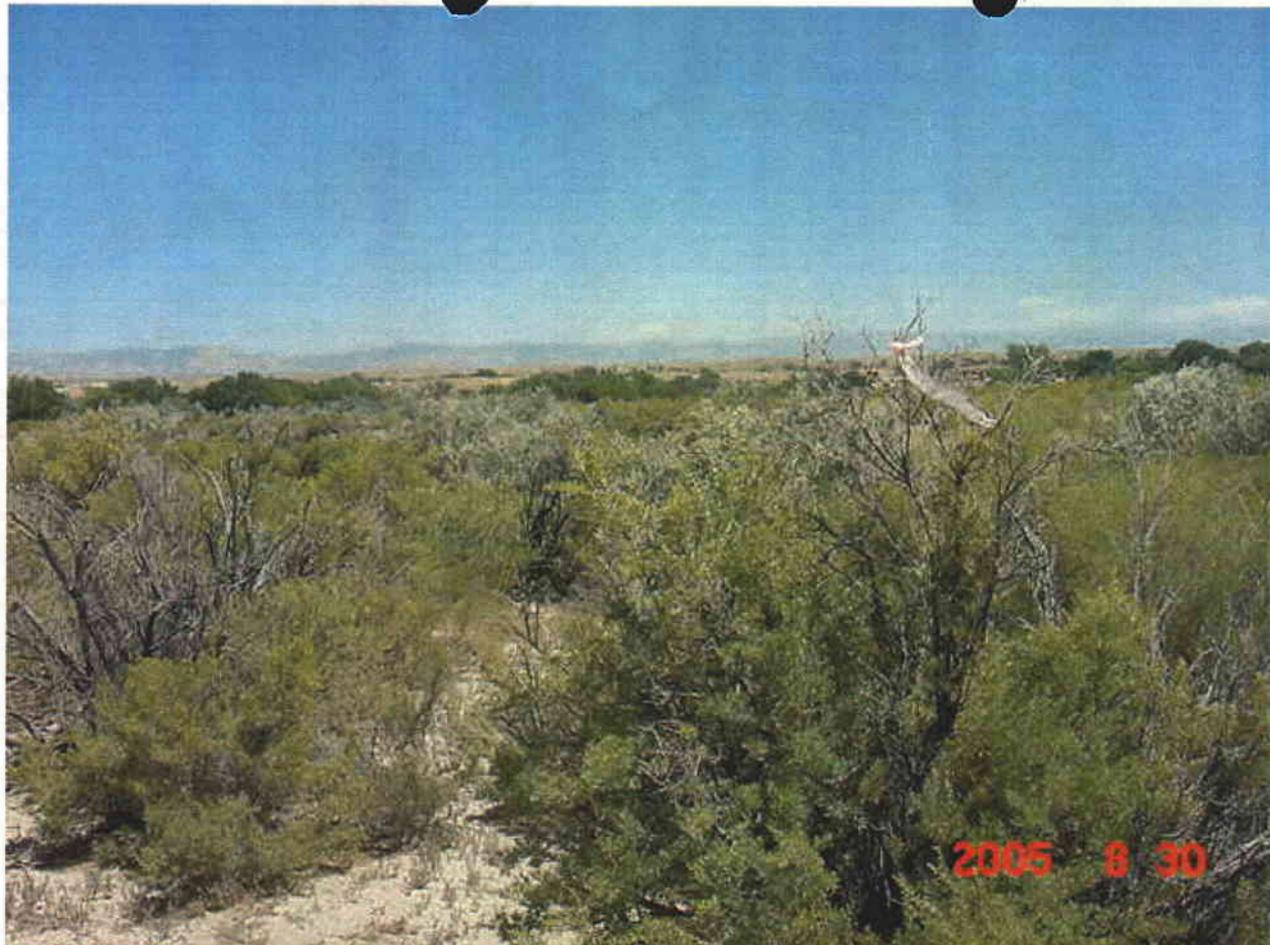
Sensitivity Level I = 20 or more; total containment is required, consider criteria for excluding pit use.

