



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

December 30, 2005

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

RE: Application for Permit to Drill: Utah 26-1198, Utah 13-1169, Utah 24-1189, Utah 11-1159, Utah 11-1158, Utah 11-1157, Utah 26-1197, Utah 2-1264, Utah 9-1237, Utah 4-1267

Dear Ms. Whitney:

Please find enclosed an *Application for Permit to Drill* (APD) for the following wells:

Utah 26-1198, Utah 13-1169, Utah 24-1189, Utah 11-1159, Utah 11-1158, Utah 11-1157, Utah 26-1197, Utah 2-1264, Utah 9-1237, and Utah 4-1267.

Please accept this letter as ConocoPhillips' written request for confidential treatment of all information contained in and pertaining to this permit application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact me if you have any questions.

Sincerely,

Jean Semborski  
Construction/Asset Integrity Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah  
Mr. John Albert, Chevron  
Mr. John Lennon, Dominion Resources  
Mr. Don Stephens, BLM, Price, Utah  
Ms. Debbie Marberry, ConocoPhillips  
Mr. Kile Thompson, ConocoPhillips  
Mr. Mark Jones, DOGM, Price, Utah  
Mr. Ed Bonner, SITLA  
ConocoPhillips Well File

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JAN 05 2006

DIV. OF OIL, GAS & MINING

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: <b>ML-39333</b>	6. SURFACE: <b>State</b>
1A. TYPE OF WORK: <b>DRILL</b> <input checked="" type="checkbox"/> <b>REENTER</b> <input type="checkbox"/> <b>DEEPEN</b> <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>N/A</b>	
B. TYPE OF WELL: <b>OIL</b> <input type="checkbox"/> <b>GAS</b> <input checked="" type="checkbox"/> <b>OTHER</b> _____ <b>SINGLE ZONE</b> <input checked="" type="checkbox"/> <b>MULTIPLE ZONE</b> <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: <b>Drunkards Wash UTU-67921X</b>	
2. NAME OF OPERATOR: <b>ConocoPhillips Company</b>			9. WELL NAME and NUMBER: <b>Utah 11-1158</b>	
3. ADDRESS OF OPERATOR: <b>P.O. Box 851</b> <b>Price</b> <b>UT</b> <b>84501</b>		PHONE NUMBER: <b>(435) 613-9777</b>	10. FIELD AND POOL, OR WILDCAT: <b>Drunkards Wash</b>	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: <b>2460' FNL, 1905' FEL</b> AT PROPOSED PRODUCING ZONE: <b>Same as Surface</b>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 11 15S 9E</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>4.9 miles southwest of Price, Utah</b>			12. COUNTY: <b>Carbon</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>1905 feet</b>	16. NUMBER OF ACRES IN LEASE: <b>640 acres</b>	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>160 acres</b>		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>1700 feet</b>	19. PROPOSED DEPTH: <b>2,658</b>	20. BOND DESCRIPTION: <b>Rotary</b>		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>5868.3' GR</b>	22. APPROXIMATE DATE WORK WILL START: <b>2/1/2005</b>	23. ESTIMATED DURATION:		

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
15"	12 3/4"	H 40	40.5#/ft	40			
11"	8 5/8"	J-55	24#/ft	400	170 sks G+2% CaCl	1.18 cu.ft./sk	15.6 ppg
7 7/8"	5 1/2"	N-80	17#/ft	2,648	100sks Std Cement + 10% CalSeal	1.61 cu.ft./sk	14.2 ppg
					200sks 50/50 POZ +8 % Bent+10% CalSeal	1/4 #/sk	12.5ppg
CONFIDENTIAL							

**ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Jean Semborski                      TITLE Construction/Asset Integrity Supervisor  
SIGNATURE *Jean Semborski*                      DATE 12/29/05

(This space for State use only)

API NUMBER ASSIGNED: 43007-31102

**Approved by the  
Utah Division of  
Oil, Gas and Mining**  
APPROVAL:  
Date: 02/28/06  
By: *[Signature]*  
(See Instructions on Reverse Side)

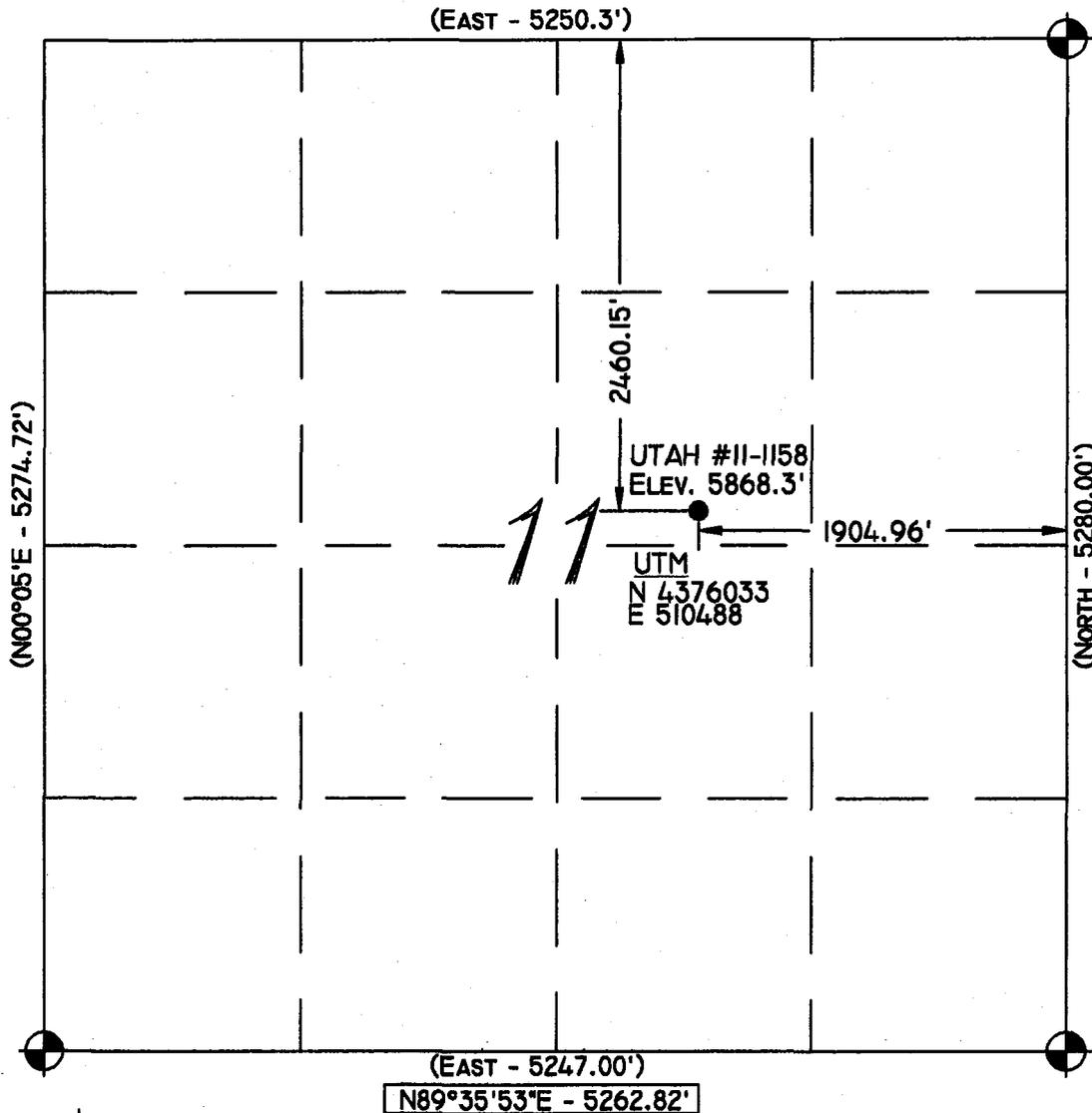
**RECEIVED**

JAN 05 2006

DIV. OF OIL, GAS & MINING

# Range 9 East

Township 15 South



**Location:**

The well location was determined using a Trimble 5700 GPS survey grade unit.

**Basis of Bearing:**

The Basis of Bearing is GPS Measured.

**GLO Bearing:**

The Bearings indicated are per the recorded plat obtained from the U.S. Land Office.

