

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. <b>U-61154</b>	
6. If Indian, Allottee or Tribe Name <b>N/A</b>	
7. If Unit or CA Agreement, Name and No. <b>Drunkards Wash UTU-67921X</b>	
8. Lease Name and Well No. <b>USA 24-1005</b>	
9. API Well No. <b>43007-31088</b>	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory <b>Drunkards Wash</b>
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	11. Sec., T. R. M. or Blk. and Survey or Area <b>SW/SW, Sec. 24, T.14S, R.8E</b>
2. Name of Operator <b>ConocoPhillips Company</b>	12. County or Parish <b>Carbon</b>
3a. Address <b>P.O. Box 851</b>	13. State <b>UT</b>
3b. Phone No. (include area code) <b>435-613-9777</b>	14. Distance in miles and direction from nearest town or post office* <b>11.5 Miles west of Price, Utah</b>
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface <b>332' FSL, 333' FWL 501529X 3A.587092</b> At proposed prod. zone <b>4381721Y -110.982196</b>	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>332'</b>
16. No. of acres in lease <b>3863.87 acres</b>	17. Spacing Unit dedicated to this well <b>NA</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>1250'</b>	19. Proposed Depth <b>3940' TD</b>
20. BLM/BIA Bond No. on file <b>8015-16-69</b>	21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>6966' GR</b>
22. Approximate date work will start* <b>04/15/2006</b>	23. Estimated duration

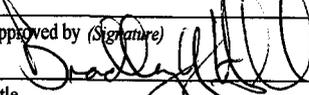
24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No.1, shall be attached to this form:

- Well plat certified by a registered surveyor.
- A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature 	Name (Printed/Typed) <b>Jean Semborski</b>	Date <b>12/27/2005</b>
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Title  
**Construction/Asset Integrity Supervisor**

Approved by (Signature) 	Name (Printed/Typed) <b>BRADLEY G. HILL</b>	Date <b>03-02-06</b>
Title	Office <b>ENVIRONMENTAL MANAGER</b>	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

\*(Instructions on page 2)

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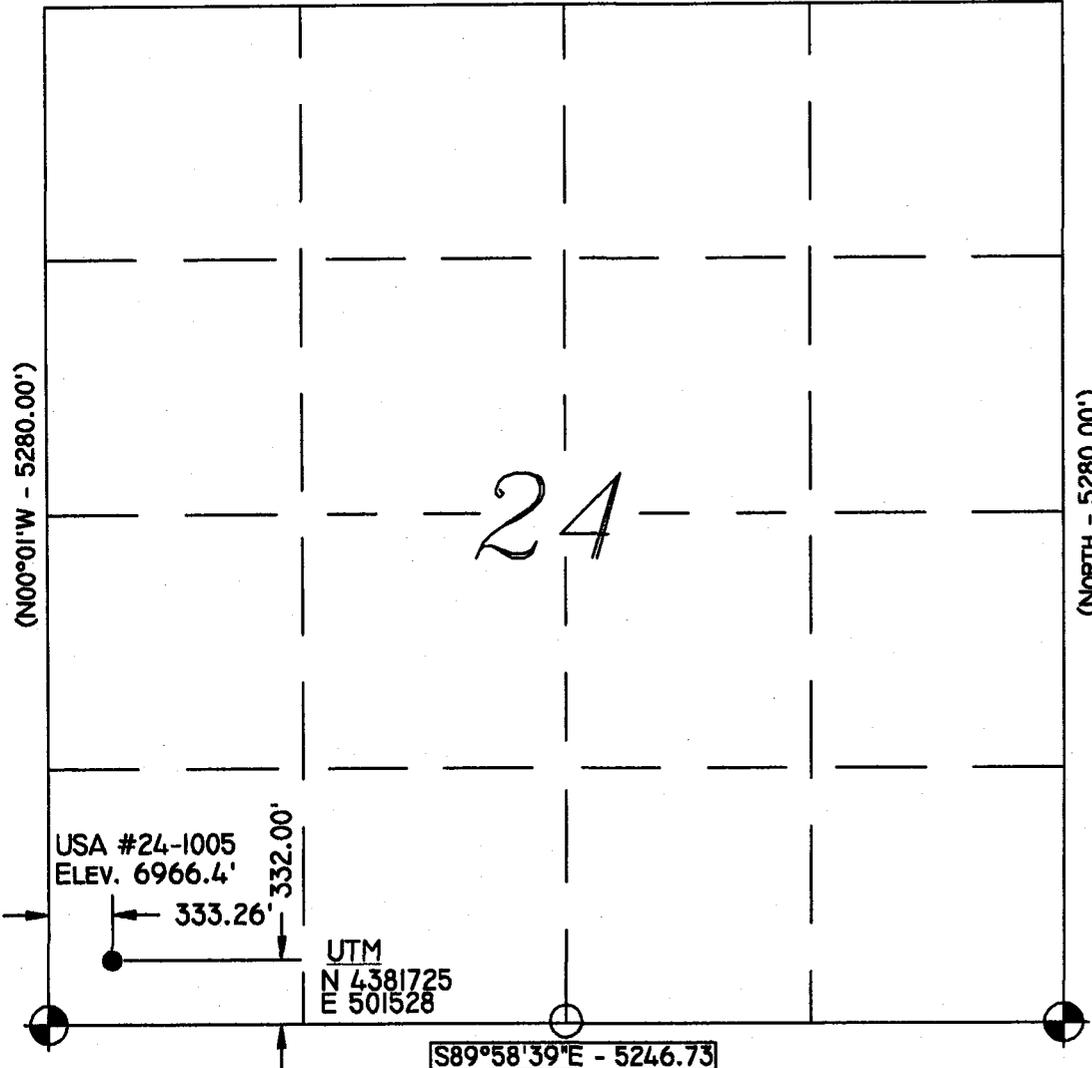
Federal Approval of this  
Action is Necessary

DIV. OF OIL, GAS & MINING

# Range 8 East

(WEST - 5278.68')

Township 14 South



**Location:**

The well location was determined using a Trimble 5700 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:**

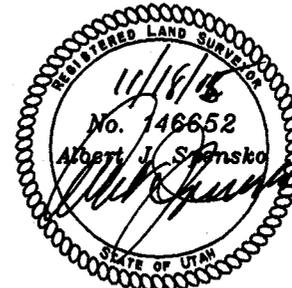
Basis of Elevation of 6968' being at the Southeast Section Corner of Section 26, Township 14 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 minute series map.

**Description of Location:**

Proposed Drill Hole located in the SW/4 SW/4 of Section 24, T14S, R8E, S.L.B.&M., being 332.00' North and 333.26' East from the Southwest Section Corner of Section 24, T14S, R8E, Salt Lake Base & Meridian.

**Surveyor's Certificate:**

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



**TALON RESOURCES, INC.**

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

**ConocoPhillips Company**

WELL USA #24-1005  
 Section 24, T14S, R8E, S.L.B.&M.  
 Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 11/9/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1990

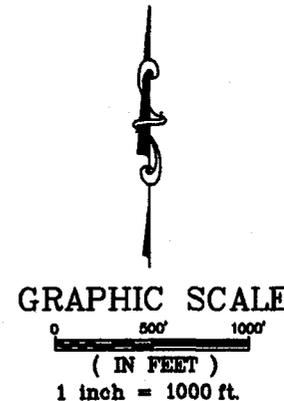
**Legend**

- 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°35'13.659"N  
 110°58'55.943"W



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

Company ConocoPhillips Company Well No. USA 24-1005  
Location: Sec. 24, T 14 S, R 08 E, Lease No. U-61154  
On-Site Inspection Date: 10/26/2005

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

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops:  
Surface formation: Upper Mancos Shale  
Estimated top of Ferron Formation: 3362' TD = 3940'
2. Estimated Depth at Which Oil, Gas, Water or Other Mineral Bearing Zones are Expected to be Encountered

<u>Formation</u>	<u>Depth</u>
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Expected Oil Zones: none	
Expected Gas Zones: Ferron Coal Interval: <u>3370'-3554'</u>	
Expected Water Zones: <u>3370'-3554'</u>	
Expected Mineral Zones: none	

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

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

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

4. Casing Program and Auxiliary Equipment - include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned): Approximately 3930' of 5-1/2", N-80 17#/ft production casing will be installed, 400' of the above setting depth will be 8-5/8", 24#/ft. J-55 surface casing.
5. Cement-include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques: See cementing information below.

