Form 3160-3
(February 2005)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
Surf: UTU 61154/BHL: UTU6155

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

1a. Type of work: [✓] DRILL [ ] REENTER

7. If Unit or CA Agreement, Name and No.
Drunkards Wash 48

1b. Type of Well: [ ] Oil Well [✓] Gas Well [ ] Other [✓] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.
USA 3-795D

2. Name of Operator
ConocoPhillips Company

9. API Well No.
43-007-31454

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

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

10. Field and Pool, or Exploratory
Drunkards Wash

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **2254.55 FSL & 1086.75 FWL of 34-14S-8E**
At proposed prod. zone **550 FNL & 1250 FWL of 3-15S-8E**

11. Sec., T. R. M. or Blk. and Survey or Area
NWSW of 34-14S-8E

14. Distance in miles and direction from nearest town or post office*
3 miles north of Wattis, Utah

12. County or Parish
Carbon

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
550' Fed Lease
3700' Unit

16. No. of acres in lease
N/A Unit

17. Spacing Unit dedicated to this well
N/A Unit

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
~3000'

19. Proposed Depth
4050 TVD

20. BLM/BIA Bond No. on file
ES0085

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
7135.5 GL

22. Approximate date work will start*
10/01/2008

23. Estimated duration
30 days

24. Attachments

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

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

25. Signature — Name *(Printed/Typed)*: **Donna Williams** — Date: **08/21/2008**

Title: **Sr. Regulatory Specialist**

Approved by *(Signature)* — Name *(Printed/Typed)*: BRADLEY G. HILL — Date: 09-25-08

Title — Office: ENVIRONMENTAL MANAGER

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

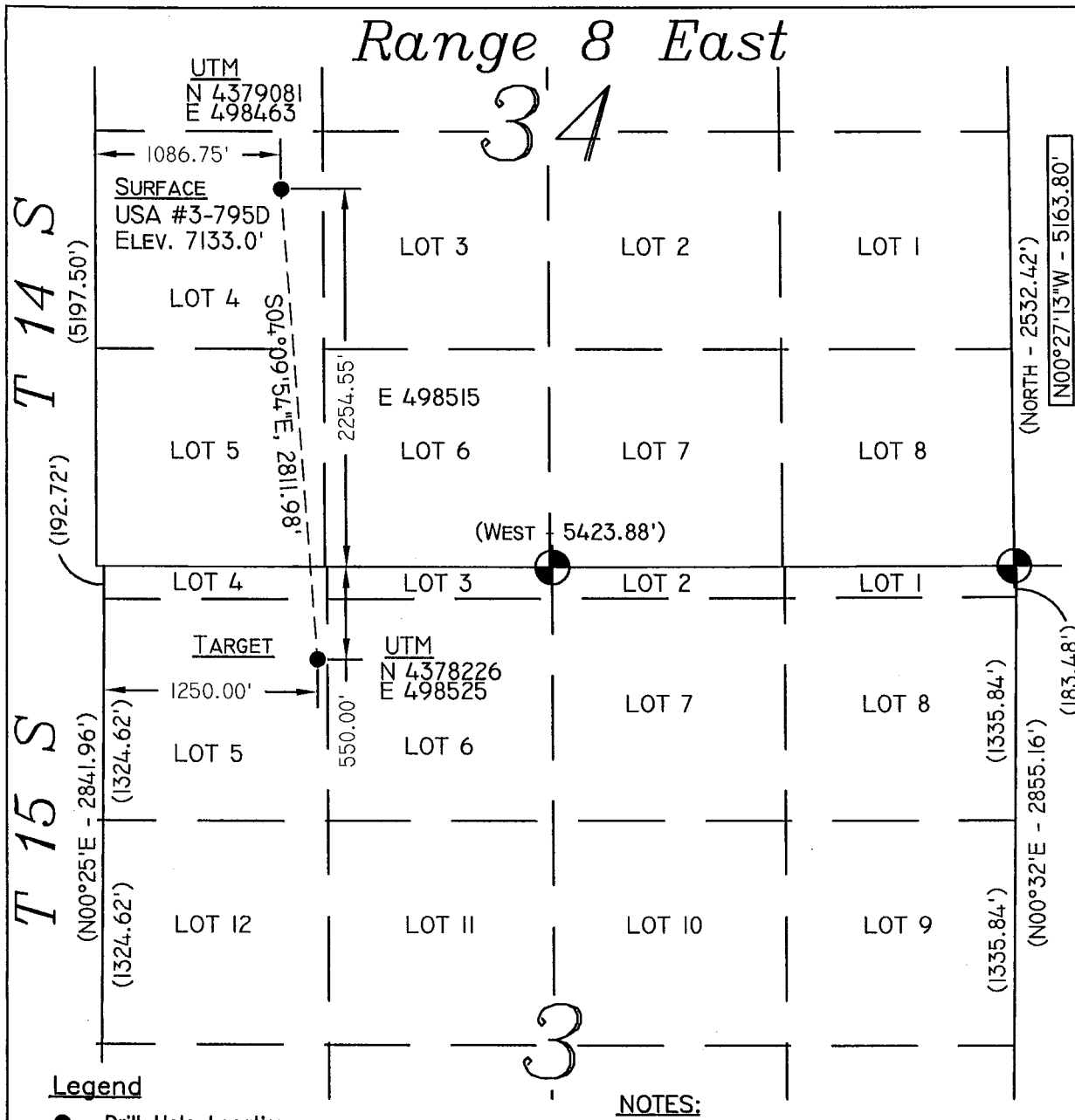
*(Instructions on page 2)