**Basis of Elevation:**

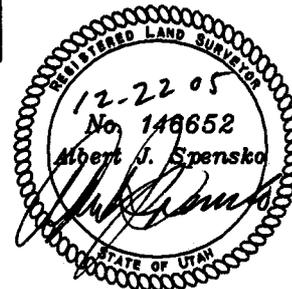
Basis of Elevation of 5713' being at the Southeast Section Corner of Section 13, Township 15 South, Range 9 East, Salt Lake Base and Meridian, as shown on the Price Quadrangle 7.5 minute series map.

**Description of Location:**

Proposed Drill Hole located in the SW/4 NE/4 of Section 11, T15S, R9E, S.L.B.&M., being 2460.15' South and 1904.96' West from the Northeast Section Corner of Section 11, T15S, 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.



**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 UTAH #11-1158  
 Section 11, T15S, 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 12/21/05
	Scale 1" = 1000'
Sheet 1 of 4	Job No. 2125

**Legend**

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

**NOTES:**

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

LAT / LONG  
 39°32'08.795"N  
 110°52'40.646"W

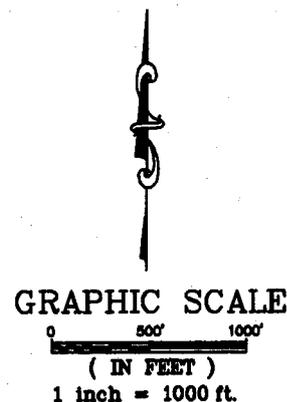


EXHIBIT "D"  
DRILLING PROGRAM

Attached to Form 3  
ConocoPhillips Company  
Utah 11-1158  
SW/4, NE/4, Sec.11, T15S, R9E, SLB & M  
2460' FNL, 1905' FEL  
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2178'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2196' - 2303'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits.

All indications of usable water will be reported.

Surface casing will be tested to 500 psi and Production casing tested to 1500 psi with a minimum of 1 psi/ft of the last casing string depth

4. The Proposed Casing and Cementing Programs

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	<u>0-2648</u>

## Cementing Program

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

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

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

The 5 1/2" production casing will be set with approximately 100 sacks of Standard Cement, 10% Cal Seal 60 (accelerator), 1% Calcium Chloride (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of 1.61 ft<sup>3</sup>/sx at 14.2 ppg; calculated with an excess of 35% for the 1<sup>st</sup> Stage. For the 2<sup>nd</sup> stage, approximately 200 sx of 50/50 POZ Premium cement, 8% Bentonite (light weight additive), 10% Cal Seal 60 (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of 1.98 ft<sup>3</sup>/sx at 12.5 ppg; calculated with an excess of 30% for the 2<sup>nd</sup> Stage.

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

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

0-400	11" hole	Drill with air, will mud-up if necessary.
400-TD	7 7/8" hole	Drill with air, will mud-up if necessary. 400 psi @ 1400-1600 cfm

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

400-TD      Gamma Ray, Neutron Porosity, CBL

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is about 1169 psi max., however due to offset production pressures may be much lower. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around February 1, 2005

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

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

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

## SURFACE USE PLAN

Attached to Form 3  
ConocoPhillips Company  
Utah 11-1158  
SW/4, NE/4, Sec.11, T15S, R9E, SLB & M  
2460' FNL, 1905' FEL  
Carbon County, Utah

### 1. Existing Roads

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

### 2. Planned Access

Approximately 1,400' of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 7%
- c. Turnouts: None
- d. Drainage design: 1 36" culvert & 3 18' culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and power lines will follow the proposed access road.

### 3. Location of Existing Wells

- a. Refer to Drawing L-1.

### 4. Location of Existing and/or Proposed Facilities

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

## **5. Location and Type of Water Supply**

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

## **6. Source of Construction Materials**

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

## **7. Methods for handling waste disposal**

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

## 8. Ancillary Facilities

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

## 9. Wellsite Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the pit. The pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Drawing A-2 and L-1.
- d. Natural runoff will be diverted around the well pad.

## 10. Plans for Restoration of Surface

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

## 11. Surface Ownership:

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

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximate 3 Miles East.
- b. Nearest live water is the Miller Creek 1.6 miles South.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations.

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

**13. Company Representative**

Jean Semborski  
Construction/Asset Integrity Supervisor  
ConocoPhillips Company  
P.O. Box 851  
6825 South 5300 West  
Price, Utah 84501  
(435) 613-9777  
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

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

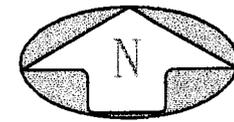
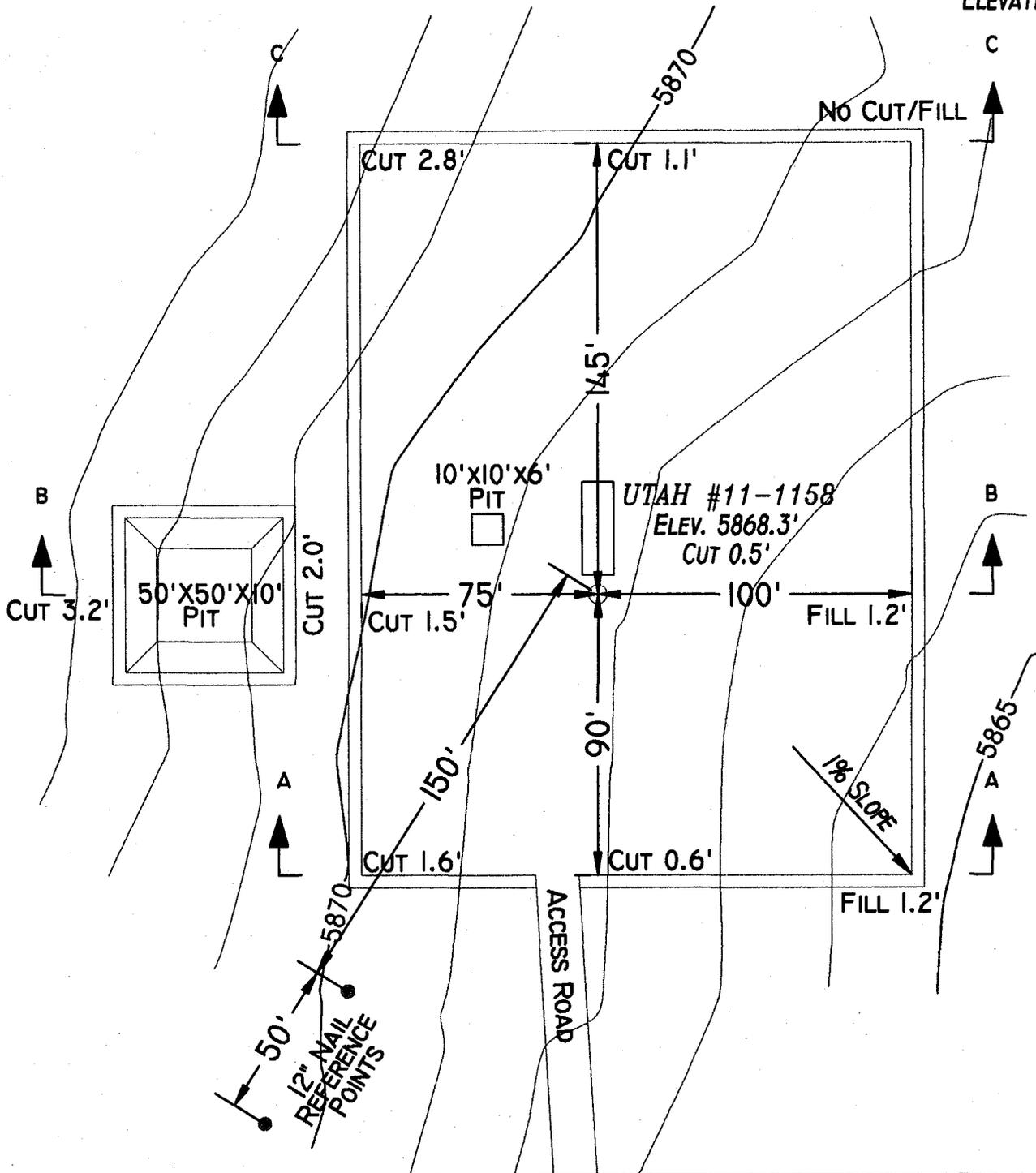
**14. Certification**

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

12/29/05  
Date

  
\_\_\_\_\_  
Jean Semborski  
Construction/Asset Integrity Supervisor  
ConocoPhillips Company

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 5868.3'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 5867.8'



