

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No. U-51584	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. Drunkards Wash UTU-67921X	
8. Lease Name and Well No. USA 30-1061	
9. API Well No. 43-007-31093	
1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER	10. Field and Pool, or Exploratory Drunkards Wash
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 NW/NE, Sec. 30, T.14S, R.9E
2. Name of Operator ConocoPhillips Company	12. County or Parish Carbon
3a. Address P.O. Box 851	13. State UT
3b. Phone No. (include area code) 435-613-9777	14. Distance in miles and direction from nearest town or post office* 6.5 Miles west of Price, Utah
4. Location of Well (Report location clearly and in accordance with any State requirements.)* At surface 319' FNL, 1619' FEL 504087X 39.585299 At proposed prod. zone 4381523Y - 110.752407	15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 319'
16. No. of acres in lease 40 acres	17. Spacing Unit dedicated to this well NA
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000'	19. Proposed Depth 3423' TD
20. BLM/BIA Bond No. on file 8015-16-69	21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6419' GR
22. Approximate date work will start* 04/15/2006	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) Jean Semborski	Date 12/27/2005
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Title
Construction/Asset Integrity Supervisor

Approved by (Signature) 	Name (Printed/Typed) BRADLEY G. HILL	Date 05-02-06
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Title
Office ENVIRONMENTAL MANAGER

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)

RECEIVED

JUN 05 2006

DIV. OF OIL, GAS & MINING

**Federal Approval of this
Action is Necessary**

Range 9 East

(S89°54'E - 5091.9')

S89°55'57"E - 2423.84'

N89°50'57"E - 2667.46'

USA #30-1061
ELEV. 6419.2'

UTM
N 4381527
E 504087

318.98'

1619.38'

30

(NORTH - 5280.00')

(N00°01'W - 5280.00')

(S89°55'E - 5096.52')

Legend

- Drill Hole Location
- ⊕ Metal Cap (Found)
- Fence Post (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°35'07.206"N
110°57'08.669"W

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:

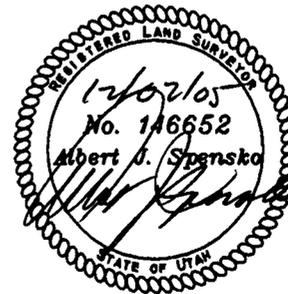
Basis of Elevation of 6847' being at the Northeast Section Corner of Section 14, Township 15 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NW/4 NE/4 of Section 30, T14S, R9E, S.L.B.&M., being 318.98' South and 1619.38' West from the Northeast Section Corner of Section 30, T14S, R9E, Salt Lake Base & Meridian.

Surveyor's Certificate:

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



GRAPHIC SCALE

0 500' 1000'
1 inch = 1000 ft.



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1230

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talon@trv.net

ConocoPhillips Company

WELL USA #30-1061

Section 30, T14S, R9E, S.L.B.&M.

Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 11/30/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2008

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

Company ConocoPhillips Company Well No. USA 30-1061
Location: Sec.30, T 14 S, R 09 E, Lease No. U-61154
On-Site Inspection Date: 10/26/2005 51584

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: 2863' TD = 3423'
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>2892'-3044'</u>	
Expected Water Zones: <u>2892'-3044'</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 3413' 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 30-1061

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>3413'</u>

Cementing Program

The 8 5/8" surface casing will be set with approximately 170 sacks Class G or Type V cement with 2% CaCl₂ mixed at 15.6 ppg (yield = 1.18 ft³/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 1st 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 2nd 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 2nd stage cement job. After the 2nd 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 110 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 ft³/sx at 14.2 ppg; calculated with an excess of 35% for the 1st Stage. For the 2nd stage, approximately 280 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 ft³/sx at 12.5 ppg; calculated with an excess of 30% for the 2nd 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 blowie 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 blowie 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: 6.5 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: 400'
- c. Length of existing roads to be upgraded NA'
- d. Maximum total disturbed width: 27'
- e. Maximum travel surface width: 24'
- f. Maximum grades: 6 %
- 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 6 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 400' long. The pipelines will be brought to the USA 30-1061 from the existing USA 30-156.

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: west 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: south of location.

The blooie line will be located in the: west, 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:

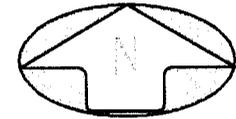
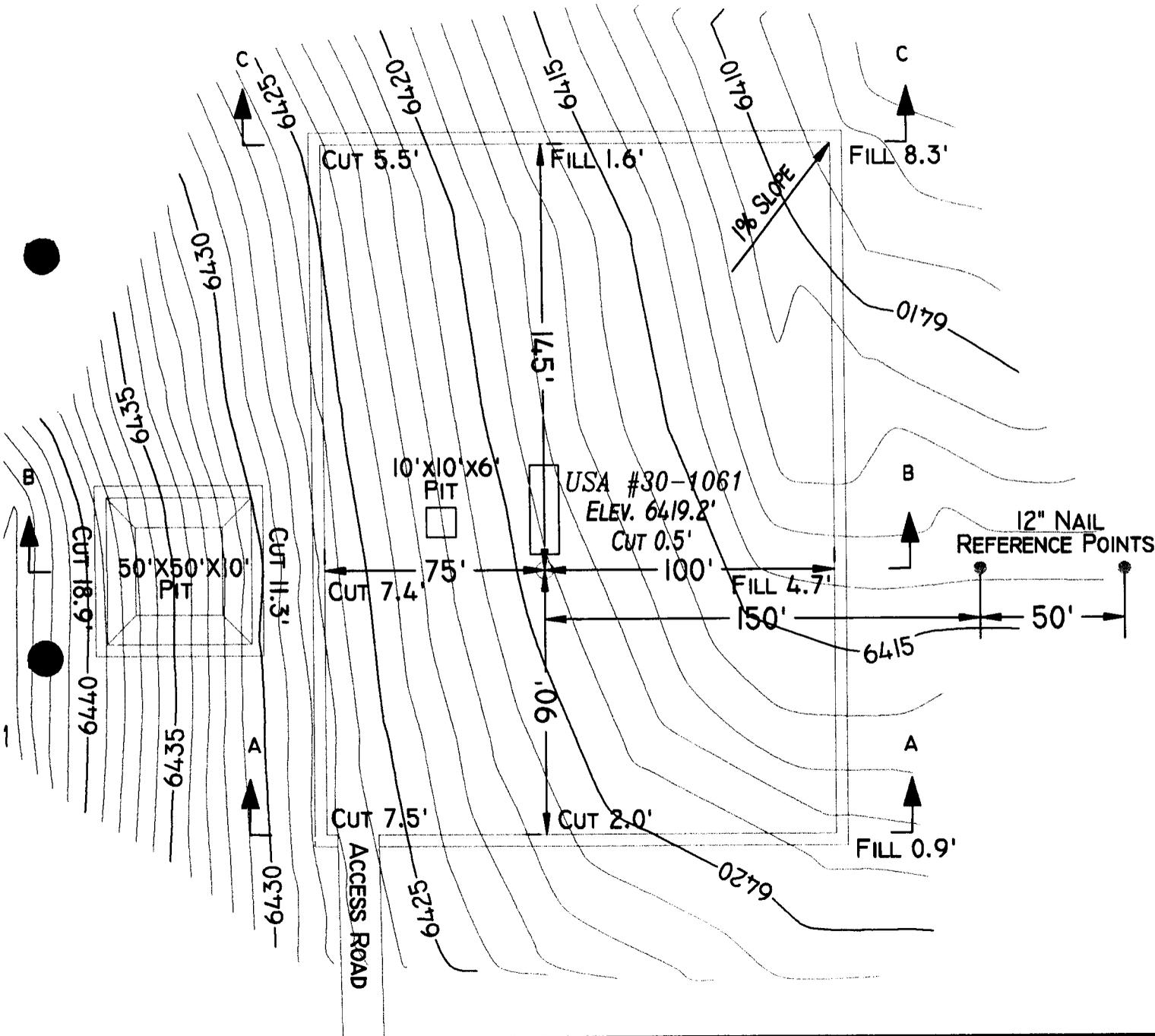
- 2 days prior to commencement of dirt work, construction or reclamation;
- 1 day prior to spudding;
- 50 feet prior to reaching surface and intermediate casing depths;
- 3 hours prior to testing BOP;
- 12 hours prior to reaching kickoff point depth (if applicable).

