



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

March 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: Application for Permit to Drill: Utah 30-1090, Utah 30-1088, Utah 19-1181, Telonis 30-1063
Revised APD for Utah 30-1062
Sundries for: Utah 2-1264, Utah 26-1197, Utah 26-1198, USA 30-1061

Dear Ms. Whitney:

Please find enclosed an *Application for Permit to Drill* (APD) for the following wells: Utah 30-1090, Utah 30-1088, Utah 19-1181, Telonis 30-1063, a revised APD for Utah 30-1062, and sundries for Utah 2-1264, Utah 26-1197, Utah 26-1198, USA 30-1061.

Please accept this letter as ConocoPhillips' written request for confidential treatment of all information contained in and pertaining to this information, 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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MAR 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)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML-48208	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 19-1181	
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: 1993' FNL, 1726' FEL 504082X 39.509898 AT PROPOSED PRODUCING ZONE: 4372933-1 -110.452519			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 19 15S 9E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9.8 miles southwest of Price, Utah			12. COUNTY: Carbon	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 936 feet		16. NUMBER OF ACRES IN LEASE: 600 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) 1300 feet		19. PROPOSED DEPTH: 3,412		20. BOND DESCRIPTION: Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6308.6' GR		22. APPROXIMATE DATE WORK WILL START: 4/15/2006		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" 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	3,402	110 sks 50/50POZ+8% gel+2%CaCl +10%extend 1/4#/skD29
			280 sks "G" thixotropic

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 3/17/06

(This space for State use only)

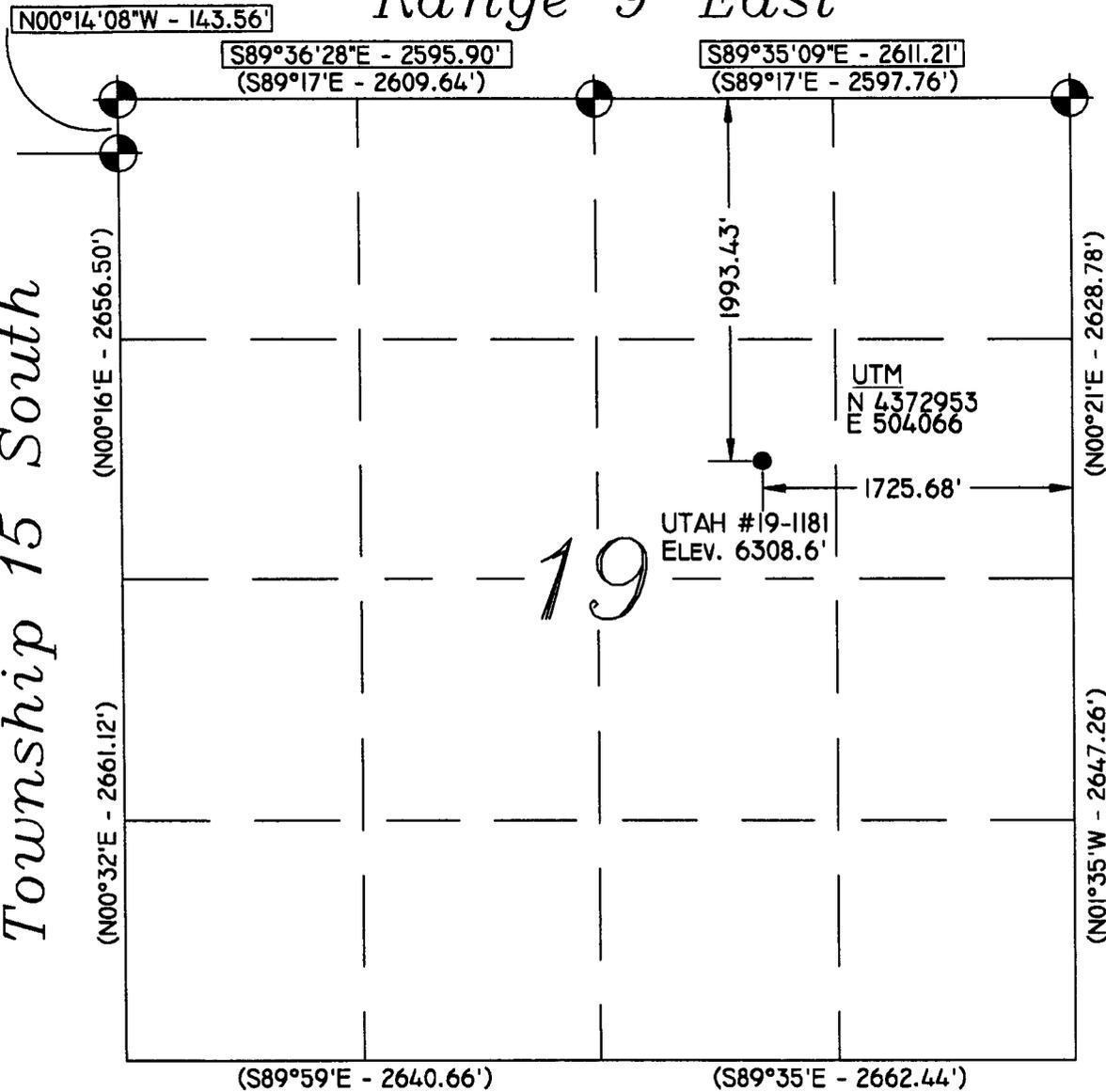
API NUMBER ASSIGNED: 43-007-31160

APPROVAL:

RECEIVED
MAR 22 2006

Township 15 South

Range 9 East



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 SW/4 NE/4 of Section 19, T15S, R9E, S.L.B.&M., being 1993.43' South and 1725.68' West from the Northeast Section Corner of Section 19, 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

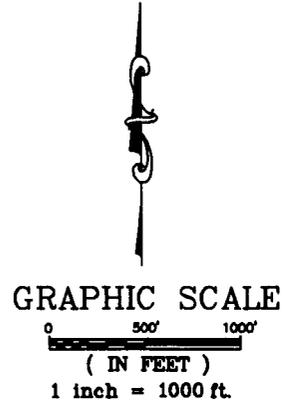
WELL UTAH #19-1181
 Section 19, T15S, R9E, S.L.B.&M.
 Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 3/3/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2109

- 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°30'29.080"N
 110°57'09.739"W



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

FORM 3

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(highlight changes)

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2. NAME OF OPERATOR: ConocoPhillips Company			9. WELL NAME and NUMBER: Utah 19-1181	
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4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1993' FNL, 1726' FEL <i>509082X 39.509838</i> AT PROPOSED PRODUCING ZONE: <i>4372953 -110.452519</i>			11. QTR/QTTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 19 15S 9E	
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NAME (PLEASE PRINT) Jean Semborski TITLE Construction/Asset Integrity Supervisor
SIGNATURE *Jean Semborski* DATE 3/17/06

(This space for State use only)

API NUMBER ASSIGNED: 43-007-31160

Approved by the
Utah Division of
Oil, Gas and Mining
APPROVAL
Date: 05-09-06
[Signature]

MAR 22 2006
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DIVISION OF OIL, GAS AND MINING

(11/2001) (See Instructions on Reverse Side)

Range 9 East

Township 15 South

(N00°14'08"W - 143.56')

(S89°36'28"E - 2595.90')

(S89°17'E - 2609.64')

(S89°35'09"E - 2611.21')

(S89°17'E - 2597.76')

(N00°16'E - 2656.50')

(N00°32'E - 2661.12')

1993.43'

UTM
N 4372953
E 504066

1725.68'

(N00°21'E - 2628.78')

(N01°35'W - 2647.26')

(S89°59'E - 2640.66')

(S89°35'E - 2662.44')

19

UTAH #19-1181
ELEV. 6308.6'

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
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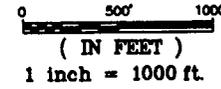
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GRAPHIC SCALE



TALON RESOURCES, INC.