**Proposed Casing and Cementing Programs**  
**USA 24-1005**

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
14 3/4"	12 3/4"	40.5	H-40	ST&C	0-50'
11"	8 5/8"	24.0	J-55	ST&C	0-400'
7 7/8"	5 1/2"	17.0	N-80	LT&C	0- <u>3930'</u>

**Cementing Program**

The 8 5/8" surface casing will be set with approximately 170 sacks Class G or Type V cement with 2% CaCl<sub>2</sub> mixed at 15.6 ppg (yield = 1.18 ft<sup>3</sup>/sx). The cement will be circulated back to surface with 100% excess.

The 5 1/2" production casing will be set and cemented using a two stage cementing process. This entails setting casing to total TD and running a DV tool to approximately 300' of the top of the Ferron.

The 1<sup>st</sup> Stage of cement will then be pumped to approximately 50' from the DV tool. After cement is pumped, the cement cap will be removed and a wiper plug installed. The cement cap will then be screwed back on and a wiper plug will be displaced to TD. The cement cap will be removed and the DV tool bomb will be dropped followed by the 2<sup>nd</sup> Stage wiper plug. (This is done to open the DV tool and establish circulation.) Once circulation is established, circulation will continue at approximately 1 bpm for 4 hours while waiting on cement (WOC). WOC at a minimum of 4 hours before beginning 2<sup>nd</sup> stage cement job. After the 2<sup>nd</sup> Stage has been pumped, a top wiper plug will be dropped and displaced with water (or water spacer and mud). Shut in well and WOC.

The 5 1/2" production casing will be set with approximately 130 sx of Standard Cement, 10% Cal Seal 60 (accelerator), 1% Calcium Chloride (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of 1.61 ft<sup>3</sup>/sx at 14.2 ppg; calculated with an excess of 35% for the 1<sup>st</sup> Stage. For the 2<sup>nd</sup> stage, approximately 330 sx of 50/50 POZ Premium cement, 8% Bentonite (light weight additive), 10% Cal Seal 60 (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of 1.98 ft<sup>3</sup>/sx at 12.5 ppg; calculated with an excess of 30% for the 2<sup>nd</sup> Stage.

The above cement volumes are approximate and are calculated under the assumption that a gauge hole will be achieved. If the cement does not return to surface, a cement bond log will be run to determine the top of cement. In the case where the cement is below the surface casing shoe, the casing will be perforated and squeeze cemented to the surface. If the cement is above the surface casing shoe, cement will be one-inched to the surface.

6. Mud Program and Circulating Medium- include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto ignitor; description of the deduster equipment; and amounts, types and characteristics of stand-by mud: Hole will be drilled with air with the blooie line extending to the large pit.
7. Coring, Logging and Testing Program: Gamma, Neutron Density, and Cement Bond Log. Initial opening of drill stem test tools will be restricted to daylight hours.
8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards- include anticipated bottom hole pressure and/or pressure gradient: No abnormal conditions are anticipated, formation is slightly over-pressured. Using a 0.433 pressure gradient bottom hole pressure expected is about 1083 psi max., however due to offset production pressures may be much lower.
9. Any Other Aspects of this Proposal that should be Addressed:

#### B. THIRTEEN POINT SURFACE USE PLAN

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

1. Existing Roads:
  - a. Proposed route to location (Refer to Drawing L-1).
  - b. Location of proposed well in relation to town or other reference point: 11.5 miles west of Price, Utah.
  - c. Contact the Carbon County Road Department for use of county roads. The use of Carbon County roads will require an encroachment permit from the Carbon County Road Department.
  - d. Plans for improvement and/or maintenance of existing roads: Upgrade and maintain existing state or county roads.
  - e. Other:

2. Planned Access Roads:

- a. Location (centerline): Refer to Drawing L-1
- b. Length of new access to be constructed: 1300'
- c. Length of existing roads to be upgraded NA'
- d. Maximum total disturbed width: 27'
- e. Maximum travel surface width: 24'
- f. Maximum grades: 7%
- g. Turnouts: none
- h. Surface materials: In-place residual of Mancos Shale
- i. Drainage (crowning, ditching, culverts, etc): Roads will be crowned with water ditches on both sides. Water will be diverted around pad as necessary and 4 culverts may be needed and placed along new roadway.
- j. Cattleguards: none
- k. Length of new and/or existing roads which lie outside the lease boundary for which a BLM right-of-way is required: NA
- l. Other:

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

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

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

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

3. Location of Existing Wells-on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each: See Drawing "L-1".
4. Location of Production Facilities:
  - a. On-site facilities: See Exhibit "E"
  - b. Off-site facilities: none
  - c. The pipelines and powerlines will follow the proposed access route with the powerline located on the north/east side of the road and the pipelines on the west/south. The pipelines will be approximately 4" for the gas and 4" for the water. Refer to map Exhibit "B" page 1 for the location of the proposed pipeline. The length of the pipeline will be approximately 1300' long. The pipelines will be brought to the USA 24-1005 from the existing USA 23-423.

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

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

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

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

5. Location and Type of Water Supply:

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

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

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

6. Source of Construction Material:

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

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

7. Methods of Handling Waste Disposal:

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

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

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

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

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

8. Ancillary Facilities: Garbage containers and portable toilets.

9. Well Site Layout - depict the pit, rig, cut and fill, topsoil, etc. on a plat with a scale of at least 1" = 50'.

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

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

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

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

10. Plans for Restoration of the Surface:

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

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

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

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

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

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

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

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

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

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

The following seed mixture will be used:

BLM recommended mixture: Pinyon-Juniper

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

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

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

Additional requirements:

11. Surface and Mineral Ownership: BLM surface/BLM subsurface
12. Other Information:
  - a. Archeological Concerns: none

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

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

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

- b. Threatened and Endangered Species Concerns: No
- c. Wildlife Seasonal Restrictions (yes/no): See EIS
- d. Off Location Geophysical Testing: N/A
- e. Drainage crossings that require additional State or Federal approval: N/A
- f. Other: N/A

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

Representative:

Name: Jean Semborski

Title: Construction/Asset Integrity Supervisor

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

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

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by ConocoPhillips and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM Nation Wide Oil and Gas 8015-16-69. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

  
\_\_\_\_\_  
Signature

Construction/Asset Integrity Supervisor  
\_\_\_\_\_  
Title

12/27/05  
\_\_\_\_\_  
Date

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

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

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

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

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

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

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

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

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

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

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

(cuttings and/or samples) will be submitted when requested by the Assistant District Manager.