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

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6419.2'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6418.7'



TALON RESOURCES, INC.

195 North 100 West P.O. Box 1290

Huntington, Utah 84528

Phone (435)687-5310 Fax (435)687-5311

E-Mail talonactv.net

ConocoPhillips Company

LOCATION LAYOUT

Section 30, T14S, R9E, S.L.B.&M.

WELL USA #30-1061

Drawn By:
N. BUTKOVICH

Checked By:
L.W.J.

Drawn No.

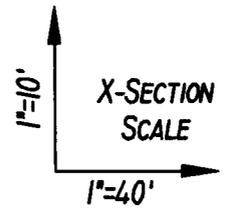
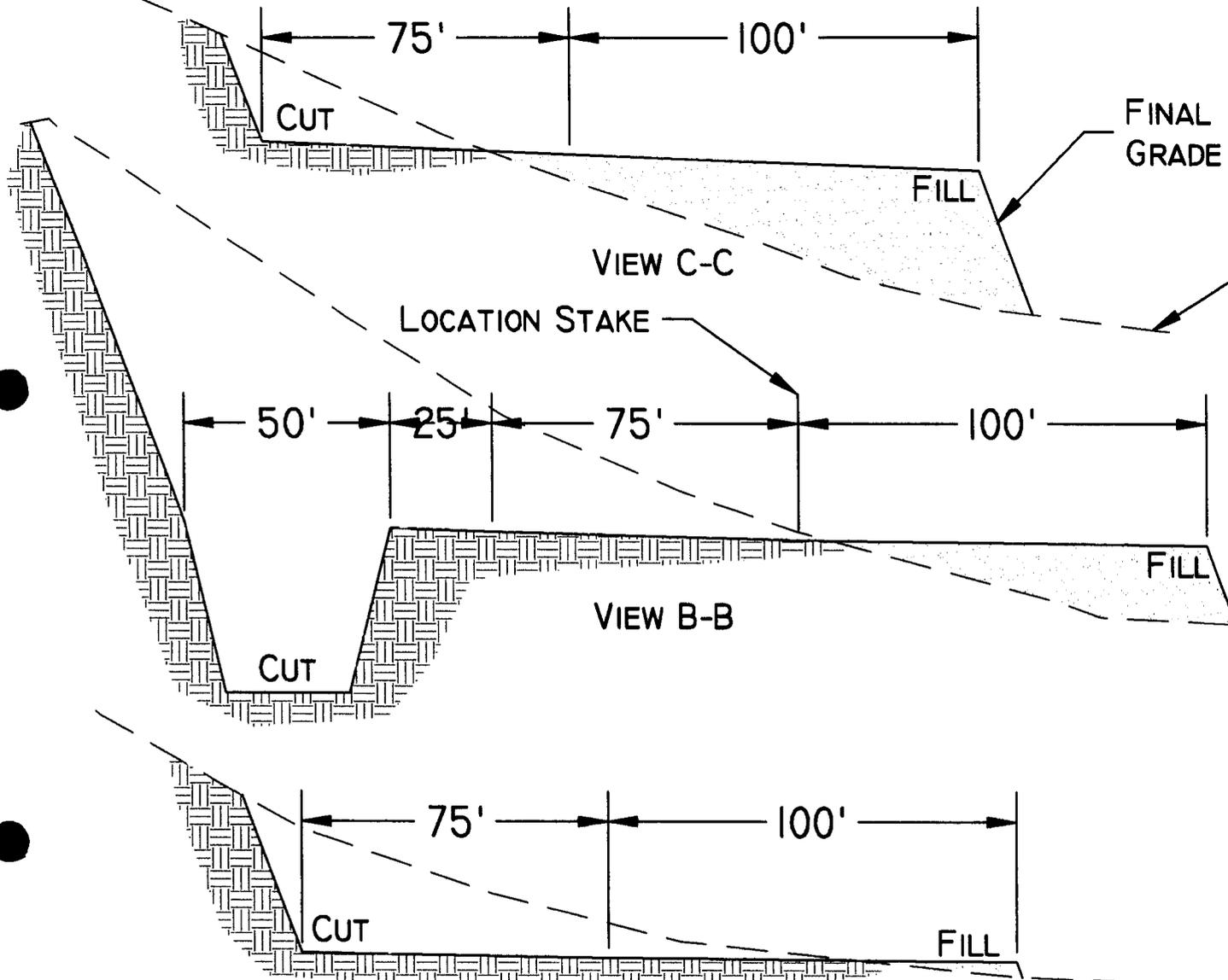
DATE:
11/29/05

A-2

SCALE:
1" = 50'

SHEET 2 OF 4

JOB No.
2008



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

APPROXIMATE YARDAGES

CUT
 (6")TOPSOIL STRIPPING = 810 CU. YDS.
 REMAINING LOCATION = 8,280 CU, YDS.
 (INCLUDING TOPSOIL STRIPPING)
 TOTAL CUT (INCLUDING PIT) = 9,030 CU. YDS.
 TOTAL FILL = 2,805 CU. YDS.



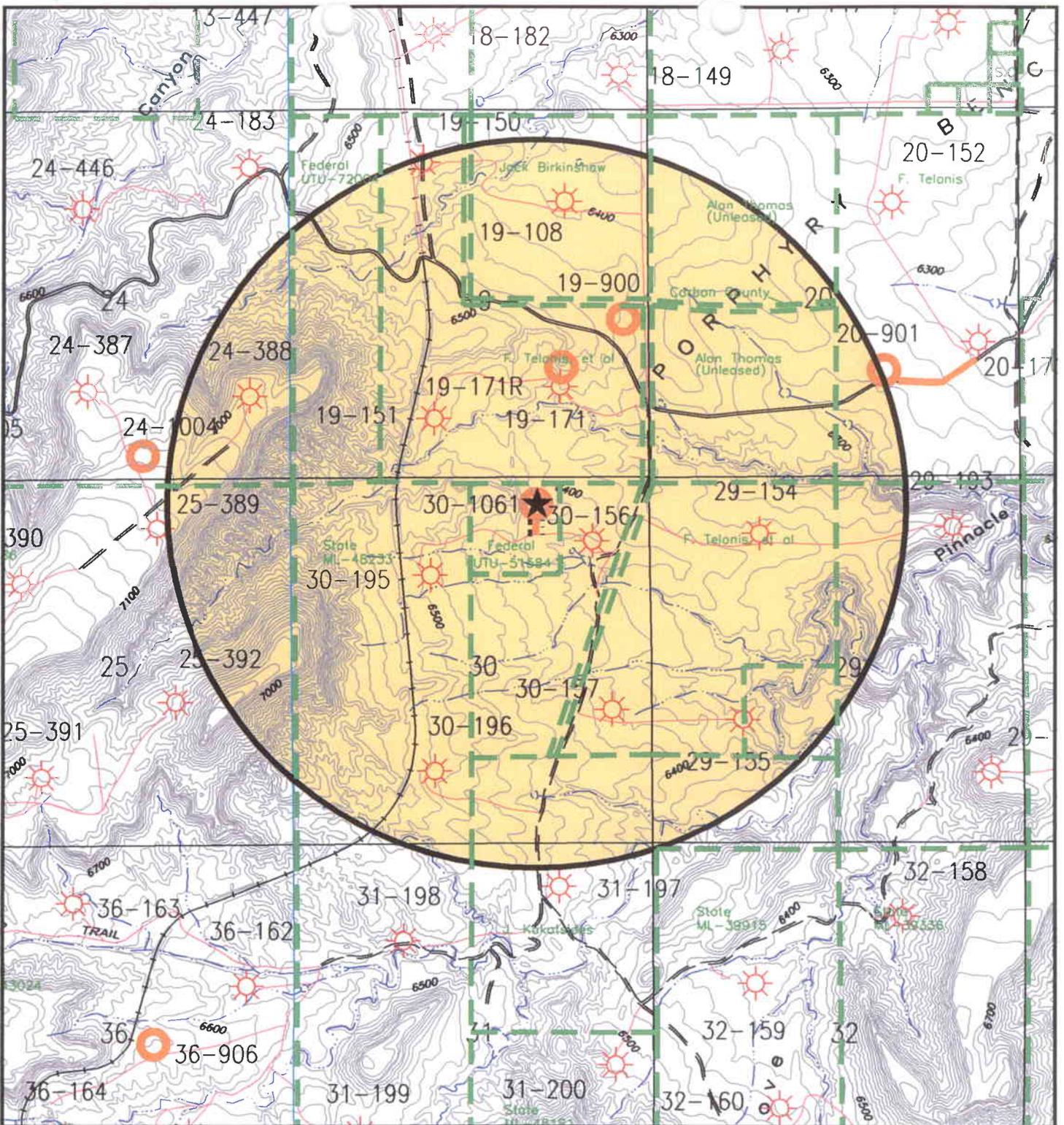
TALON RESOURCES, INC.