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

ConocoPhillips Company

WELL UTAH #19-1181
Section 19, 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: 3/3/06
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 2109

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips Company
Utah 19-1181
SW/4, NE/4, Sec.19, T15S, R9E, SLB & M
1993' FNL, 1726' FEL
Carbon County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2856'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2923' - 3024'

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>0-3402</u>

Cementing Program

The 8 5/8" surface casing will be set with approximately 170 sacks Class G or Type V cement with 2% CaCl₂ mixed at 15.6 ppg (yield =1.18 ft³/sx). The cement will be circulated back to surface with 100% excess.

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

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

The 5 1/2" production casing will be set with approximately 110 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 ft³/sx at 14.2 ppg; calculated with an excess of 35% for the 1st Stage. For the 2nd stage, approximately 280 sx of 50/50 POZ Premium cement, 8% Bentonite (light weight additive), 10% Cal Seal 60 (accelerator), 1/4 lbm/sk Flocele (lost circulation additive) with a yield of 1.98 ft³/sx at 12.5 ppg; calculated with an excess of 30% for the 2nd Stage.

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

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 1494 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 19-1181
SW/4, NE/4, Sec.19, T15S, R9E, SLB & M
1993' FNL, 1726' 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 2,200' 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: 5 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 5.7 Miles East
- b. Nearest live water is the Miller Creek 5,000' 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

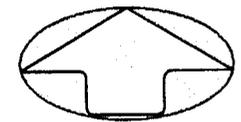
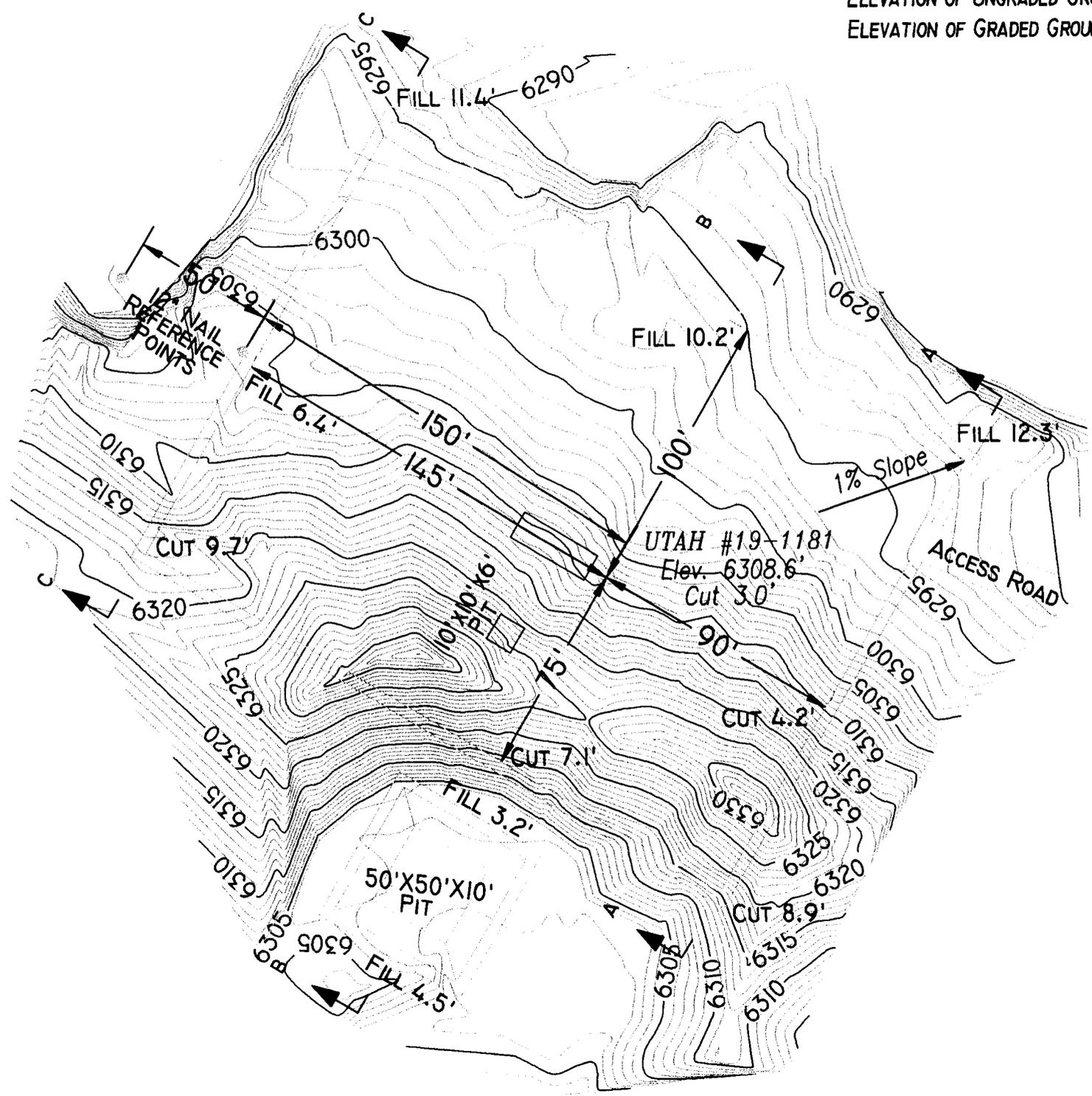
I hereby certify that I, or persons under my direct supervision have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated 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.

3/17/06
Date



Jean Semborski
Construction/Asset Integrity Supervisor
ConocoPhillips Company

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6308.6'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6305.6'



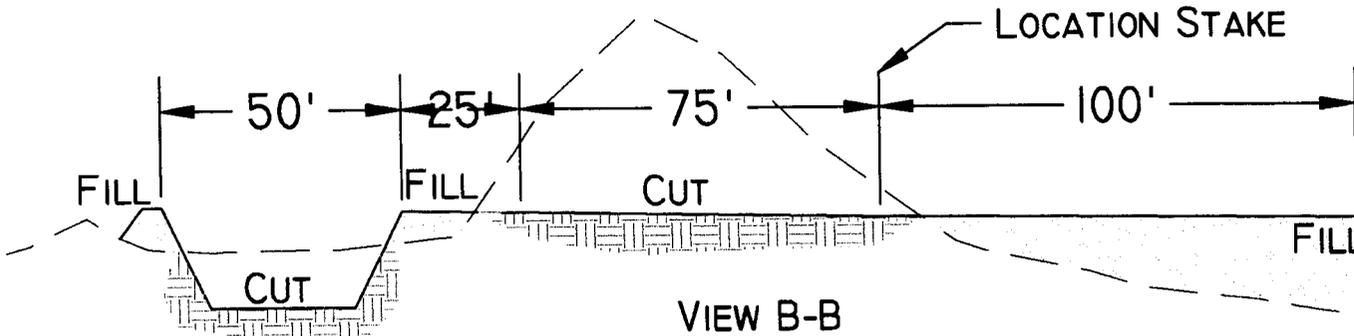
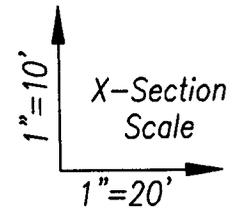
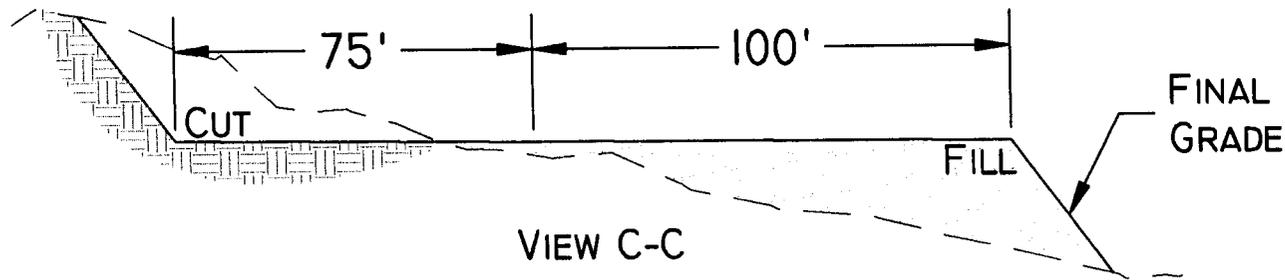
TALON RESOURCES, INC.