Federal Approval of this Action is Necessary

Surf 498466K
4379085Y
39.563341
-111.017860

BHL 498568K
4378230Y
39.555640
-111.016670

RECEIVED
SEP 04 2008
DIV. OF OIL, GAS & MINING



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 7184' being at the Northwest Section Corner of Section 34, Township 14 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Wattis Quadrangle 7.5 minute series map.

Description of Location:
Surface
Proposed Drill Hole located in NW/4 SW/4 (Lot 4) Section 34, T14S, R8E, S.L.B.&M., being North 2254.55' from South Line and East 1086.75' from West line of Section 34, T14S, R8E, Salt Lake Base & Meridian.

Target
Proposed Target located in NW/4 NW/4 (Lot 5) Section 3, T15S, R8E, S.L.B.&M., being South 550.00' from North Line and East 1250.00' from West line of Section 3, T15S, R8E, Salt Lake Base & Meridian.

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

Registered Professional Land Surveyor
7/7/08
No. 146652
Albert J. Spensko
State of Utah

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.

SURFACE	TARGET
LAT / LONG	LAT / LONG
39°33'47.893"N	39°33'20.158"N
110°01'04.412"W	111°01'01.807"W

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

TALON RESOURCES, INC
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

ConocoPhillips

ConocoPhillips Company
USA #3-795D
Section 34, T14S, R8E, S.L.B.&M.
Carbon County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 6/10/08
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3723

DRILLING PROGRAM

ConocoPhillips Company
USA 3-795D
Surf: 2254.55 FSL & 1086.75' FWL
NWSW of 34-14S-8E
BHL: 550' FNL & 1250' FWL
NWNW of 3-14S-8E
Carbon County, Utah
BHL: Federal Lease UTU-61155

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

A. Drilling Program:

1. Surface Formation and Estimated Formation Tops:

   Surface formation: Upper Mancos Shale
   Estimated Top of Ferron Formation: 3366 TVD

2. Estimated Depths at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be encountered:

Formation	Depth
Expected Oil Zones:	None
Expected Gas Zones:	3366-4050 TVD
Expected Water Zones:	3366-4050 TVD
Expected Mineral Zones:	None

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

3. Pressure Control Equipment:

   The operator's minimum specifications for Blowout Preventer (BOP) and related equipment to be used and schematic diagrams thereof showing sizes, pressure ratings, and the testing procedures and testing frequency. BOP and BOP –

related equipment (BOPE) schematics shall include schematics of choke manifold equipment. Accumulator systems and remote controls shall be utilized.

The drilling rig selected for this well is equipped with a 5000# system and will be installed, used, maintained, and tested accordingly. BOP tests shall be performed at minimum after initially installed, whenever any seal subject to test pressure is broken, following related repairs, and at 30 day intervals. BOP will be inspected and operated at least daily to insure good working order. All pressure and operating tests will be recorded on the daily drilling reports. Ram Type preventors will be tested to rated working pressure or 70% of the minimum internal yield of the casing. Annular type preventer(s) will be tested to 50% of the approved BOP stack working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever are longer. **See Attached Schematic & Pressure Information**

ConocoPhillips Company respectfully request a variance and only test to the requirements for a 3000# system. The anticipated bottomhole pressure is 1750-1800. Utilizing the Onshore calculation of 1800 minus .22 psi/ft of TD (4050' TVD) equates that testing based on a 3000# system meets the requirements of well control. :