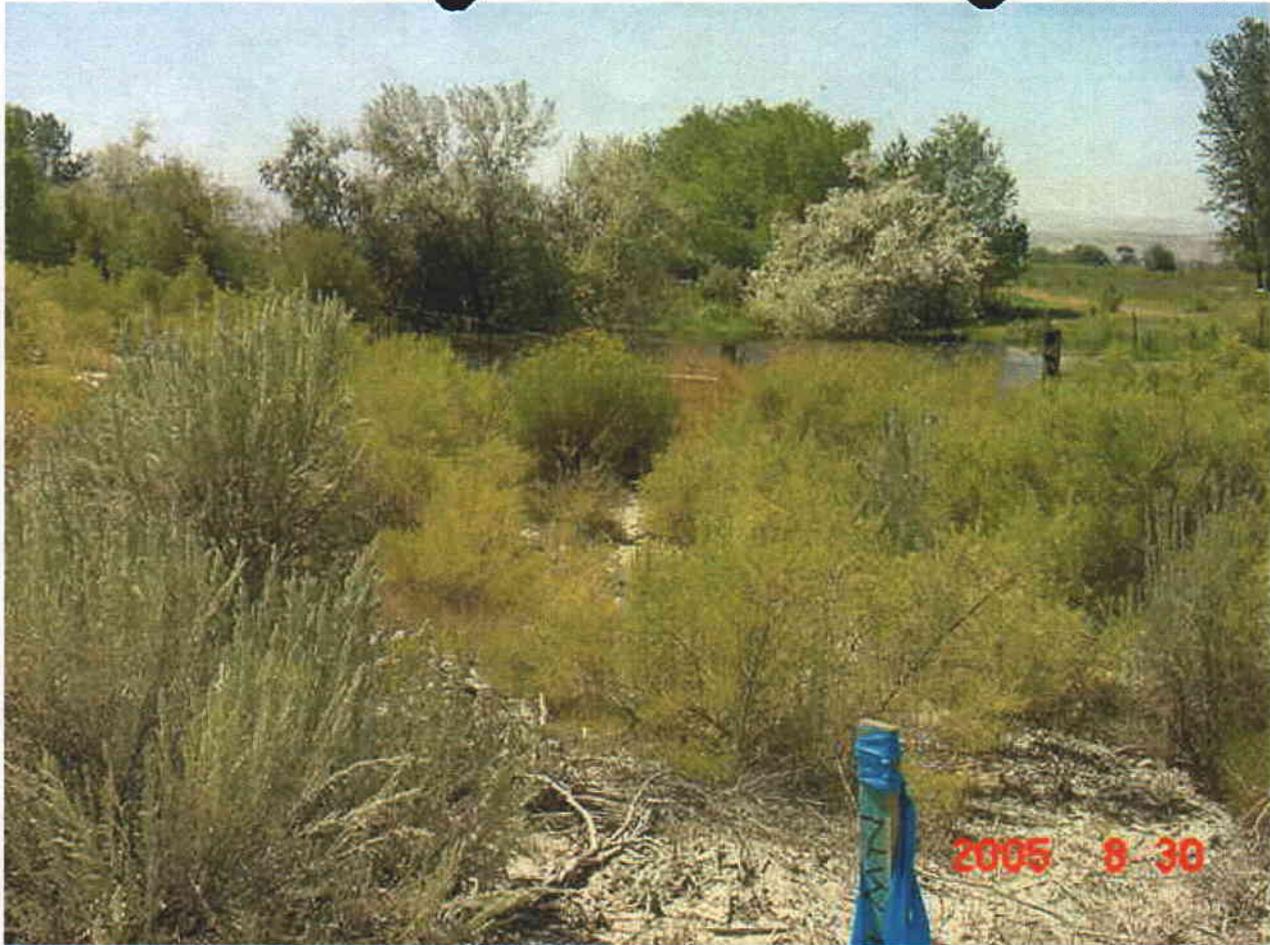
Sensitivity Level II = 15-19; lining is discretionary.