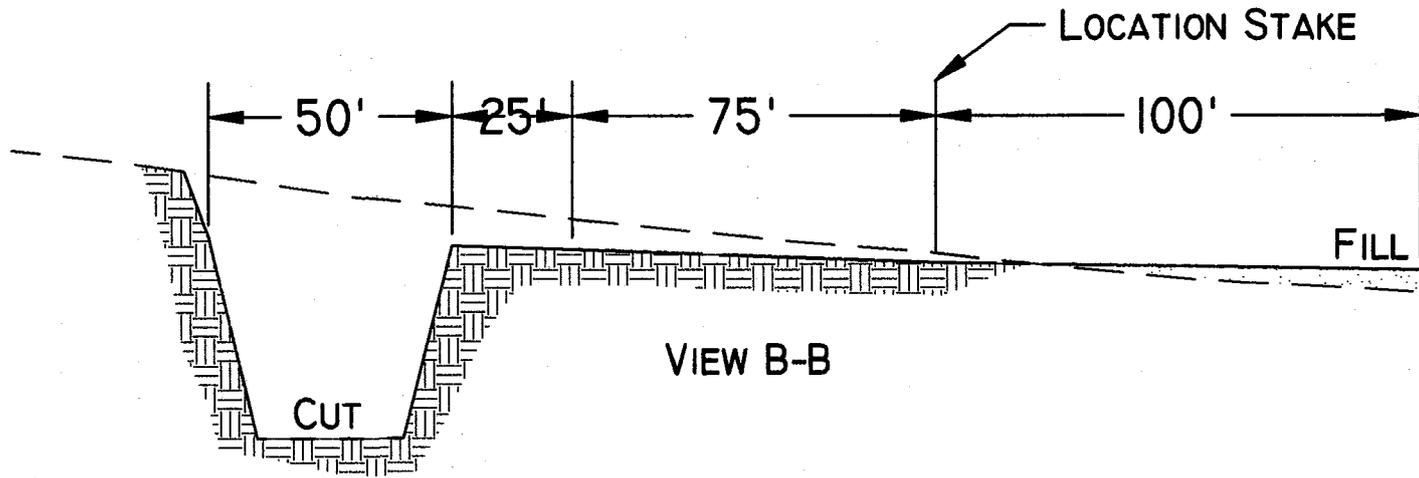
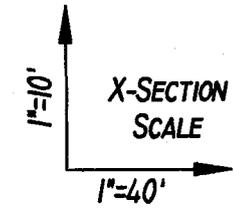
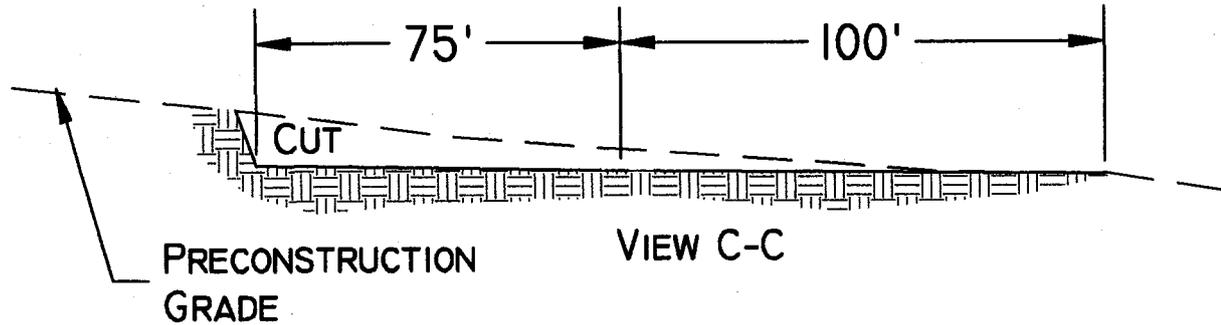
**TALON RESOURCES, INC.**

195 North 100 West P.O. Box 1230  
 Huntington, Utah 84520  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talonstv.net

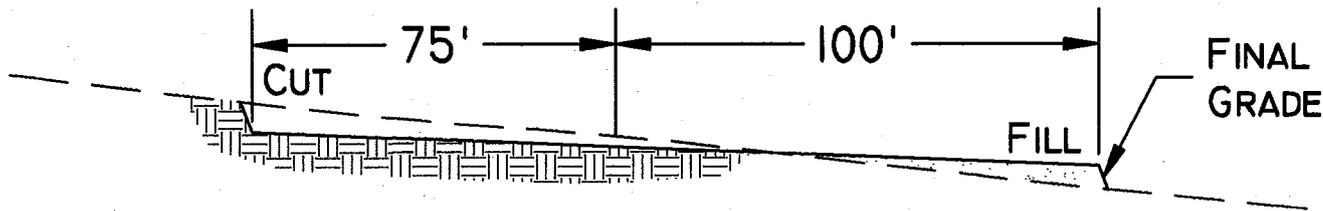
**ConocoPhillips Company**

**LOCATION LAYOUT**  
 Section 11, T15S, R9E, S.L.B.&M.  
 WELL UTAH #11-1158

DRAWN BY: <b>N. BUTKOVICH</b>	CHECKED BY: <b>L.W.J.</b>
DRAWING NO. <b>A-2</b>	DATE: <b>12/21/05</b>
	SCALE: <b>1" = 50'</b>
SHEET <b>2</b> OF <b>4</b>	JOB NO. <b>2125</b>



