

**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: ML-48207	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
8. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company			9. WELL NAME and NUMBER: Utah 17-1176	
3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501			PHONE NUMBER: (435) 613-9777	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 838' FSL, 2542' FWL 505377X 39, 515590 AT PROPOSED PRODUCING ZONE: 4373787Y -110.937453			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 17 15S 9E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 8.7 miles Southwest of Price, Utah			12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 838 feet	16. NUMBER OF ACRES IN LEASE: 880 acres	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1000 feet	19. PROPOSED DEPTH: 3,229	20. BOND DESCRIPTION: Rotary		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6246.1' GR	22. APPROXIMATE DATE WORK WILL START: 4/15/2006	23. ESTIMATED DURATION:		

**24. PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
15"	12 3/4" Conductor	40	
11"	8 5/8" J-55 24#/ft	400	170 sks G+2% CaCl 1/4#/skD29
7 7/8"	5 1/2" N-80 17#/ft	3,219	100 sks 50/50POZ+8% gel+2%CaCl +10%extend 1/4#/skD29
			270 sks "G" thixotropic

CONFIDENTIAL

**25. ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Jean Semborski TITLE Construction/Asset Integrity Supervisor  
SIGNATURE *Jean Semborski* DATE 1/30/06

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31122

APPROVAL: \_\_\_\_\_

RECEIVED  
FEB 03 2006  
DIV. OF OIL, GAS & MINING

EXHIBIT "D"  
DRILLING PROGRAM

Attached to Form 3  
ConocoPhillips Company  
Utah 17-1176  
SE/4, SW/4, Sec.17, T15S, R9E, SLB & M  
838' FSL, 2542' FWL  
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2722'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2757' - 2880'

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>0-3219</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 270 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 1407 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 April 15, 2006

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 17-1176  
SE/4, SW/4, Sec.17, T15S, R9E, SLB & M  
838' FSL, 2542' FWL  
Carbon County, Utah

### 1. Existing Roads

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

### 2. Planned Access

Approximately 1750' of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 10%
- c. Turnouts: None
- d. Drainage design: 6 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 approximately 4.9 miles west.
- b. Nearest live water is the Miller Creek located 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

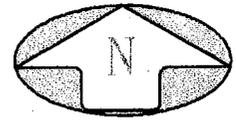
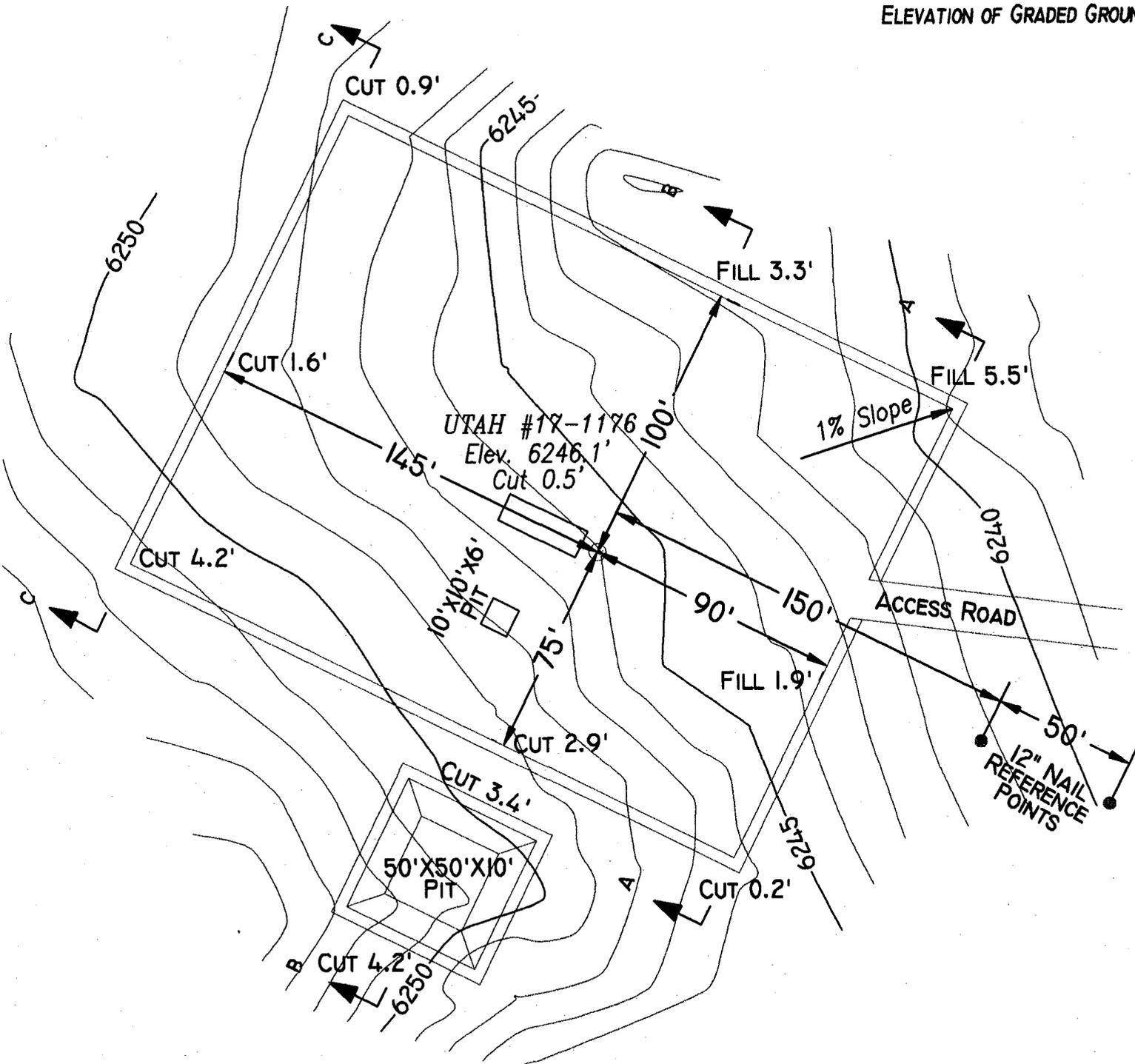
**14. Certification**

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.

1/30/06  
Date

  
Jean Semborski  
Construction/Asset Integrity Supervisor  
ConocoPhillips Company

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6246.1'  
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6245.6'

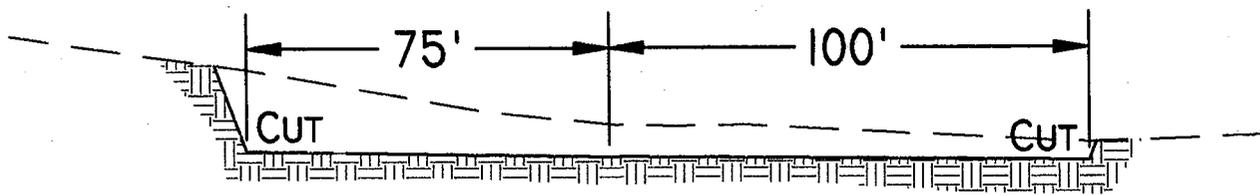


**TALON RESOURCES, INC.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talonstv.net

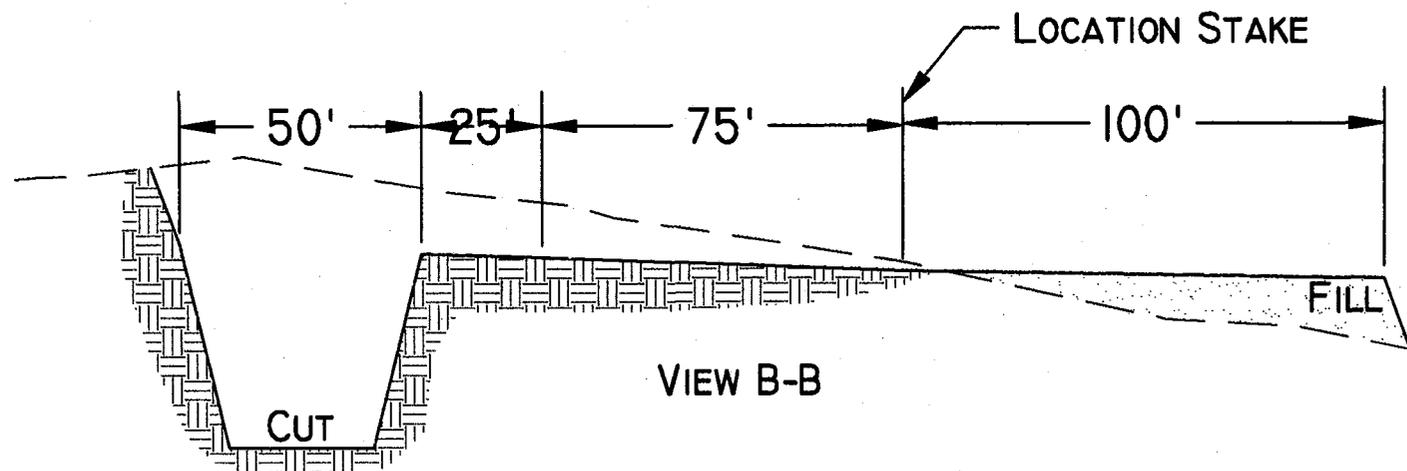
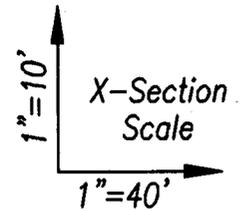
**ConocoPhillips Company**

**LOCATION LAYOUT**  
 Section 17, T15S, R9E, S.L.B.&M.  
 WELL UTAH #17-1176

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>A-2</b>	Date: <b>1/23/06</b>
	Scale: <b>1" = 50'</b>
Sheet <b>2</b> of <b>4</b>	Job No. <b>2106</b>