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

ConocoPhillips Company

TYPICAL CROSS SECTION
 Section 30, T14S, R9E, S.L.B.&M.
 WELL USA #30-1061

DRAWN BY: N. BUTKOVICH	CHECKED BY: L.W.J.
DRAWING NO. C-1	DATE: 11/29/05
	SCALE: 1" = 40'
SHEET 3 of 4	JOB NO. 2008



LEGEND

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

Scale: 1" = 2000'

November 29, 2005

ConocoPhillips Company

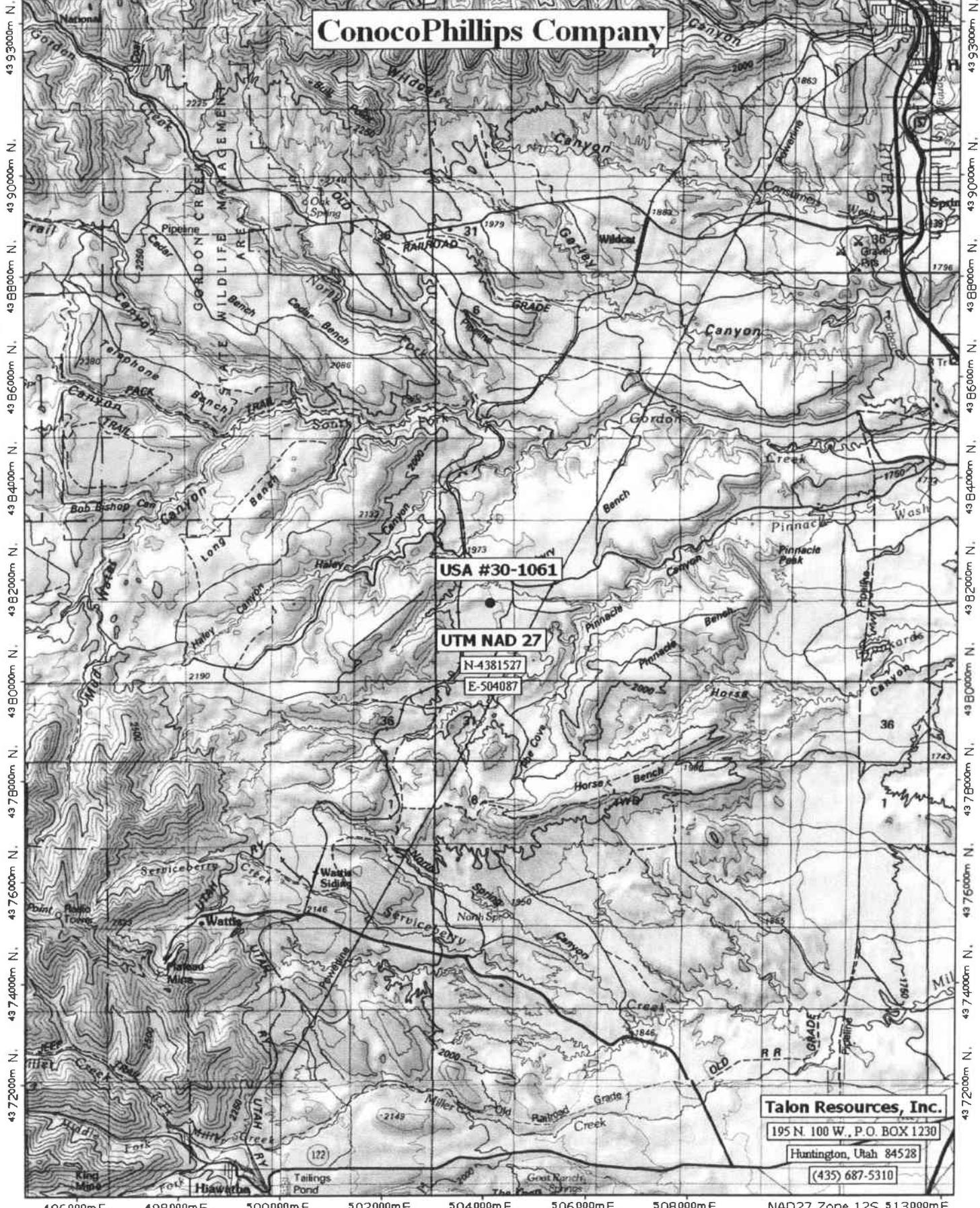
6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782



WELL USA #30-1061
Section 30, T14S, R9E, S.L.B.&M.
Drawing L-1 4 of 4

496000m E. 498000m E. 500000m E. 502000m E. 504000m E. 506000m E. 508000m E. NAD27 Zone 12S 513000m E.

ConocoPhillips Company



USA #30-1061

UTM NAD 27

N-4381527

E-504087

Talon Resources, Inc.

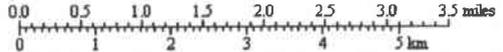
195 N. 100 W., P.O. BOX 1230

Huntington, Utah 84528

(435) 687-5310

496000m E. 498000m E. 500000m E. 502000m E. 504000m E. 506000m E. 508000m E. NAD27 Zone 12S 513000m E.