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



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

**ConocoPhillips Company**

TYPICAL CROSS SECTION  
 Section 11, T15S, R9E, S.L.B.&M.  
 WELL UTAH #11-1158

DRAWN BY: N. BUTKOVICH	CHECKED BY: L.W.J.
DRAWING No. C-1	DATE: 12/21/05
	SCALE: 1" = 40'
SHEET 3 of 4	JOB No. 2125

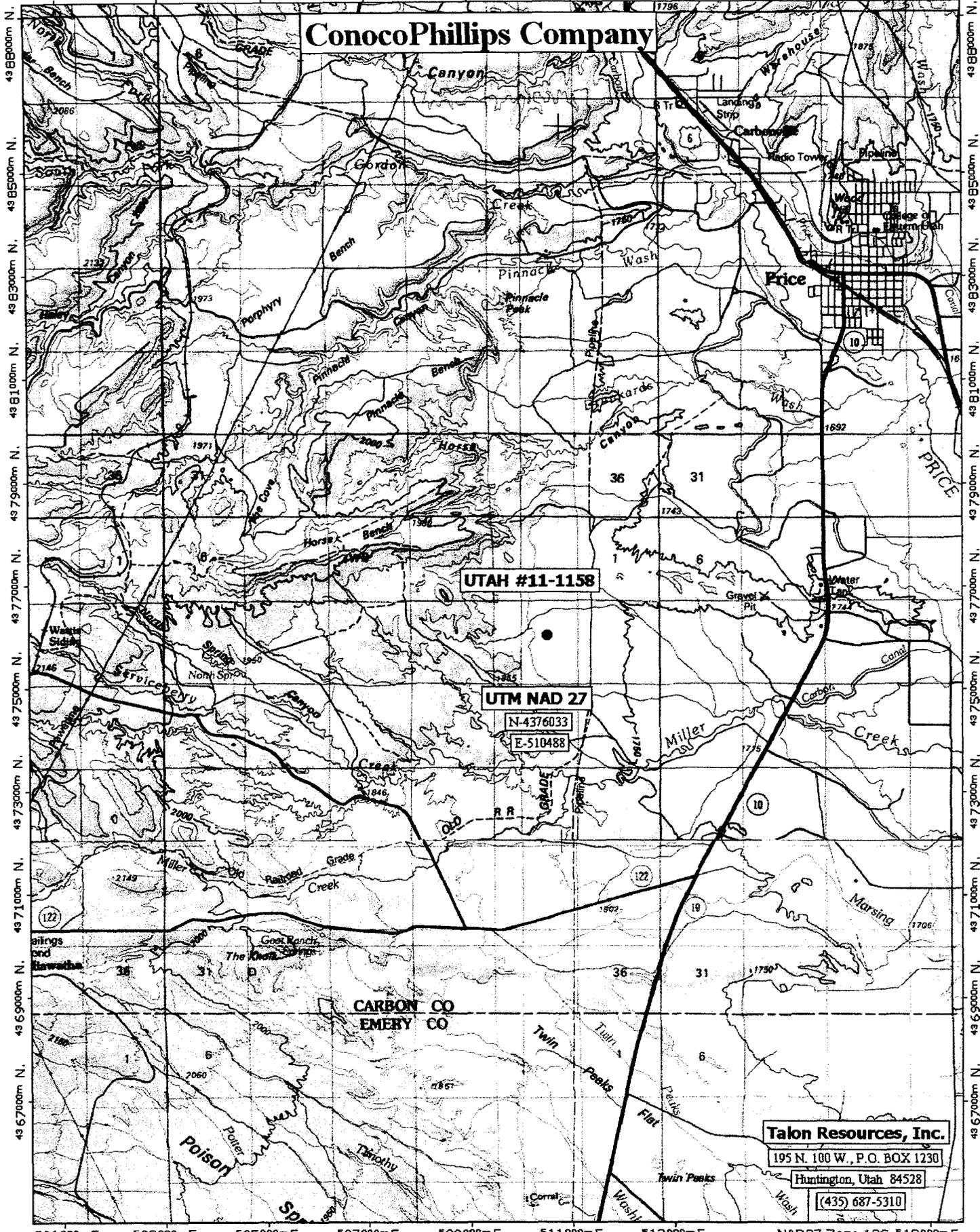
APPROXIMATE YARDAGES

CUT  
 (6") TOPSOIL STRIPPING = 810 CU. YDS.  
 REMAINING LOCATION = 1,760 CU, YDS.  
 (INCLUDING TOPSOIL STRIPPING)  
 TOTAL CUT (INCLUDING PIT) = 2,510 CU. YDS.  
 TOTAL FILL = 310 CU. YDS.

VIEW A-A



501000mE, 503000mE, 505000mE, 507000mE, 509000mE, 511000mE, 513000mE, NAD27 Zone 12S 518000mE.



# ConocoPhillips Company

**UTAH #11-1158**

**UTM NAD 27**

N-4376033

E-510488

**CARBON CO  
EMERY CO**

**Talon Resources, Inc.**

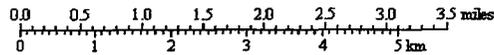
195 N. 100 W., P.O. BOX 1230

Huntington, Utah 84528

(435) 687-5310

501000mE, 503000mE, 505000mE, 507000mE, 509000mE, 511000mE, 513000mE, NAD27 Zone 12S 518000mE.