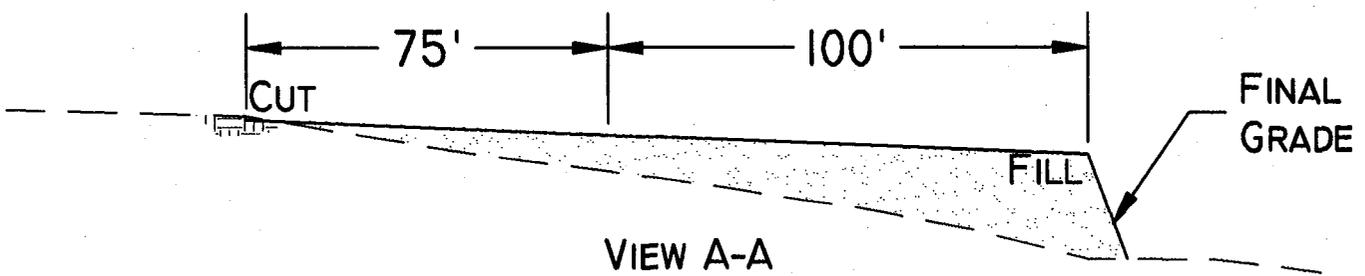
VIEW C-C



VIEW B-B

PRECONSTRUCTION GRADE

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



VIEW A-A



**TALON RESOURCES, INC.**

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

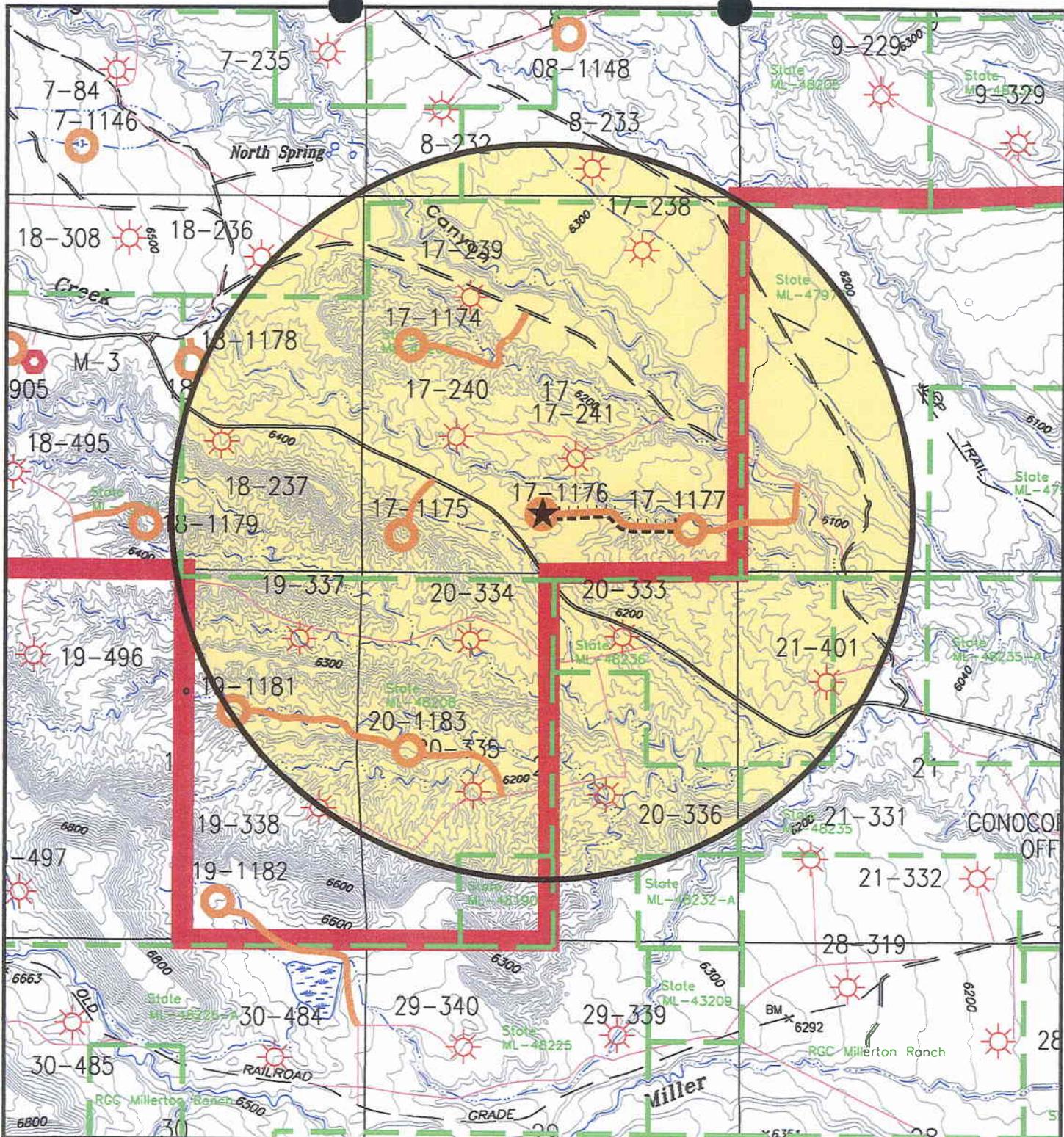
**ConocoPhillips Company**

TYPICAL CROSS SECTION  
Section 17, T15S, R9E, S.L.B.&M.  
WELL UTAH #17-1176

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 1/23/06
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 2106

APPROXIMATE YARDAGES

CUT  
(6")TOPSOIL STRIPPING = 810 CU. YDS.  
REMAINING LOCATION = 2,825 CU. YDS.  
(INCLUDING TOPSOIL STRIPPING)  
TOTAL CUT (INCLUDING PIT) = 3,575 CU. YDS.  
TOTAL FILL = 1,545 CU. YDS.



**LEGEND**

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

Scale: 1" = 2000'

January 20, 2006

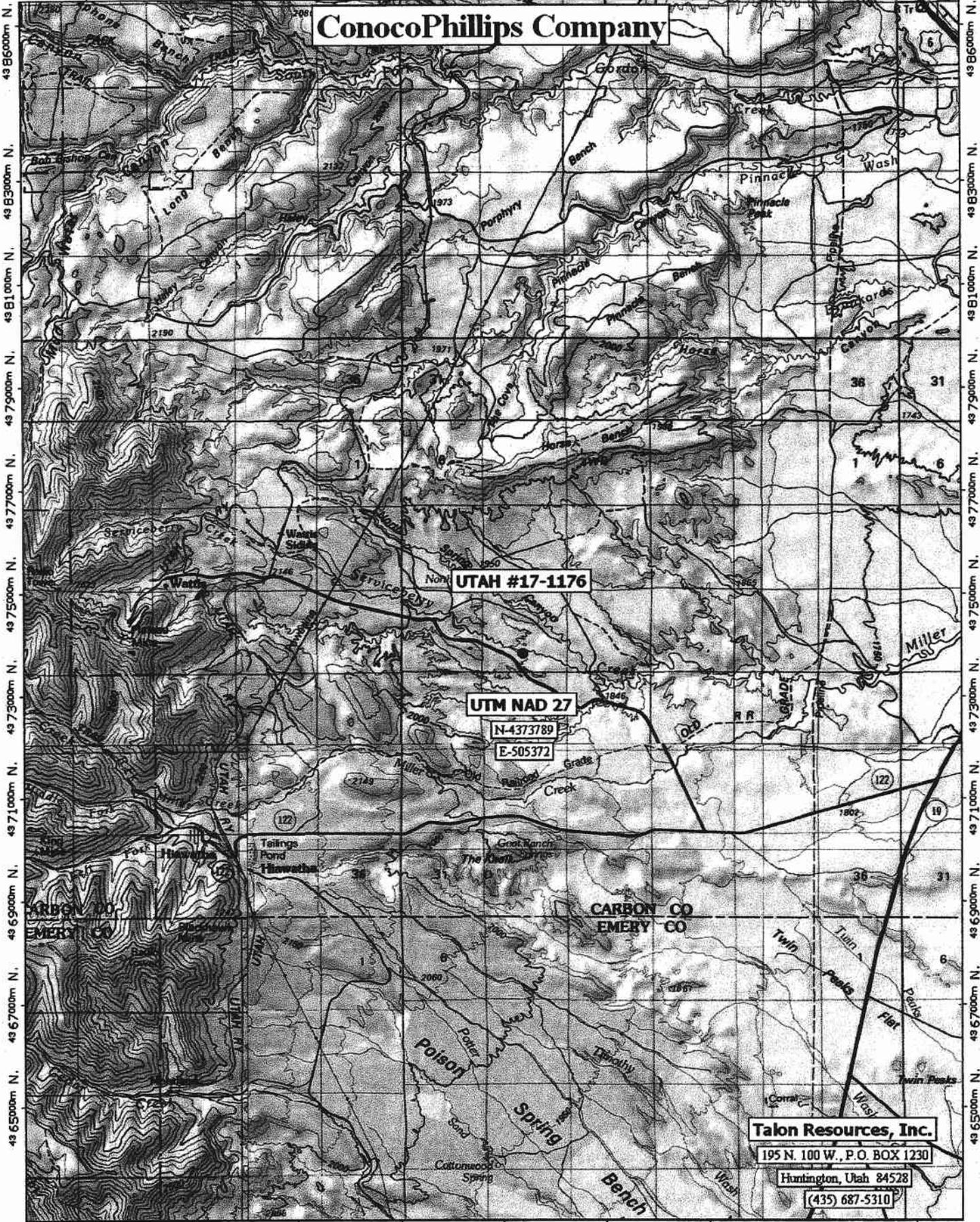
ConocoPhillips Company  
 6825 South 5300 West  
 P.O. Box 851  
 Price, Utah 84501  
 Phone: (435) 613-9777  
 Fax: (435) 613-9782



**WELL UTAH #17-1176**  
**Section 17, T15S, R9E, S.L.B.&M.**  
**Drawing L-1 4 of 4**

497000m E. 499000m E. 501000m E. 503000m E. 505000m E. 507000m E. 509000m E. NAD27 Zone 12S 513000m E.

**ConocoPhillips Company**



**UTAH #17-1176**

**UTM NAD 27**

**N-4373789**

**E-505372**

**CARBON CO  
EMERY CO**

**Talon Resources, Inc.**

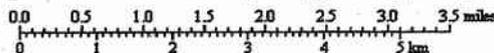
**195 N. 100 W., P.O. BOX 1230**

**Huntington, Utah 84528**

**(435) 687-5310**

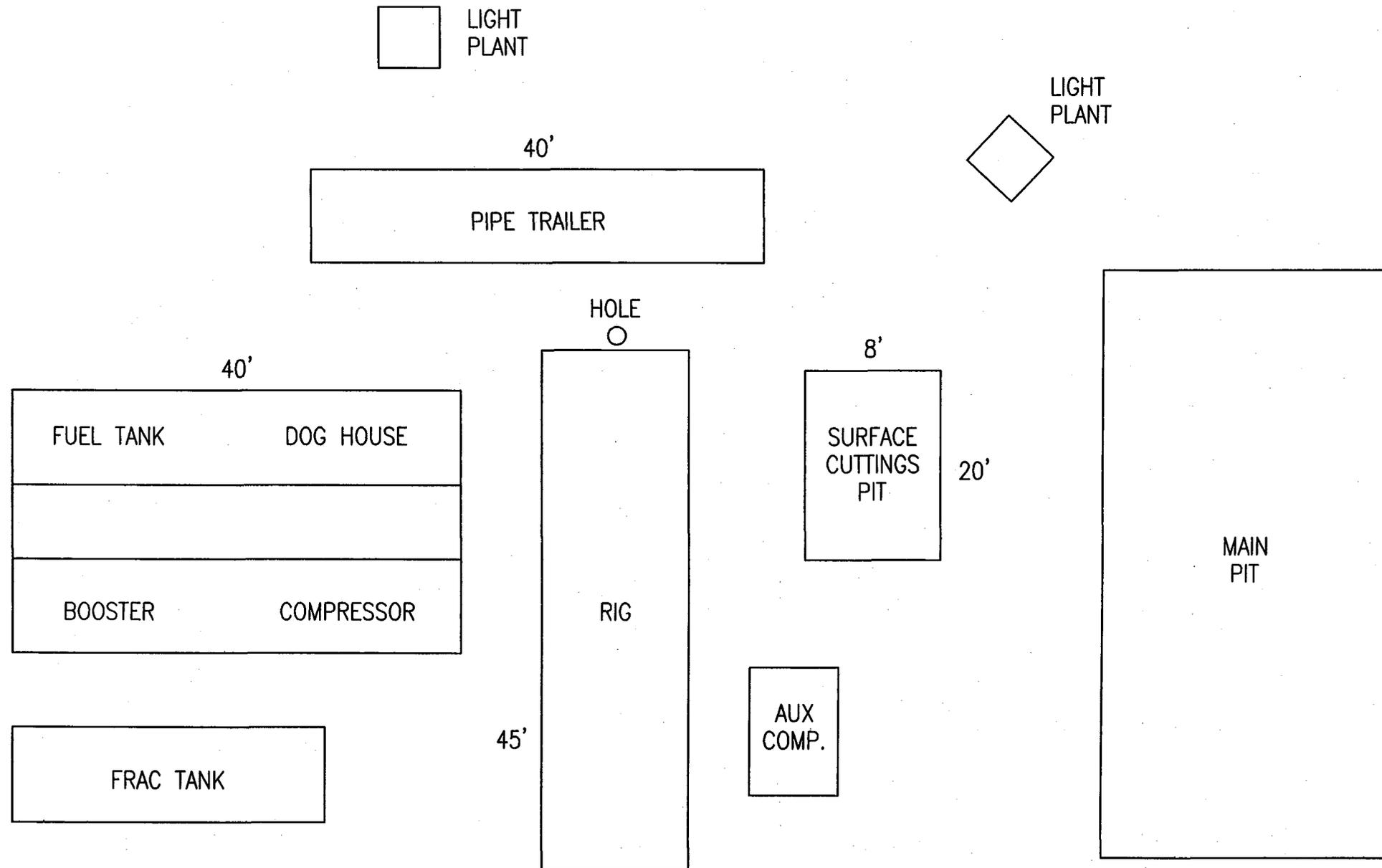
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TN MN  
12x