4. The Proposed Casing and Cementing Programs

Hole Size	Casing Size	Wt/Ft	Grade	Joint	Depth set
20"	16"	40.5	H-40	ST&C	0-60
14 ¾"	10 ¾"	40.5#	J55	ST&C	0-400'
9 ½"	7"	26#	M80	LT&C	0-5135 MD

Cementing Program

The 10 ¾" surface casing will be set with approximately 390 sacks Class G or Type V cement with 2% CC + ¼ pps D130 mixed at 15.8 ppg (yield =1.16 ft^3/sx). The cement will be circulated back to surface with 100% excess.

The 7" production casing will be set and cemented using a two stage cementing process .
Cement Program: First Stage: Cement w/lead-35 sxs Litecrete + .5% D65 + .2% D46 + .15% D167 + 2% D53 + .1% D13 (9.9 ppg/2.36 cu.ft/sx), Tail w/150 sxs 50/50 Poz G + 2% D20 + .2% D65 + .1% D46 + .2% D167 + .125 pps D130 (14.1 ppg/1.3 cu.ft/sx).
Second Stage: Lead- 480 sxs Litecrete + .5% D65 + .2% D46 + .15% D167 + 2% D53 + .1% D13 (9.9 ppg/2.36 cu.ft/sx), Tail w/100 sxs 50/50 Poz G + 2% D20 + .2% D65 + .1% D46 + .2% D167 + .125 pps D130 (14.2 ppg/1.6 cu.ft/sx).

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.

This well is to be directionally drilled to a proposed bottomhole of 550 FNL & 1250 FWL of Section 3-14S-8E. A proposed directional plan is attached.

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. Mud Program and Circulating Medium:

The production hole will be drilled with air/air mist/foam to TD unless too much water is encountered to keep the hole clean. If this occurs, the hole will be loaded with mud as indicated below.

6. The Type and Characteristics of the Proposed Circulating Muds

0-400	14 3/4" hole	Drill with air, will mud-up if necessary.
400-TD	9 1/2" 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 1800 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 October 1, 2008

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

(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 and Bureau of Land Management immediately.

Conoco

Utah
USA 3-795D Revised
3-795D
OH

Plan: OH

Standard Planning Report

26 June, 2008

Quantum Drilling

Planning Report

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Site USA 3-795D Revised
Company:	Conoco	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Utah	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	USA 3-795D Revised	**North Reference:**	True
Well:	3-795D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	OH		

Project	Utah		
Map System:	US State Plane 1927 (Exact solution)	**System Datum:**	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah Central 4302		

Site	USA 3-795D Revised				
Site Position:		**Northing:**	ft	**Latitude:**	
From:	None	**Easting:**	ft	**Longitude:**	
Position Uncertainty:	0.0 ft	**Slot Radius:**	"	**Grid Convergence:**	0.00 °

Well	3-795D					
Well Position	**+N/-S**	0.0 ft	**Northing:**	0.00 ft	**Latitude:**	38° 7' 11.008 N
	+E/-W	0.0 ft	**Easting:**	0.00 ft	**Longitude:**	118° 27' 22.609 W
Position Uncertainty		0.0 ft	**Wellhead Elevation:**	ft	**Ground Level:**	0.0 ft

Wellbore	OH				
Magnetics	**Model Name**	**Sample Date**	**Declination (°)**	**Dip Angle (°)**	**Field Strength (nT)**
	IGRF200510	2/29/2008	13.91	62.47	50,164

Design	OH				
Audit Notes:					
Version:		**Phase:**	PROTOTYPE	**Tie On Depth:**	0.0
Vertical Section:	**Depth From (TVD) (ft)**	**+N/-S (ft)**	**+E/-W (ft)**	**Direction (°)**	
	0.0	0.0	0.0	176.65	

Plan Sections

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)	TFO (°)	Target
0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.00	0.00	
460.0	0.00	0.00	460.0	0.0	0.0	0.00	0.00	0.00	0.00	
932.6	44.90	176.65	885.7	-175.6	10.3	9.50	9.50	0.00	176.65	
4,302.8	44.90	176.65	3,273.1	-2,550.2	149.4	0.00	0.00	0.00	0.00	
4,659.6	11.00	176.65	3,583.7	-2,714.7	159.0	9.50	-9.50	0.00	180.00	
5,134.6	11.00	176.65	4,050.0	-2,805.2	164.3	0.00	0.00	0.00	0.00	USA 3-795D Revised