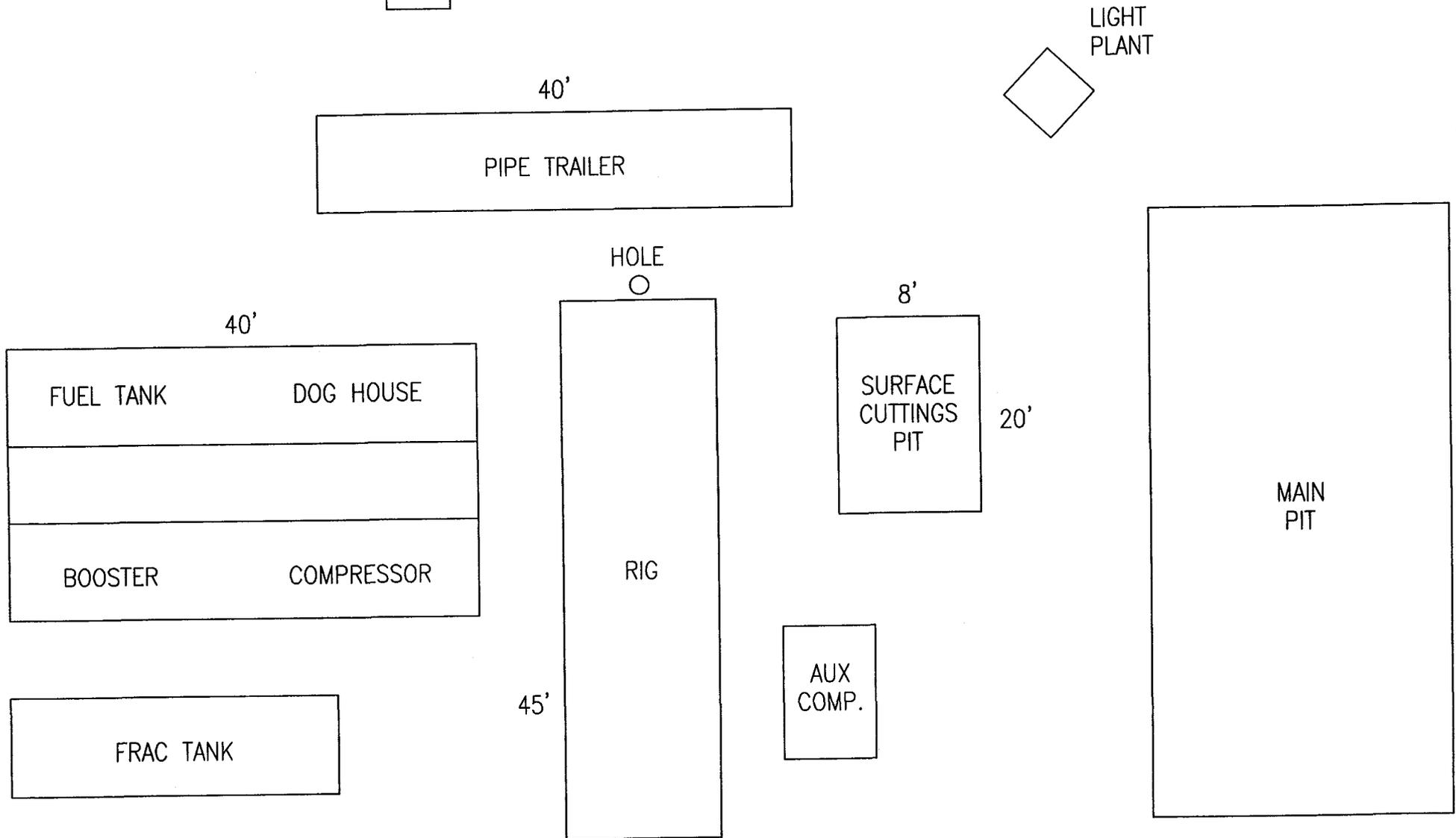
TN MN  
12°



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

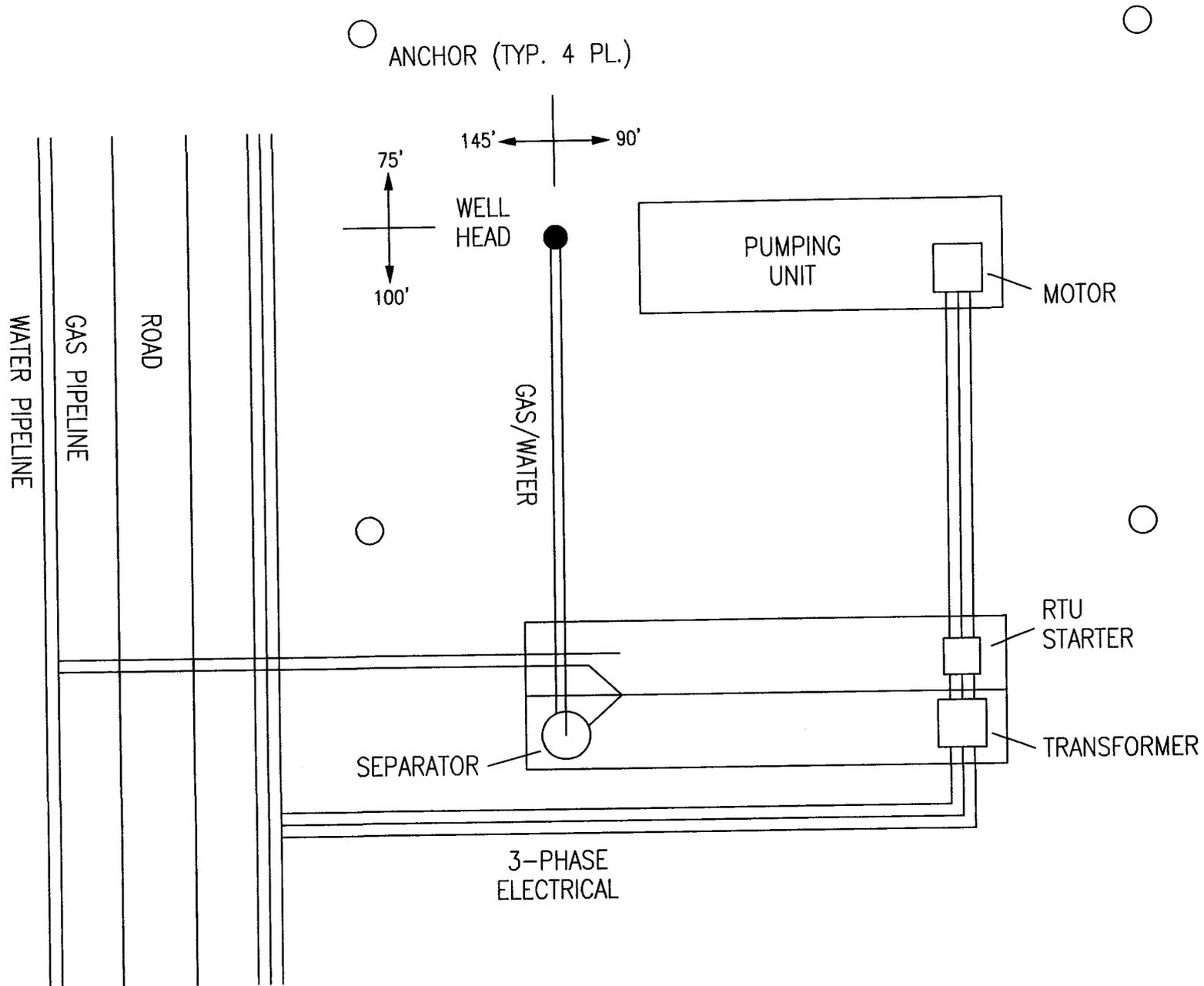
# APPROXIMATE LAYOUT OF RIG & EQUIPMENT

EXHIBIT C

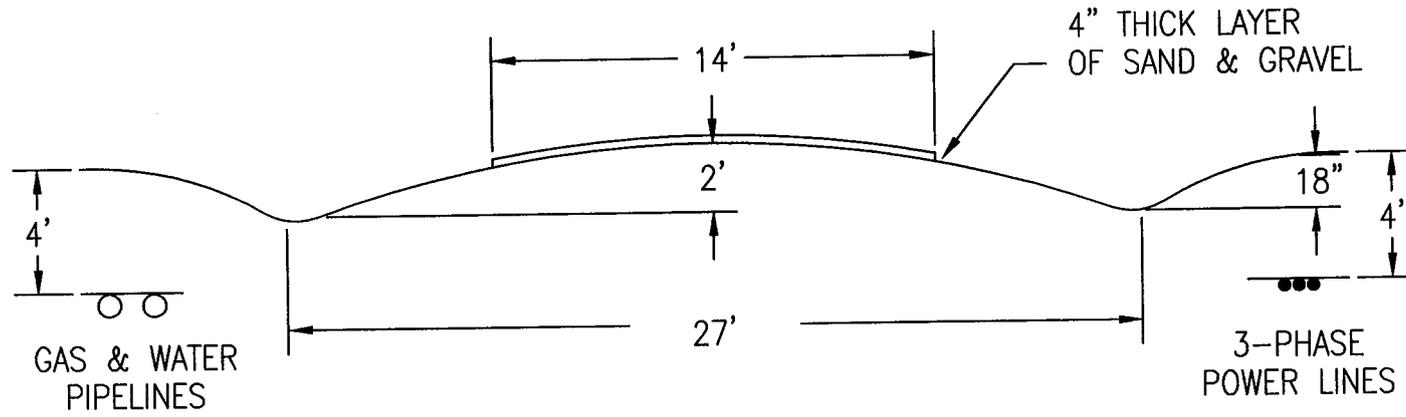


# CONOCOPHILLIPS COMPANY

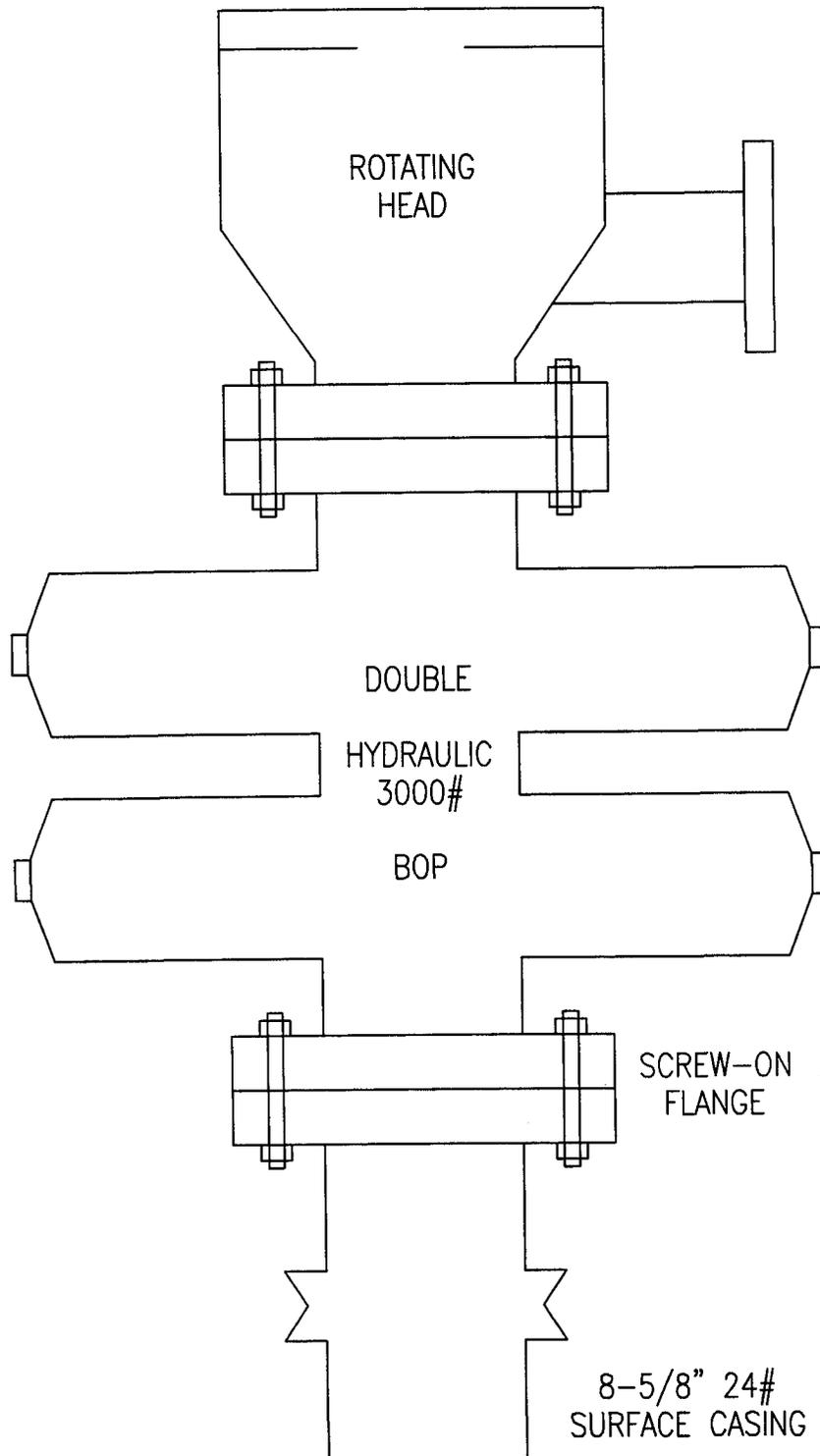
## WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION  
CONOCOPHILLIPS COMPANY