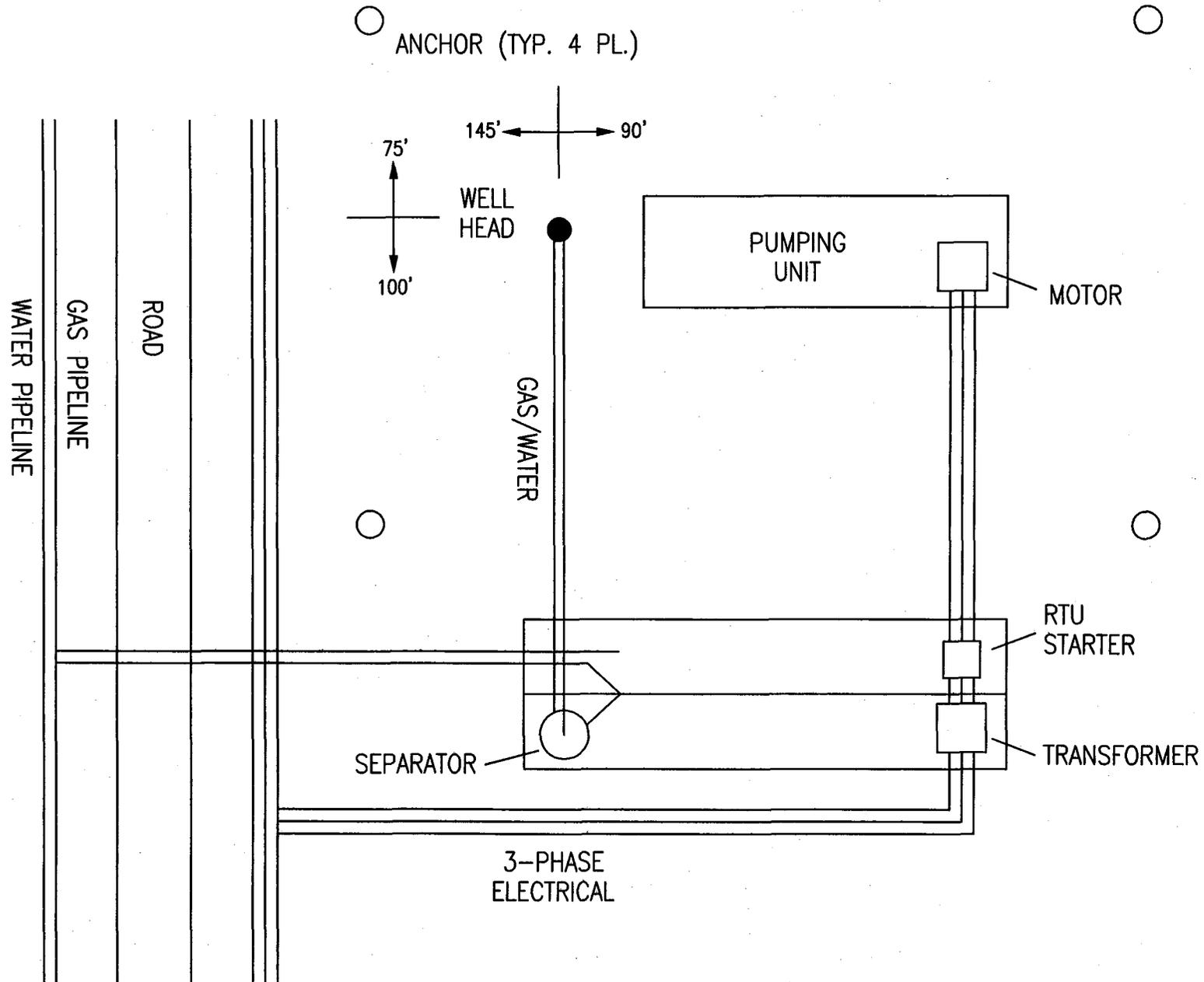
Map created with TOPO! © 2003 National Geographic (www.nationalgeographic.com/topo)

# APPROXIMATE LAYOUT OF RIG & EQUIPMENT

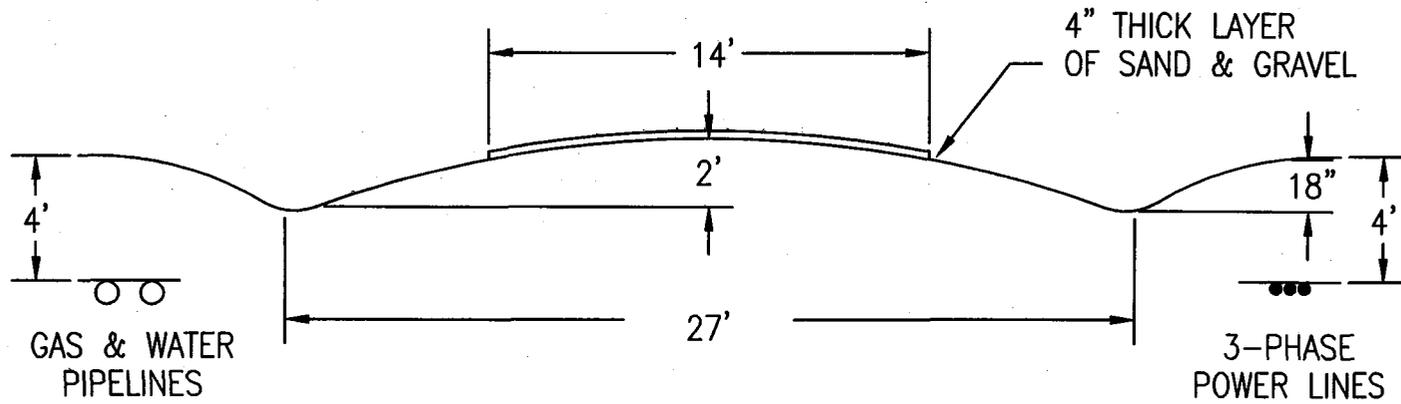


# CONOCOPHILLIPS COMPANY

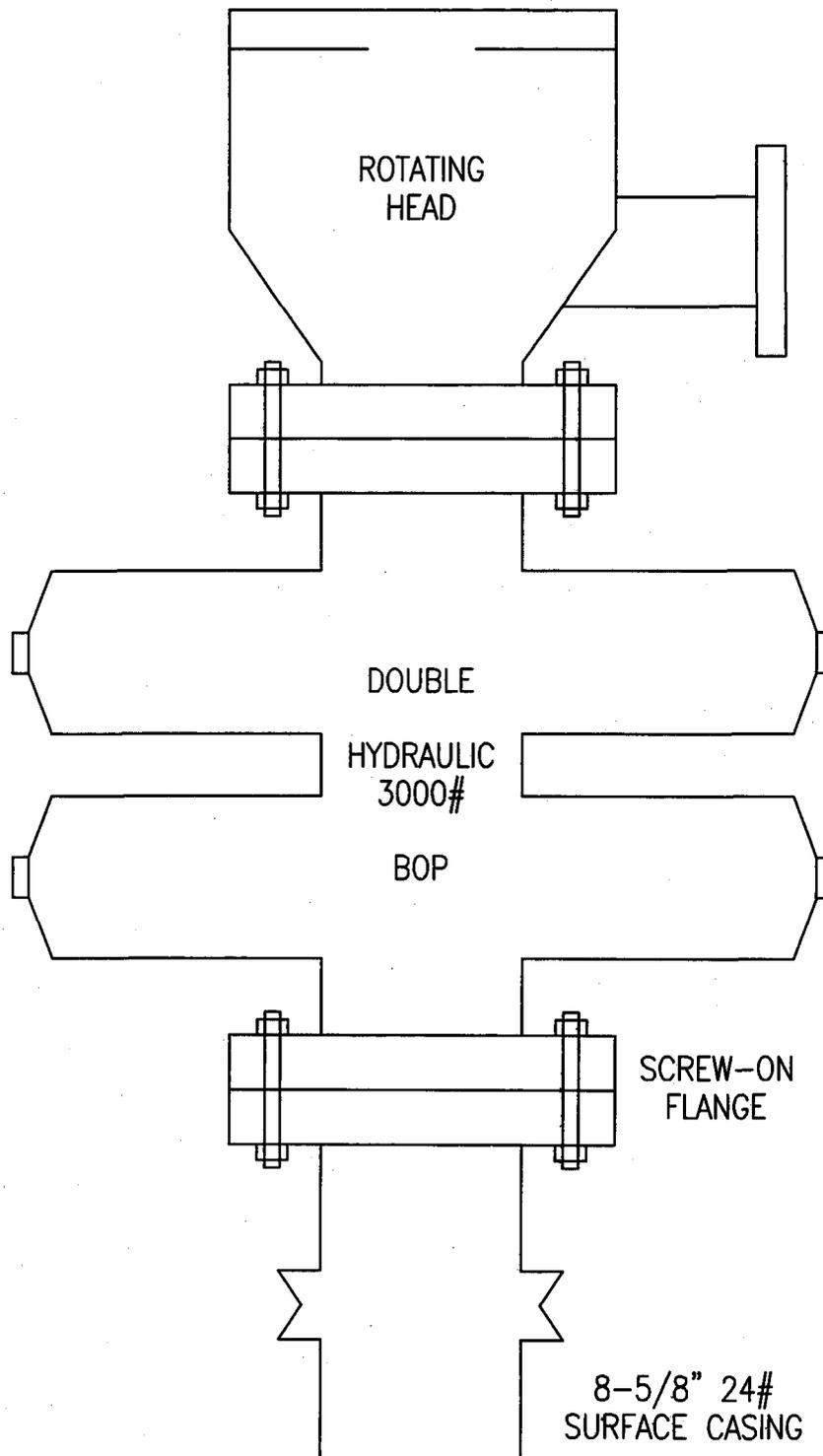
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION  
CONOCOPHILLIPS COMPANY



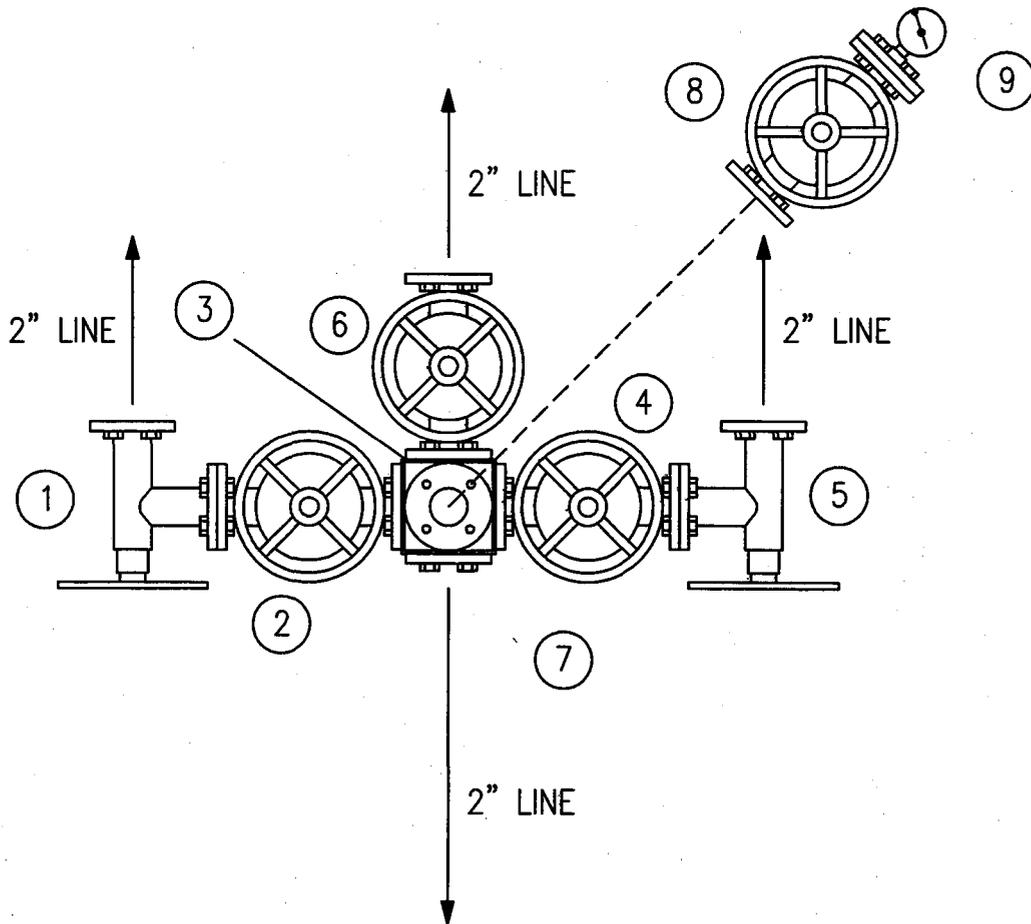
DIVERTER HEAD  
CONOCOPHILLIPS COMPANY



# 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

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, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

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

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

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

30th day of Dec, 20 02.