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

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

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

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

#### TABLE 1 NOTIFICATIONS

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

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

1 day prior to spudding;

50 feet prior to reaching surface and intermediate casing depths;

3 hours prior to testing BOP;

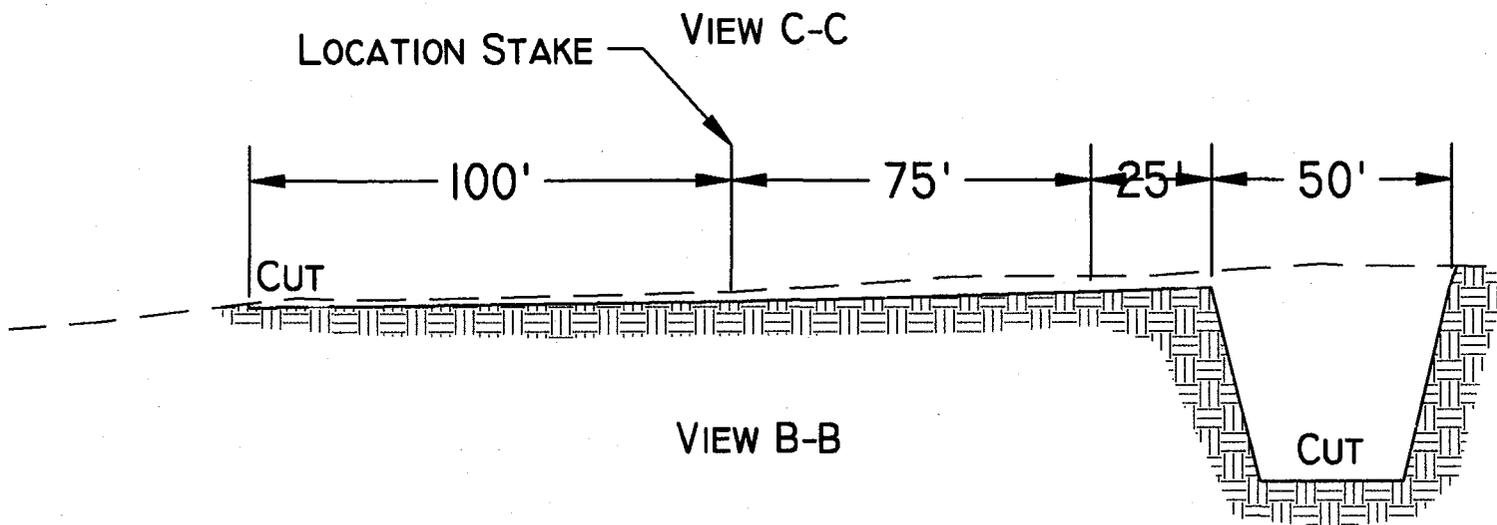
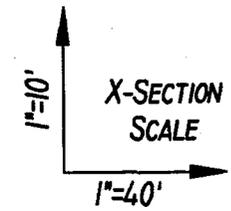
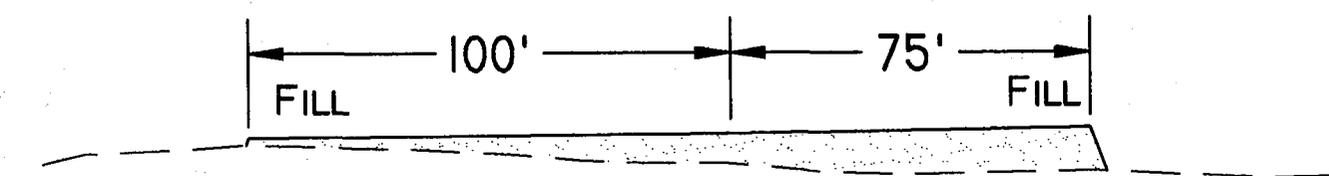
12 hours prior to reaching kickoff point depth (if applicable).

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

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

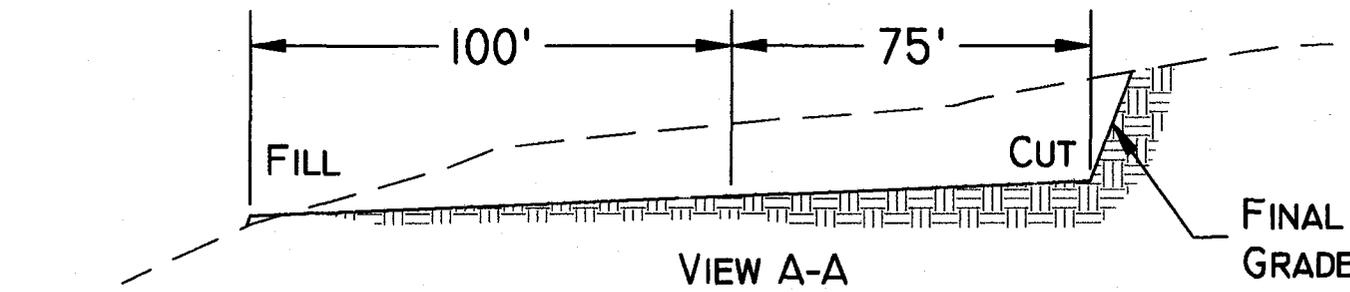
Eric Jones, Petroleum Engineer Office: (435) 259-6111  
Home: (435) 259-2214





PRECONSTRUCTION GRADE

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



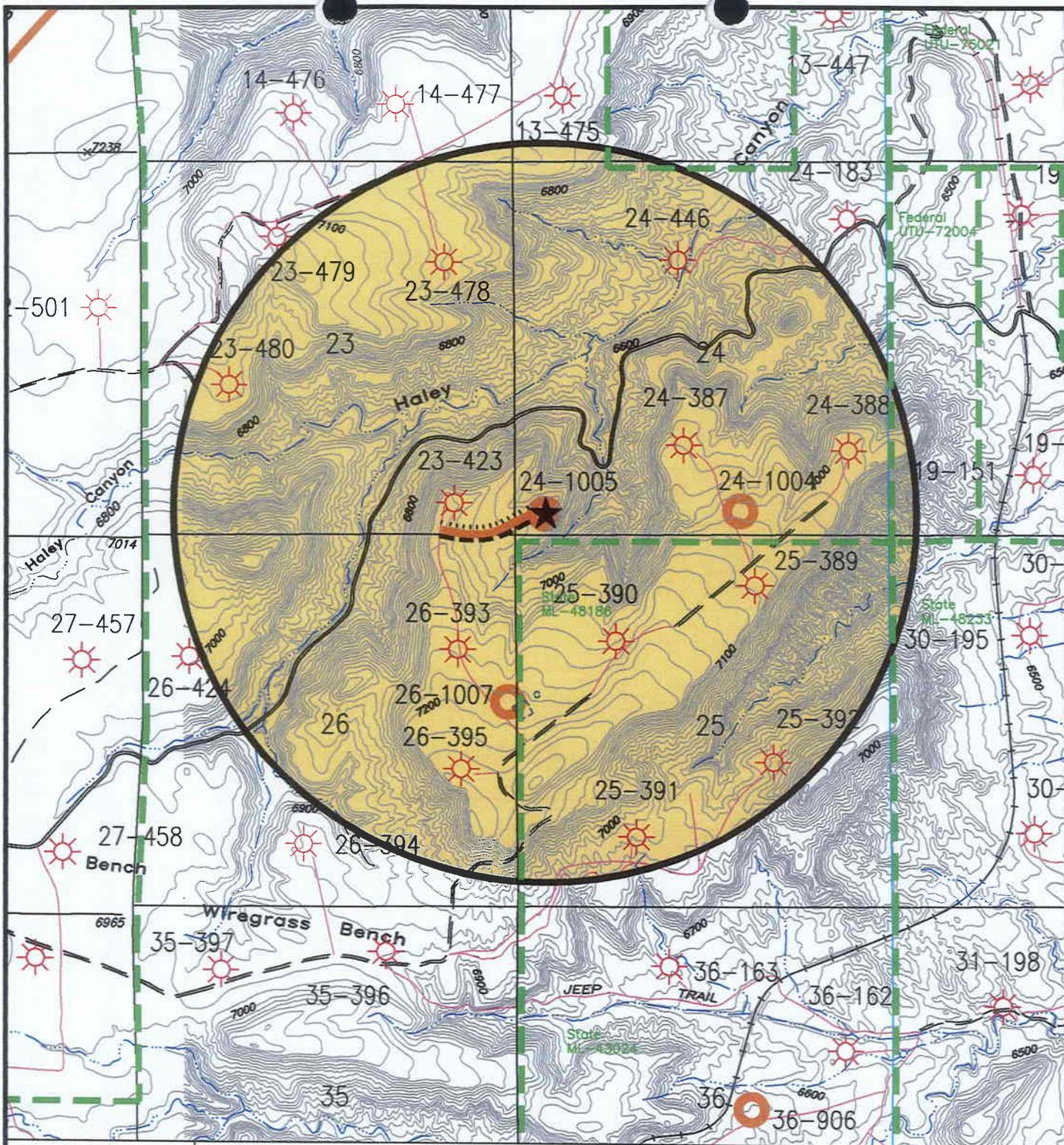
**TALON RESOURCES, INC.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talonestv.net

**ConocoPhillips Company**

TYPICAL CROSS SECTION  
 Section 24, T14S, R8E, S.L.B.&M.  
 WELL USA #24-1005

DRAWN BY: N. BUTKOVICH	CHECKED BY: L.W.J.
DRAWING NO. C-1	DATE: 11/9/05
	SCALE: 1" = 40'
SHEET 3 OF 4	JOB NO. 1990

APPROXIMATE YARDAGES  
 CUT  
 (6") TOPSOIL STRIPPING = 810 Cu. Yds.  
 REMAINING LOCATION = 2,270 Cu. Yds.  
 (INCLUDING TOPSOIL STRIPPING)  
 TOTAL CUT (INCLUDING PIT) = 3,020 Cu. Yds.  
 TOTAL FILL = 440 Cu. Yds.