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











NW
Cor.
PAD

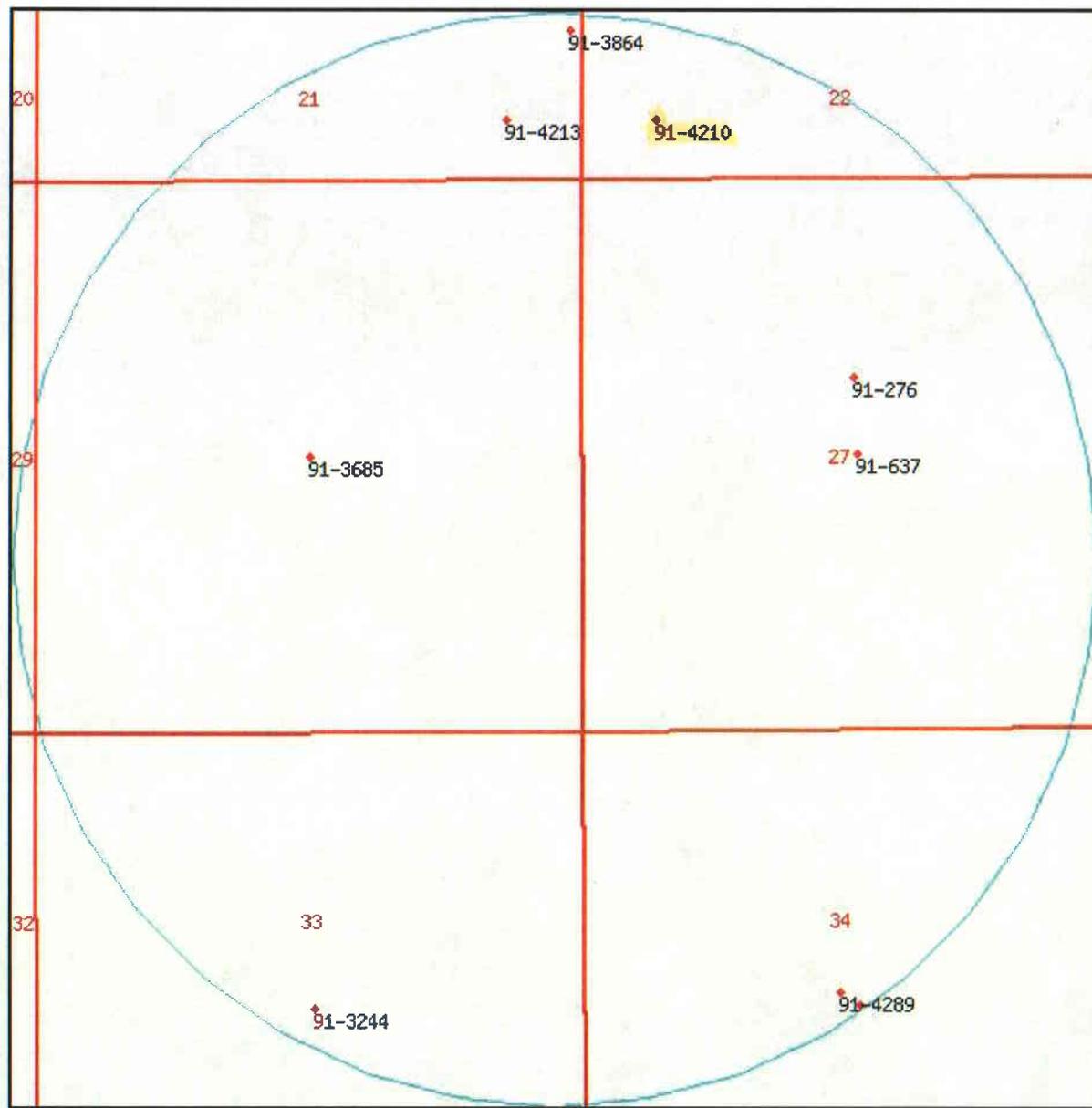
2005 8 30

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 08/31/2005 03:53 PM

Radius search of 5280 feet from a point N1664 W281 from the SE corner, section 28, Township 14S, Range 10E, SL b&m
Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-2297	Point to Point 0 0 28 14S 10E SL		P	18690000	S	0.000	0.000	THELMA M. JEWKES 143 SOUTH 1ST EAST
91-2298	Point to Point 0 0 28 14S 10E SL		P	18690000	S	0.000	0.000	PETE & BETTY FRANDBSEN TOOELE UT 84074
91-2299	Point to Point 0 0 28 14S 10E SL		P	18690000	S	0.000	0.000	CHARLES L. IDE UT
91-2300	Point to Point 0 0 28 14S 10E SL		P	18690000	S	0.000	0.000	MARY ELSIE YOUNG 748 NORTH 1ST EAST
91-2301	Point to Point 0 0 28 14S 10E SL		P	18690000	S	0.000	0.000	LAVERNE ALLEY UT
91-2306	Point to Point 0 0 27 14S 10E SL		P	18690000		0.000	0.000	DOMONIC D. AMBROSIO PRICE UT 84501
91-2307	Point to Point 0 0 27 14S 10E SL		P	18690000		0.000	0.000	PAUL D. AMBROSIO PRICE UT 84501
91-2308	Point to Point 0 0 27 14S 10E SL		P	18690000		0.000	0.000	JOHN R.D. AMBROSIO PRICE UT 84501
91-2309	Point to Point 0 0 27 14S 10E SL		P	18690000	S	0.000	0.000	NELDON OLIVER BOX 734
91-2310	Point to Point 0 0 27 14S 10E SL		P	18690000	S	0.000	0.000	MILTON B. AND DELORES BRYNER 720 NORTH 4TH EAST
91-2311	Point to Point 0 0 27 14S 10E SL		P	18690000	S	0.000	0.000	FLOYD D. AND LULA BROTHERSON ROUTE #1, BOX 291