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

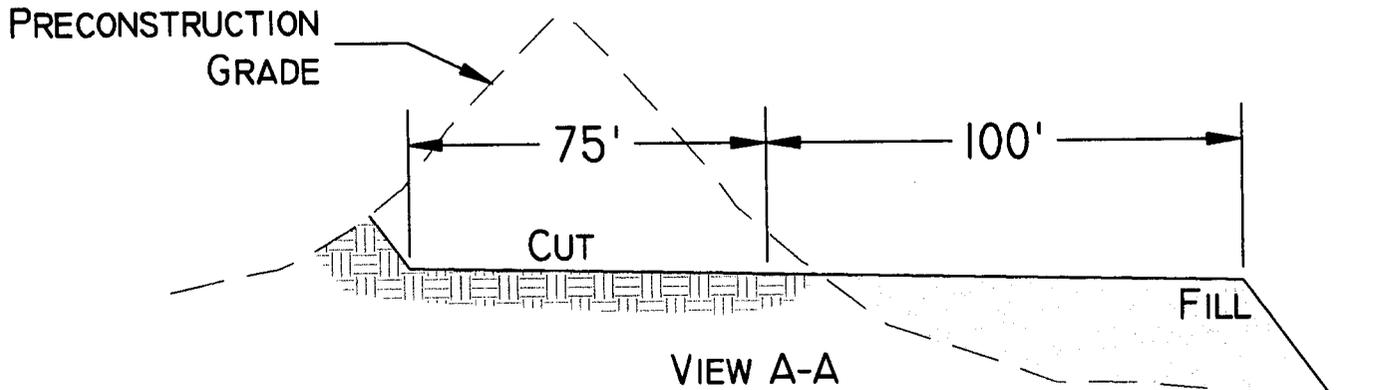
ConocoPhillips Company

LOCATION LAYOUT
 Section 19, T15S, R9E, S.L.B.&M.
 WELL UTAH #19-1181

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 3/3/06
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 2109



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



APPROXIMATE YARDAGES

CUT
 (6")TOPSOIL STRIPPING = 810 CU. YDS.
 REMAINING LOCATION = 8,035 CU, YDS.
 (INCLUDING TOPSOIL STRIPPING)
 TOTAL CUT (INCLUDING PIT) = 8,435 CU. YDS.
 TOTAL FILL = 7,130 CU. YDS.



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

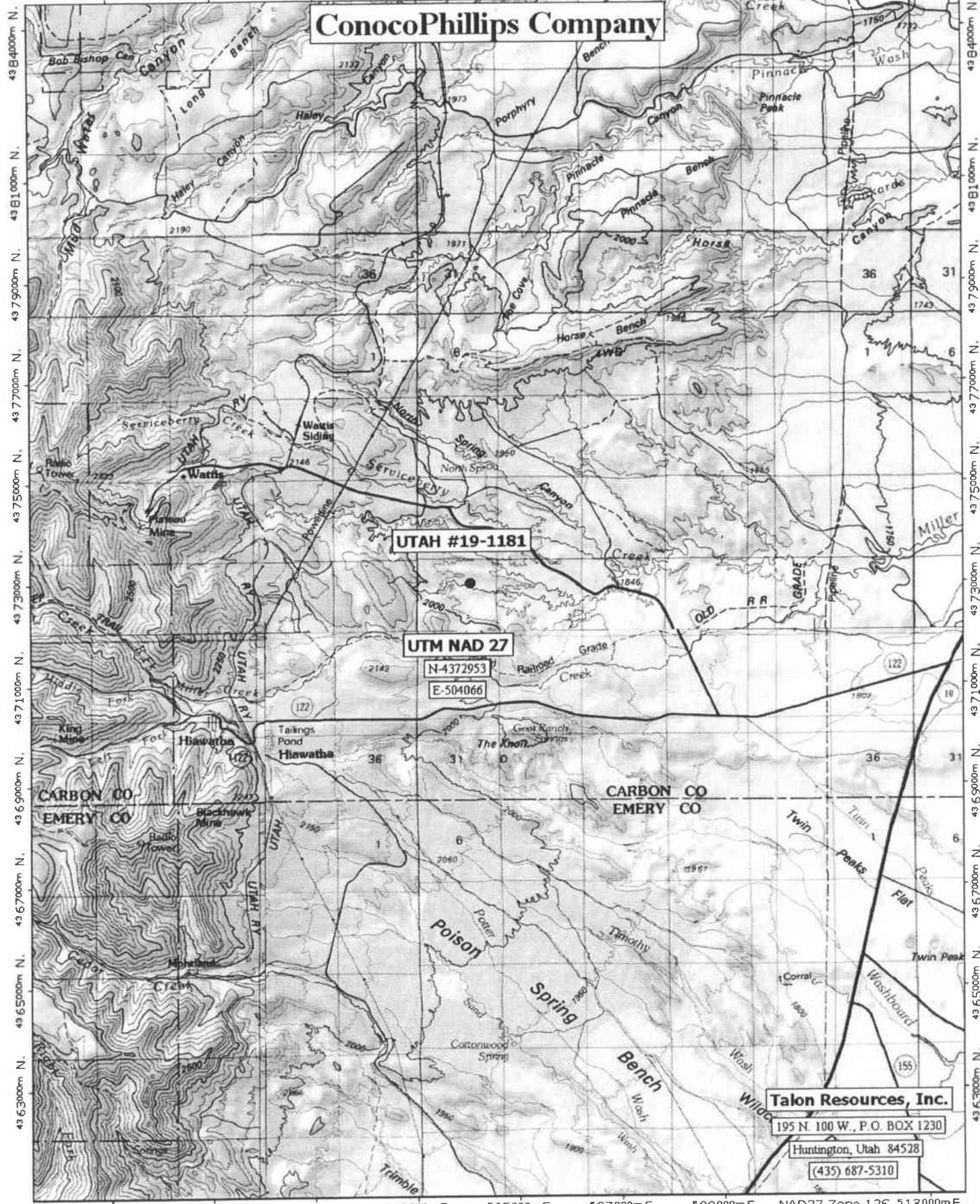
ConocoPhillips Company

TYPICAL CROSS SECTION
 Section 19, T15S, R9E, S.L.B.&M.
 WELL UTAH #19-1181

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 3/3/06
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 2109

497000mE, 499000mE, 501000mE, 503000mE, 505000mE, 507000mE, 509000mE, NAD27 Zone 12S 513000mE.

ConocoPhillips Company



UTAH #19-1181

UTM NAD 27

N-4372953

E-504066

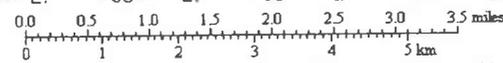
Talon Resources, Inc.