**LEGEND**

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



Scale: 1" = 2000'

November 18, 2005

**ConocoPhillips Company**

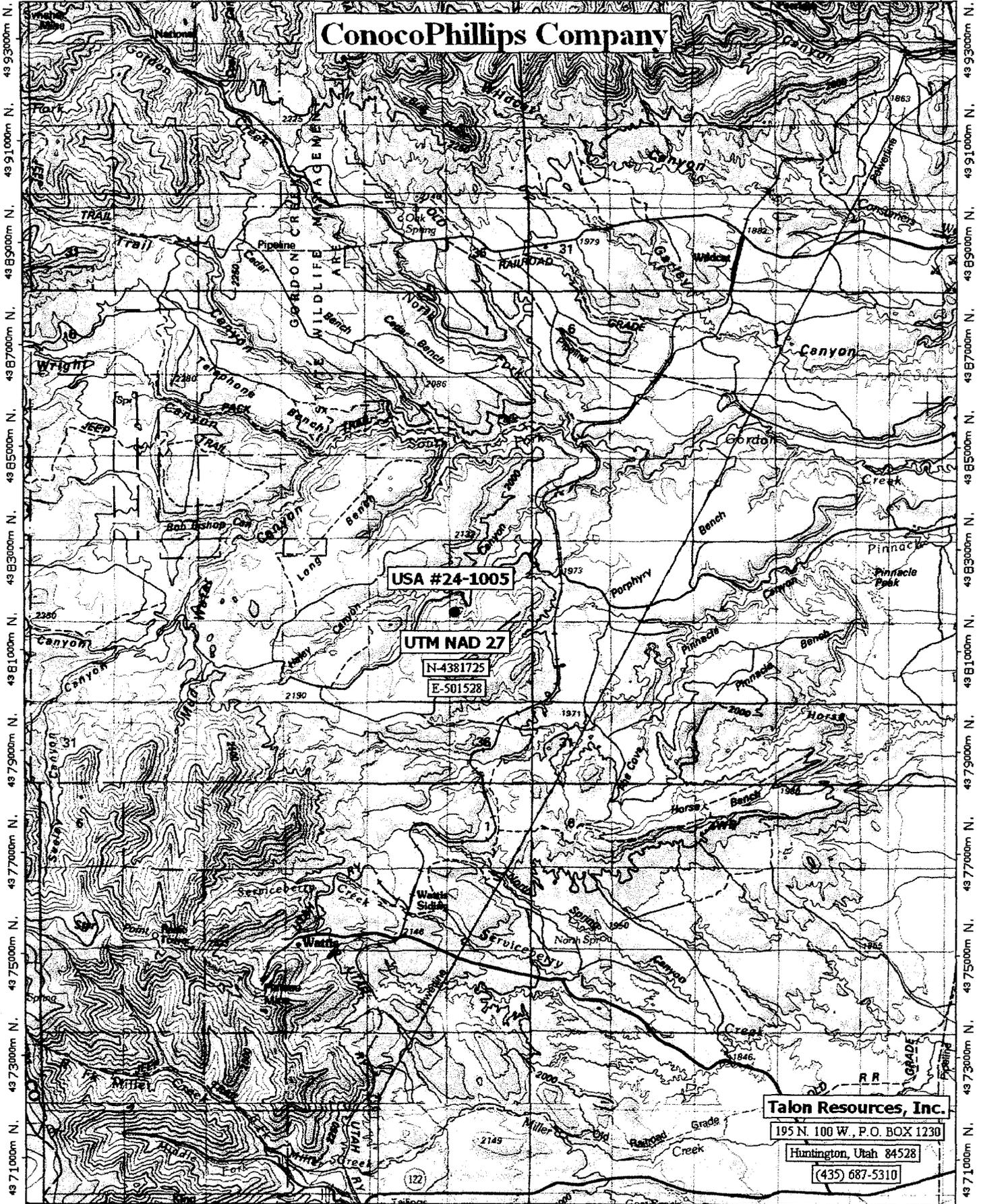
6825 South 5300 West  
 P.O. Box 851  
 Price, Utah 84501  
 Phone: (435) 613-9777  
 Fax: (435) 613-9782



**WELL USA #24-1005**  
 Section 24, T14S, R8E, S.L.B.&M.  
 Drawing L-1 4 of 4

494000m E. 496000m E. 498000m E. 500000m E. 502000m E. 504000m E. 506000m E. NAD27 Zone 12S 511000m N.

**ConocoPhillips Company**



**USA #24-1005**

**UTM NAD 27**

**N-4381725**

**E-501528**

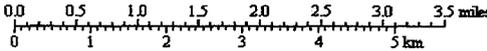
**Talon Resources, Inc.**

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

Huntington, Utah 84528

(435) 687-5310

TN \* MN  
12x6"

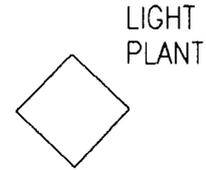


Map created with TOPO! © 2003 National Geographic (www.nationalgeographic.com/topo)

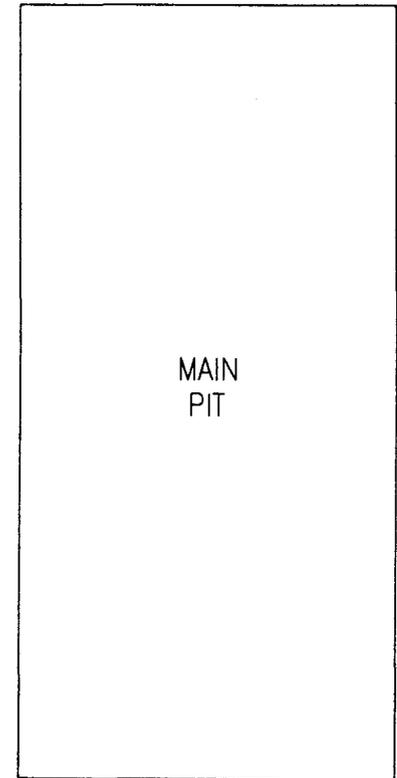
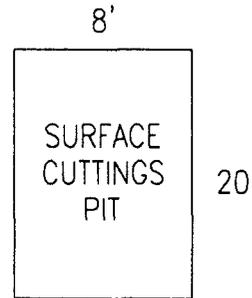
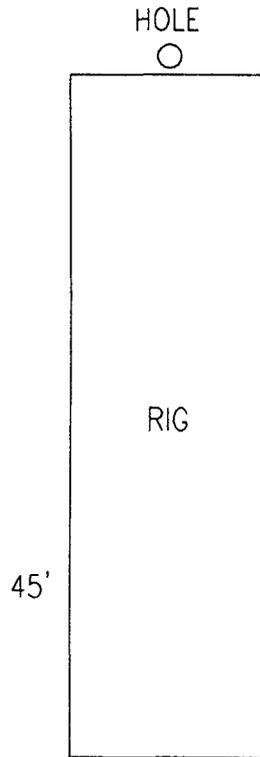
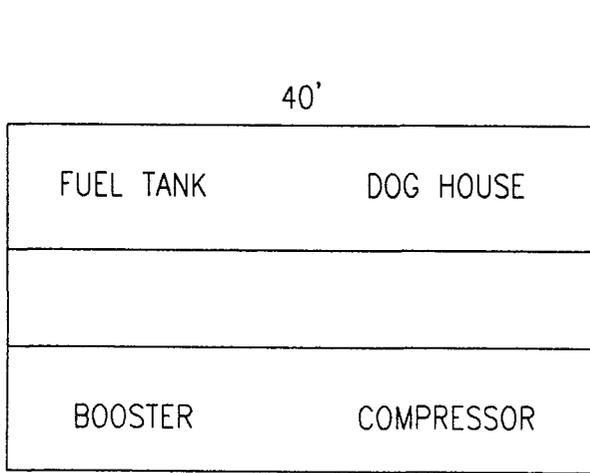
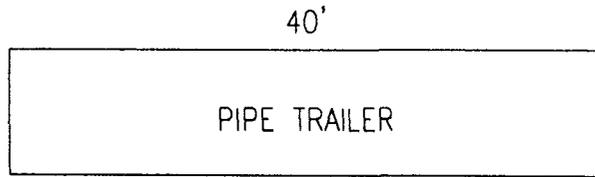
APPROXIMATE LAYOUT OF RIG & EQUIPMENT