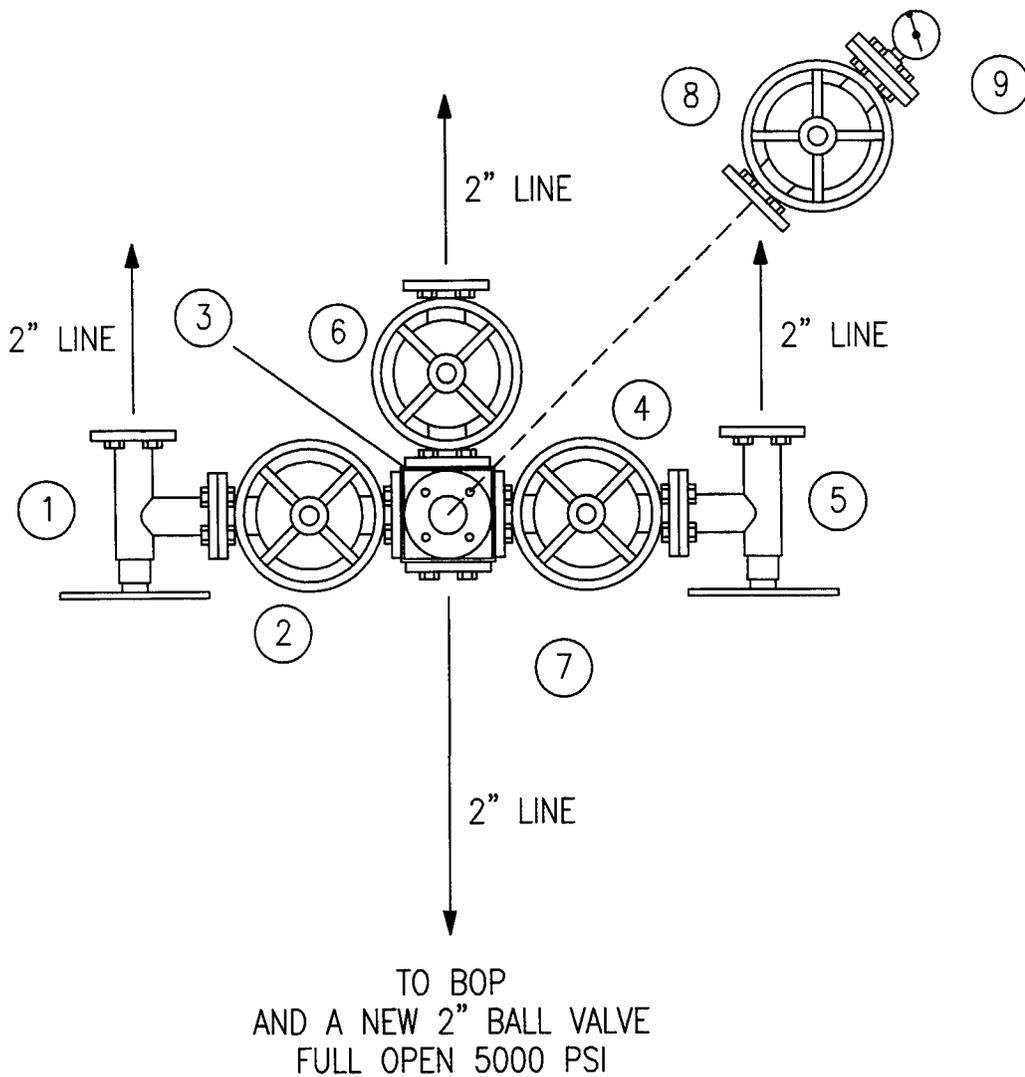
DIVERTER HEAD  
CONOCOPHILLIPS COMPANY



# CONOCOPHILLIPS COMPANY

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

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



## MANIFOLD

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

FORM 4A

Bond No. 6196922

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

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

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

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

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

- Blanket Bond: To cover all wells drilled in the State of Utah
- Individual Bond: Well No: \_\_\_\_\_  
Section: \_\_\_\_\_ Township: \_\_\_\_\_ Range: \_\_\_\_\_  
County: \_\_\_\_\_, Utah

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

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

30th day of Dec, 20 02.

(Corporate or Notary Seal here)  
  
Attestee: [Signature] Date: 12-30-02

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

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

1st day of JANUARY, 20 03.

(Corporate or Notary Seal here)  
  
Attestee: Carolyn E. Wheeler  
Date: 12/20/2002

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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/05/2006

API NO. ASSIGNED: 43-007-31102

WELL NAME: UTAH 11-1158  
 OPERATOR: CONOCOPHILLIPS COMPANY ( N2335 )  
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

SWNE 11 150S 090E  
 SURFACE: 2460 FNL 1905 FEL  
 BOTTOM: 2460 FNL 1905 FEL  
 CARBON  
 DRUNKARDS WASH ( 48 )

LAT: 39.53566 LONG: -110.8779

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-39333  
 SURFACE OWNER: 3 - State

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DRO	2/6/06
Geology		
Surface		

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 6191922 )
- 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
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 243-2  
Eff Date: 7-13-1999  
Siting: 460' fr 460' of uncomm. tract
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (01-18-06)

STIPULATIONS: 1- STATEMENT OF BASIS



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

**OPERATOR:** ConocoPhillips Company  
**WELL NAME & NUMBER:** Utah 11-1158  
**API NUMBER:** 43-007-31102  
**LEASE:** State                      **FIELD/UNIT:** Drunkards Wash UTU-67921X  
**LOCATION:** 1/4,1/4 SWNE   **Sec:** 11   **TWP:** 15S   **RNG:** 9E   2460   **FNL** 1905   **FEL**  
**LEGAL WELL SITING:** 460' from unit boundary and uncommitted tracts.  
**GPS COORD (UTM):** X =510496 E; Y =4376032 N   **SURFACE OWNER:** SITLA.

**PARTICIPANTS**

M. Jones (DOGM), Jim Davis (SITLA), Gilbert Vasquez (ConocoPhillips), and Larry Jensen (NELCO) were in attendance. DWR and Carbon County were also invited but chose not to attend.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~5 miles southwest of Price, Utah. 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 1400' of new access road will be built for this location. The direct area drains to the northeast, 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:** 17 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 cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

**ENVIRONMENTAL PARAMETERS**

AFFECTED FLOODPLAINS AND/OR WETLANDS: None observed.

FLORA/FAUNA: Sage, greasewood, cactus, 4-wing salt brush, grasses, etc.

SOIL TYPE AND CHARACTERISTICS: Clay loam.

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): None required.

**SURFACE RESTORATION/RECLAMATION PLAN**

As per surface use agreement.

SURFACE AGREEMENT: With SITLA lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed by SencoPheonix.

**OTHER OBSERVATIONS/COMMENTS**

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

January 18, 2006 / 11:45 am  
DATE/TIME

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

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

Final Score        5        (Level   III   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.

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

**OPERATOR:** ConocoPhillips Company  
**WELL NAME & NUMBER:** Utah 11-1158  
**API NUMBER:** 43-007-31102  
**LOCATION:** 1/4,1/4 SWNE Sec:11 TWP: 15 S. RNG: 9 E 2460 FNL 1905 FEL

**Geology/Ground Water:**

There are no aquifers with high quality ground water expected to be encountered. The proposed casing and cement program will adequately isolate any zones of water penetrated. There are numerous water rights filed by the operator on underground sources of water within a mile of this location.

**Reviewer:** Christopher J. Kierst **Date:** 1/31/06

**Surface:**

Proposed location is ~5 miles south of Price, Utah. 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 1400' of new access road will be built for this location. The direct area drains to the northeast, towards Miller Creek, then eastward eventually into the Price River, a year-round live water source. This is a trial with "infield" drilling within the unit boundaries. 17 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. Jim Davis (SITLA), Gilbert Vasquez (ConocoPhillips), and Larry Jensen (NELCO) were in attendance. DWR and Carbon County were also invited but chose not to attend.

**Reviewer:** Mark L. Jones **Date:** January 19, 2006

**Conditions of Approval/Application for Permit to Drill:**

None.



01 18 2006 11:46



01 18 2006 11:47





State Online Services

Agency List

Business.utah.gov

Search Utah.gov

GO

# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rupdate: 01/31/2006 05:10 PM

Radius search of 5280 feet from a point S2460 W1905 from the NE corner, section 11, Township 15S, Range 9E, SL b&m Criteria:wrtypes=W,C,E  
podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-4952</u>	Underground S980 E1385 NW 14 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground N1780 E1800 SW 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground S1000 E1900 NW 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground N1320 E2080 SW 02 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground S1500 W1320 SW 12 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground N1400 W1100 SE 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground S1386 W931 NE 14 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground S860 W860 NE 11 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground N1780 W860 SE 02 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground S875 E1015 NW 12 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
<u>91-4952</u>	Underground S1276 E1301 NW 13 15S 9E SL		A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851

<u>91-4952</u>	Underground	A	19930623	IMOS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N860 E1320 SW 01 15S 9E SL						UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
<u>91-4980</u>	Surface	A	19960126	S	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	N1200 E1800 SW 11 15S 9E SL						
<u>91-4981</u>	Surface	A	19951127	S	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S2500 E1300 NW 11 15S 9E SL						
<u>91-4981</u>	Surface	A	19951127	S	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	N1400 E800 SW 12 15S 9E SL						
<u>91-4981</u>	Surface	A	19951127	S	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, 5TH FLOOR
	S450 E1900 NW 12 15S 9E SL						
<u>a19276</u>	Underground	A	19950831	IMS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S980 E1385 NW 14 15S 9E SL						
<u>a19276</u>	Underground	A	19950831	IMS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1780 E1800 SW 11 15S 9E SL						
<u>a19276</u>	Underground	A	19950831	IMS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	S1000 E1900 NW 11 15S 9E SL						
<u>a19276</u>	Underground	A	19950831	IMS	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851
	N1320 E2080 SW 02 15S 9E SL						
<u>a19276</u>	Underground	A	19950831	IMS	5.000	0.000	CONOCOPHILLIPS COMPANY