(Corporate or Notary Seal here)

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

CONOCOPHILLIPS COMPANY  
Principal (company name)  
By [Signature] 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)

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

SAFECO INSURANCE COMPANY OF AMERICA  
Surety Company (Attach Power of Attorney)  
By [Signature] Name (print) \_\_\_\_\_ Title Attorney in Charge  
Jina Marie S Signature  
C/O MARSH US, INC  
Surety Mailing Address  
P.O. BOX 360121 KNOXVILLE TN 37930-6012  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/03/2006

API NO. ASSIGNED: 43-007-31122

WELL NAME: UTAH 17-1176  
 OPERATOR: CONOCOPHILLIPS COMPANY ( N2335 )  
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	6/7/06
Geology		
Surface		

SESW 17 150S 090E  
 SURFACE: 0642 FSL 2526 FWL  
 BOTTOM: 0642 FSL 2526 FWL  
 COUNTY: CARBON  
 LATITUDE: 39.51505 LONGITUDE: -110.9375  
 UTM SURF EASTINGS: 505372 NORTHINGS: 4373727  
 FIELD NAME: DRUNKARDS WASH ( 48 )

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-48207  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

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

LOCATION AND SITING:

- R649-2-3.
- Unit: DRUNKARDS WASH *or*
- 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: 7-13-99  
Siting: 460' fr 1/2 bdy of uncomm areas
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (4-12-06)

STIPULATIONS: 1-Statement of Basis

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 02/03/2006

API NO. ASSIGNED: 43-007-31122

WELL NAME: UTAH 17-1176  
 OPERATOR: CONOCOPHILLIPS COMPANY ( N2335 )  
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:  
 SESW 17 150S 090E  
 SURFACE: 0838 FSL 2542 FWL *old location*  
 BOTTOM: 0838 FSL 2542 FWL  
 COUNTY: CARBON  
 LATITUDE: 39.51559 LONGITUDE: -110.9375  
 UTM SURF EASTINGS: 505377 NORTHINGS: 4373787  
 FIELD NAME: DRUNKARDS WASH ( 48 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	6/7/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-48207  
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD  
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[] Fee[]  
 (No. 6196922 )

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

Water Permit  
 (No. MUNICIPAL )

N RDCC Review (Y/N)  
 (Date: )

NA Fee Surf Agreement (Y/N)

NA 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: 11-13-1999  
 Siting: 460' fr u bdrf & uncomm. tract

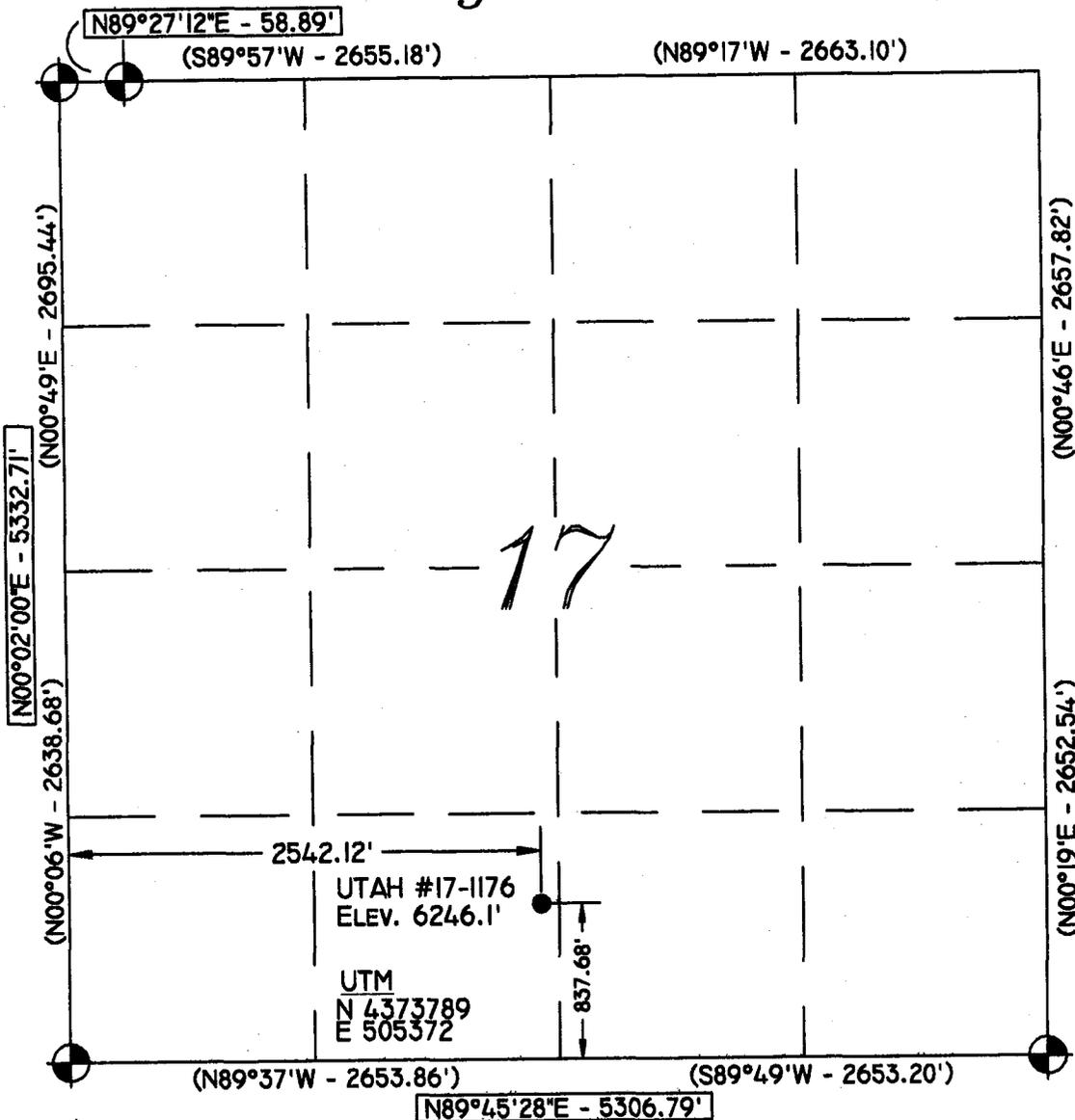
     R649-3-11. Directional Drill

COMMENTS: Needs Permit (04-12-2006)

STIPULATIONS: 1 - STATEMENT OF BASIS

# 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:**

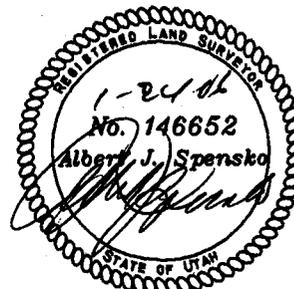
Basis of Elevation of 6847' being at the Northeast Section Corner of Section 14, Township 15 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 minute series map.

**Description of Location:**

Proposed Drill Hole located in the SE/4 SW/4 of Section 17, T15S, R9E, S.L.B.&M., being 837.68' North and 2542.12' East from the Southwest Section Corner of Section 17, 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@ctr.net

**ConocoPhillips Company**

WELL UTAH #17-1176  
 Section 17, 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: 1/20/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2106

**Legend**

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

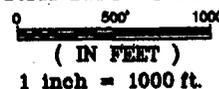
GPS Measured

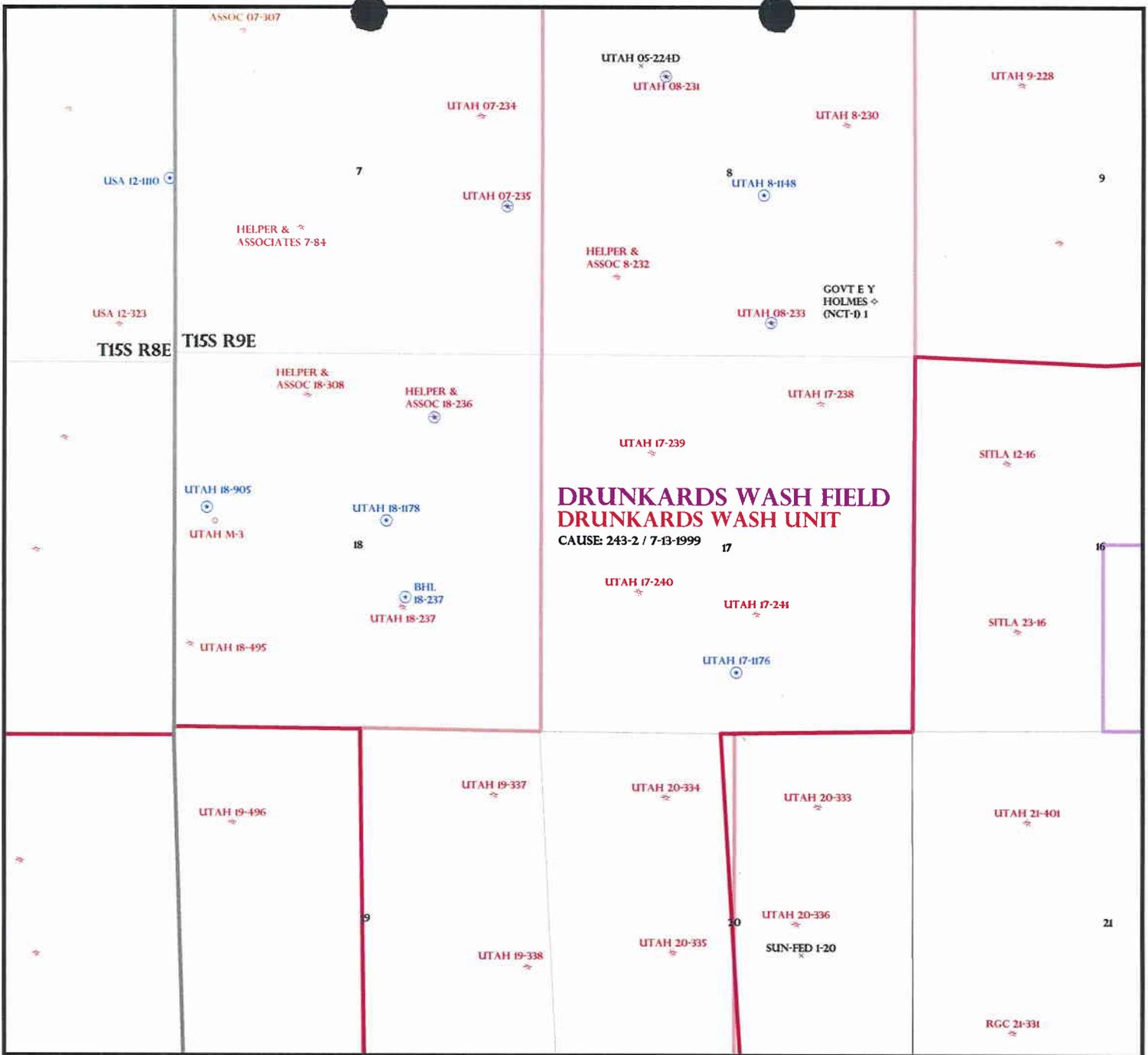
**NOTES:**

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

LAT / LONG
39°30'56.173"N 110°56'15.026"W

**GRAPHIC SCALE**





OPERATOR: CONOCOPHILLIPS (N2335)

SEC: 17,18 T. 15S R. 9E

FIELD: DRUNKARDS WASH (48)

COUNTY: CARBON

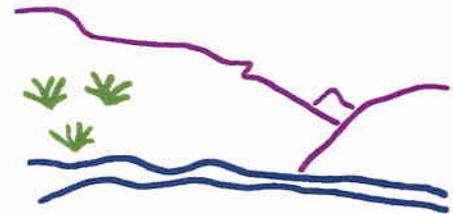
CAUSE: 243-2 / 7-13-1999

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

- Unit Status**
- EXPLORATORY
  - GAS STORAGE
  - NF PP OIL
  - NF SECONDARY
  - PENDING
  - PI OIL
  - PP GAS
  - PP GEOTHERML
  - PP OIL
  - SECONDARY
  - TERMINATED

**Wells Status**

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



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 9-FEBRUARY-2006

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

**OPERATOR:** ConocoPhillips Company  
**WELL NAME & NUMBER:** Utah 17-1176  
**API NUMBER:** 43-007-31122  
**LOCATION:** 1/4,1/4 SWSE Sec:17 TWP: 15 S RNG: 9 E 642 FSL 2526 FWL

**Geology/Ground Water:**

A well at this location would spud into a poorly permeable soil developed on the upper part of the Blue Gate Member of the Mancos Shale. While there are no aquifers with high quality ground water that are likely to be encountered, the Garley Canyon Beds of the Emery Sandstone Member, which will be penetrated close to the surface, have been observed to produce water year round in a nearby canyon. The surface casing should be extended as needed to afford protection to the quality water resource within these Beds. The proposed casing and cement program will adequately isolate any zones of water penetrated, provided the casing is extended, if necessary, to protect the Garley Canyon Beds. The Water Rights database indicates that there are no water rights filed on underground sources of water within a mile of this location.