LIGHT PLANT

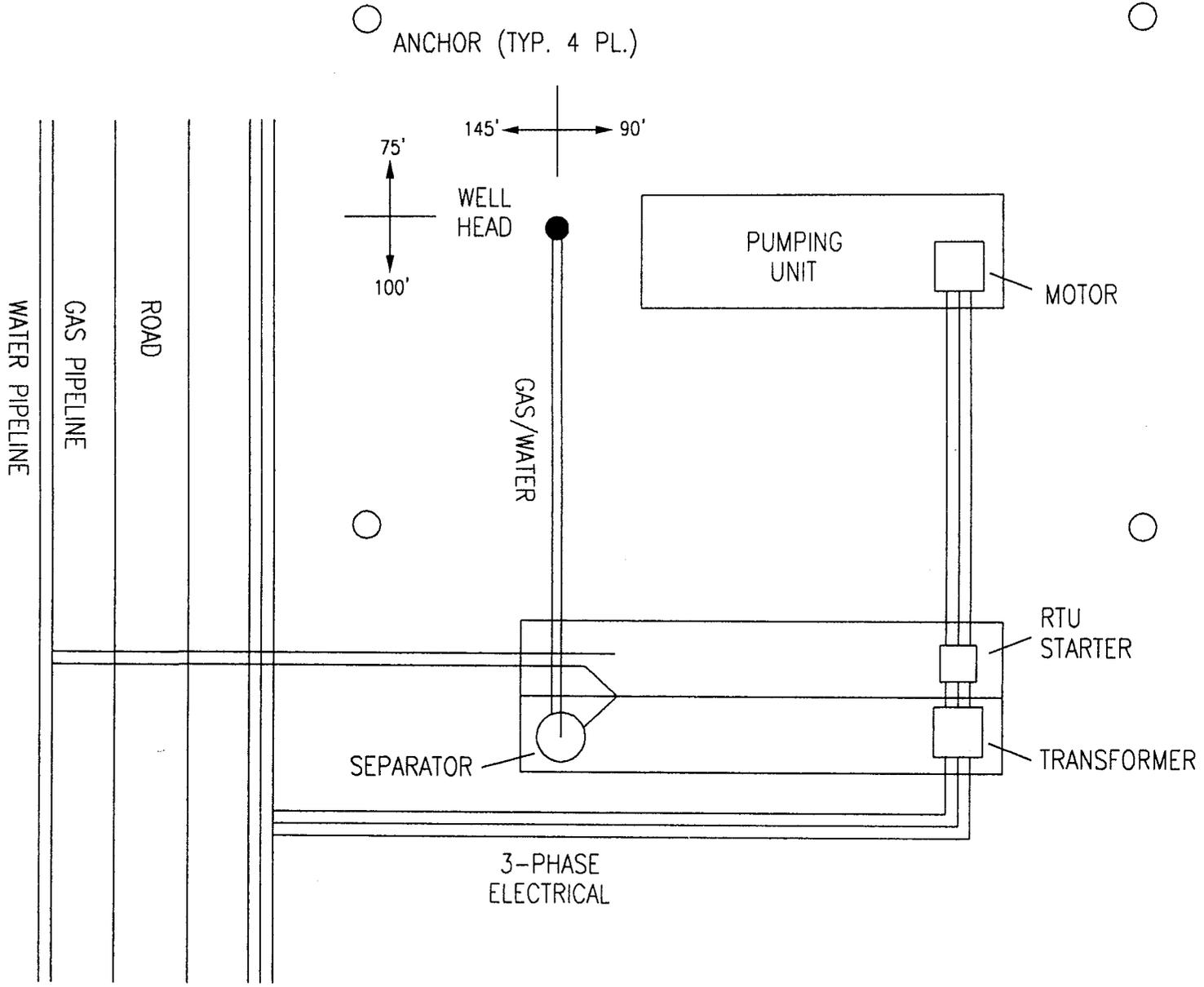


LIGHT PLANT

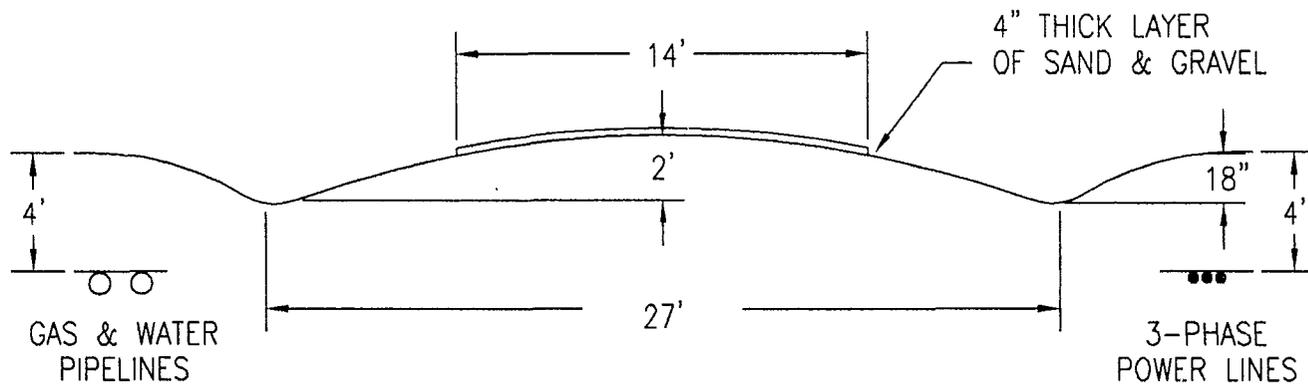


# CONOCOPHILLIPS COMPANY

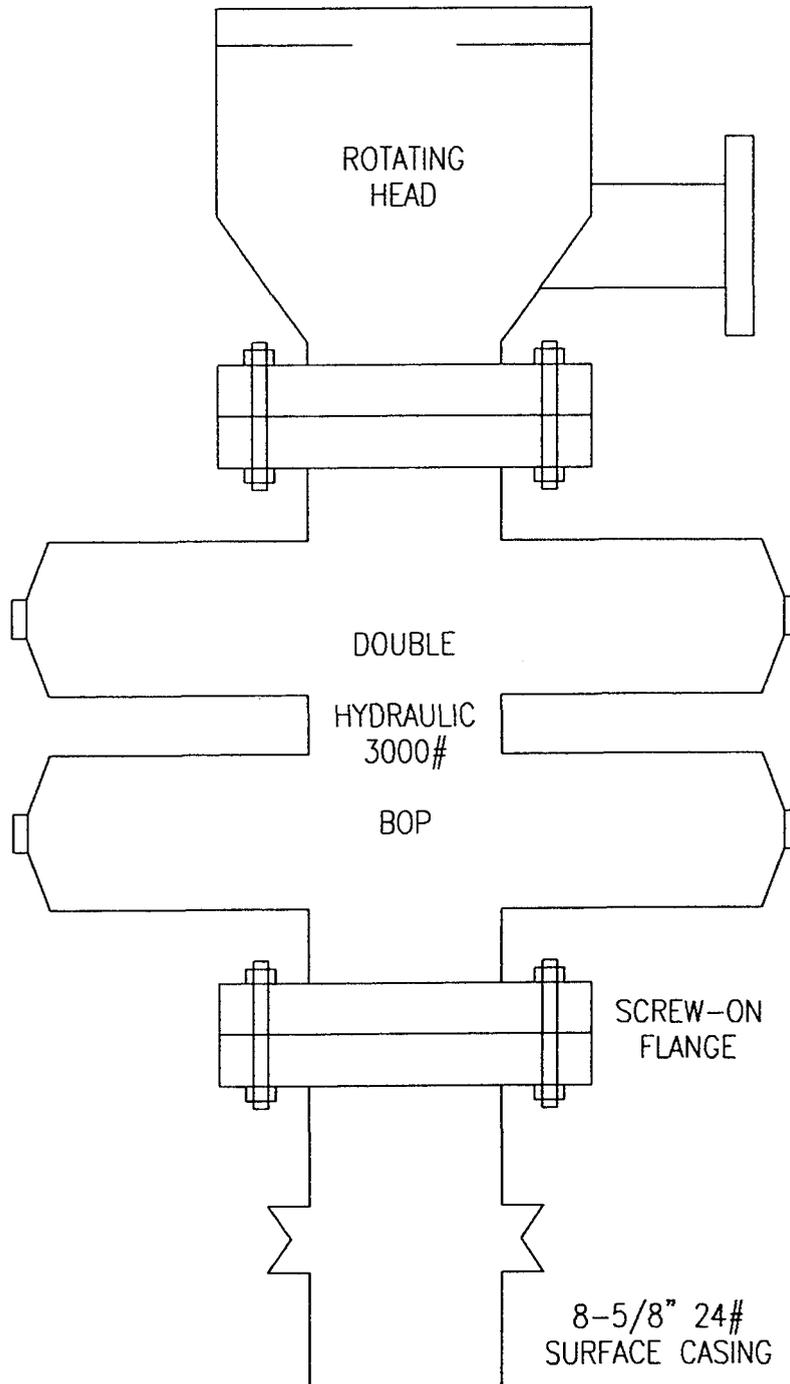
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION  
CONOCOPHILLIPS COMPANY



DIVERTER HEAD  
CONOCOPHILLIPS COMPANY

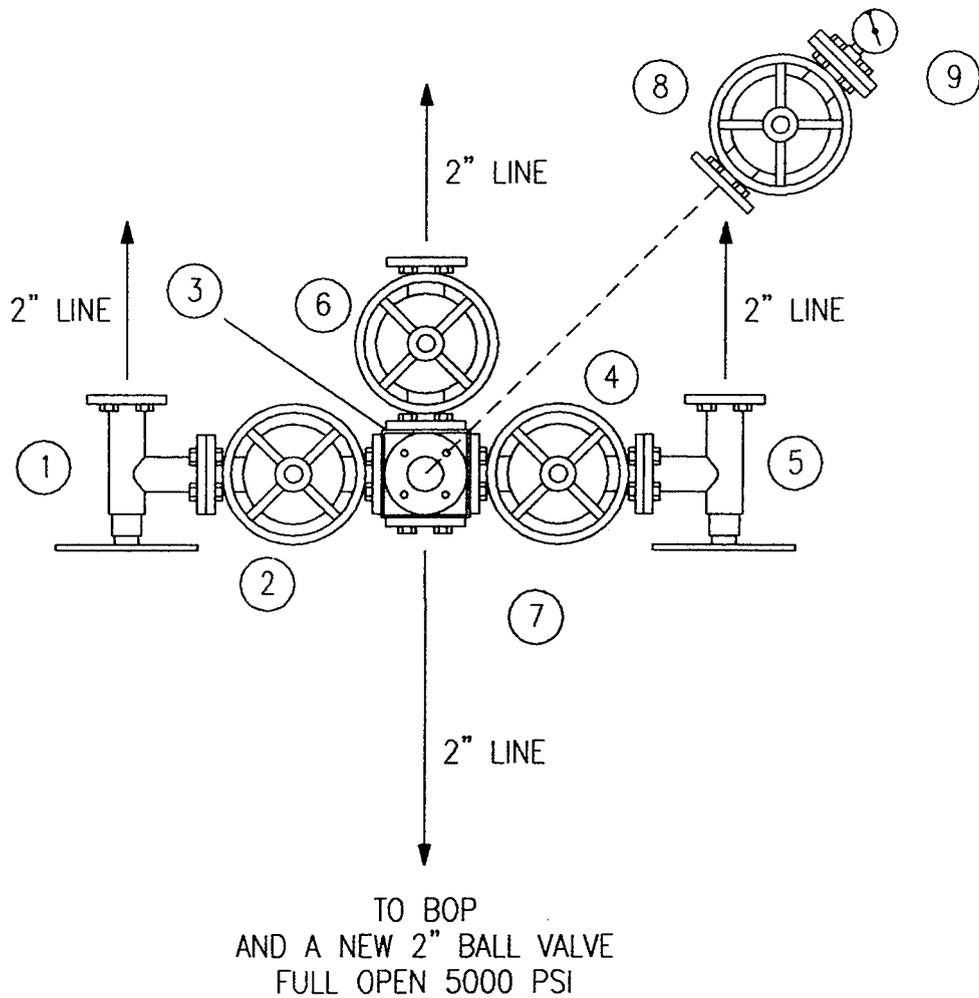


# CONOCOPHILLIPS COMPANY

- (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

To be attached to and form a part of

Bond No. 8015-16-69

Type of Bond: NATION-WIDE OIL AND GAS BOND

dated effective 10/19/1963 (MONTH-DAY-YEAR)

executed by CONOCO INC. AND CONOCO GAS HOLDINGS L.L.C. as Principal, (PRINCIPAL)

and by FEDERAL INSURANCE COMPANY as Surety,

in favor of UNITED STATES OF AMERICA (OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing PRINCIPAL NAME IS HEREBY AMENDED FROM CONOCO INC. AND CONOCO GAS HOLDINGS L.L.C. TO CONOCOPHILLIPS COMPANY.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective 01/01/2003 (MONTH-DAY-YEAR)

Signed and Sealed 12/18/2002 (MONTH-DAY-YEAR)

CONOCOPHILLIPS COMPANY (PRINCIPAL)

By: John E. Durlin (PRINCIPAL)

FEDERAL INSURANCE COMPANY

(SURETY)

By: Tina Marie Foster (ATTORNEY-IN-FACT) TINA MARIE FOSTER

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/05/2006

API NO. ASSIGNED: 43-007-31088
--------------------------------

WELL NAME: USA 24-1005  
 OPERATOR: CONOCOPHILLIPS COMPANY ( N2335 )  
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

SWSW 24 140S 080E  
 SURFACE: 0332 FSL 0333 FWL  
 BOTTOM: 0332 FSL 0333 FWL  
 CARBON  
 DRUNKARDS WASH ( 48 )