	S1500 W1320 SW 12 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	N1400 W1100 SE 11 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	S1386 W931 NE 14 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	S860 W860 NE 11 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	N1780 W860 SE 02 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	S875 E1015 NW 12 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	S1276 E1301 NW 13 15S 9E SL				P. O. BOX 851
<a href="#">a19276</a>	Underground	A	19950831 IMS	5.000 0.000	CONOCOPHILLIPS COMPANY
	N860 E1320 SW 01 15S 9E SL				P. O. BOX 851

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02-06 ConocoPhillips Utah 1158  
Casing Schematic

Mancos

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

Surface  
400. MD

✓ w/ 17% Washout

BHP  
 $(.052)(9)(2648) = 1239$   
Anticipate - 1169

G<sub>aa</sub>  
 $(.12)(2648) = 317$   
MASP = 922

BOPE - 3.000 ✓

Surf Csg - 2950  
70% = 2065

Max pressure @ Surf Csg shoe = 989

✓ Test to 900# (propose 500)  
(surface press)

✓ Adequate 2/6/06

~~737 TOC Tail~~

✓ w/ 5% Washout

1874 TOC Tail

2178 Blue Gate Ferron

5-1/2"  
MW 9.

Production  
2648. MD

Well name:	<b>02-06 ConocoPhillips Utah 11-1158</b>	
Operator:	<b>ConocoPhillips Company</b>	
String type:	Surface	Project ID: 43-007-31102
Location:	Carbon County	

**Design parameters:**

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

**Burst**  
Max anticipated surface pressure: 352 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP: 400 psi  
  
No backup mud specified.

**Minimum design factors:**

**Collapse:**  
Design factor: 1.125  
  
**Burst:**  
Design factor: 1.00  
  
**Tension:**  
8 Round STC: 1.80 (J)  
8 Round LTC: 1.80 (J)  
Buttress: 1.60 (J)  
Premium: 1.50 (J)  
Body yield: 1.50 (B)  
  
Tension is based on buoyed weight.  
Neutral point: 349 ft

**Environment:**

H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 71 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 250 ft  
  
Cement top: 0 ft  
  
Non-directional string.  
  
**Re subsequent strings:**  
Next setting depth: 2,648 ft  
Next mud weight: 9.000 ppg  
Next setting BHP: 1,238 psi  
Fracture mud wt: 19.250 ppg  
Fracture depth: 400 ft  
Injection pressure: 400 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	400	8.625	24.00	J-55	ST&C	400	400	7.972	19.3

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	175	1370	7.851	400	2950	7.38	8	244	29.09 J

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

Phone: 801-538-5280  
FAX: 810-359-3940

Date: February 1, 2006  
Salt Lake City, Utah

Remarks:  
Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Well name:

**02-06 ConocoPhillips Utah 11-1158**Operator: **ConocoPhillips Company**

String type: Production

Project ID:

43-007-31102

Location: Carbon County

**Design parameters:****Collapse**Mud weight: 9.000 ppg  
Design is based on evacuated pipe.**Minimum design factors:****Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**H2S considered? No  
Surface temperature: 65 °F  
Bottom hole temperature: 102 °F  
Temperature gradient: 1.40 °F/100ft  
Minimum section length: 1,500 ft

Cement top: Surface

**Burst**Max anticipated surface  
pressure: 920 psi  
Internal gradient: 0.120 psi/ft  
Calculated BHP 1,238 psi

No backup mud specified.

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

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 2,287 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft <sup>3</sup> )
1	2648	5.5	17.00	N-80	LT&C	2648	2648	4.767	91.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1238	6290	5.081	1238	7740	6.25	39	348	8.95 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & MiningPhone: 801-538-5280  
FAX: 810-359-3940Date: February 1, 2006  
Salt Lake City, Utah**Remarks:**

Collapse is based on a vertical depth of 2648 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop &amp; Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 2/28/2006 4:02:30 PM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

ConocoPhillips Company

Utah 26-1198  
Utah 26-1197  
Utah 13-1167  
Utah 11-1157  
Utah 11-1159  
Utah 11-1158  
Utah 07-1230  
Utah 07-1229  
Utah 06-1228  
Utah 35-1080  
Utah 26-1055

Questar Exploration & Production

BZ 10ML-16-8-24  
BZ 12ML-16-8-24  
BZ 14ML-16-8-24

If you have any questions regarding this matter please give me a call.

**CC:** Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil



**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*

February 28, 2006

ConocoPhillips Company  
P O Box 851  
Price, UT 84501

Re: Utah 11-1158 Well, 2460' FNL, 1905' FEL, SW NE, Sec. 11, T. 15 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 43-007-31102.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

Operator: ConocoPhillips Company  
Well Name & Number Utah 11-1158  
API Number: 43-007-31102  
Lease: ML-39333

Location: SW NE                      Sec. 11                      T. 15 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**

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

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

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

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

3. **Reporting Requirements**

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

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

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

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

CONFIDENTIAL

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-39333
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
		8. WELL NAME and NUMBER: Utah 11-1158
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	9. API NUMBER: 4300731102	
2. NAME OF OPERATOR: ConocoPhillips Company	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash	
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE Tx ZIP 79710-1810	PHONE NUMBER: (432) 688-6943	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2460' FNL & 1905' FEL	COUNTY: Carbon	
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 11 15S 9E	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>6/15/2006</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 checked="" 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 type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

As per our conversation with Dustin Doucet, ConocoPhillips is proposing the following changes to the cement program as it pertains to the 5 1/2" casing. We are respectfully requesting to pump a single stage cement job instead of the 2 stage w/DV tool. It is our intent to lead with 102 sxs standard cement (4.14 ft3/sx at 10.5 ppg) and tail w/101 sxs 50/50 Poz premium (1.74 ft3 sxs at 13.5 ppg). All additives previously submitted and approved will remain the same. All other conditions of approval will remain the same.

COPIES SENT TO OPERATOR  
DATE: 6/2/06  
INITIALS: CD

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE	DATE <u>5/18/2006</u>

(This space for State use only)

**APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING**

DATE: 5/22/06  
BY:

RECEIVED  
MAY 19 2006  
DIV. OF OIL, GAS & MINING

(5/2000) (See Instructions on Reverse Side)

02-06 ConocoPhillips Utah 11-1158  
Casing Schematic

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
43.

TOC @  
0.

Surface  
400. MD

5-1/2"  
MW 9.

Production  
2648. MD

w/89 washout  
✓ on

CONFIDENTIAL

**DIVISION OF OIL, GAS AND MINING**

**SPUDDING INFORMATION**

Name of Company: CONOCOPHILLIPS COMPAN

Well Name: UTAH 11-1158

Api No: 43-007-31102 Lease Type: STATE

Section 11 Township 15S Range 09E County CARBON

Drilling Contractor PENSE BROTHERS DRLG RIG # 14

**SPUDDED:**

Date 07/08/06

Time 8:00 PM

How DRY

**Drilling will Commence:** \_\_\_\_\_

Reported by JOHNNY DAMRON

Telephone # (435) 820-8108

Date 07/10/2006 Signed CHD

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: ML-39333
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 79710-1810		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2460' FNL & 1905' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 11 15S 9E		8. WELL NAME and NUMBER: Utah 11-1158
PHONE NUMBER: (432) 688-6943		9. API NUMBER: 4300731102
COUNTY: Carbon		10. FIELD AND POOL, OR WLD CAT: Drunkards Wash
STATE: UTAH		

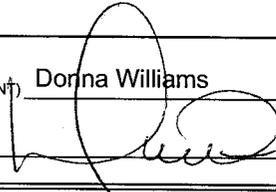
CONFIDENTIAL

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/8/2006	<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: Spud
	<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.

The above well spud on 7/8/06. Drilled to 445' and set 8 5/8" casing at 433'. Cemented with 180 sxs cmt. Circulated to surface.