**Reviewer:** Christopher J. Kierst **Date:** 5/17/06

**Surface:**

Proposed location is ~8.9 miles southwest of Price, Utah north of the old Millerton Dairy and just north of Wattis Road. 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 1750' 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. 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. Wildlife issues and concerns were also discussed. M. Jones (DOG M), 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:** May 15, 2006

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

1. Reserve pit liner is optional.

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

OPERATOR: ConocoPhillips Company  
WELL NAME & NUMBER: Utah 17-1176  
API NUMBER: 43-007-31122  
LEASE: State FIELD/UNIT: Drunkards Wash UTU-67921X  
LOCATION: 1/4,1/4 SESW Sec: 17 TWP: 15S RNG: 9E 642 FSL 2526 FWL  
LEGAL WELL SITING: F SEC. LINE; F 1/4,1/4 LINE; F ANOTHER WELL.  
GPS COORD (UTM): X =505366 E; Y =4373736 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 ~8.9 miles southwest of Price, Utah north of the old Millerton Dairy and just north of Wattis Road. 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 1750' 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: 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.

FLORA/FAUNA: PJ community.

SOIL TYPE AND CHARACTERISTICS: Silty 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: With SITLA lease.

CULTURAL RESOURCES/ARCHAEOLOGY: Recently completed by SencoPheonix.

**OTHER OBSERVATIONS/COMMENTS**

DWR discussed pertinent wildlife issues and requested that this well be drilled outside of winter closure dates for big game. The closure dates are from December 1 thru April 15. DWR also requested, during the initial pre-site inspection, moving the well ~200' south, into a light stand of PJ's to protect wildlife vegetation. Pictures and GPS readings were taken of the new sight and are reflected in this report.

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

April 12, 2006 / 11:30 am  
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	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	10
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**      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.



04.12.2006 10:43



04.12.2006 10:44



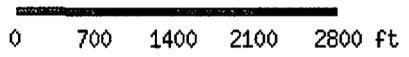
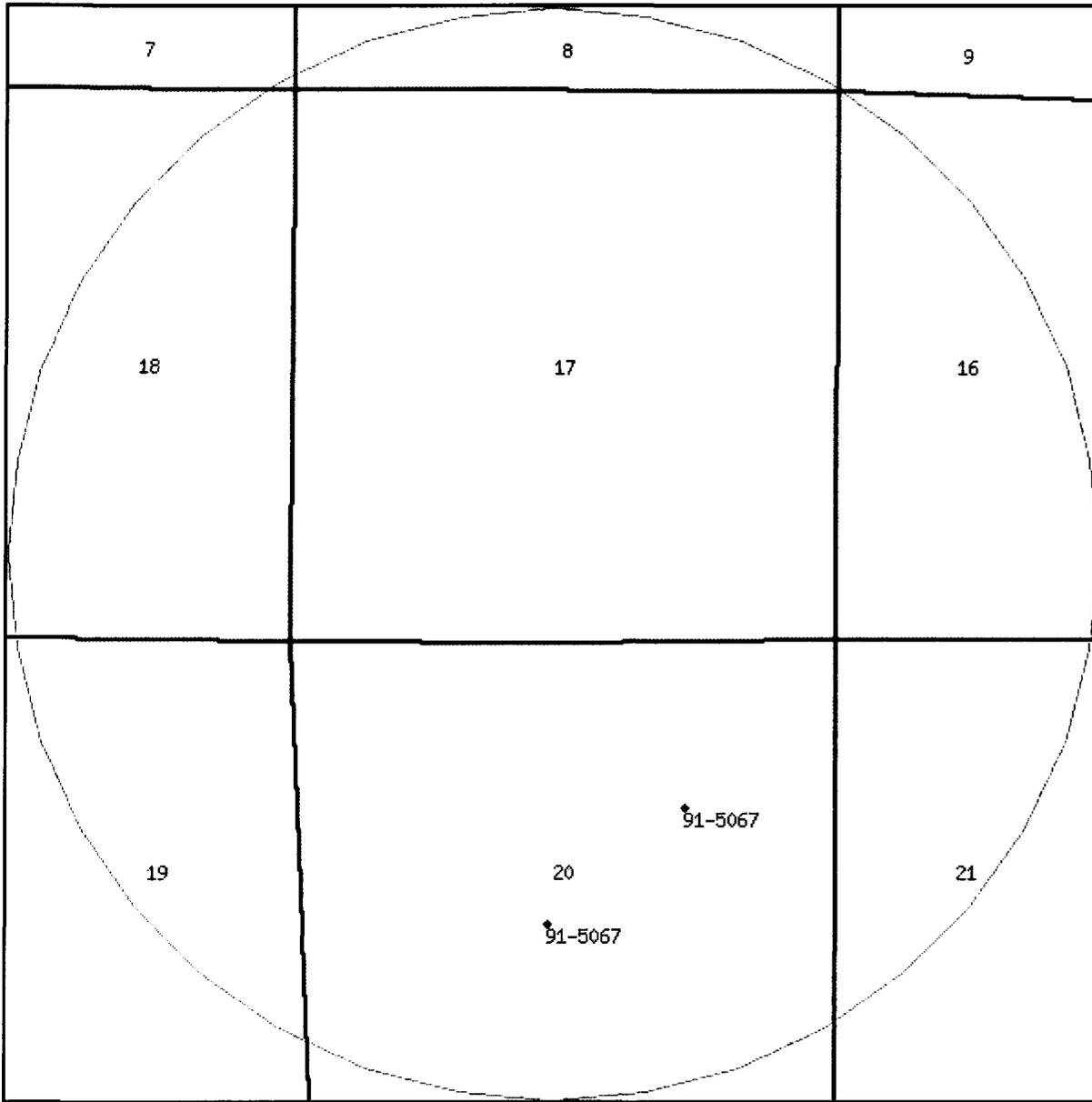


# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 05/17/2006 11:44 AM

Radius search of 5280 feet from a point N838 E2542 from the SW corner, section 17, Township 15S, Range 9E, SL b&m Criteria:wrtypes=W,C,E  
podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



**Water Rights**

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>91-5067</u>	Surface		A	20021119	OS	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH SUITE 500
	S86 E2368 W4 20 15S 9E SL							
<u>91-5067</u>	Surface		A	20021119	OS	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH SUITE 500
	N1050 W1573 E4 20 15S 9E SL							

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

Casing Schematic

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0. TOC @  
0.

Surface  
400. MD

✓ w/ 17% Washout

BHP

$(.052)(8.6)(3229) = 1444$

Anticipate 1407

Gas

$(.12)(3229) = 387$

MASP = 1057

BOPE - 3,000 ✓

Surf Csg - 2950

70% = 2065

2480  
TOC Tail

✓ w/ 6% Washout

Max pressure @ Surf Csg shoe = 822

Test to 822# (propose 500) ✓

2722  
Blue Gate / Ferron

✓ Adequate DLD 6/7/06

5-1/2"  
MW 8.6

Production  
3229. MD

Well name:	<b>05-06 ConocoPhillips Utah 17-1176</b>		
Operator:	<b>PhillipsConoco Company</b>		
String type:	Surface	Project ID:	43-007-31122
Location:	Carbon Co.		

**Design parameters:**

**Collapse**

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

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.447 psi/ft  
 Calculated BHP: 179 psi  
  
 No backup mud specified.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Tension:**

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

Tension is based on air weight.  
 Neutral point: 349 ft

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 71 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 185 ft

Cement top: Surface

Non-directional string.

**Re subsequent strings:**

Next setting depth: 3,229 ft  
 Next mud weight: 8.600 ppg  
 Next setting BHP: 1,443 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	19.2

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	174	1370	7.857	179	2950	16.52	10	244	25.44 J

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

Date: May 18, 2006  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 400 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

Well name:	<b>05-06 ConocoPhillips Utah 17-1176</b>		
Operator:	<b>PhillipsConoco Company</b>		
String type:	Production	Project ID:	43-007-31122
Location:	Carbon Co.		

**Design parameters:**

**Collapse**

Mud weight: 8.600 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: 110 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 0 psi  
 Internal gradient: 0.447 psi/ft  
 Calculated BHP 1,443 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 air weight.  
 Neutral point: 2,808 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3229	5.5	17.00	N-80	LT&C	3229	3229	4.767	111.3

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	1443	6290	4.360	1443	7740	5.37	55	348	6.34 J

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

Date: May 18, 2006  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 3229 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 3/27/2006 10:24:45 AM  
**Subject:** Well Clearance

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

ConocoPhillips Company

Utah 33-1074  
Utah 04-1139  
Utah 08-1148  
Utah 10-1154  
Utah 10-1155  
Utah 10-1156  
Utah 36-1012  
Utah 31-1068  
Utah 17-1176  
Utah 18-1178  
Utah 18-1179  
Utah 05-1142  
Utah 33-1072

Enduring Resources, LLC

Southam Canyon 10-25-12-32  
Southam Canyon 10-25-13-32  
Southam Canyon 10-25-22-32  
Southam Canyon 10-25-24-32  
Southam Canyon 10-25-31-32  
Southam Canyon 10-25-32-32  
Southam Canyon 10-25-33-32  
Southam Canyon 10-25-41-32  
Southam Canyon 10-25-42-32  
Southam Canyon 10-25-43-32  
Rock House 11-23-42-2  
Rock House 11-23-22-2

EOG Resources, Inc

Chapita Wells Unit 1173-2  
Chapita Wells Unit 1175-2

The Houston Exploration Company

North Horseshoe 3-16-6-21  
North Horseshoe 7-16-6-21  
North Horseshoe 9-16-6-21  
North Horseshoe 15-16-6-21  
North Horseshoe 11-16-6-21  
Significant site along pipeline/access road must be avoided.  
Recommendations of arch consultant must be followed.

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

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



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

May 17, 2006

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

RE: Revised Application for Permit to Drill: Utah 17-1176

Dear Ms. Whitney:

Please find enclosed a revised *Application for Permit to Drill (APD)* for the Utah 17-1176.

During the on-site inspection for this well on April 28, 2006, ConocoPhillips was requested to move the location to minimize impacts to the environment. The location has been changed to reflect the desired location selected during the on-site meeting.

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  
Ms. Deanna Walker, ConocoPhillips  
Mr. Mark Jones, DOGM, Price, Utah  
Mr. Ed Bonner, SITLA  
Ms. Eileen Dey, COPC, Midland  
ConocoPhillips Well File

**RECEIVED**

**MAY 22 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: ML-48207	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company		9. WELL NAME and NUMBER: Utah 17-1176	
3. ADDRESS OF OPERATOR: P.O. Box 851 CITY Price STATE UT ZIP 84501		PHONE NUMBER: (435) 613-9777	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 642' FSL, 2526' FWL <i>505372X 39.515049</i> AT PROPOSED PRODUCING ZONE: <i>4373727Y - 110.937504</i>		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 17 15S 9E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 8.7 miles Southwest of Price, Utah		12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 642 feet	16. NUMBER OF ACRES IN LEASE: 880 acres	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1100 feet	19. PROPOSED DEPTH: 3,229	20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6245.8' GR	22. APPROXIMATE DATE WORK WILL START: 7/15/2006	23. ESTIMATED DURATION:	

**24. PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
15"	12 3/4" Conductor	40	
11"	8 5/8" J-55 24#/ft	400	170 sks G+2% CaCl 1/4#/skD29
7 7/8"	5 1/2" N-80 17#/ft	3,219	100 sks50/50POZ+8% gel+2%CaC' +10%extend 1/4#/skD29
			270 sks "G" thixotropic

**25. ATTACHMENTS**

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

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

NAME (PLEASE PRINT) Jean Semborski TITLE Construction/Asset Integrity Supervisor  
SIGNATURE *Jean Semborski* DATE 5/17/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31122