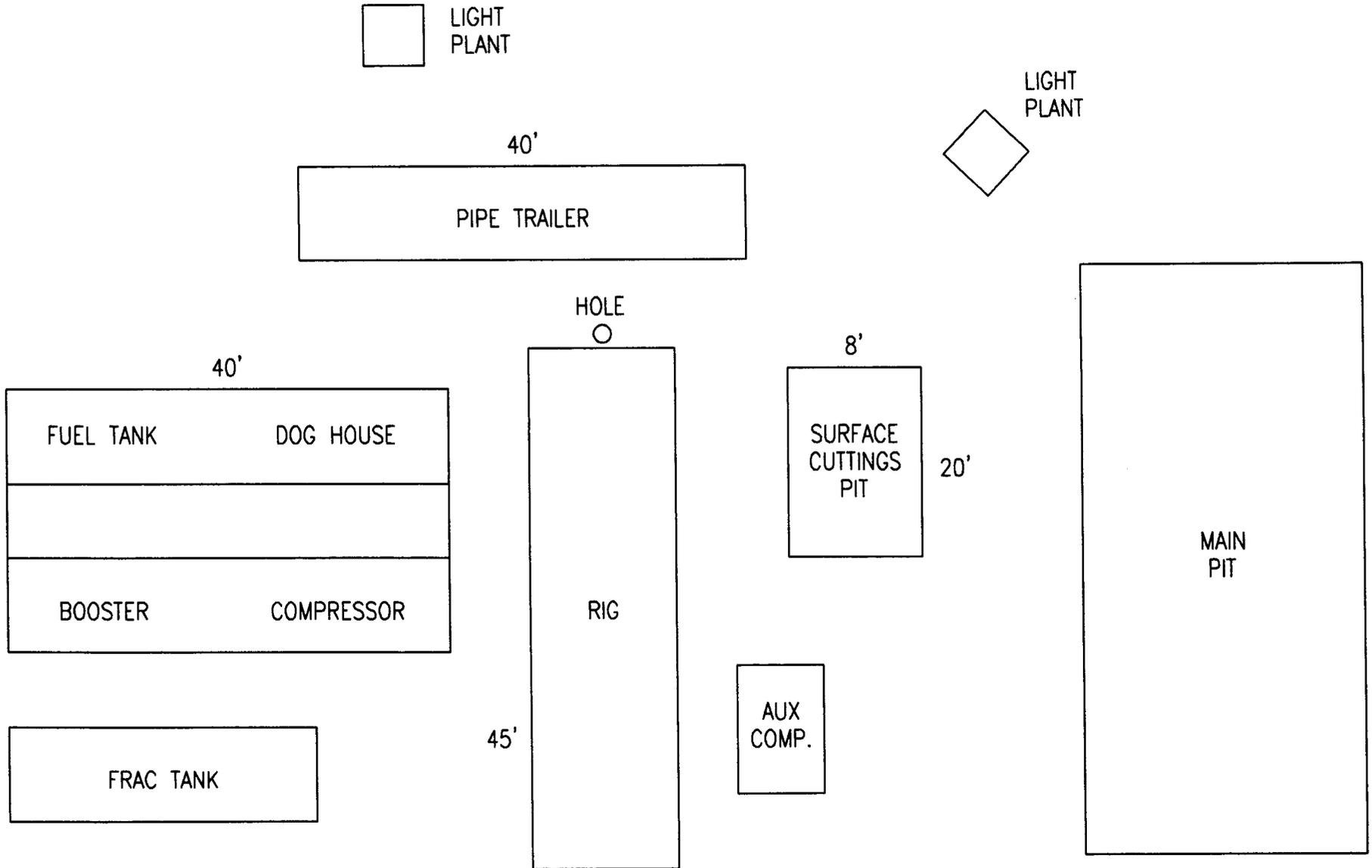
TN MN
12°



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

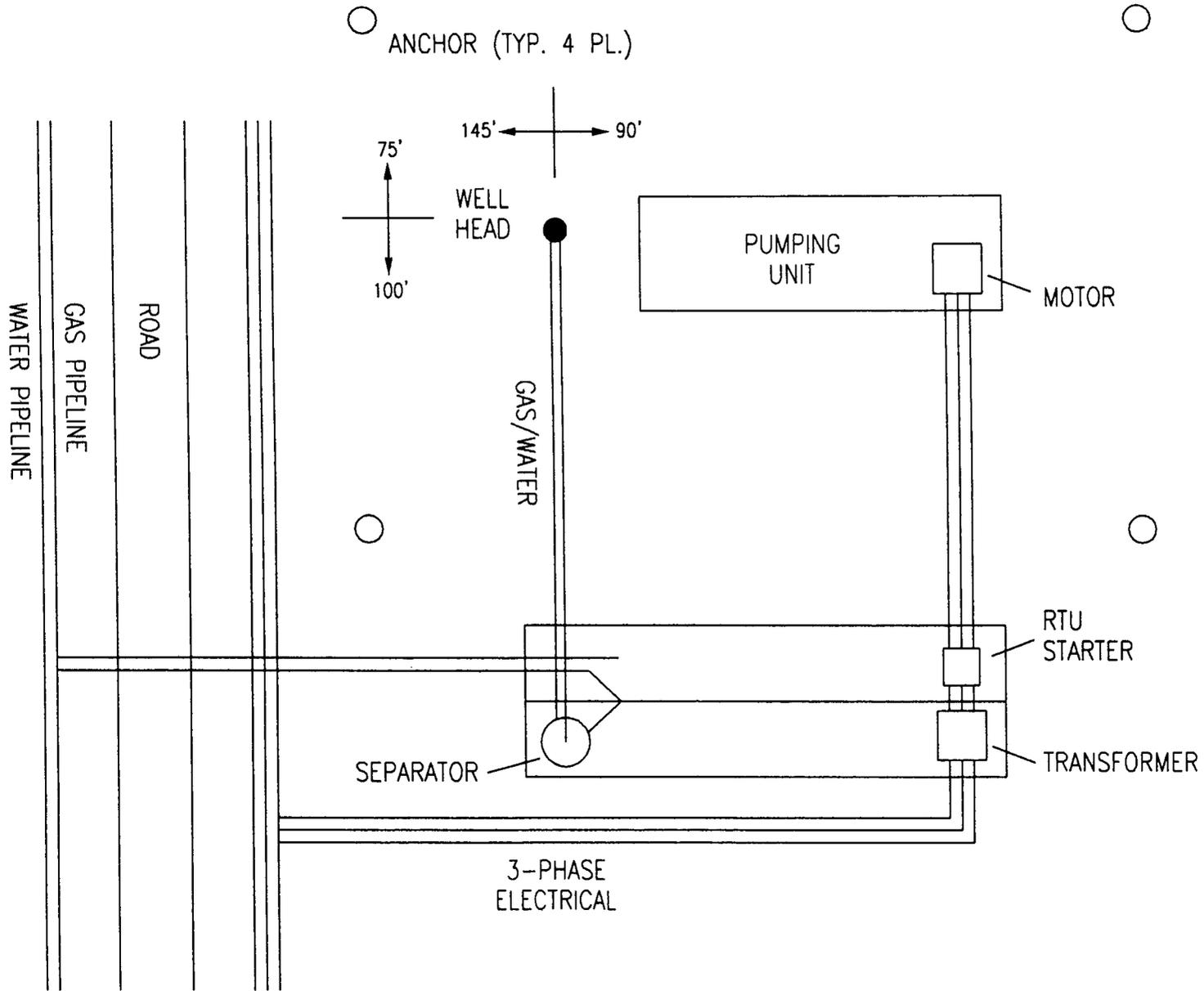
EXHIBIT C

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

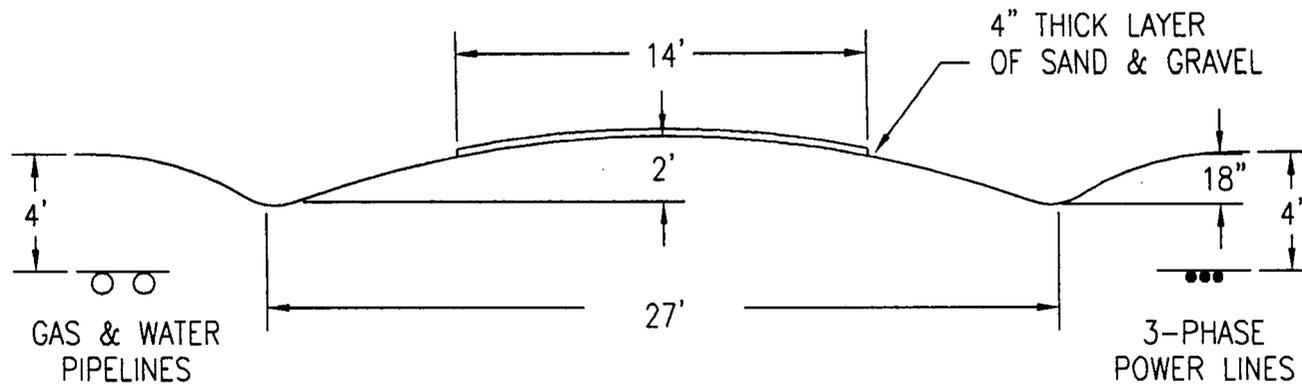


CONOCOPHILLIPS COMPANY

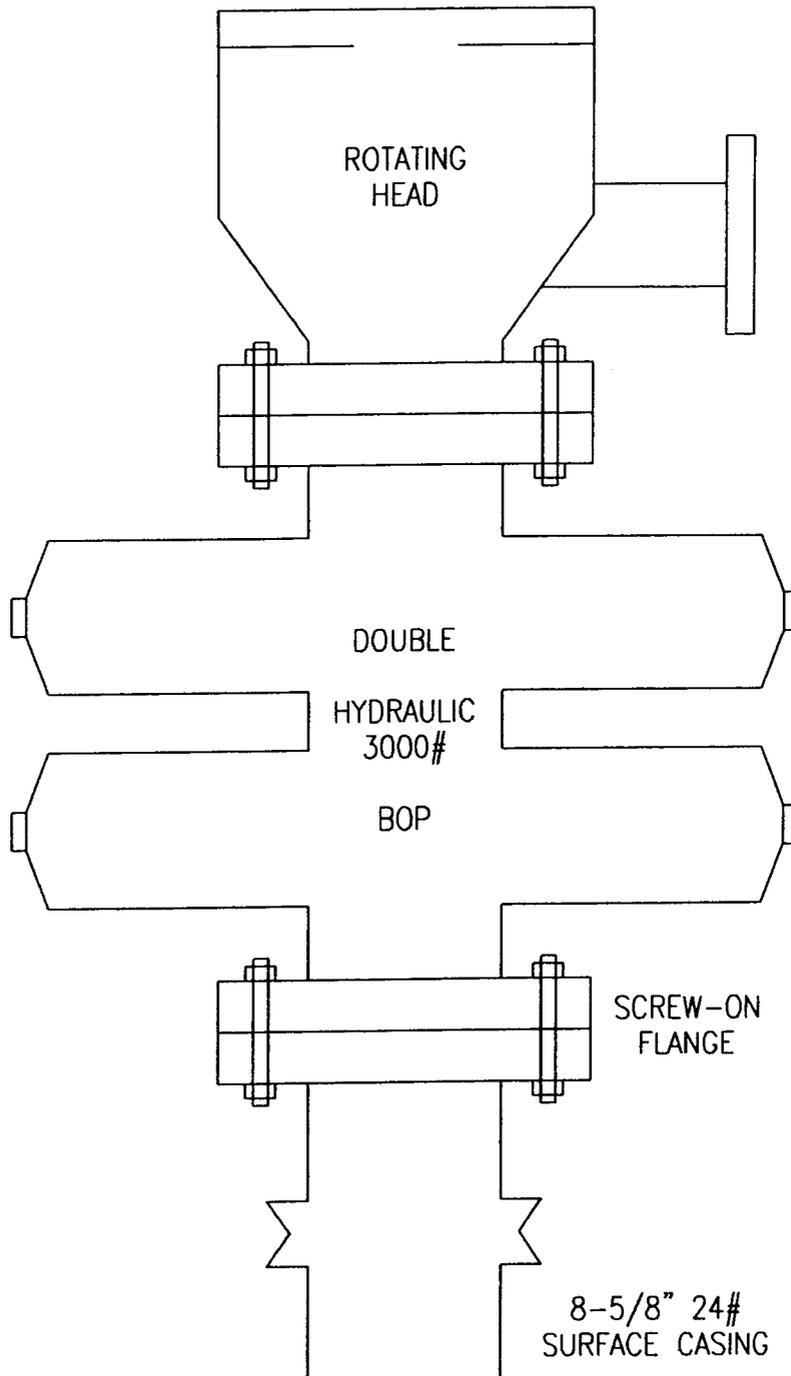
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION
CONOCOPHILLIPS COMPANY



DIVERTER HEAD
CONOCOPHILLIPS COMPANY

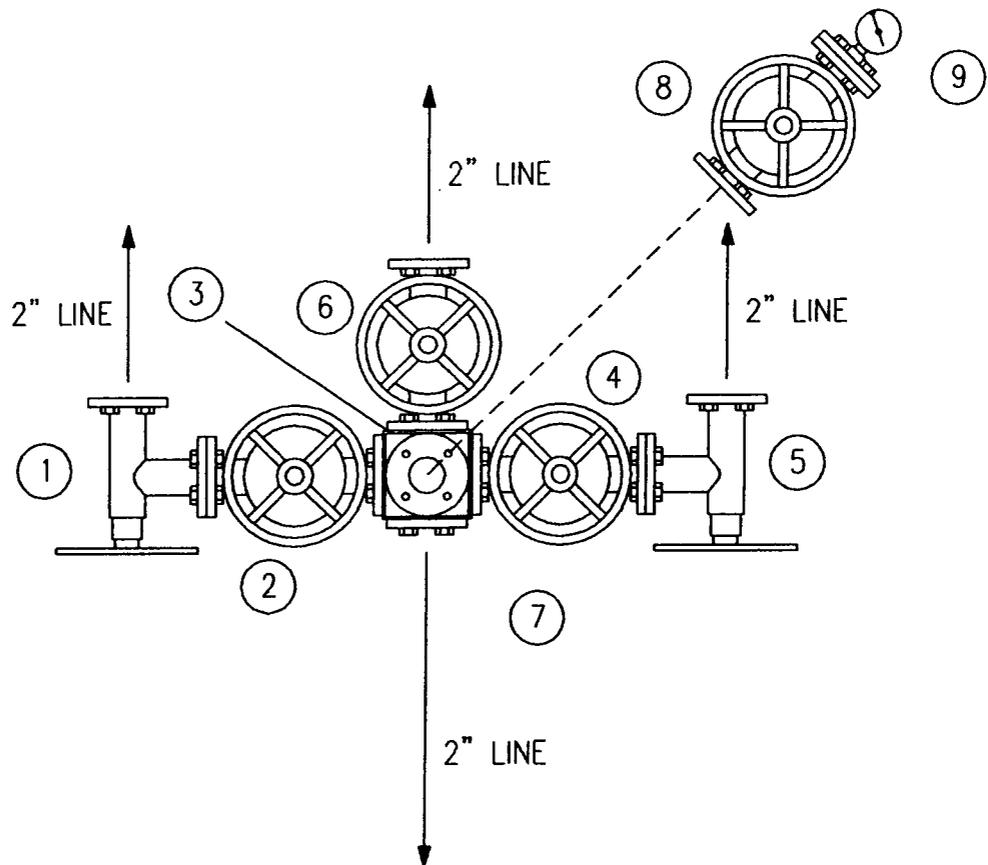


CONOCOPHILLIPS COMPANY

- (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.



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

MANIFOLD

EXHIBIT H

SURETY RIDER

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.
(PRINCIPAL)

,as 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: 43-007-31093

WELL NAME: USA 30-1061
 OPERATOR: CONOCOPHILLIPS COMPANY (N2335)
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NWNE 30 140S 090E
 SURFACE: 0319 FNL 1619 FEL
 BOTTOM: 0319 FNL 1619 FEL
 CARBON
 DRUNKARDS WASH (48)
 LAT: 39.58530 LONG: -110.9524

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-51584
 SURFACE OWNER: ~~1 - Federal~~ STATE

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' for Uberg & Unheiman Tract
- R649-3-11. Directional Drill

COMMENTS: PRESITE (04-12-2006)

STIPULATIONS: 1 - Federal Approval
2 - STATEMENT OF BASIS

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: USA 30-1061
API NUMBER: 43-007-31093
LOCATION: 1/4,1/4 NWNE Sec:30 TWP: 14 S RNG: 9 E 319 FNL 1619 FEL

Geology/Ground Water:

The mineral owner at the proposed location is the Federal Government. The BLM will be the agency responsible for evaluating and approving the drilling, casing and cement programs.

Reviewer: Brad Hill **Date:** 04-27-06

Surface:

Proposed location is ~7.63 miles west of Price, Utah on Porphyry Bench. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. Approximately 400' of new access road will be built for this location. The direct area drains to the east, towards Miller Creek, then eastward eventually into the Price River, a year-round live water source. This well is part of the "infield" drilling program of ConocoPhillips, located within the unit boundaries. 21 producing, shut-in, SWD, and/or PA wells are within a 1-mile radius of the above proposed well. Location layout, current surface status and characteristics, planned disturbances, access and utility route, and the reserve pit characteristics were all discussed. Wildlife issues and concerns were also discussed. M. Jones (DOGM), Jim Davis (SITLA), Corey Wilcox (ConocoPhillips), Rex Sacco (Carbon County), Nathan Sill (DWR), and Larry Jensen (NELCO) were in attendance.

Reviewer: Mark L. Jones **Date:** April 24, 2006

Conditions of Approval/Application for Permit to Drill:

1. Reserve pit liner is optional, if used 12-mil. minimum thickness is to be used.

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: USA 30-1061
API NUMBER: 43-007-31093
LEASE: Federal **FIELD/UNIT:** Drunkards Wash UTU-67921X
LOCATION: 1/4,1/4 NWNE **Sec:** 30 **TWP:** 14S **RNG:** 9E 319 **FNL** 1619 **FEL**
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): X =504088 E; Y =4381526 N **SURFACE OWNER:** SITLA.