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

Huntington, Utah 84528

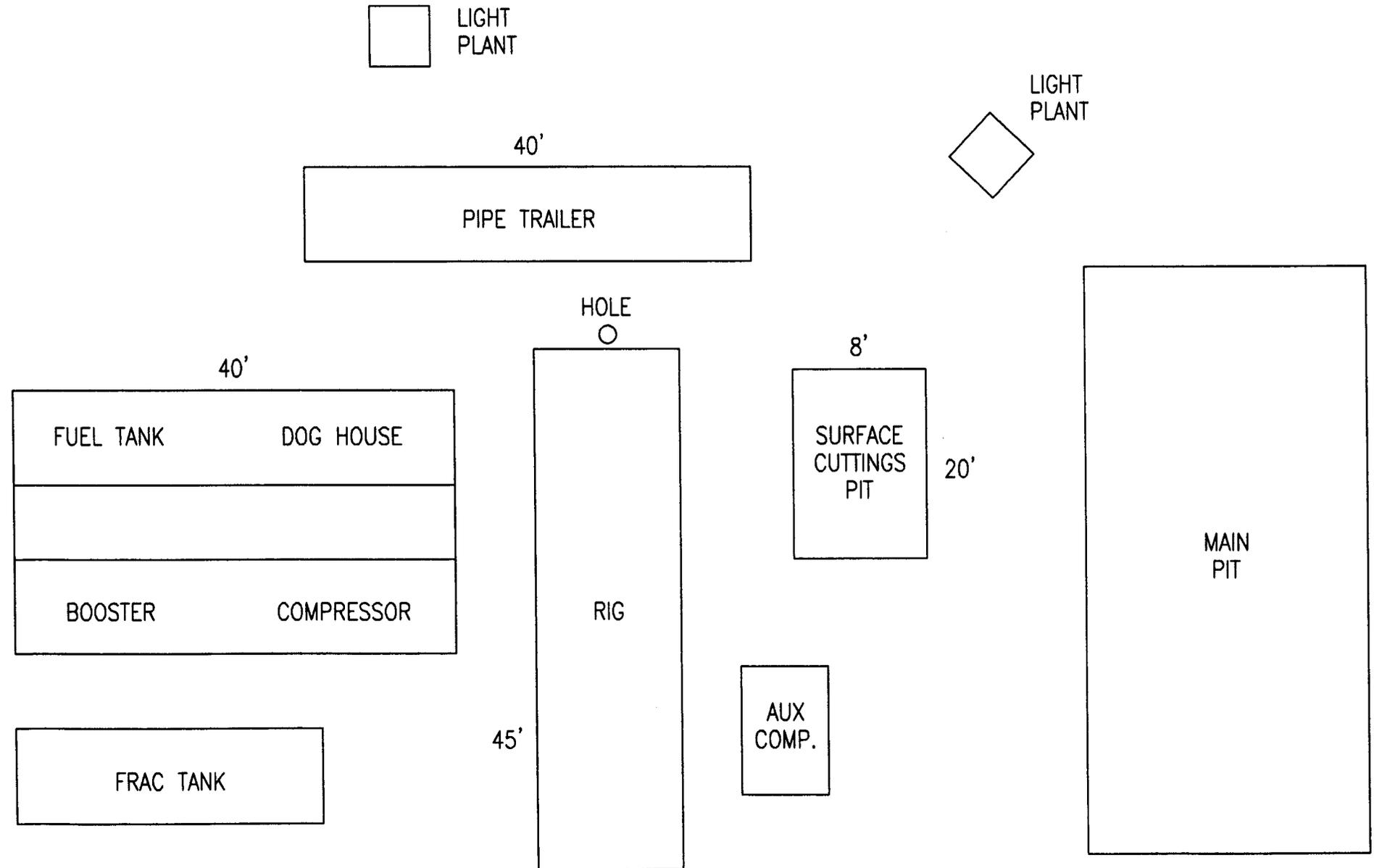
(435) 687-5310

497000mE, 499000mE, 501000mE, 503000mE, 505000mE, 507000mE, 509000mE, NAD27 Zone 12S 513000mE.



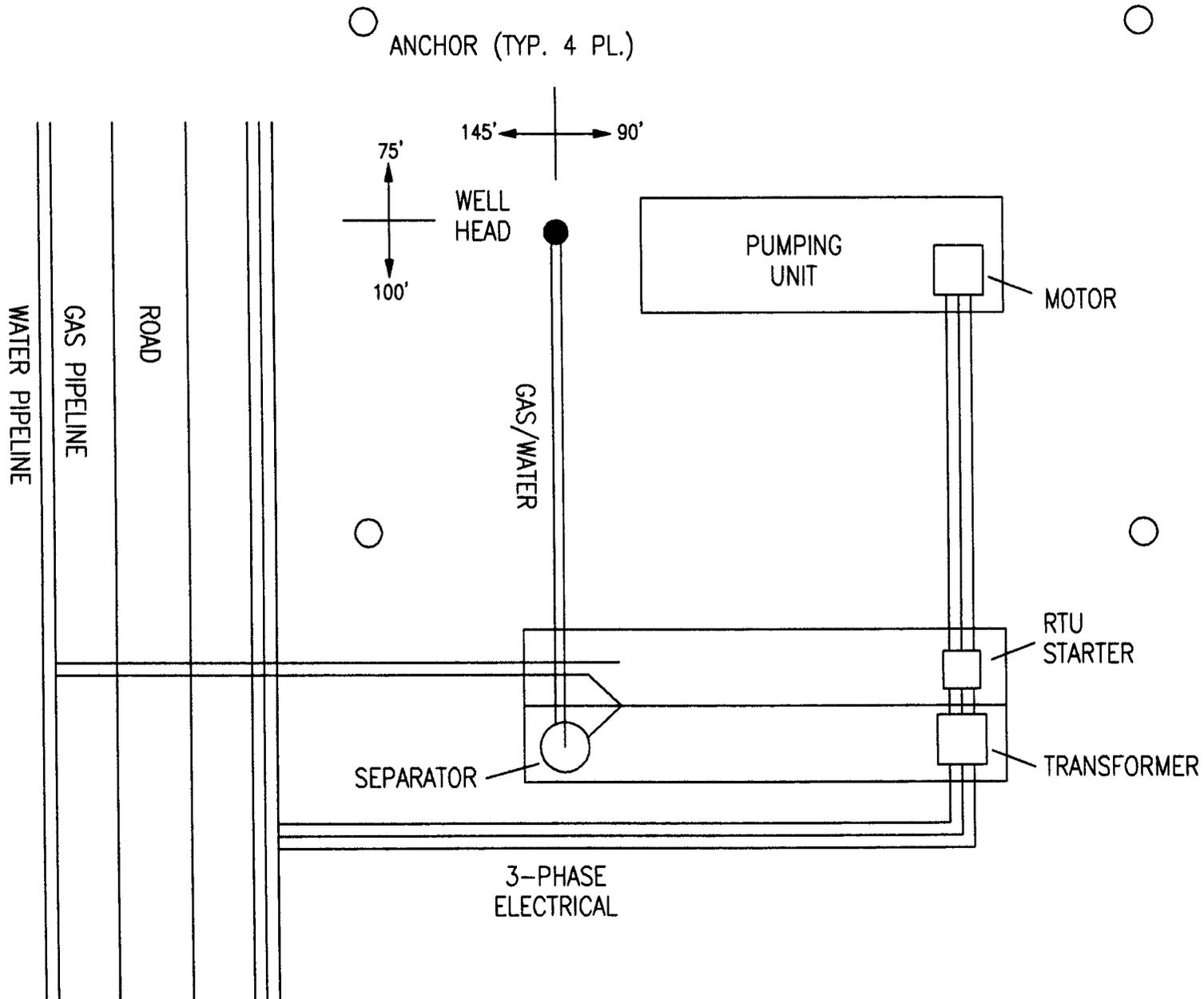
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