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

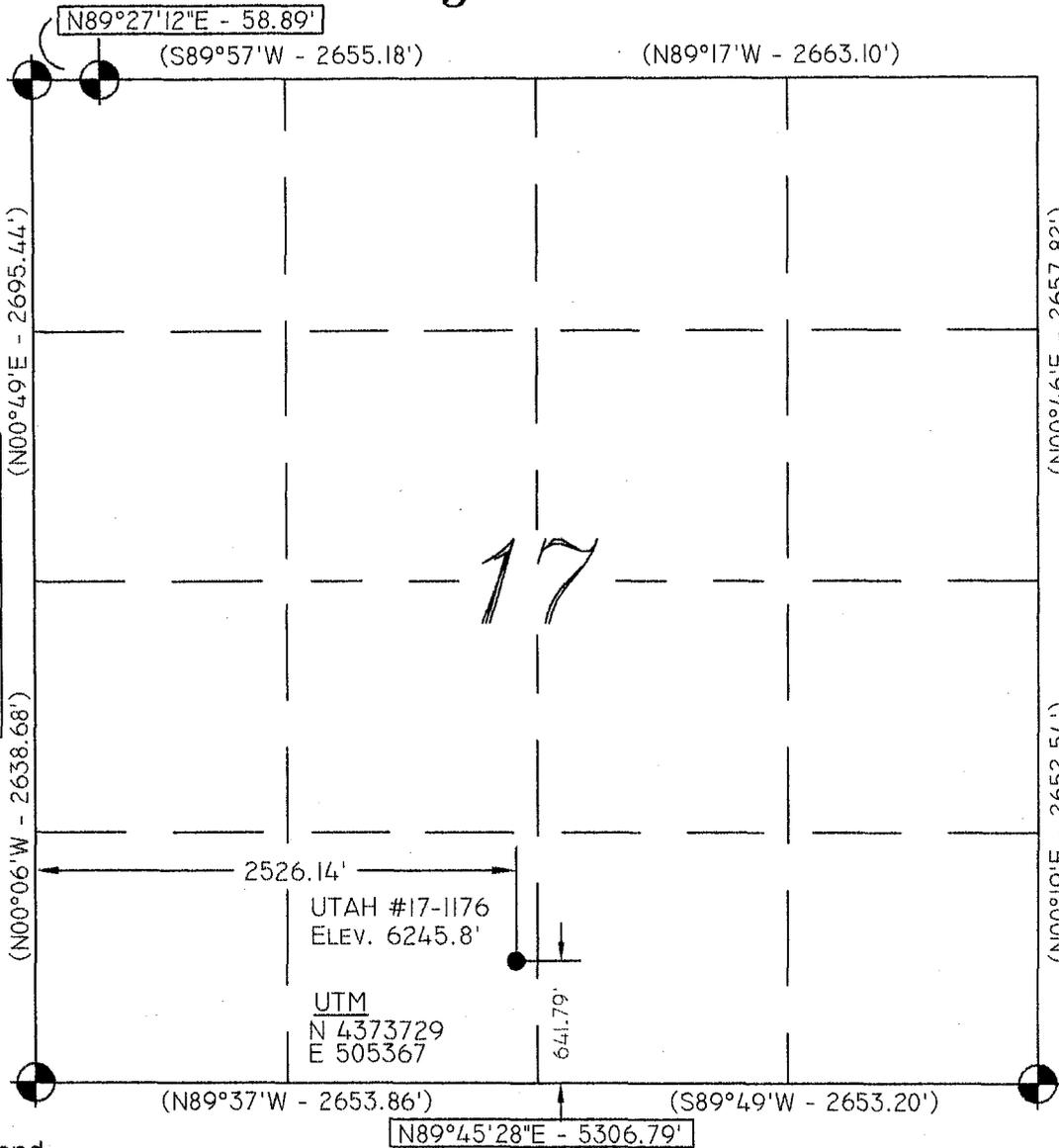
Date: 05-17-06  
(See Instructions on Reverse Side)

**RECEIVED  
MAY 22 2006**

DIV. OF OIL, GAS & MINING

# Range 9 East

Township 15 South



- 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°30'54.226"N  
 110°56'15.237"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 SE/4 SW/4 of Section 17, T15S, R9E, S.L.B.&M., being 641.79' North and 2526.14' East from the Southwest Section Corner of Section 17, 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@etv.net

**ConocoPhillips Company**

WELL UTAH #17-1176  
 Section 17, 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: 5/3/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2414

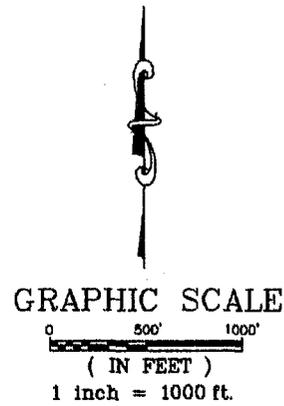


EXHIBIT "D"  
DRILLING PROGRAM

Attached to Form 3  
ConocoPhillips Company  
Utah 17-1176  
SE/4, SW/4, Sec.17, T15S, R9E, SLB & M  
642' FSL, 2526' FWL  
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2722'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2757' - 2880'

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>0-3219</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 270 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 1407 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 July 15, 2006

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 17-1176  
SE/4, SW/4, Sec.17, T15S, R9E, SLB & M  
642' FSL, 2526' FWL  
Carbon County, Utah

### **1. Existing Roads**

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

### **2. Planned Access**

Approximately 2,400' of new access is required (Refer to Drawing L-1)

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 10%
- c. Turnouts: None
- d. Drainage design: 6 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 approximately 4.9 miles west.
- b. Nearest live water is the Miller Creek located 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

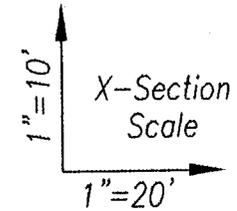
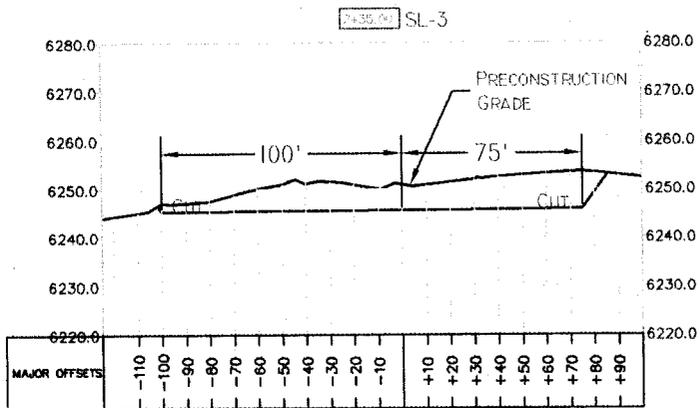
**14. Certification**

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.

May 17, 2006  
Date

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





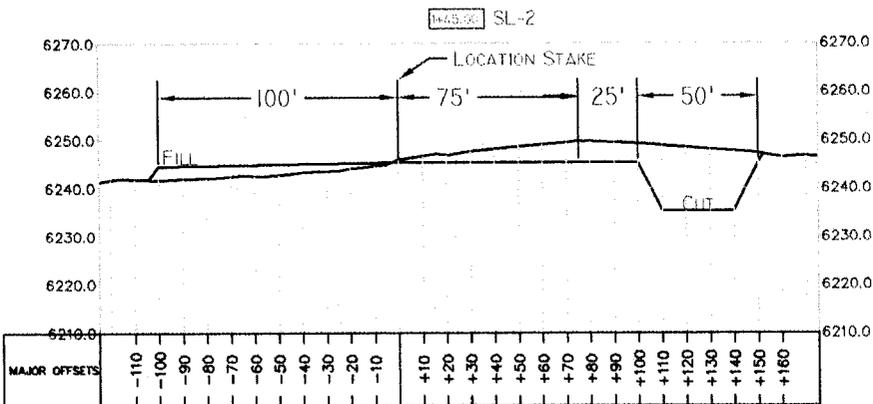
APPROXIMATE YARDAGES

CUT

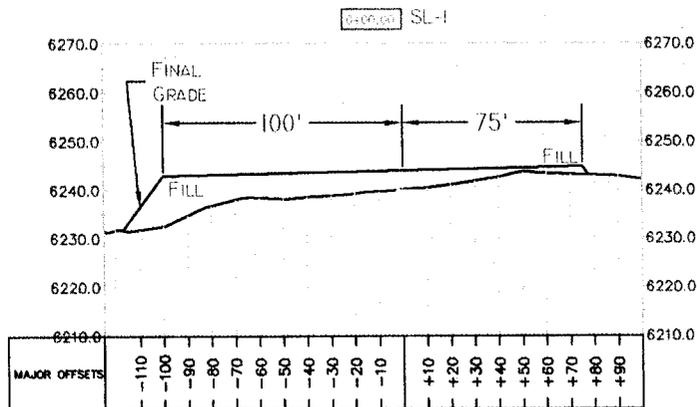
(6") TOPSOIL STRIPPING = 810 CU. YDS.

TOTAL CUT (INCLUDING PIT) = 3,695 CU. YDS.

TOTAL FILL = 2,915 CU. YDS.



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



**TALON RESOURCES, INC.**

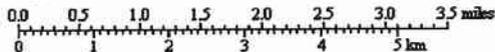
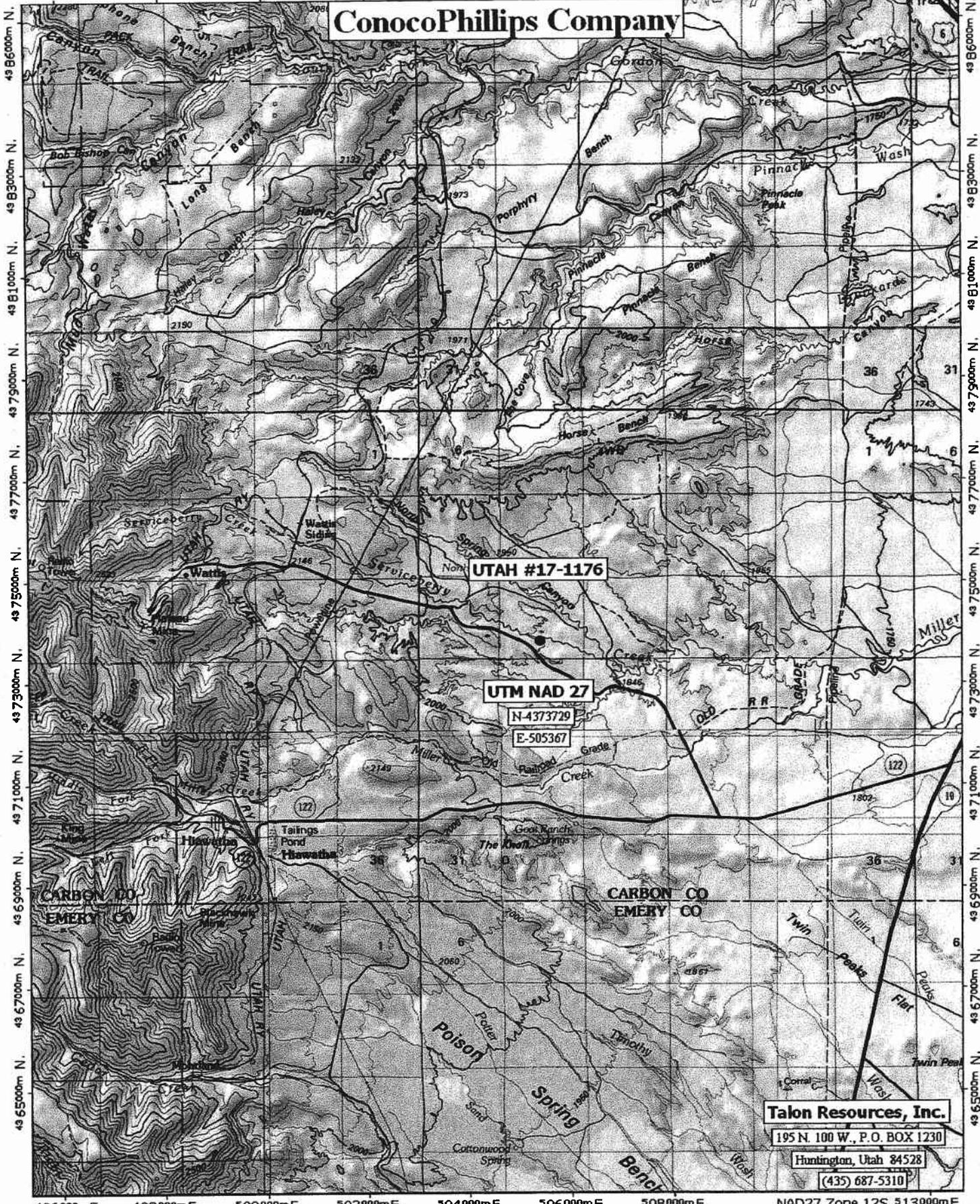
195 North 100 West P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-5310 Fax (435)687-5311  
E-Mail talonectv.net