PARTICIPANTS

M. Jones (DOGM), Jim Davis (SITLA), Corey Wilcox (ConocoPhillips), Rex Sacco (Carbon County), Nathan Sill (DWR), and Larry Jensen (NELCO) were in attendance.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~7.63 miles west of Price, Utah on Porphyry Bench. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. Approximately 400' of new access road will be built for this location. The direct area drains to the east, towards Miller Creek, then eastward eventually into the Price River, a year-round live water source.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 175' x 235' w/ 50' x 50' x 10' (excluded) pit.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 21 producing, shut-in, SWD, 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): No.

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 cutting. 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: None.

FLORA/FAUNA: Sage/grass/PJ community.

SOIL TYPE AND CHARACTERISTICS: Sandy clay loam.

SURFACE FORMATION & CHARACTERISTICS:

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 optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Paperwork in progress.

CULTURAL RESOURCES/ARCHAEOLOGY: Recently completed by SencoPhoenix.

OTHER OBSERVATIONS/COMMENTS

DWR discussed pertinent wildlife issues. ConocoPhillips discussed
spinning the location 180 degrees to allow the reserve pit to be
constructed easy and cheaper.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

April 12, 2006 / 1:00 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> 0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u> 0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u> 0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u> 0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u> 10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u> 0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u> 0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u> 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 15 (Level II 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.



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 30-1061 Well, 319' FNL, 1619' FEL, NW NE, Sec. 30, T. 14 South,
R. 9 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 43-007-31093.

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 30-1061
API Number: 43-007-31093
Lease: U-51584

Location: NW NE **Sec.** 30 **T.** 14 South **R.** 9 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**

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
AMENDED

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: USA 30-1061 Well, 319' FNL, 1619' FEL, NW NE, Sec. 30, T. 14 South,
R. 9 East, Carbon County, Utah

Gentlemen:

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Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

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

Operator: ConocoPhillips Company

Well Name & Number USA 30-1061

API Number: 43-007-31093

Lease: U-51584

Location: NW NE **Sec.** 30 **T.** 14 South **R.** 9 East

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

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

Form 3160-3
(September 2001)

RECEIVED
MOAB FIELD OFFICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
APPLICATION FOR PERMIT TO DRILL OR REENTER

FORM APPROVED
OMB No. 1004-0136
Expires January 31, 2004

2006 JAN -5 P 1:05
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT.

5. Lease Serial No. U-51584	
6. If Indian, Allottee or Tribe Name N/A	
7. If Unit or CA Agreement, Name and No. Drunkards Wash UTU-67921X	
8. Lease Name and Well No. USA 30-1061	
9. API Well No. 4300731093	
10. Field and Pool, or Exploratory Drunkards Wash	
11. Sec., T. R. M. or Blk. and Survey or Area NW/NE, Sec. 30, T.14S, R.9E	
12. County or Parish Carbon	13. State UT
14. Distance in miles and direction from nearest town or post office* 6.5 Miles west of Price, Utah	
15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 319'	16. No. of acres in lease 40 acres
17. Spacing Unit dedicated to this well NA	
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. 1000'	19. Proposed Depth 3423' TD
20. BLM/BIA Bond No. on file 8015-16-69	
21. Elevations (Show whether DF, KDB, RT, GL, etc.) 6419' GR	22. Approximate date work will start* 04/15/2006
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:

- | | |
|---|--|
| 1. Well plat certified by a registered surveyor. | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan. | 5. Operator certification |
| 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office). | 6. Such other site specific information and/or plans as may be required by the authorized officer. |

25. Signature 	Name (Printed/Typed) Jean Semborski	Date 12/27/2005
-------------------	---	---------------------------

Title
Construction/Asset Integrity Supervisor

Approved by (Signature) 	Name (Printed/Typed) Assistant Field Manager	Date 7/12/06
-----------------------------	--	------------------------

Title
Assistant Field Manager, Division of Resources
Office
Division of Resources Moab Field Office

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)

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

CONDITIONS OF APPROVAL ATTACHED

RECEIVED
JUL 17 2006
DIV. OF OIL, GAS & MINING

Range 9 East

(S89°54'E - 5091.9')

S89°55'57"E - 2423.84'

N89°50'57"E - 2667.46'

USA #30-1061
ELEV. 6419.2'

UTM
N 4381527
E 504087

318.98'

1619.38'

30

(NORTH - 5280.00')

(N00°01'W - 5280.00')

(S89°55'E - 5096.52')

Legend

- Drill Hole Location
- ⌋ Metal Cap (Found)
-] Fence Post (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°35'07.206"N
110°57'08.669"W

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:

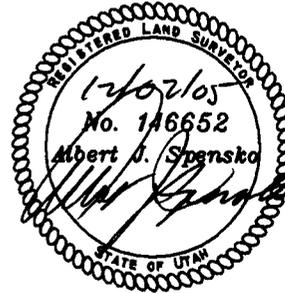
Basis of Elevation of 6847' being at the Northeast Section Corner of Section 14, Township 15 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 minute series map.

Description of Location:

Proposed Drill Hole located in the NW/4 NE/4 of Section 30, T14S, R9E, S.L.B.&M., being 318.98' South and 1619.38' West from the Northeast Section Corner of Section 30, T14S, R9E, Salt Lake Base & Meridian.

Surveyor's Certificate:

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



GRAPHIC SCALE

0 500' 1000'
(IN FEET)
1 inch = 1000 ft.



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@trv.net

ConocoPhillips Company

WELL USA #30-1061
Section 30, T14S, R9E, S.L.B.&M.
Carbon County, Utah

Drawn By N. BUTKOVICH	Checked By L.W.J./A.J.S.
Drawing No. A-1	Date: 11/30/05
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2008

RECEIVED OFFICE

ConocoPhillips Company
USA 30-1061
Lease U-51584
Drunkards Wash Unit
NW/NE Section 30, T14S, R9E
Carbon County, Utah

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

CONDITIONS OF APPROVAL

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

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

Bond coverage for this well is provided by ES 0085 (Principal - ConocoPhillips Company) via surety consent as provided for in 43 CFR 3104.2.

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

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

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

A. DRILLING PROGRAM

1. The proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. A valve must be installed on the kill line, and a valve must be installed on the choke line between the BOP and the choke manifold. These were not depicted on the schematic diagram.
3. The requirements for air drilling, found in Onshore Oil and Gas Order No. 2, part III, E (Special Drilling Operations), shall be followed. This section requires, at a minimum, the use of the following equipment not mentioned in the application:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
4. Materials to counteract a gas kick shall be available.
5. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining is required before conducting any surface disturbing activities.

B. SURFACE USE

1. The following appendices are attached for your reference. They are to be followed as conditions of approval:

- SM-1, Seed Mixture for Green Strip Areas
- SM-2, Seed Mixture for Final Reclamation
- BG-1, Surface Disturbance Mitigation for Critical Winter Range
- BG-2, Critical Winter Range Browse Hand Planting
- BG-3, Winter Restrictions on High Value and Critical Winter Range
- Special Stipulation, Redundant Road Reclamation

2. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Olive Black (5WA20-6). This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.
3. The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.
4. The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having a permeability less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.
5. The reserve pit will be constructed so that at least half of its total volume is in solid cut material (below natural ground level).
6. The reserve pit shall have 2 foot of freeboard maintained at all times to

prevent overflow of fluids.

7. Reserve pits will be adequately fenced during and after drilling operations until pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows:
 - Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed.
 - Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.

GENERAL CONSTRUCTION

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.

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

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture SM-2 (attached).

ROAD and PIPELINE CONSTRUCTION

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.

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

PAD CONSTRUCTION

13. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture in appendix SM-2, attached.
14. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

REHABILITATION PROCEDURES

Site Preparation

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

Seedbed Preparation

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

Fertilization

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

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

Mulching

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

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

Reseeding

23. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures

should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.

24. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is attached as appendix SM-2.