91-2312	Point to Point 0 0 27 14S 10E SL		P	18690000	S	0.000	0.000	JAY CRITCHLOW PRICE UT 84501

91-2313	Point to Point 0 0 34 14S 10E SL	P	18690000 S	0.000	0.000	VERNON H. & LOLETE L. WHITE DOVE CREEK CO
91-2317	Point to Point 0 0 34 14S 10E SL	P	18690000	0.000	0.000	JUDSON D. & CHERIE CRITCHLOW 229 SOUTH 500 EAST
91-3005	Point to Point 0 0 28 14S 10E SL	P	18690000 S	0.000	0.000	NELDON OLIVER BOX 734
91-3223	Point to Point 0 0 28 14S 10E SL	P	18690000 S	0.000	0.000	JOHN A. MATHIS ROUTE #1
91-3224	Point to Point 0 0 28 14S 10E SL	P	18690000 S	0.000	0.000	SARAH MABEL CHIDESTER UT
91-3226	Point to Point S610 E1490 W4 28 14S 10E SL	P	18690000 S	0.000	0.000	SIBIL JONES EMERY STAR ROUTE
91-3227	Point to Point 0 0 28 14S 10E SL	P	18690000 S	0.000	0.000	EDNA IDE 265 NORTH 5TH WEST
91-3228	Point to Point 0 0 28 14S 10E SL	P	18690000 S	0.000	0.000	LDS CHURCH 50 E. NORTH TEMPLE, 12TH FLOOR EAST
91-3240	Point to Point 0 0 33 14S 10E SL	P	18690000 S	0.000	0.000	BEATRICE RANDALL ROUTE #3, BOX 112-A
91-3241	Point to Point N1100 E660 W4 33 14S 10E SL	P	18690000 S	0.000	0.000	DON JOHNSON PRICE UT 84501
91-3242	Point to Point 0 0 33 14S 10E SL	P	18690000 S	0.000	0.000	HAROLD & IONE SLAUGHTER ROUTE #1
91-3243	Point to Point S390 E310 N4 33 14S 10E SL	P	18690000	0.000	0.000	LDS CHURCH 50 E. NORTH TEMPLE, 12TH FLOOR EAST
91-3244	Point to Point	P	18690000 S	0.000	0.000	LORAIN WISEMAN