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Analyst</u>
SIGNATURE 	DATE <u>7/10/06</u>

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JUL 13 2006

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

FORM 6

**ENTITY ACTION FORM**

Operator: ConocoPhillips Company  
Address: 315 S. Johnstone, 980 Plaza Office  
city Bartlesville  
state OK zip 74004

Operator Account Number: N 2335  
Phone Number: \_\_\_\_\_

**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731102	Utah 11-1158		SWNE	11	15S	9E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
B	99999	11256	7/8/2006			7/8/2006	
Comments: <u>FRSD</u>			<b>CONFIDENTIAL</b>				

**Well 2**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments: _____							

**Well 3**

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments: _____							

**ACTION CODES:**

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

Donna Williams  
Name (Please Print)  
[Signature]  
Signature  
Sr. Regulatory Analyst  
Title  
7/10/2006  
Date

**RECEIVED**  
**JUL 13 2006**

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:  
**ML-39333**

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

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

8. WELL NAME and NUMBER:  
**Utah 11-1158**

9. API NUMBER:  
**4300731102**

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

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     GAS WELL     OTHER \_\_\_\_\_

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

3. ADDRESS OF OPERATOR:  
P.O. Box 51810    CITY **Midland**    STATE **Tx**    ZIP **79710**    PHONE NUMBER: **(432) 688-6943**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **2460 FNL & 1905 FEL**    COUNTY: **Carbon**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNE 11 15S 9E**    STATE: **UTAH**

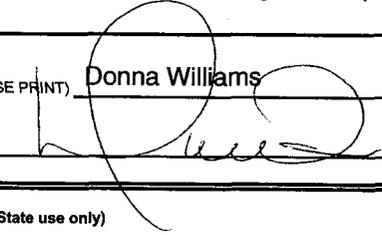
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start:  _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>7/19/2006</b>	<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: <b>Weekly Report</b>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

The above well spud on 7/8/06. Sundry of notice filed on 7/10/06. P/u 7 7/8" hammer. RIH w/drill string. Drilled through 8 5/8 casing shoe. Drilling from 434' to 2050'. Continued to circulate hole clean. POOH. P/u core assembly and collars. RIH w/5" drill pipe to core point @ 2050'. R/u pumping equipment. Pump 500 bbls, could not get returns to surface. Retrieved core barrel. Mix 100 bbls LCM sweep. Continued to mix up mud sweep and LCM sweep w/no returns to surface. R/u compressor to rig pump. Started pumping 2% Kcl and air mixture. Was able to establish circulation. Circulated hole clean. RIH w/core barrel. Drilled out core section from 2050 to 2080. RIH and retrieved core barrel. RIH w/2nd core barrel. Drilled 6' of core. System pressure up. RIH to retrieve core barrel. Was unable to recover. Sheared off barrel. LD wireline. POOH w/drill pipe and core BHA. Found barrel collapsed. RIH w/new coring BHA. Tag PBTB. Drilled and cored from 2080' to 2180'. Finish drilling out remaining core section 2320 to 2371. RIH w/drill pipe. Tag PBTB @ 2371'. Broke circulation. Drilling ahead from 2371 to 2658'. R/u wireline and logging. RIH w/logging. Tag PBTB @ 2599'. P/u on wireline. Stuck @ 2599'. Began fishing operations. RIH to fish top, latch onto fish, pulled fish free. Determined that half of the Dipole sonic and all the Dual induction log was in the hole. Tag fish top @ 2552'. Wash over fish @ 2599'. Continued to circulate hole clean. Hole would not. Started POOH w/drill pipe. Continued to work over fish w/wash pipe. No recovery on DSI & Dual Induction logging tools. Decision was made to run casing. RIH w/5 1/2" 17# casing and landed at 2530'. Cemented w/170 sxs V + 10% Cal-Seal + 1% CaCl + .25 pps flocele. Drop wiper plug, displace cement to casing shoe. WOC. Unable to get returns. Pumped 210 sxs 12.5# ppg 50/50 + 10% cal-seal + 8% gel + .25 pps flocele. Released wiper plug, displace plug to DV tool. Bumped plug. Good test. Did not recover any cement back to surface. RDMO. Well is waiting on completion.

NAME (PLEASE PRINT) Donna Williams    TITLE Sr. Regulatory Analyst

SIGNATURE     DATE 7/24/2006

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JUL 27 2006

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

**CONFIDENTIAL**

AMENDED REPORT   
(highlight changes)

FORM 8

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-39333**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

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

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

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

8. WELL NAME and NUMBER:  
**Utah 11-1158**

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

9. API NUMBER:  
**4300731102**

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

PHONE NUMBER:  
**(432) 688-6994**

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

4. LOCATION OF WELL (FOOTAGES)  
AT SURFACE: **2480' FNL & 1905' FEL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH:

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**SWNE 11 15S 9E**

12. COUNTY  
**Carbon**

13. STATE  
**UTAH**

14. DATE SPUDDED:  
**7/8/2006**

15. DATE T.D. REACHED:  
**7/10/2006**

16. DATE COMPLETED:  
**10/26/2006** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**6565 GL**

18. TOTAL DEPTH: MD **2,658**  
TVD

19. PLUG BACK T.D.: MD **2,599**  
TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

21. DEPTH BRIDGE MD  
PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**Dipole sonic, GR-CAL-DEN-NEU-DIL**

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

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
11"	8 5/8" J-55	24#	0	434		V 180		Surface	
7 7/8"	5 1/2" N-80	17#	0	2,530		V 170		Surface	
						5 210			

**25. TUBING RECORD**

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	2,386							

**26. PRODUCING INTERVALS**

**27. PERFORATION RECORD**

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) Ferron	2,210	2,322			2,300 2,322		88	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B)					2,210 2,268		88	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
2300' - 2322'	12 bbls 15% HCL, 61.6 bbls Pre-Pad, 161 bbls Pad, 110,006# 16/30, 1,500 BW
2210' - 2268'	12 bbls 15% HCL, 50.6 bbls Pre-Pad, 162.4 bbls Pad, 110,202# 16/30, 1,384 BW

**29. ENCLOSED ATTACHMENTS:**

**30. WELL STATUS:**

- ELECTRICAL/MECHANICAL LOGS
- GEOLOGIC REPORT
- DST REPORT
- DIRECTIONAL SURVEY
- SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION
- CORE ANALYSIS
- OTHER: \_\_\_\_\_

**Producing**

**RECEIVED**

**31. INITIAL PRODUCTION**

**INTERVAL A (As shown in Item #26)**

DATE FIRST PRODUCED: <b>10/26/2006</b>		TEST DATE: <b>10/26/2006</b>		HOURS TESTED: <b>24</b>		TEST PRODUCTION RATES: →	OIL - BBL: <b>0</b>	GAS - MCF: <b>1</b>	WATER - BBL: <b>20</b>	PROD. METHOD: <b>Pumping</b>
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS. <b>38</b>	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: <b>0</b>	GAS - MCF: <b>1</b>	WATER - BBL: <b>20</b>	INTERVAL STATUS: <b>Open</b>

**INTERVAL B (As shown in Item #26)**

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

**INTERVAL C (As shown in Item #26)**

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

**INTERVAL D (As shown in Item #26)**

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

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

**Sold**

**33. SUMMARY OF POROUS ZONES (Include Aquifers):**

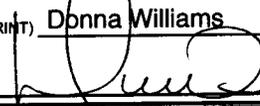
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

**34. FORMATION (Log) MARKERS:**

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
				Bluegate Bentonite	2.096
				Ferron	2.144
				Tununk	2.444

**35. ADDITIONAL REMARKS (Include plugging procedure)**

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

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist  
 SIGNATURE  DATE 11/15/2006

This report must be submitted within 30 days of

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

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

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

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

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

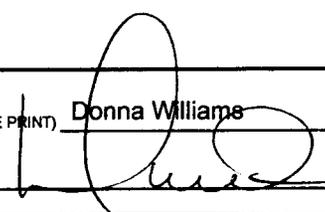
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-39333
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO 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: Utah 11-1158
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE TX ZIP 79710		9. API NUMBER: 4300731102
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2480 FNL & 1905 FEL COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 11 15S 9E STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 10/26/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input checked="" type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Date of First Production for the above well is October 26, 2006. Production rate on 10/26/06 - 0 BO, 1 MCF, 20 BW. Well perferd from 2210' - 2322'.

Date Spud: 7/8/2006  
 Date TD Reached: 7/10/2006  
 Date Completed: 10/26/2006  
 Date 1st Produced: 10/26/2006

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Analyst
SIGNATURE 	DATE 11/6/2006

(This space for State use only)

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