General

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

SM-1

Green Strip Areas

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

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

SM-2

Sagebrush/Grass Areas

BLM SEED MIXTURES FOR THE PRICE COALBED METHANE PROJECT

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

<u>Common Name</u>	<u>Scientific Name</u>	<u>Pounds per acre/PLS</u>
<u>Grasses</u>		
Indian ricegrass	<u>Oryzopsis hymenoides</u>	2
Squirreltail	<u>Elymus elymoides</u>	2
Thickspike wheatgrass	<u>Elymus lanceolatus</u>	1
Crested wheatgrass	<u>Agropyron desertorum</u>	1
Western wheatgrass	<u>Pascopyrum smithii</u>	1
<u>Forbes</u>		
Lewis flax	<u>Linum perenne lewisii</u>	1
Palmer penstemon	<u>Penstemon palmerii</u>	1
Small burnet	<u>Sanguisorba</u>	1
<u>Shrubs</u>		
Forage kochia	<u>Kochia prostrata</u>	1.5
Whitestem rabbitbrush	<u>Chrysothamnus nauseosus albicaulis</u>	1
Fourwing saltbrush	<u>Atriplex anescens</u>	2
Wyoming big sagebrush	<u>Artemisa tridentata</u>	1.5
	Total	16

PRICE COALBED METHANE PROJECT AREA

BG-1: SURFACE DISTURBANCE MITIGATION FOR CRITICAL WINTER RANGE (BLM-38 and FEIS Chapter 2, Alternative D, pg. 2-47)

The subject permit application is proposed within critical winter range (FEIS) and subject to BLM-38 requiring acre for acre mitigation for surface disturbance on critical winter range. The following condition, which serves to replace BLM-38, comes from a cooperative agreement between the ConocoPhillips Company (CPC), BLM- Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation, under which the ConocoPhillips Company agrees to the following:

1. Contribute \$1,250.00 (1996 dollars) for each federal interest well (Federal surface and/or subsurface ownership) permitted and drilled by the CPC (or on behalf of CPC by its contractor) on big game critical winter range as depicted in the FEIS Price Coalbed Methane Project Area. (Wells meeting the above criteria for which payment will be required, will be referred to as “subject wells”.) This contribution will be adjusted annually for inflation based on the Consumer Price Index (CPI), see Section II.C.6 for the reference source used for the determination of the CPI and the date in which this annual adjustment will go into effect.

Since this mitigation program is designed to address impacts of all big game critical range surface disturbance (roads, well pads, pipelines, etc.), contributions will be required regardless of the success or failure of the subject well to produce.

- a. The recorded date for spudding for each subject well (the first boring of a hole during the drilling of a well) will serve as the reference date triggering the requirement for the mitigation contribution.
- b. Contributions will be submitted (in the form of a CPC Corporate check, cashiers check or wire transfer) directly to the National Fish and Wildlife Foundation by the 30th of each month for all subject wells spudded in the preceding month.
- c. All Contributions will be made payable to the “National Fish and Wildlife Foundation re, Proj 97-260” and reference the “Price Field Office Wildlife Habitat Impact Mitigation Fund (CPC)”.

PRICE COALBED METHANE PROJECT AREA

BG-2: CRITICAL WINTER RANGE BROWSE HAND PLANTING (BLM-22) PG. 1 of 1

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

Planting Methods:

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

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

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

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

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

Planting Species and Application Rate:

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

Suitable Substitutions:

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

PRICE COALBED METHANE PROJECT AREA

BG-3: WINTER RESTRICTIONS ON HIGH VALUE AND CRITICAL WINTER RANGE (BLM-37, FEIS, Chapter 2, Alternative D, pg. 2-48, see also Decision Record pg.2 paragraph 4) PG. 1 of 2

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

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

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

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

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

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

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

Restriction on Non Emergency Workover Operations: CPC is required to schedule non-emergency workover operations (defined below) on big game high value winter range outside the December 1 to April 15 date of the seasonal closure. CPC will be required to

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

Submit sundry notices to BLM (or notification to UDWR on non-federal interest wells) in advance of workover operations proposed between December 1 and April 15. Sundry notices submitted as emergency work may require independent corroboration by BLM geologist/petroleum engineers prior to work proceeding. Should BLM object to the emergency designation of the sundry notice, the BLM would make notification of the objection within five working days of receipt of the sundry notice. In the absence of such notification of in the event of corroboration with the sundry notice, CPC would be permitted to proceed with the workover operation.

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

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

SPECIAL STIPULATION: REDUNDANT ROAD RECLAMATION

Pg. 1 of 1

In order to avoid redundant road systems that result from new access roads being constructed which parallel existing roads or two tracks, the proponent is required to terminate and reclaim the road or road segment described below.

Road Description:

Approximately 100' of 2 tracks as it comes off the main road

Reclamation Description:

Seedbed preparation

- For two track road segments, roads with well established vegetation between tracks and encroaching onto travel surface, scarify the compacted two track surface to prepare a roughened surface that will accept seed.
- For roads with highly compacted travel surfaces, rip the travel surface to roughen and prepare for seeding.

Reseeding

- Drill entire length of road with appropriate pinyon/juniper or sagebrush-grass seed mix Appendix 2F FEIS,
- Hand plant browse bareroot stock or tubling stock on the entire length of road according to species and application rates for pinyon/juniper or sagebrush-grass, as specified in the Critical Winter Range Browse Hand Planting Guidelines for BLM22.

Physical Closure

- Utilize available materials (boulders, vegetative slash, etc.) to physically defer all future vehicle use of road being reclaimed.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

TABLE 1

NOTIFICATIONS

Notify Mary Maddux (435-636-3668) or Walton Willis (435-636-3662) of the BLM, Price Field Office for the following:

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

1 day prior to spudding (Willis);

50 feet prior to reaching the surface casing setting depth (Willis).

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

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

Eric Jones, Petroleum Engineer

Office: (435) 259-2117

Home: (435) 259-2214

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: U-51584
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: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
2. NAME OF OPERATOR: ConocoPhillips Company		8. WELL NAME and NUMBER: USA 30-1061
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE TX ZIP 79710-1810		9. API NUMBER: 4300731093
4. LOCATION OF WELL FOOTAGES AT SURFACE: 319' FNL & 1619' FEL		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 30 14S 9E		COUNTY: Carbon
		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>3/2/2007</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 March 2, 2007.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 02-21-07
By: [Signature]

RECEIVED
2-22-07
PM

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

(This space for State use only)

RECEIVED RECEIVED

FEB 15 2007 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: 43-007-31093
Well Name: USA 30-1061
Location: NWNE Section 30, T14S, R9E
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

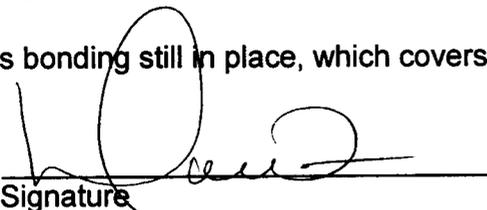
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

REGULATORY, GAS & MINING

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

FORM 9

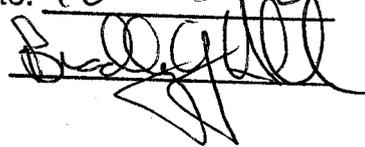
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: U-51584
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
2. NAME OF OPERATOR: ConocoPhillips Company		8. WELL NAME and NUMBER: USA 30-1061
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810		9. API NUMBER: 4300731093
4. LOCATION OF WELL FOOTAGES AT SURFACE: 319' FNL & 1619' FEL		10. FIELD AND POOL, OR WLD CAT: Drunkards Wash
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 30 14S 9E		COUNTY: Carbon
		STATE: UTAH

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

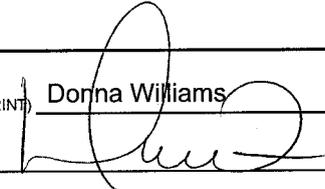
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 2/21/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> 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 TUBING	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Permit Renewal
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	
	<input type="checkbox"/> CONVERT WELL TYPE		

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: 10-23-08
By: 

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

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Specialist
SIGNATURE 	DATE 1/17/2008

(This space for State use only)

RECEIVED
JAN 23 2008

RESET

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

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

API: 43-007-31093
Well Name: USA 30-1061
Location: NWNE Sec 30, T14S, R9E, 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.