	N1100 E660 W4 33 14S 10E SL					PRICE UT 84501	
91-3685	Point to Point 0 0 28 14S 10E SL		P	18690000 S	0.000	0.000	NOAH POTTER 510 EAST 6TH SOUTH
91-637	Point to Point 0 0 27 14S 10E SL		P	18690000 S	0.000	0.000	MILTON B. BRYNER 720 NORTH 400 EAST
91-276	Surface S1920 W10 N4 27 14S 10E SL		P	19600718 I	0.750	0.000	MILTON B. BRYNER 720 NORTH 4TH EAST
91-3864	Surface S1230 W120 E4 21 14S 10E SL		P	19700402 IS	0.100	0.000	MASON MEEKS P.O. BOX 412
91-4210	Underground N580 E730 SW 22 14S 10E SL	well info	A	19790917 DI	0.015	0.000	CLYDE GRAMES ROUTE #1 BOX 305
91-4213	Underground N580 W730 SW 22 14S 10E SL	well info	P	19791001 DI	0.015	0.000	CLYDE GRAMES 47 1/2 WEST 2ND NORTH
91-4289	Surface S2500 E2500 NW 34 14S 10E SL		U	19820915 OX	500.000	12000.000	AMOCO PRODUCTION COMPANY 200 EAST RANDOLP DRIVE

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Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy

WRNUM: 91-4210 APPLICATION/CLAIM NO.: A53772 CERT. NO.:

OWNERSHIP*****

NAME: Clyde Grames
ADDR: Route #1 Box 305
Price UT 84501
LAND OWNED BY APPLICANT? Yes

DATES, ETC.*****

FILED: 09/17/1979 | PRIORITY: 09/17/1979 | PUB BEGAN: 11/08/1979 | PUB ENDED:
ProtestEnd: | PROTESTED: [No] | HEARNG HLD: | SE ACTION: [
EXTENSION: | ELEC/PROOF: [Election] | ELEC/PROOF: 01/25/1982 | CERT/WUC: 06/27/1
RENOVATE: | RECON REQ: | TYPE: []

PD Book No. Map:
Type of Right: Application to Appropriate Source of Info: Water User's Claim

LOCATION OF WATER RIGHT** (Points of Diversion: Click on Location to access PLAT Pro

FLOW: 0.015 cfs SOURCE: Underground Water Well
COUNTY: Carbon COMMON DESCRIPTION: Price

POINT OF DIVERSION -- UNDERGROUND: (Click Well ID# link for more well data.)

(1) N 580 ft E 730 ft from SW cor, Sec 22, T 14S, R 10E, SLBM

DIAMETER OF WELL: 4 ins. DEPTH: 192 to ft. YEAR DRILLED: 1979 WELL LOG? Yes
Comment:

USES OF WATER RIGHT*****

WATER RIGHT CLAIMS IN COMMON: 4210,4213

###IRRIGATION	*-----NORTH WEST QUARTER-----*				*-----NORTH EAST QUARTER-----*		
Tot Acrg.: 0.5	* NW	NE	SW	SE	* NW	NE	SW
Sec 22 T 14S R 10E SLBM *							
or a Total of 0.5000 acres.	Sole Supply:				Diversion Limi		

###DOMESTIC: 1 Family Diversion Limi

*****END OF DATA*****



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UTAH DIVISION OF WATER RIGHTS

Select Related Information

(WARNING: Water Rights makes NO claims as to the accuracy

WRNUM: 91-4213 APPLICATION/CLAIM NO.: A53841 CERT. NO.:

OWNERSHIP*****

NAME: Clyde Grames
ADDR: 47 1/2 West 2nd North
Price UT 84501
LAND OWNED BY APPLICANT? Yes

DATES, ETC.*****

FILED: 10/01/1979 | PRIORITY: 10/01/1979 | PUB BEGAN: 11/22/1979 | PUB ENDED:
ProtestEnd: | PROTESTED: [No] | HEARNG HLD: | SE ACTION: [
EXTENSION: | ELEC/PROOF: [Election] | ELEC/PROOF:06/27/1983 | CERT/WUC: 06/27/1
RENOVATE: | RECON REQ: | TYPE: []

PD Book No. Map:
Type of Right: Application to Appropriate Source of Info: Water User's Claim