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

LAT: 39.58709 LONG: -110.9822

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

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

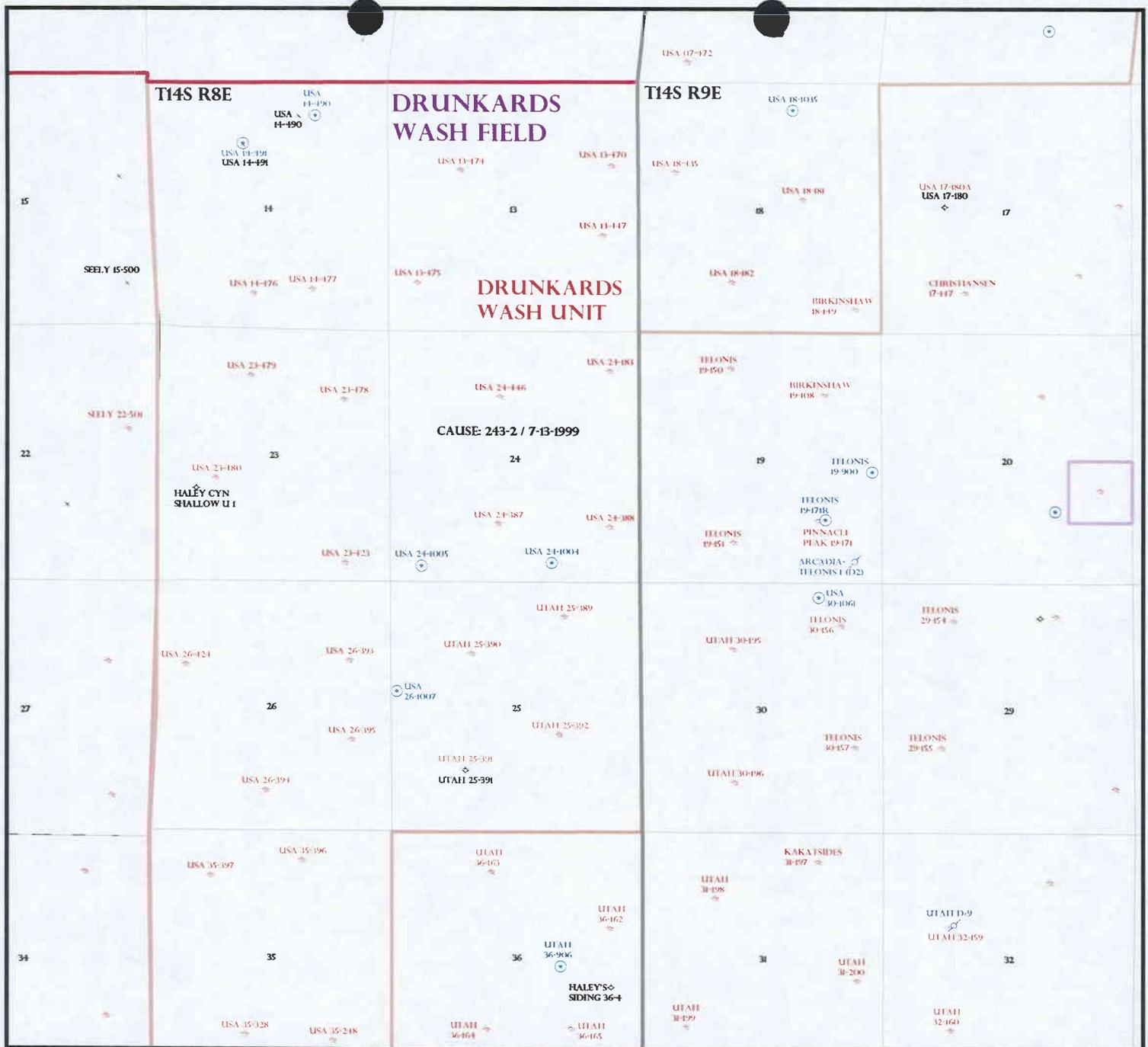
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]  
(No. 8015-16-69 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. PRWID )
- RDCC Review (Y/N)  
(Date: \_\_\_\_\_ )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit DRUNKARDS WASH OK
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 243-2  
Eff Date: 7-13-1999  
Siting: 460' fr Ubdry of Unconform. trace
- R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_

STIPULATIONS: 1 - Federal Approved



OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC: 24,26 T. 14S R. 8E

FIELD: DRUNKARDS WASH (48)

COUNTY: CARBON

CAUSE: 243-2 / 7-13-1999

- Field Status**
- ABANDONED
  - ACTIVE
  - COMBINED
  - INACTIVE
  - PROPOSED
  - STORAGE
  - TERMINATED

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - 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: 10-JANUARY-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*

March 2, 2006

ConocoPhillips Company  
P O Box 851  
Price, UT 84501

Re: USA 24-1005 Well, 332' FSL, 333' FWL, SW SW, Sec. 24, T. 14 South,  
R. 8 East, Carbon County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31088.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: ConocoPhillips Company

Well Name & Number USA 24-1005

API Number: 43-007-31088

Lease: U-61154

Location: SW SW                      Sec. 24                      T. 14 South                      R. 8 East

### Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

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

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

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

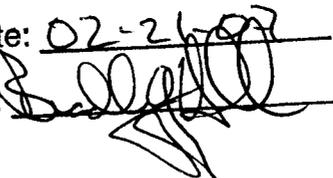
FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>U-61154</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
		7. UNIT or CA AGREEMENT NAME: <b>Drunkards Wash UTU-67921X</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: <b>USA 24-1005</b>	
2. NAME OF OPERATOR: <b>ConocoPhillips Company</b>		9. API NUMBER: <b>4300731088</b>
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY <b>Midland</b> STATE <b>TX</b> ZIP <b>79710-1810</b>		10. FIELD AND POOL, OR WILDCAT: <b>Drunkards Wash</b>
		PHONE NUMBER: <b>(432) 688-6943</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>332' FSL &amp; 333' FWL</b>		COUNTY: <b>Carbon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 24 14S 8E</b>		STATE: <b>UTAH</b>

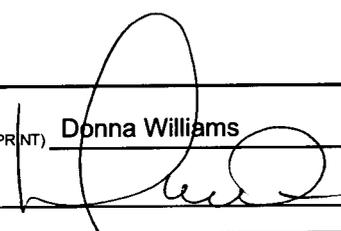
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <u>3/2/2007</u>  <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Renewal</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
 ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval will expire on March 2, 2007.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-26-07  
By: 

COPY SENT TO OPERATOR  
Date: 2-22-07  
Initials: pm

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Analyst</u>
SIGNATURE 	DATE <u>2/5/07</u>

(This space for State use only)

**RECEIVED**  
**FEB 15 2007** RECEIVED  
**FEB 07 2007**  
DIV. OF OIL, GAS & MINING  
DIV. OF OIL, GAS & MINING

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-007-31088  
**Well Name:** USA 24-1005  
**Location:** SWSW Section 24, T14S, R8E  
**Company Permit Issued to:** ConocoPhillips Company  
**Date Original Permit Issued:** 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

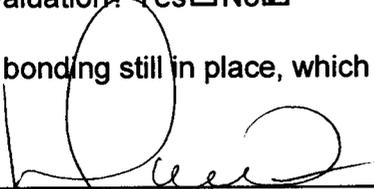
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
\_\_\_\_\_  
Signature

2/12/2007

\_\_\_\_\_  
Date

Title: Sr. Regulatory Analyst

Representing: ConocoPhillips Company

**RECEIVED**  
**FEB 15 2007**  
DIV. OF OIL, GAS & MINING

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>U-61154</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: <b>Drunkards Wash UTU-67921X</b>
		8. WELL NAME and NUMBER: <b>USA 24-1005</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		9. API NUMBER: <b>4300731088</b>
2. NAME OF OPERATOR: <b>ConocoPhillips Company</b>		10. FIELD AND POOL, OR WILDCAT: <b>Drunkards Wash</b>
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810 PHONE NUMBER: (432) 688-6943		
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>332' FSL &amp; 333' FWL</b>		COUNTY: <b>Carbon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 24 14S 8E</b>		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <b>2/21/2008</b>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <b>Permit Renewal</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval will expire on February 21, 2008.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 01-23-08  
By: *[Signature]*

**COPY SENT TO OPERATOR**  
Date: 1-24-2008  
Initials: KS

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE <u><i>[Signature]</i></u>	DATE <u>1/17/2008</u>

(This space for State use only)

**RECEIVED**  
**JAN 23 2008**



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 43-007-31088  
**Well Name:** USA 24-1005  
**Location:** SWSW Sec 24, T14S, R8E, Carbon Co.  
**Company Permit Issued to:** ConocoPhillips Company  
**Date Original Permit Issued:** 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