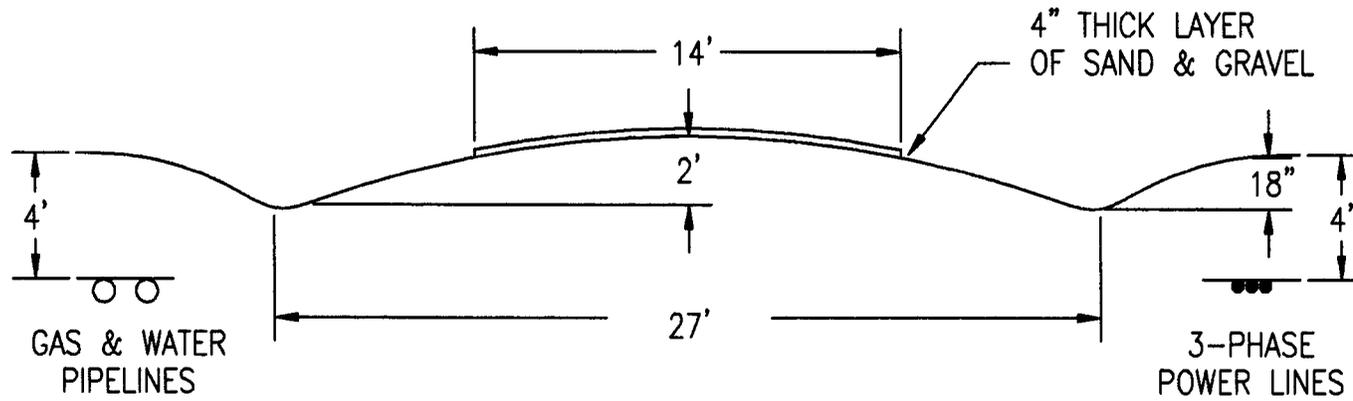


CONOCOPHILLIPS COMPANY

WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION
CONOCOPHILLIPS COMPANY



DIVERTER HEAD
CONOCOPHILLIPS COMPANY

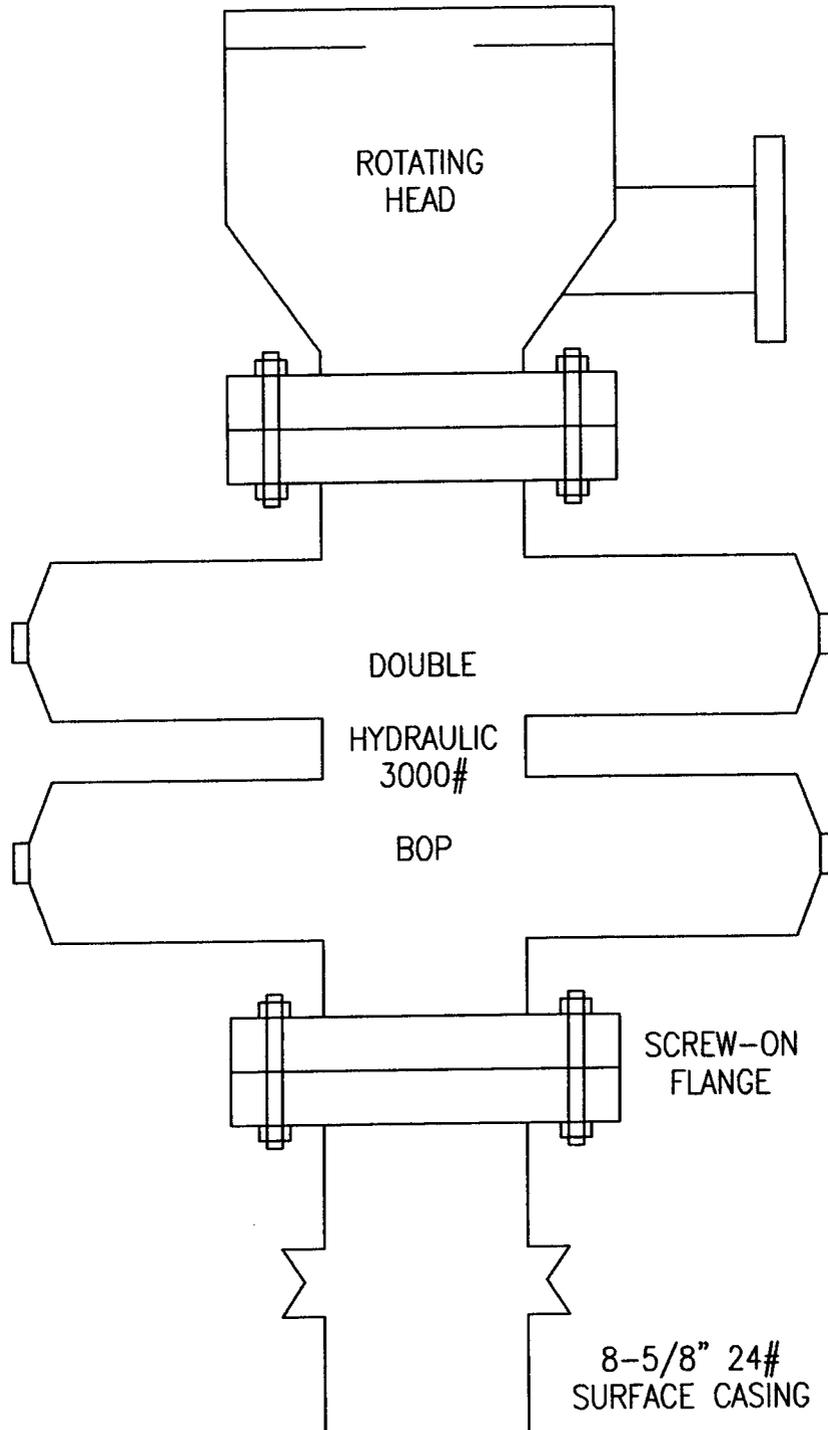


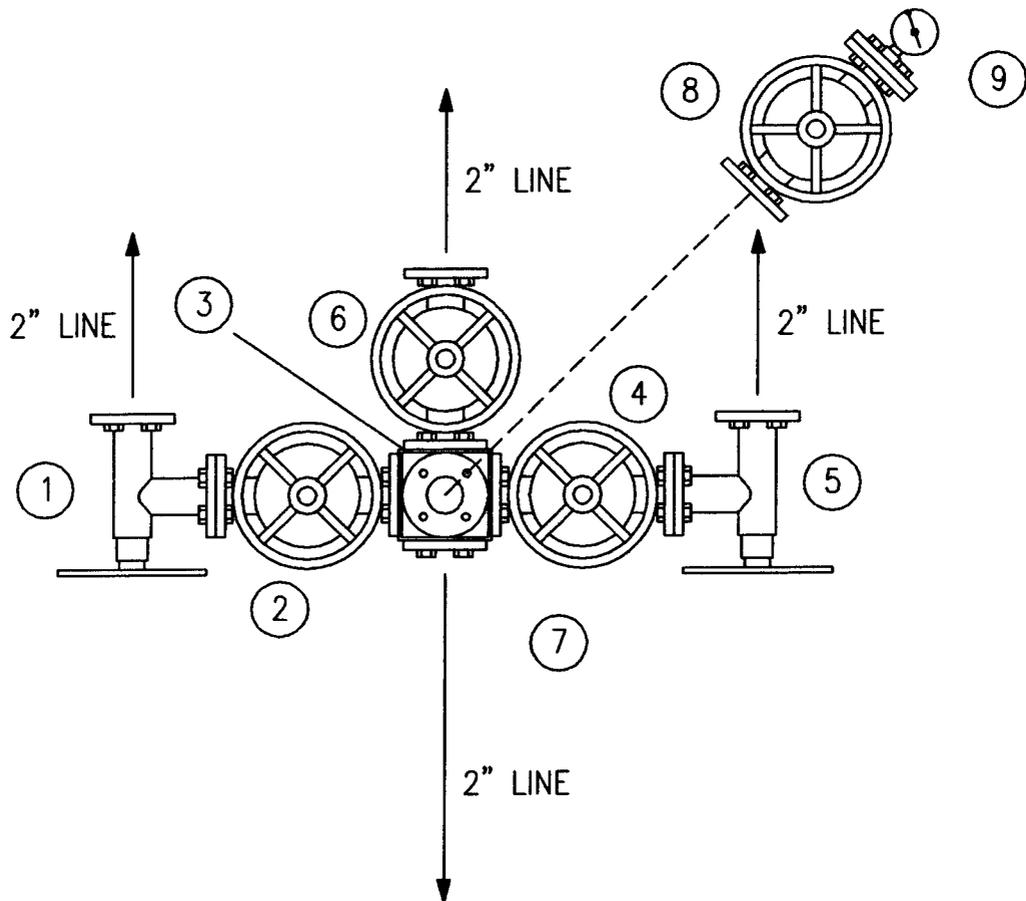
EXHIBIT G

C NOCOPHILLIPS COMP NY

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

NOTE:

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



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

MANIFOLD

EXHIBIT H

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 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, 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 FOSTER ATTORNEY IN FACT
Name (print) Title

Jina Marie
Signature

C/O MARSH USA INC
Surety Mailing Address

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

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

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/22/2006

API NO. ASSIGNED: 43-007-31160

WELL NAME: UTAH 19-1181
 OPERATOR: CONOCOPHILLIPS COMPANY (N2335)
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

SWNE 19 150S 090E
 SURFACE: 1993 FNL 1726 FEL
 BOTTOM: 1993 FNL 1726 FEL
 COUNTY: CARBON
 LATITUDE: 39.50790 LONGITUDE: -109.9525
 UTM SURF EASTINGS: 504082 NORTHINGS: 4372933
 FIELD NAME: DRUNKARDS WASH (48)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DGD	5/4/06
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-48208
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD
 COALBED METHANE WELL? YES

RECEIVED AND/OR REVIEWED:

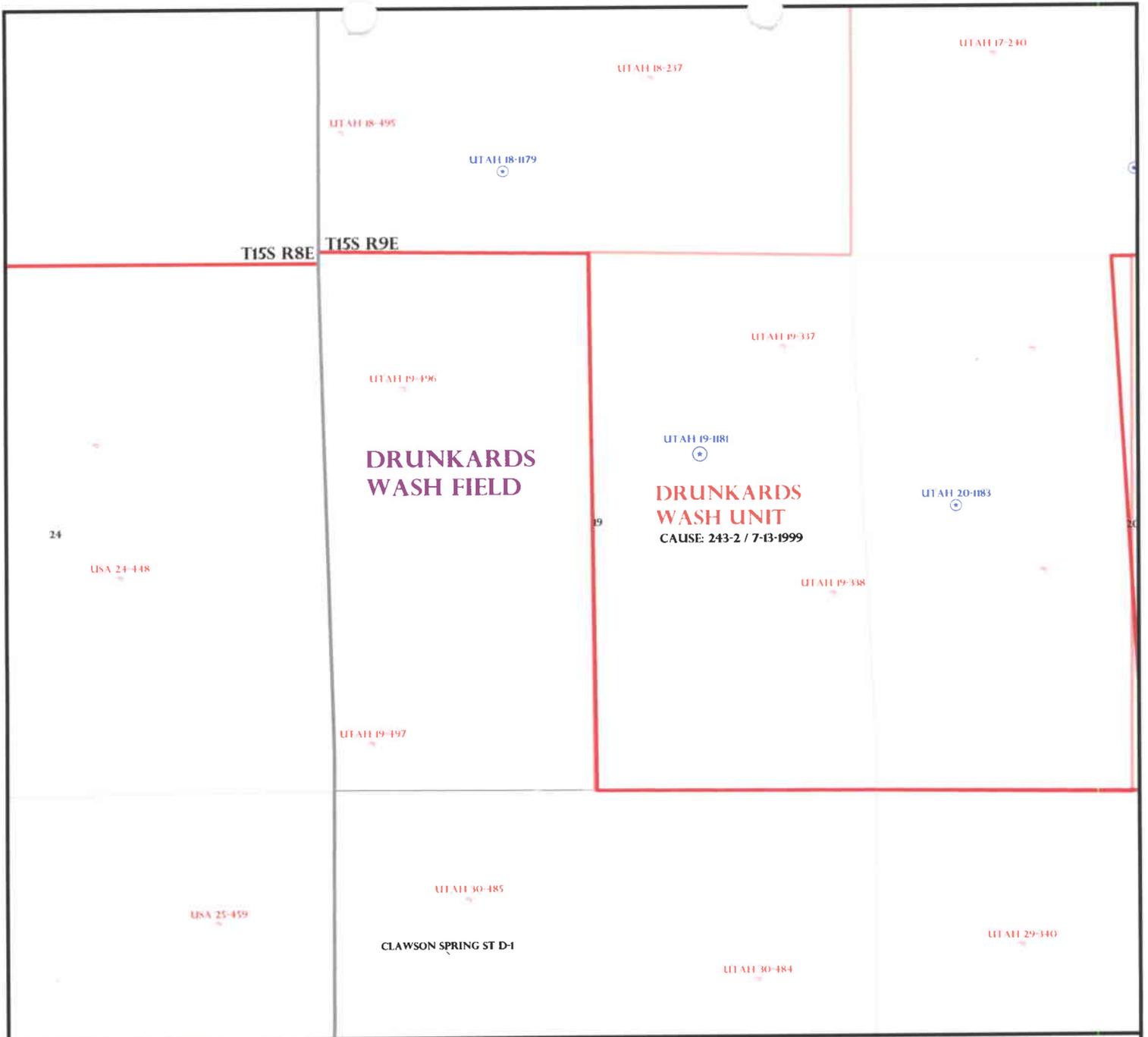
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. 6196922)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit: DRUNKARDS WASH
- 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' from boundary of unconsolidated
- R649-3-11. Directional Drill

COMMENTS: Need Permit (04-12-06)

STIPULATIONS: 1- STATEMENT OF BASIS



OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC: 19 T15S R. 9E

FIELD: DRUNKARDS WASH (48)

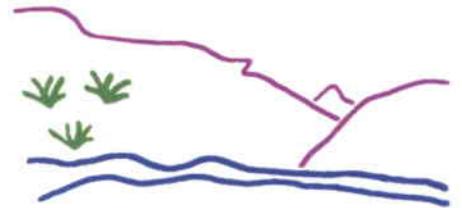
COUNTY: CARBON

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: 27-MARCH-2006

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 19-1181
API NUMBER: 43-007-31160
LOCATION: 1/4,1/4 SWNE Sec:19 TWP: 15 S RNG: 9 E 1993 FNL 1726 FEL

Geology/Ground Water:

The silty, poorly permeable soil is developed on the Blue Gate Shale Member of the Mancos Shale. The Garley Canyon Sandstone Beds of the Emery Sandstone Member of the Mancos Shale are likely to be present at this location. If the Garley Canyon Sandstone Beds are present (probable) and wet (possible - standing water was found in upper Garley Canyon Sandstone Beds in Pinnacle Canyon ~5 miles north), these strata should be included within the interval protected by the surface casing string. The operator is informed of the potential for saturated Garley Canyon Sandstone Beds and will respond to protect the zones by extending the surface casing string as needed. Extending the proposed casing and cement will adequately isolate any shallow zones containing water. One underground water right exist within a mile of the location.

Reviewer: Christopher J. Kierst **Date:** 4/27/2006

Surface:

Proposed location is ~9.80 miles southwest of Price, Utah just north of the old Millerton Dairy. Dry washes and gullies dominate the immediate terrain. 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 2200' 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. Dry washes and gullies run through the immediate area of the proposed location. This well is part of the "infield" drilling program of ConocoPhillips, located within the unit boundaries. 14 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. The reserve pit location is an issue of concern at this proposed well site. It is located in a dry wash bed with some potential to have the pit eroded out during a heavy storm event in the area. Alternative pad/pit layout and locations in the area are not possible due to the terrain. Special stipulations were agreed upon to facilitate drilling of this well. Those stipulations are: 1) Adequate drainage must be provided around the reserve pit. 2) A liner is optional, but not recommended. If a liner is used it will be required to be removed and disposed of at an approved disposal facility. 3) Drilling fluids will be sucked out of the pit immediately upon completion of the well and disposed of at an approved location. 4) The reserve pit will be closed and reclaimed immediately upon completion of the well. It is also recommended that this well be drilled early in the year to facilitate the reserve pit being closed prior to fall, when the area has historically seen heavy rain events. M. Jones (DOGM), Jim Davis (SITLA), Corey Wilcox (ConocoPhillips), Rex Sacco (Carbon County), Nathan Sill (DWR), and Larry Jensen (NELCO) were in attendance.

Reviewer: Mark L. Jones

Date: April 13, 2006

Conditions of Approval/Application for Permit to Drill:

1. Lining of the reserve pit is optional based on pit ranking criteria, however in this case it is not recommended. If a liner is used it will be required to be completely removed and disposed of appropriately.
2. The reserve pit will have the fluids removed and disposed of at an approved site **immediately upon completion** of the well.
3. The reserve pit will be reclaimed **immediately upon completion** of the well, it is recommended that this well be drilled and completed early in the year to facilitate closure of the pit prior to fall rainstorm events that are typical for the area.
4. Provide adequate runoff drainage around the reserve pit.

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 19-1181
API NUMBER: 43-007-31160
LEASE: State **FIELD/UNIT:** Drunkards Wash UTU-67921X
LOCATION: 1/4,1/4 SWNE **Sec:** 19 **TWP:** 15S **RNG:** 9E 1993 **FNL** 1726 **FEL**
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): X =504061 E; Y =4372935 N **SURFACE OWNER:** SITLA.

PARTICIPANTS

M. Jones (DOG M), 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 ~9.80 miles southwest of Price, Utah just north of the old Millerton Dairy. Dry washes and gullies dominate the immediate terrain. 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 2200' 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. Dry washes and gullies run through the immediate area of the proposed location.

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: 14 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: Dry washes and gullies run throughout the immediate area.