LOCATION OF WATER RIGHT*** (Points of Diversion: Click on Location to access PLAT Pro

FLOW: 0.015 cfs SOURCE: Underground Water Well
COUNTY: Carbon COMMON DESCRIPTION: Southeast of Price

POINT OF DIVERSION -- UNDERGROUND: (Click Well ID# link for more well data.)
(1) N 580 ft W 730 ft from SW cor, Sec 22, T 14S, R 10E, SLBM

DIAMETER OF WELL: 4 ins. DEPTH: 192 to ft. YEAR DRILLED: 1979 WELL LOG? Yes
Comment:

USES OF WATER RIGHT*****

WATER RIGHT CLAIMS IN COMMON: 4210,4213

###IRRIGATION *-----NORTH WEST QUARTER-----*-----NORTH EAST QUARTER-----
Tot Acrg.: 0.5 * NW | NE | SW | SE * NW | NE | SW |
Sec 22 T 14S R 10E SLBM * | *
or a Total of 0.5000 acres. Sole Supply: Diversion Limi

###DOMESTIC: 1 Family Diversion Limi

*****END OF DATA*****



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UTAH DIVISION OF WATER RIGHTS

Activity

#	WIN	Drilling Company	Activity Type	Activity Begin Date
No activity records found for this location				

Well Features

#	WIN	Drilling Method	Total Bore Depth	Finished Well Depth	Finished Casing Diameter	Well Intake Depth
1	20996	Air Rotary	192	192	4	92

Comments

#	Datestamp	Text
No comment records found for this location		

Water Level Records

#	WIN	Date	Time	Depth	Status	Method
1	20996	09/05/1979		24	Static	

Water Quality Records

#	WIN	Date	Time	Parameter	Value
No water quality records found for this location					

[View Well Log](#)

[Done](#)

09-05 ConocoPhillips LDS 28-861

Casing Schematic

Manos Shale

Surface

Propose TBC - Surface

TOC @ 4.

✓ w/ 15% washout

8-5/8"
MW 8.4
Frac 19.3

Surface
129. MD

BHP

$(.052)(1660)(8.4) = 752$

Anticipate 1527 ?

TOC @ 467.

Gas

$(.12)(1660) = 199$

MWSP = 1328

BoPE - 3.000 ✓

✓ w/ 15% washout

Seal case - 2950

70% = 2065

mat pressure shoe = 1191 ?

propose Test Seal case to 1400# ✓

1197 TBC Tail

✓ Adequate DWS 9/13/05

5-1/2"
MW 8.4

Production
1660. MD

Well name:	09-05 ConocoPhillips LDS 28-861	
Operator:	ConocoPhillips	Project ID:
String type:	Surface	43-007-31054
Location:	Carbon County	

Design parameters:

Collapse
Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 114 psi
Internal gradient: 0.120 psi/ft
Calculated BHP: 129 psi

No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

Tension is based on buoyed weight.
Neutral point: 113 ft

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 77 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 129 ft

Cement top: 4 ft

Completion type is subs
Non-directional string.

Re subsequent strings:

Next setting depth: 1,660 ft
Next mud weight: 8.400 ppg
Next setting BHP: 724 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 129 ft
Injection pressure: 129 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	129	8.625	24.00	J-55	ST&C	129	129	7.972	6.2

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	56	1370	24.338	129	2950	22.87	3	244	90.18 J

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

Phone: 801-538-5280
FAX: 801-359-3940

Date: September 13, 2005
Salt Lake City, Utah

Remarks:
Collapse is based on a vertical depth of 129 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

09-05 ConocoPhillips LDS 28-861

Operator: **ConocoPhillips**

String type: Production

Project ID:

43-007-31054

Location: Carbon County

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 98 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: 467 ft

Burst

Max anticipated surface pressure: 282 psi
Internal gradient: 0.266 psi/ft
Calculated BHP 724 psi

No backup mud specified.

Tension:

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

Completion type is subs
Non-directional string.