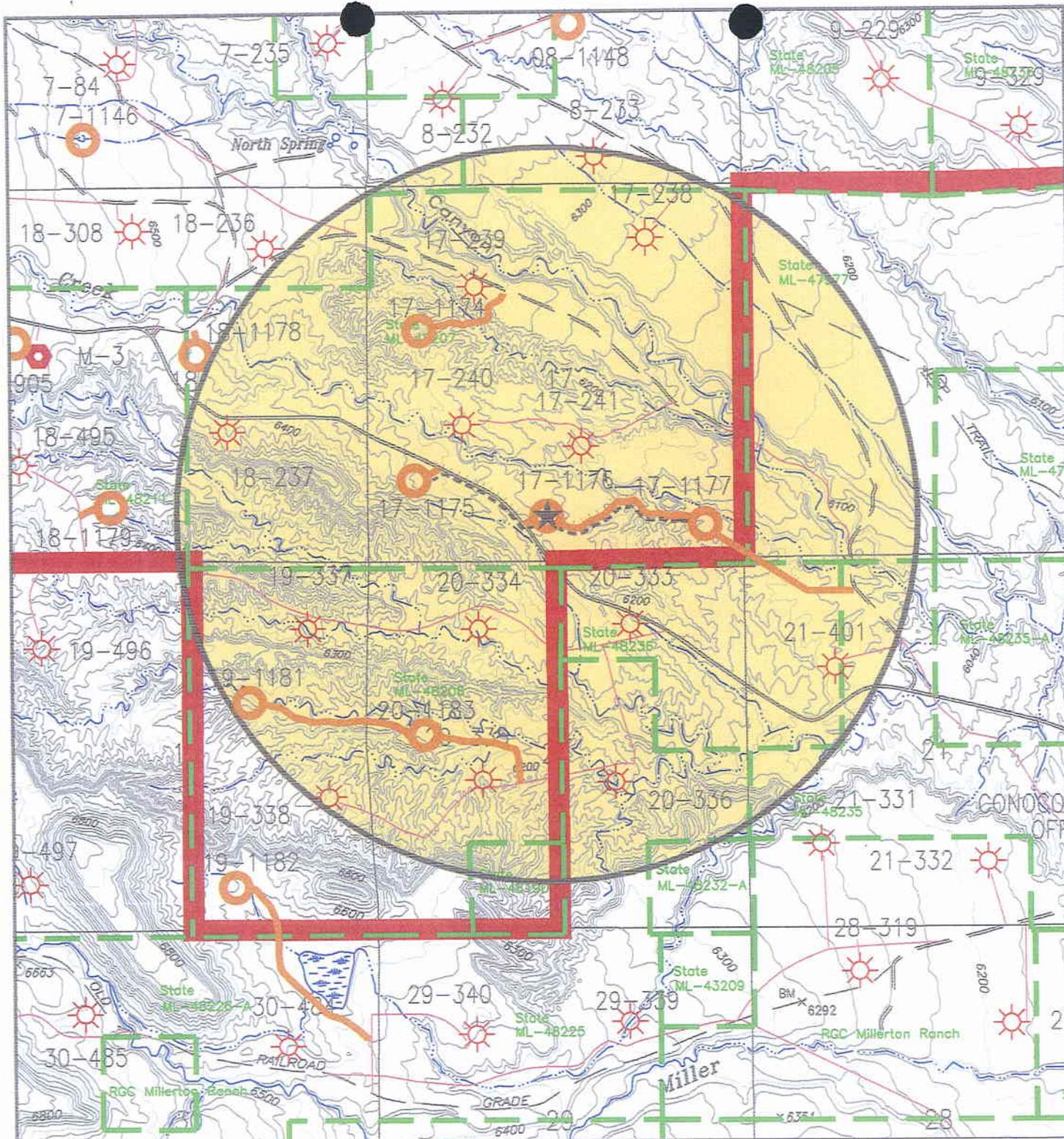
**ConocoPhillips Company**

TYPICAL CROSS SECTION  
Section 17, T15S, R9E, S.L.B.&M.  
WELL UTAH #17-1176

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 5/3/06
	Scale: 1" = 80'
Sheet 3 of 4	Job No. 2414

# ConocoPhillips Company





**LEGEND**

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

Scale: 1" = 2000'

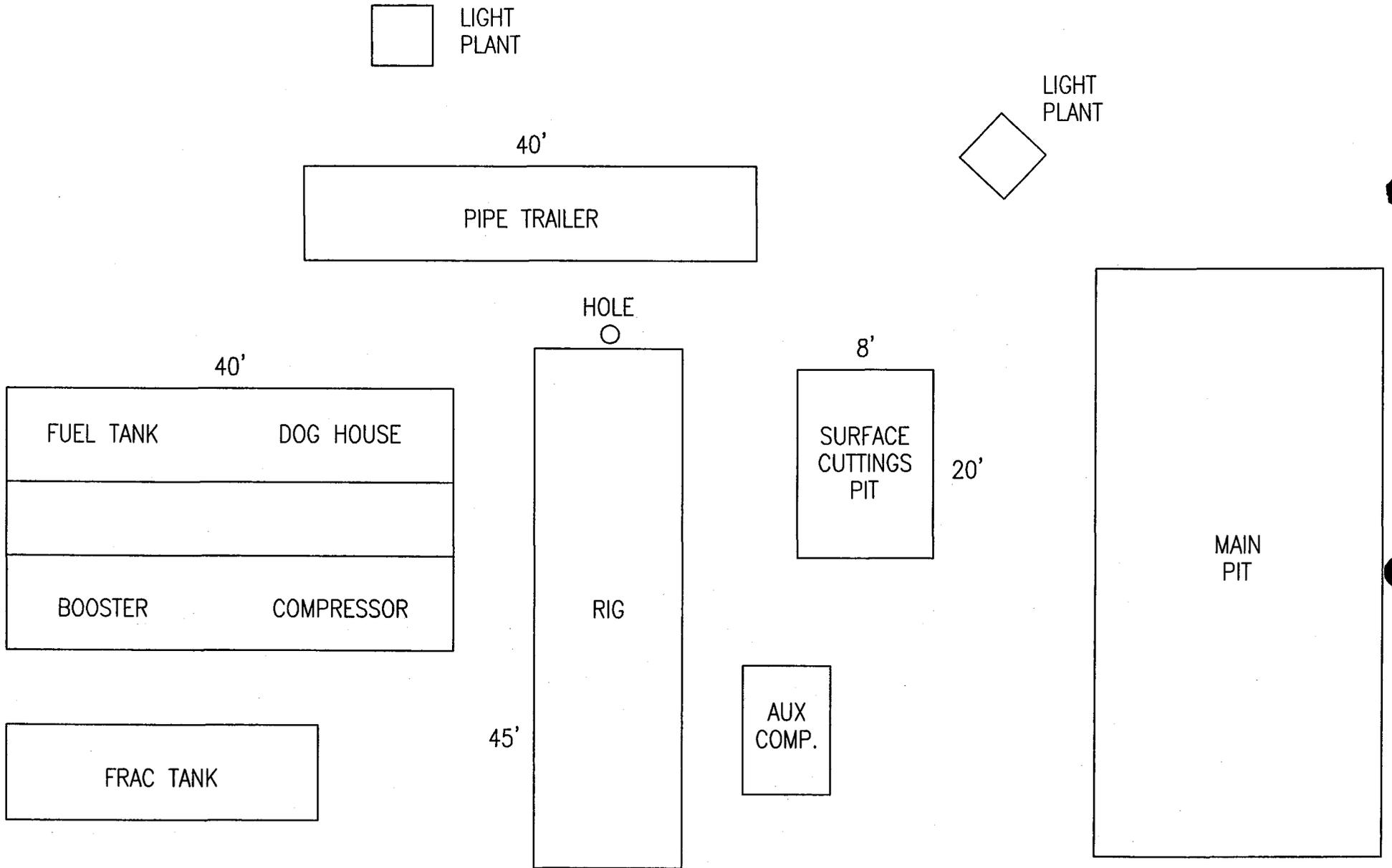
May 5, 2006

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



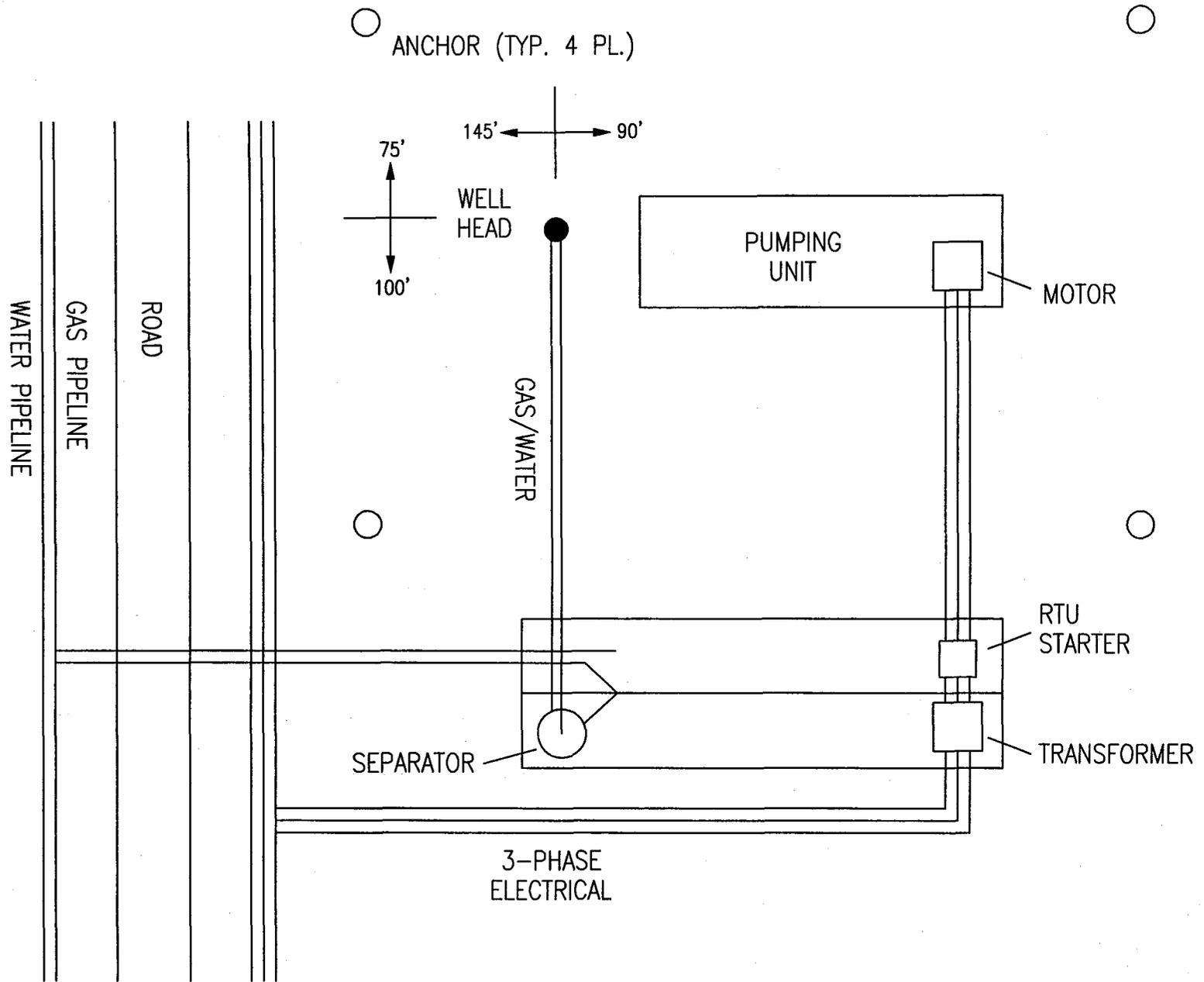
WELL UTAH #17-1176  
 Section 17, T15S, R9E, S.L.B.&M.  
 Drawing L-1 4 of 4