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

SOIL TYPE AND CHARACTERISTICS: Silty 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): 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. The reserve pit location was an issue of concern at this proposed well site. It is located in a dry wash bed with some potential to have the pit eroded out during a heavy storm event in the area. Alternative pad/pit layout and locations in the area are not possible due to the terrain. Special stipulations were agreed upon to facilitate drilling of this well. Those stipulations are: 1) Adequate drainage must be provided around the reserve pit. 2) A liner is optional, but not recommended. If a liner is used it will be required to be removed and disposed of at an approved disposal facility. 3) Drilling fluids will be sucked out of the pit immediately upon completion of the well and disposed of in an approved location. 4) The reserve pit will be closed and reclaimed immediately upon completion of the well. It is also recommended that this well be drilled early in the

year to facilitate the reserve pit being closed prior to fall, when the area has historically seen heavy rain events.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

April 13, 2006 / 9:45 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	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 15 (Level II Sensitivity)

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

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

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



State Online Services

Agency List

Business.utah.gov

Search Utah.gov

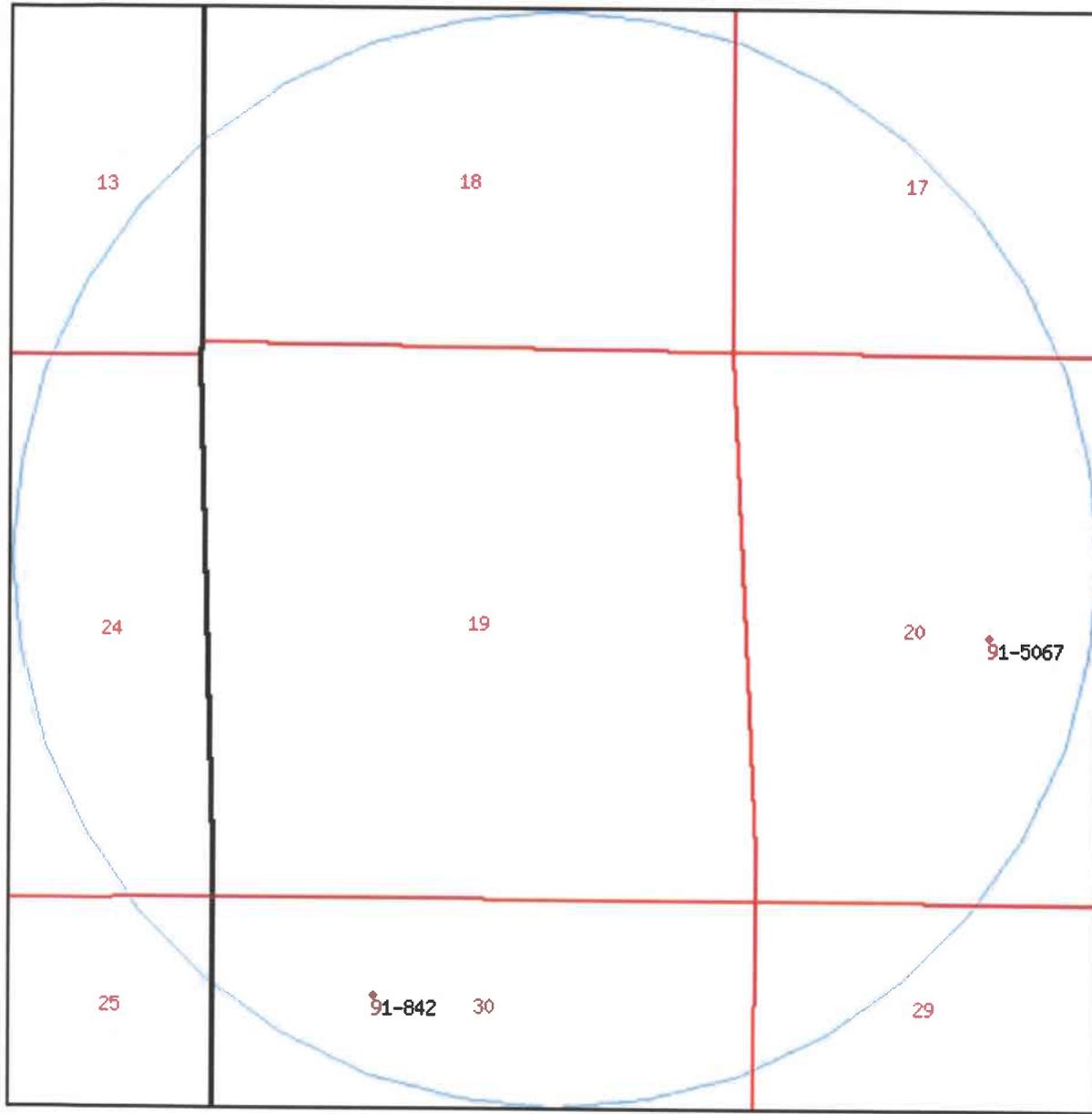
GO

UTAH DIVISION OF WATER RIGHTS

WRPLAT Program Output Listing

Version: 2004.12.30.00 Rundate: 04/27/2006 09:27 AM

Radius search of 5280 feet from a point S1993 W1726 from the NE corner, section 19, Township 15S, Range 9E, SL b&m Criteria:wrtypes=W,C,E podtypes=S,U,D,Sp,P status=U,A,P usetypes=all



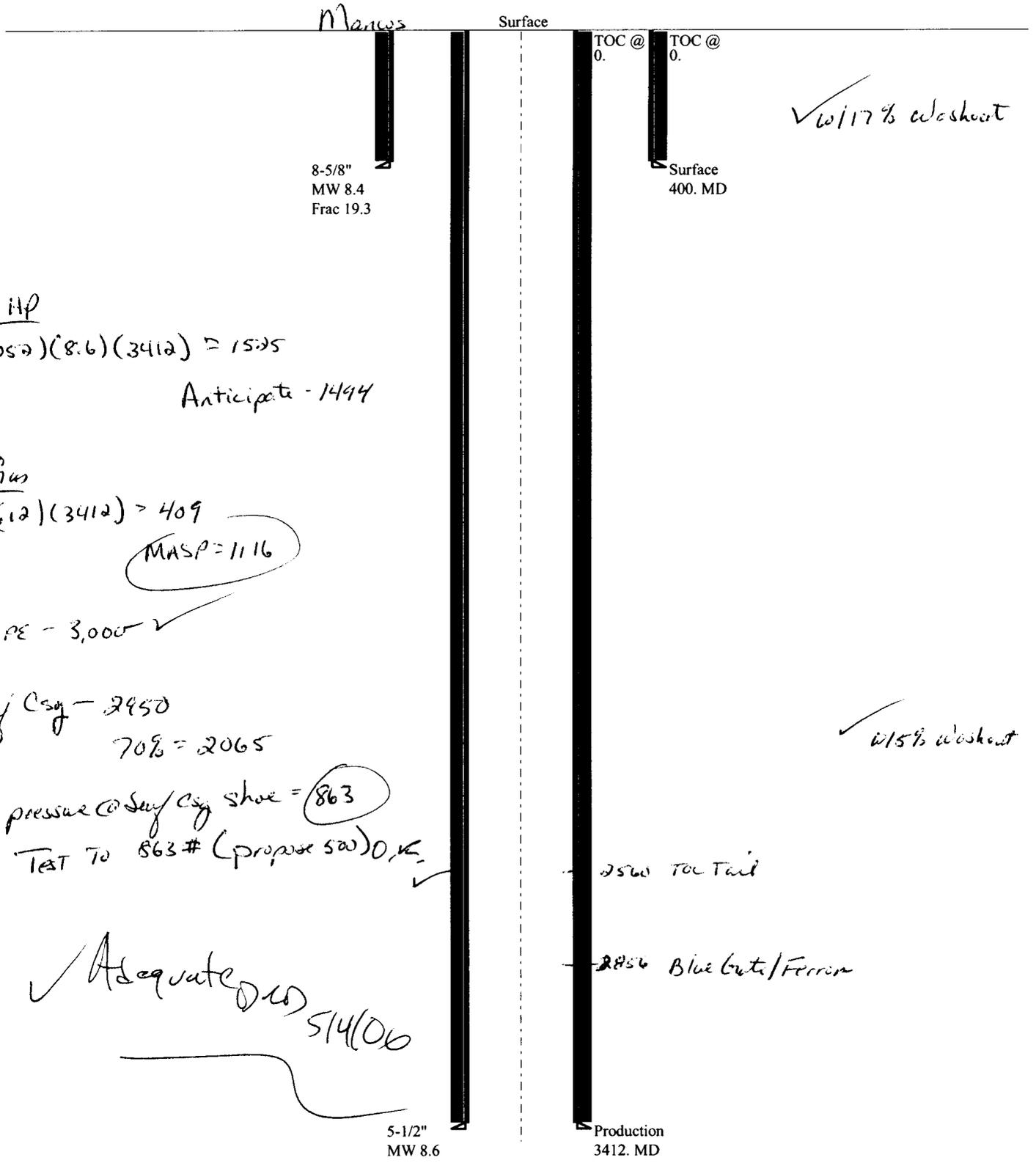
Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
91-105	Surface S920 W1090 N4 30 15S 9E SL		P	19290817	DIMO	0.700	0.000	CONOCOPHILLIPS COMPANY PROPERTY TAX REAL ESTATE RIGHT OF WAY AND CLAIMS
91-322	Underground S920 W1090 N4 30 15S 9E SL		P	19210914	DIMO	0.152	0.000	ANR CO. INC 3212 SOUTH STATE STREET
91-358	Surface S920 W1090 N4 30 15S 9E SL		P	18880000	I	0.000	76.500	TEXACO EXPLORATION AND PRODUCTION INC. P.O. BOX 36366
91-5067	Surface S86 E2368 W4 20 15S 9E SL		A	20021119	OS	0.000	4.730	UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH SUITE 500
91-83	Surface S920 W1090 N4 30 15S 9E SL		P	19371130	I	0.000	0.000	TEXACO EXPLORATION AND PRODUCTION INC. P.O. BOX 2100
91-842	Surface S920 W1090 N4 30 15S 9E SL		P	18880000	I	5.000	0.000	CONOCOPHILLIPS COMPANY P. O. BOX 851