Tension is based on buoyed weight.
Neutral point: 1,449 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1660	5.5	17.00	N-80	LT&C	1660	1660	4.767	57.2
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	724	6290	8.683	724	7740	10.69	25	348	14.13 J

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

Phone: 801-538-5280
FAX: 801-359-3940

Date: September 13, 2005
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1660 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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



Kile Thompson
Agent, PTRRC
ConocoPhillips Company
3960 E. 56th Ave.
Commerce City, CO 80022
Office: 303.376.4368
Cell: 303.419.9513
Fax: 303.376.4368

September 6, 2005

Division of Oil, Gas and Mining
Attention: Diane Whitney
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Re: Surface Use Agreement Affidavits for LDS 28-861

Dear Ms. Whitney:

Enclosed is one signed and notarized Affidavits concerning a Surface Use Agreements entered into between ConocoPhillips Company and the Presiding Bishop of the Church of Jesus Christ of the Later Day Saints. ConocoPhillips is prepared to construct, drill, and produce the LDS 28-861 well. The original agreement that covers the property on which the well will be constructed was originally executed in September 2004. This agreement was for all of the contiguous property owned by the Church. The LDS 33-522 was constructed under the September 2004 agreement. A letter agreement was also completed in August of 2005 for the LDS 28-861.

We are sending you this agreement in order to show the D.O.G.M. that we have secured permission from the landowners to construct, drill, and produce these wells. If you need any other information please don't hesitate to contact me at 303.376.4368 if you have questions.

Sincerely,

Kile A. Thompson

Enc.

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SEP 06 2005
DIV. OF OIL, GAS & MINING

**AFFIDAVIT CONCERNING
SURFACE USE AGREEMENT**

STATE OF COLORADO }
 }
COUNTY OF ADAMS }

KILE A. THOMPSON, being first duly sworn upon his oath, deposes and says:

1. I am an Agent 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. **Corporation of the Presiding Bishop of the Church of Jesus Christ of the Later Day Saints** whose address is 139 East S. Temple, Suite 110, Salt Lake City, UT 84111, ("**Surface Owner**") owns the surface estate of property located in the **Northeast Quarter of the Southeast Quarter of Section 28, Township 14 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 September 2004, which covers the Property. A further letter agreement has been executed as of August 2005 acknowledging the compensation to be paid by COPC to the Church. 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 location for COPC's **LDS 28-861 well** and associated infrastructure, which will be located on the Property. A Memorandum of Surface Use and Damage Agreement will be 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 Tuesday, September 06, 2005.



KILE A. THOMPSON
ConocoPhillips Company
Property Tax, Real Estate,
Right of Way and Claims
Agent

Subscribed, sworn and acknowledged to and by Kile A. Thompson before me this Tuesday, September 06, 2005.



NOTARY PUBLIC
For the State of Colorado

Commission Expires:

06/08/2006



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 13, 2005

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: LDS 28-861 Well, 1664' FSL, 281' FEL, NE SE, Sec. 28, T. 14 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.

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 43-007-31054.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor

Operator: ConocoPhillips Company
Well Name & Number LDS 28-861
API Number: 43-007-31054
Lease: Fee

Location: NE SE Sec. 28 T. 14 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)

ORIGINAL

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

1. Type of Well
 Oil Gas

2. Name of Operator
ConocoPhillips

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

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1664' FSL, 281' FEL
NE/SE, Sec. 28, T14S, R10E, SLB&M**

5. Lease Designation and Serial No.
Private
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.
LDS 28-861
9. API Well No.
43-007-31054
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 type="checkbox"/> Online Notice	<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 checked="" type="checkbox"/> Other <u>Spud notice</u>	

(Note: Report results of multiple completion on Well Completion or

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 this well was spud on 11/6/2005 at 3:10 p.m. with the Pense #9 Rig.