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

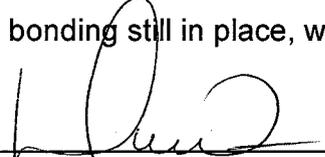
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

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

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 51584
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: 319 FNL & 1619 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 30 14S 9E		8. WELL NAME and NUMBER: USA 30-1061
PHONE NUMBER: (432) 688-6943		9. API NUMBER: 4300731093
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>2/13/2009</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 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) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/13/2009</u>

(This space for State use only)

RECEIVED
FEB 17 2009
(See Instructions on Reverse Side)
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: 4300731093
Well Name: USA 30-1061
Location: NWNE of 30-14S-9E
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

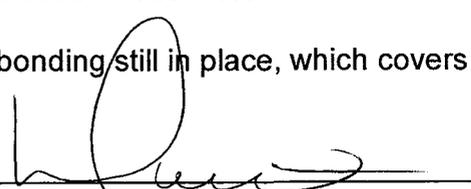
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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 51584
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: 319 FNL & 1619 FEL COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNE 30 14S ⁹ SE STATE: UTAH		8. WELL NAME and NUMBER: USA 30-1061
		9. API NUMBER: 4300731093
		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
		PHONE NUMBER: (432) 688-6943

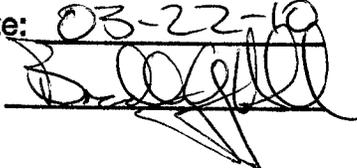
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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.

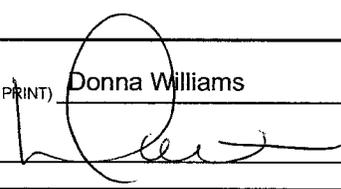
Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-22-10
By: 

COPY SENT TO OPERATOR

Date: 3.25.2010

Initials: KS

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

(This space for State use only)

RECEIVED

MAR 22 2010



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

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

API: 4300731093
Well Name: USA 30-1061
Location: NWNNE of 30-14S-9E
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

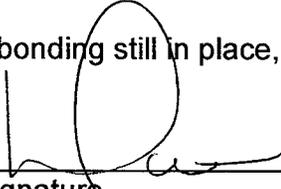
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: July 31, 2010

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
U 51584

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

7. If Unit of CA/Agreement, Name and/or No.
Drunkards Wash UTU 67921X

1. Type of Well

Oil Well Gas Well Other

8. Well Name and No.
USA 30-1061

2. Name of Operator
ConocoPhillips Company

9. API Well No.
43-007-31093

3a. Address
P.O. Box 51810
Midland, Tx 79710

3b. Phone No. (include area code)
432-688-6943

10. Field and Pool or Exploratory Area
Drunkards Wash

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
319 FNL & 1619 FEL
NWNE of 30-14S-9E

11. Country or Parish, State
Carbon County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <u>Permit Renewal</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

ConocoPhillips Company respectfully request that the approval of the Application for Permit to Drill for the referenced well be extended. All COAs will remain in effect.

ConocoPhillips request to extend this APD is not approved. This APD was originally approved in 2006 for a one-year period and has already received a two-year extension from this office. This well is also not included in the ConocoPhillips drilling program for 2010, or subsequent drilling programs.

RECEIVED
MAR 19 2010
BLM - Price, UT

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed)
Donna Williams

Title Sr. Regulatory Specialist

Signature

Date 03/17/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DENIED

Date

MAR 24 2010

Conditions of approval, if that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

PRICE FIELD OFFICE

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.

RECEIVED

(Instructions on page 2)

UDOGM

COPY

APR 07 2010

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-51584
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: DRUNKARDS WASH
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: USA 30-1061
2. NAME OF OPERATOR: CONOCOPHILLIPS COMPANY	9. API NUMBER: 43007310930000
3. ADDRESS OF OPERATOR: P.O. Box 51810 , Midland, TX, 79710 1810	PHONE NUMBER: 432 688-6943 Ext
4. LOCATION OF WELL FOOTAGES AT SURFACE: 0319 FNL 1619 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWNE Section: 30 Township: 14.0S Range: 09.0E Meridian: S	9. FIELD and POOL or WILDCAT: DRUNKARDS WASH COUNTY: CARBON 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 Approximate date work will start: 2/17/2011 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT 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: 

NAME (PLEASE PRINT) Donna Williams	PHONE NUMBER 432 688-6943	TITLE Sr. Regulatory Specialist
SIGNATURE N/A	DATE 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 43007310930000

API: 43007310930000

Well Name: USA 30-1061

Location: 0319 FNL 1619 FEL QTR NWNE SEC 30 TWP 140S RNG 090E 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: 2/17/2011

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 30-1061, Sec. 30, T.14S, R.9E,
Carbon County, Utah API No. 43-007-31093

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.

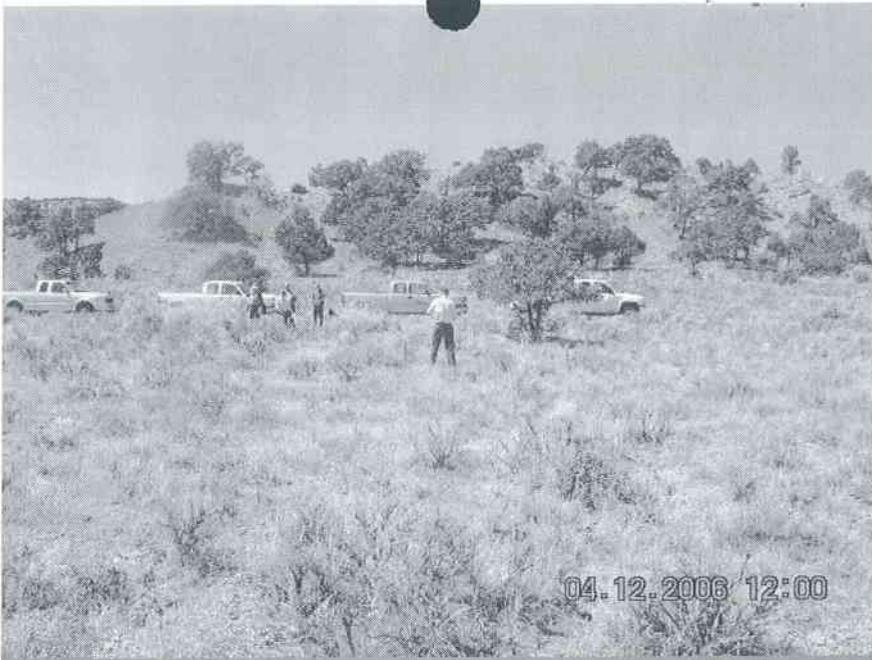
Sincerely,


Diana Mason
Environmental Scientist

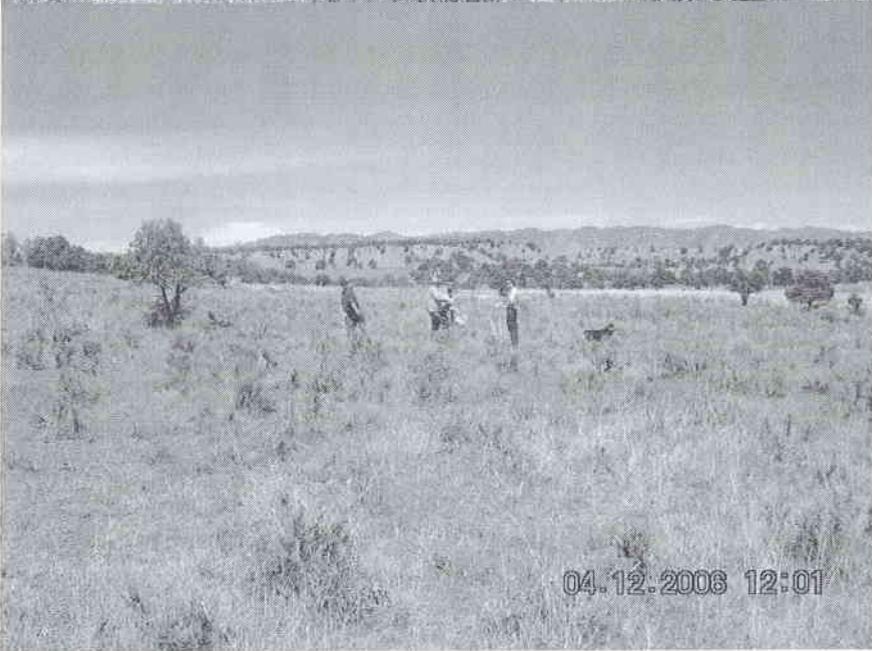
cc: Well File
Bureau of Land Management, Price



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