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

J5-06 ConocoPhillips Utah 1. 1181

Casing Schematic



8-5/8"
MW 8.4
Frac 19.3

TOC @
0.
TOC @
0.
Surface
400. MD

✓ w/17% washout

BHP

$$(0.057)(8.6)(3412) = 1525$$

Anticipate - 1494

Gm

$$(0.12)(3412) = 409$$

MASP = 1116

BOPE - 3,000 ✓

Surf Csg - 2950

70% = 2065

Max pressure @ Surf csg shoe = 863

TEST TO 863# (propose 500) 0.12 ✓

✓ w/15% washout

✓ Adequate (10) 514(06)

5-1/2"
MW 8.6

Production
3412. MD

2560 TOC Tail

2856 Blue Gate/Ferron

Well name:	05-06 ConocoPhillips Utah 19-1181	
Operator:	PhillipsConoco Company	Project ID:
String type:	Surface	43-007-31160
Location:	Carbon Co.	

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

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

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.447 psi/ft
 Calculated BHP 179 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)

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

Non-directional string.

Re subsequent strings:

Next setting depth: 3,412 ft
 Next mud weight: 8.600 ppg
 Next setting BHP: 1,524 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 (ft ³)
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	174	1370	7.853	179	2950	16.52	10	244	25.43 J

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

Date: May 1, 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:	05-06 ConocoPhillips Utah 19-1181	
Operator:	PhillipsConoco Company	Project ID:
String type:	Production	43-007-31160
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: 113 °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 1,524 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: 2,967 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	3412	5.5	17.00	N-80	LT&C	3412	3412	4.767	117.6
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	1524	6290	4.126	1524	7740	5.08	58	348	6.00 J

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

Date: May 1,2006
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 3412 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.



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

May 9, 2006

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: Utah 19-1181 Well, 1993' FNL, 1726' FEL, SW NE, Sec. 19, 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 43-007-31160.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
SITLA

Operator: ConocoPhillips Company
Well Name & Number Utah 19-1181
API Number: 43-007-31160
Lease: ML-48208

Location: SW NE Sec. 19 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)

From: Ed Bonner
To: Whitney, Diana
Date: 5/8/2006 3:48:33 PM
Subject: Well Clearance

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

ConocoPhillips Company

Utah 17-1174
Utah 17-1175
Utah 13-1169
Utah 19-1181
Utah 20-1183
Utah 24-1189
Utah 30-1062
Utah 30-1088
Utah 30-1090

Lone Mountain Production Company
Hancock State 2-5

Pendragon Energy Partners, Inc
State 9-16-10-18

QEP Uinta Basin, Inc
GB 9ML-16-8-22
GB 10ML-16-8-22
RW 12-32BG

Westport Oil & Gas Company

NBU 921-34J
NBU 922-31N
NBU 1021-4B
NBU 1021-4G
NBU 1021-4H
NBU 922-31O
NBU 921-32N (1 significant site which must be avoided per arc consultant survey in relocating well pad)
NBU 921-32O

XTO Energy, Inc

State of Utah 17-8-28-12
State of Utah 17-8-21-33
State of Utah 17-8-22-14
State of Utah 17-8-18-24
State of Utah 17-8-5-42R

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
DIVISION OF OIL, GAS AND MINING

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48208

SUNDRY NOTICES AND REPORTS ON WELLS

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 19-1181

9. API NUMBER:
4300731160

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: PHONE NUMBER:
P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810 (432) 688-6943

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **1993' FNL & 1726' FEL** COUNTY: **Carbon**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SWNE 19 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>5/9/2007</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Permit Renewal</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval expires on May 9, 2007.

The location has been built for this well.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-12-07
By: [Signature]

APPROVED TO OPERATE
BY: 3-12-07
TIME: PM

NAME (PLEASE PRINT) Donna Williams TITLE Sr. Regulatory Specialist
SIGNATURE [Signature] DATE 3/11/07

(This space for State use only)

RECEIVED

MAR 09 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: 43-007-31160
Well Name: Utah 19-1181
Location: SWNE Section 19, T15S, R9E, Carbon County
Company Permit Issued to: ConocoPhillips Company
Date Original Permit Issued: 5/9/2006

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

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

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

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

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

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

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

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

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



Signature

3/1/07

Date

Title: Sr. Regulatory Specialist

Representing: ConocoPhillips Company

RECEIVED
MAR 09 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		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48208
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
		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Utah 19-1181	
2. NAME OF OPERATOR: ConocoPhillips Company		9. API NUMBER: 4300731160
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 1993' FNL & 1726' FEL		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN SWNE 19 15S 9E		COUNTY Carbon STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 3/12/2008	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
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	<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: Permit Renewal
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 ConocoPhillips Company respectfully requests that the approval of the Application for Permit to Drill for the referenced well be extended. The current approval expires on March 12, 2008.

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

Date: 02-25-08
By: [Signature]

COPY SENT TO OPERATOR
Date: 2-26-2008
Initials: KS

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Specialist
SIGNATURE <u>[Signature]</u>	DATE 2/19/2008

(This space for State use only)

RECEIVED
FEB 21 2008

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

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

API: 4300731160
Well Name: Utah 19-1181
Location: SWNE Sec 19, T15S, R9E, Carbon County
Company Permit Issued to: ConocoPhillips Company
Date Original Permit Issued: 5/9/2006

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

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

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

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

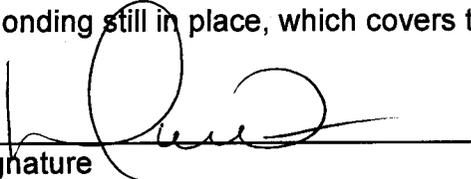
Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

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

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

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

Signature



2/19/2008

Date

Title: Sr. Regulatory Specialist

Representing: ConocoPhillips Company

RECEIVED

FEB 21 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

February 26, 2009

ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: APD Rescinded – UTAH 19-1181, Sec. 19, T. 15S, R. 9E
Carbon County, Utah API No. 43-007-31160

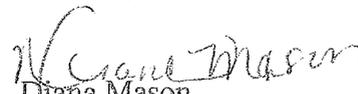
Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 9, 2006. On March 12, 2007 and February 25, 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 February 25, 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