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DIV. OF OIL, GAS & MINING

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

Signed Lynnette Allred Title Sr. Operations Assistant Date November 9, 2005

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any:

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

FILE COPY

ENTITY ACTION FORM

Operator: ConocoPhillips
Address: 6825 South 5300 West
city Price
state UT zip 84501

Operator Account Number: N 2335

Phone Number: (435) 613-9777

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731014	Lessar 20-850		NWSW	20	14S	10E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15041	10/31/2005			11/17/05	
Comments: <u>New single well spud outside PA & inside of the Unit Boundary.</u> <u>DKTA</u> CONFIDENTIAL K							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731054	LDS 28-861		NESE	28	14S	10E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15042	11/6/2005			11/17/05	
Comments: <u>New single well spud outside PA & outside of the Unit Boundary.</u> <u>FRSD</u> CONFIDENTIAL K							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731055	LIDDELL 29-854		SENE	29	14S	10E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15043	11/3/2005			11/17/05	
Comments: <u>New single well spud outside PA & outside of the Unit Boundary.</u> <u>FRSD</u> CONFIDENTIAL K							

ACTION CODES:

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

Lynnette Allred

Name (Please Print)

Signature

Sr. Operations Assistant

Title

11/9/2005

Date

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NOV 14 2005

DIV. OF OIL, GAS & MINING

ORIGINAL

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER

b. TYPE OF WORK: NEW WELL HORIZ. LATS. DEEP-EN RE-ENTRY DIFF. RESVR. OTHER

2. NAME OF OPERATOR: **ConocoPhillips Company**

3. ADDRESS OF OPERATOR: P.O. Box 851 CITY **Price** STATE **UT** ZIP **84501** PHONE NUMBER: **(435) 613-9777**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **1664' FSL & 281' FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **1664' FSL & 281' FEL**
AT TOTAL DEPTH: **1664' FSL & 281' FEL**

5. LEASE DESIGNATION AND SERIAL NUMBER: **Private**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: **NA**

7. UNIT or CA AGREEMENT NAME: **Drunkards Wash UTU-67921X**

8. WELL NAME and NUMBER: **LDS 28-861**

9. API NUMBER: **4300731054**

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

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESE 28 T14 10E S**

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

CONFIDENTIAL

14. DATE SPUDDED: **11/6/2005** 15. DATE T.D. REACHED: **11/10/2005** 16. DATE COMPLETED: **2/9/2006** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): **5493'**

18. TOTAL DEPTH: MD **1,315** TVD **1,315** 19. PLUG BACK T.D.: MD **1,298** TVD **1,298** 20. IF MULTIPLE COMPLETIONS, HOW MANY? * 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
Dual Induction Guard Log Gamma Ray, Comp Density, Comp Neutron Gamma Ray, Cement Bond Log.

23. WAS WELL CORED? NO YES (Submit analysis)
WAS DST RUN? NO YES (Submit report)
DIRECTIONAL SURVEY? NO YES (Submit copy)

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
15	12-3/4	Conductor	0	70					
11	8-5/8 J-55	24#	0	413		G 180	30	surface CIR	
7-7/8	5-1/2 N-80	17#	0	1,298		poz 75			
						STAN 140	30	surface CIR	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
N/A								

26. PRODUCING INTERVALS **FRSD** 27. PERFORATION RECORD

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron Coal & Sar	862	945	868	945	862 945	.42	104	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
862' - 945'	Sandpack of 162,000 lbs, 1830 bbls of gel pad.

29. ENCLOSED ATTACHMENTS: ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: _____

30. WELL STATUS: **Producing**

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MAR 03 2006

31. INITIAL PRODUCTION
INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 2/16/2006		TEST DATE: 2/16/2006		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 0	WATER - BBL: 0	PROD. METHOD: flowing
CHOKE SIZE: 1/2"	TBG. PRESS. 0	CSG. PRESS. 240	API GRAVITY 0.00	BTU - GAS 0	GAS/OIL RATIO 0	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 2	WATER - BBL: 679	INTERVAL STATUS: on-line

INTERVAL B (As shown in item #26)

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

INTERVAL C (As shown in item #26)

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

INTERVAL D (As shown in item #26)

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

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

Sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Blue Gate/Ferron	2,852	3,203	Coals and sandstones 3019' - 3023'		2,852

35. ADDITIONAL REMARKS (include plugging procedure)

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

NAME (PLEASE PRINT) Jim Weaver TITLE Uinta - Rockies Superintendent
 SIGNATURE  DATE 2/27/2006

This report must be submitted within 30 days of

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

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

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

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