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Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

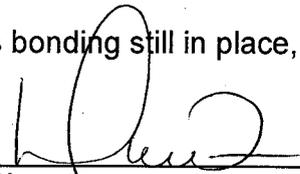
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
\_\_\_\_\_  
Signature

1/17/2008  
\_\_\_\_\_  
Date

**Title:** Sr. Regulatory Specialist

**Representing:** ConocoPhillips Company

RECEIVED

JAN 23 2008

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
U 61154

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

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

7. UNIT or CA AGREEMENT NAME:  
Drunkards Wash UTU67921X

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
USA 24-1005

2. NAME OF OPERATOR:  
ConocoPhillips Company

9. API NUMBER:  
4300731088

3. ADDRESS OF OPERATOR:  
P.O. Box 51810 CITY Midland STATE TX ZIP 79710

PHONE NUMBER:  
(432) 688-6943

10. FIELD AND POOL, OR WILDCAT:  
Drunkards Wash

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 332 FSL & 333 FWL

COUNTY: Carbon

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 24 14S 8E

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>2/13/2009</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Renewal</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval will expire on ~~February 21, 2009~~.

*1/23/09 DM*

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 02-23-09

By: *[Signature]*

COPY SENT TO OPERATOR

Date: 3.4.2009

Initials: KS

NAME (PLEASE PRINT) Dorina Williams

TITLE Sr. Regulatory Specialist

SIGNATURE *[Signature]*

DATE 2/13/2009

(This space for State use only)

RECEIVED  
FEB 17 2009  
DIV. OF OIL, GAS & MINING



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4300731088  
**Well Name:** USA 24-1005  
**Location:** SWSW of 24-14S-8E  
**Company Permit Issued to:** ConocoPhillips Company  
**Date Original Permit Issued:** 3/2/06

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

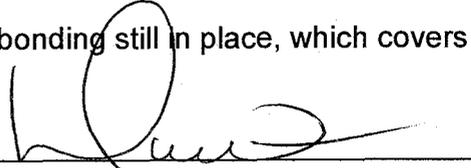
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
\_\_\_\_\_  
Signature

2/13/2009  
\_\_\_\_\_  
Date

Title: Sr. Regulatory Specialist

Representing: ConocoPhillips Company

**RECEIVED**  
**FEB 17 2009**  
DIV. OF OIL, GAS & MINING

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

FORM 9

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: U 61154
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU67921X
4. LOCATION OF WELL FOOTAGES AT SURFACE: 332 FSL & 333 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 24 14S 8E		8. WELL NAME and NUMBER: USA 24-1005
PHONE NUMBER: (432) 688-6943		9. API NUMBER: 4300731088
COUNTY: Carbon		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>3/17/2010</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Renewal</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

ConocoPhillips Company respectfully request that the approval of the APD for the referenced well be extended for an additional year.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 03-22-10  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 3.25.2010  
Initials: KS

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>3/17/2010</u>

(This space for State use only)

RECEIVED

MAR 22 2010

DIV. OF OIL, GAS & MINING



**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4300731088  
**Well Name:** USA 24-1005  
**Location:** SWSW of 24-14S-8E  
**Company Permit Issued to:** ConocoPhillips Company  
**Date Original Permit Issued:** 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

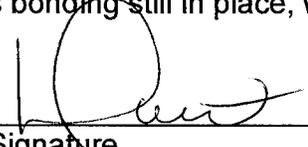
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
 \_\_\_\_\_  
 Signature

3/17/2010  
 \_\_\_\_\_  
 Date

**Title:** Sr. Regulatory Specialist

**Representing:** ConocoPhillips Company

**RECEIVED**  
**MAR 22 2010**  
 DIV. OF OIL, GAS & MINING

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-61154
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> DRUNKARDS WASH
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> USA 24-1005
<b>2. NAME OF OPERATOR:</b> CONOCOPHILLIPS COMPANY	<b>9. API NUMBER:</b> 43007310880000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 51810 , Midland, TX, 79710 1810	<b>PHONE NUMBER:</b> 432 688-6943 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0332 FSL 0333 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 24 Township: 14.0S Range: 08.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> DRUNKARDS WASH  <b>COUNTY:</b> CARBON  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 2/17/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

ConocoPhillips Company respectfully request to renew the drilling permit for an additional year. The current permit expires on 3/2/2011.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 02/23/2011  
By: 

<b>NAME (PLEASE PRINT)</b> Donna Williams	<b>PHONE NUMBER</b> 432 688-6943	<b>TITLE</b> Sr. Regulatory Specialist
<b>SIGNATURE</b> N/A		<b>DATE</b> 2/17/2011



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43007310880000**

**API:** 43007310880000

**Well Name:** USA 24-1005

**Location:** 0332 FSL 0333 FWL QTR SWSW SEC 24 TWP 140S RNG 080E MER S

**Company Permit Issued to:** CONOCOPHILLIPS COMPANY

**Date Original Permit Issued:** 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

- If located on private land, has the ownership changed, if so, has the surface agreement been updated?  Yes  No
  
- Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?  Yes  No
  
- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

**Signature:** Donna Williams

**Date:** 2/23/2011

**Title:** Sr. Regulatory Specialist **Representing:** CONOCOPHILLIPS COMPANY

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> U-61154
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7. UNIT or CA AGREEMENT NAME:</b> DRUNKARDS WASH
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> USA 24-1005
<b>2. NAME OF OPERATOR:</b> CONOCOPHILLIPS COMPANY	<b>9. API NUMBER:</b> 43007310880000
<b>3. ADDRESS OF OPERATOR:</b> P.O. Box 51810 , Midland, TX, 79710 1810	<b>PHONE NUMBER:</b> 432 688-6943 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0332 FSL 0333 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 24 Township: 14.0S Range: 08.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> DRUNKARDS WASH  <b>COUNTY:</b> CARBON  <b>STATE:</b> UTAH

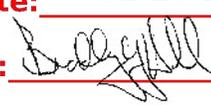
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: 2/17/2011  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input checked="" type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

ConocoPhillips Company respectfully request to renew the drilling permit for an additional year. The current permit expires on 3/2/2011.

**Approved by the  
Utah Division of  
Oil, Gas and Mining**

Date: 02/23/2011  
 By: 

<b>NAME (PLEASE PRINT)</b> Donna Williams	<b>PHONE NUMBER</b> 432 688-6943	<b>TITLE</b> Sr. Regulatory Specialist
<b>SIGNATURE</b> N/A		<b>DATE</b> 2/17/2011



**The Utah Division of Oil, Gas, and Mining**

- State of Utah  
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

**Request for Permit Extension Validation Well Number 43007310880000**

**API:** 43007310880000

**Well Name:** USA 24-1005

**Location:** 0332 FSL 0333 FWL QTR SWSW SEC 24 TWP 140S RNG 080E MER S

**Company Permit Issued to:** CONOCOPHILLIPS COMPANY

**Date Original Permit Issued:** 3/2/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

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- Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?  Yes  No
  
- Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location?  Yes  No
  
- Has the approved source of water for drilling changed?  Yes  No
  
- Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?  Yes  No
  
- Is bonding still in place, which covers this proposed well?  Yes  No

**Signature:** Donna Williams

**Date:** 2/17/2011

**Title:** Sr. Regulatory Specialist **Representing:** CONOCOPHILLIPS COMPANY



GARY R. HERBERT  
Governor

GREG BELL  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

June 14, 2012

ConocoPhillips Company  
P.O. Box 51810  
Midland, TX 79710-1810

Re: APD Rescinded – USA 24-1005, Sec. 24, T.14S, R.8E,  
Carbon County, Utah API No. 43-007-31088

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on March 2, 2006. On February 21, 2007, January 23, 2008, February 23, 2009, March 22, 2010 and February 23, 2011 the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 14, 2012.

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 Mason  
Environmental Scientist

cc: Well File  
Bureau of Land Management, Price