# APPROXIMATE LAYOUT OF RIG & EQUIPMENT

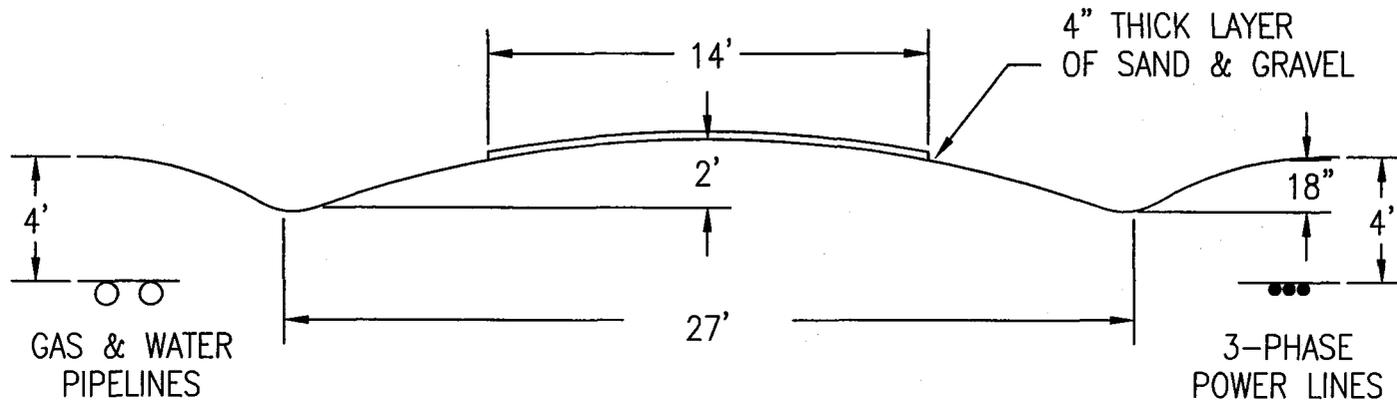


# CONOCOPHILLIPS COMPANY

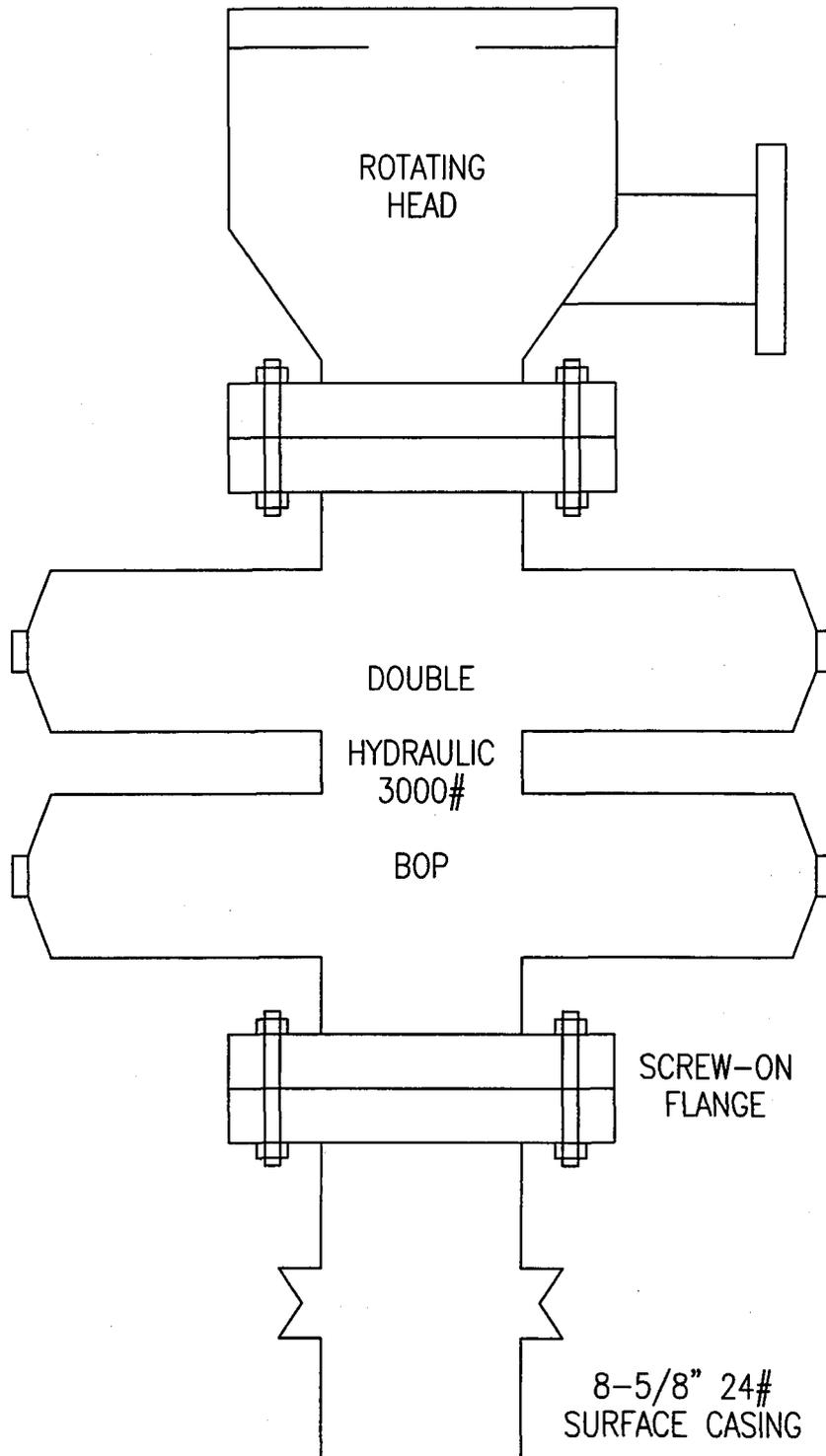
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION  
CONOCOPHILLIPS COMPANY



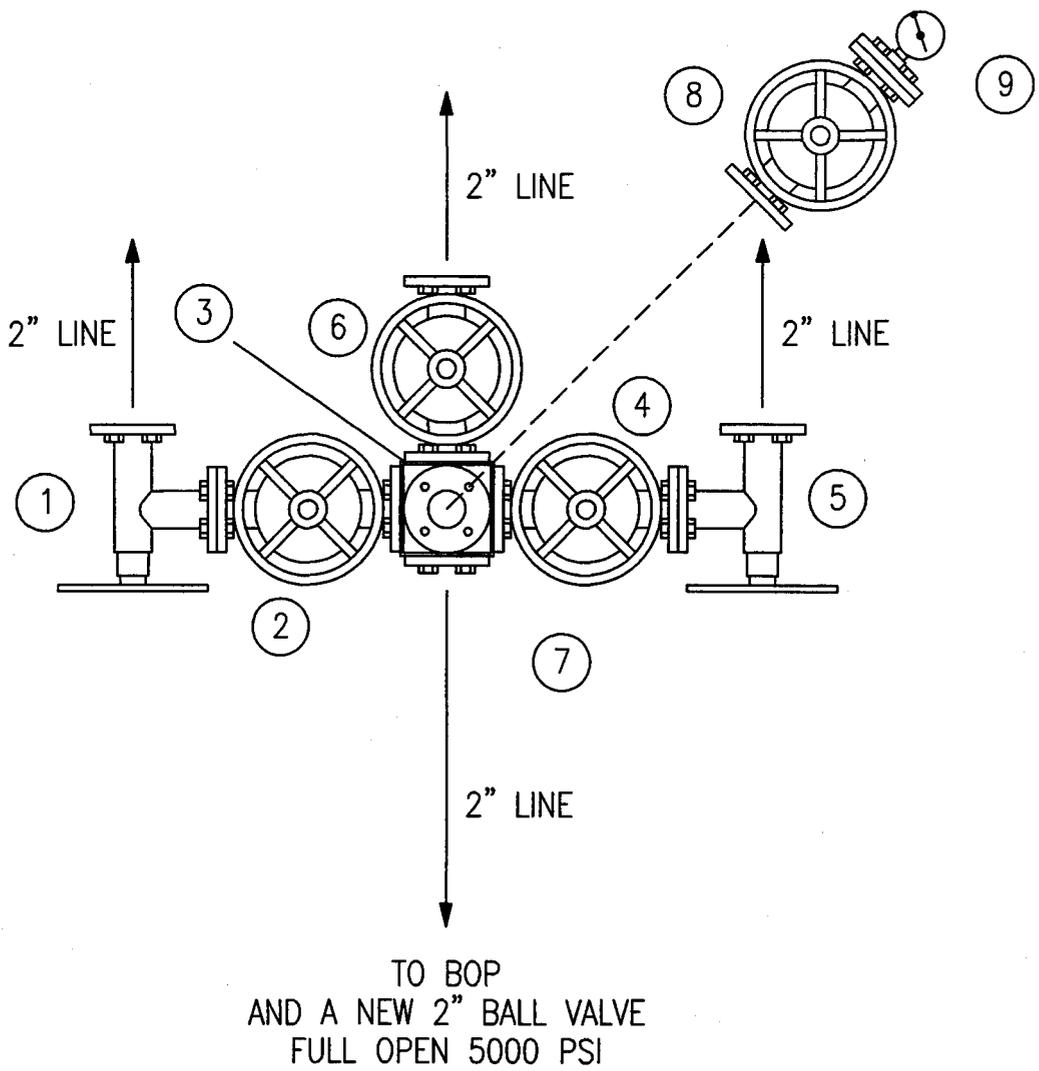
DIVERTER HEAD  
CONOCOPHILLIPS COMPANY



# 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.



## 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 as Principal,  
and

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

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

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

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

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

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

30th day of Dec, 2002

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

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

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

1ST day of JANUARY, 2003

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

SAFECO INSURANCE COMPANY OF AMERICA  
Surety Company (Attach Power of Attorney)  
By Jina Marie Name (print) Title ATTORNEY-IN-FACT  
Jina Marie Signature  
C/O MARSH USA INC  
Surety Mailing Address  
3600 BOX 36002 KNOXVILLE TN 37906-6012  
City State Zip

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



**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*

June 7, 2006

ConocoPhillips Company  
P O Box 851  
Price, UT 84501

Re: Utah 17-1176 Well, 642' FSL, 2526' FWL, SE SW, Sec. 17, 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 43-007-31122.

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 17-1176  
**API Number:** 43-007-31122  
**Lease:** ML-48207

**Location:** SE SW                      **Sec.** 17                      **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

**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-48207
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
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
PHONE NUMBER: (432) 688-6943		8. WELL NAME and NUMBER: Utah 17-1176
4. LOCATION OF WELL FOOTAGES AT SURFACE: 642' FSL & 2526' FWL		9. API NUMBER: 4300731122
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SESW 17 15S 9E		10. 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 (Submit in Duplicate) Approximate date work will start: <u>6/7/2007</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 be extended. The current approval will expire on June 7, 2007.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 04-16-07  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 4-16-07  
Initials: RM

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>4/9/2007</u>

(This space for State use only)

RECEIVED  
APR 13 2007

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:** 43-007-31122  
**Well Name:** Utah 17-1176  
**Location:** SESW Sec 17, T15S, R9E, Carbon County  
**Company Permit Issued to:** ConocoPhillips Company  
**Date Original Permit Issued:** 6/7/2006

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

4/9/2007  
\_\_\_\_\_  
Date

**Title:** Sr. Regulatory Specialist  
\_\_\_\_\_

**Representing:** ConocoPhillips Company  
\_\_\_\_\_

**RECEIVED**  
**APR 13 2007**  
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**

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		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-48207</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: <b>NA</b>
		7. UNIT or CA AGREEMENT NAME: <b>Drunkards Wash UTU-67921X</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Utah 17-1176</b>
2. NAME OF OPERATOR: <b>ConocoPhillips Company</b>		9. API NUMBER: <b>4300731122</b>
3. ADDRESS OF OPERATOR: P. O. Box 51810      CITY <b>Midland</b> STATE <b>TX</b> ZIP <b>79710</b>		PHONE NUMBER: <b>(432) 688-6943</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>642' FSL &amp; 2526' FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Drunkards Wash</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SESW 17 15S 9E</b>		COUNTY: <b>Carbon</b>
		STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate) Approximate date work will start: <u>4/16/2008</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
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	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>APD 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 be extended. The current approval will expire on April 16, 2008.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 03-10-08

By: [Signature]

COPY SENT TO OPERATOR

Date: 3-11-2008

Initials: KS

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>3/6/2008</u>

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**RECEIVED**  
**MAR 10 2008**

DIV. OF OIL, GAS & MINING

RESET

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

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

**API:** 43-007-31122  
**Well Name:** Utah 17-1176  
**Location:** SESW Sec 17, T15S, R9E, Carbon County  
**Company Permit Issued to:** ConocoPhillips Company  
**Date Original Permit Issued:** 6/7/2006

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

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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

3/6/2008  
\_\_\_\_\_  
Date

**Title:** Sr. Regulatory Specialist

**Representing:** ConocoPhillips Company

**RECEIVED**  
**MAR 10 2008**  
**DIV. OF OIL, GAS & MINING**



JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*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 3, 2009

ConocoPhillips Company  
P O Box 851  
Price, UT 84501

Re: APD Rescinded – UTAH 17-1176, Sec. 17, T. 15S, R. 9E  
Carbon County, Utah API No. 43-007-31122

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 June 7, 2006. On April 16, 2007 and March 10, 2008 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 3, 2009.

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  
SITLA, Ed Bonner