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Site USA 3-795D Revised
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Project:	Utah	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	USA 3-795D Revised	**North Reference:**	True
Well:	3-795D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	OH		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
0.0	0.00	0.00	0.0	0.0	0.0	0.0	0.00	0.00	0.00
100.0	0.00	0.00	100.0	0.0	0.0	0.0	0.00	0.00	0.00
200.0	0.00	0.00	200.0	0.0	0.0	0.0	0.00	0.00	0.00
300.0	0.00	0.00	300.0	0.0	0.0	0.0	0.00	0.00	0.00
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
460.0	0.00	0.00	460.0	0.0	0.0	0.0	0.00	0.00	0.00
500.0	3.80	176.65	500.0	-1.3	0.1	1.3	9.50	9.50	0.00
550.0	8.55	176.65	549.7	-6.7	0.4	6.7	9.50	9.50	0.00
600.0	13.30	176.65	598.7	-16.1	0.9	16.2	9.50	9.50	0.00
650.0	18.05	176.65	646.9	-29.6	1.7	29.7	9.50	9.50	0.00
700.0	22.80	176.65	693.7	-47.0	2.8	47.1	9.50	9.50	0.00
750.0	27.55	176.65	739.0	-68.3	4.0	68.4	9.50	9.50	0.00
800.0	32.30	176.65	782.3	-93.2	5.5	93.3	9.50	9.50	0.00
850.0	37.05	176.65	823.4	-121.6	7.1	121.8	9.50	9.50	0.00
900.0	41.80	176.65	862.0	-153.2	9.0	153.5	9.50	9.50	0.00
932.6	44.90	176.65	885.7	-175.6	10.3	175.9	9.50	9.50	0.00
1,000.0	44.90	176.65	933.4	-223.1	13.1	223.5	0.00	0.00	0.00
1,100.0	44.90	176.65	1,004.3	-293.5	17.2	294.0	0.00	0.00	0.00
1,200.0	44.90	176.65	1,075.1	-364.0	21.3	364.6	0.00	0.00	0.00
1,300.0	44.90	176.65	1,146.0	-434.5	25.4	435.2	0.00	0.00	0.00
1,400.0	44.90	176.65	1,216.8	-504.9	29.6	505.8	0.00	0.00	0.00
1,500.0	44.90	176.65	1,287.6	-575.4	33.7	576.4	0.00	0.00	0.00
1,600.0	44.90	176.65	1,358.5	-645.8	37.8	646.9	0.00	0.00	0.00
1,700.0	44.90	176.65	1,429.3	-716.3	42.0	717.5	0.00	0.00	0.00
1,800.0	44.90	176.65	1,500.2	-786.8	46.1	788.1	0.00	0.00	0.00
1,900.0	44.90	176.65	1,571.0	-857.2	50.2	858.7	0.00	0.00	0.00
2,000.0	44.90	176.65	1,641.8	-927.7	54.3	929.3	0.00	0.00	0.00
2,100.0	44.90	176.65	1,712.7	-998.1	58.5	999.8	0.00	0.00	0.00
2,200.0	44.90	176.65	1,783.5	-1,068.6	62.6	1,070.4	0.00	0.00	0.00
2,300.0	44.90	176.65	1,854.4	-1,139.1	66.7	1,141.0	0.00	0.00	0.00
2,400.0	44.90	176.65	1,925.2	-1,209.5	70.8	1,211.6	0.00	0.00	0.00
2,500.0	44.90	176.65	1,996.0	-1,280.0	75.0	1,282.2	0.00	0.00	0.00
2,600.0	44.90	176.65	2,066.9	-1,350.4	79.1	1,352.8	0.00	0.00	0.00
2,700.0	44.90	176.65	2,137.7	-1,420.9	83.2	1,423.3	0.00	0.00	0.00
2,800.0	44.90	176.65	2,208.6	-1,491.4	87.3	1,493.9	0.00	0.00	0.00
2,900.0	44.90	176.65	2,279.4	-1,561.8	91.5	1,564.5	0.00	0.00	0.00
3,000.0	44.90	176.65	2,350.2	-1,632.3	95.6	1,635.1	0.00	0.00	0.00
3,100.0	44.90	176.65	2,421.1	-1,702.7	99.7	1,705.7	0.00	0.00	0.00
3,200.0	44.90	176.65	2,491.9	-1,773.2	103.9	1,776.2	0.00	0.00	0.00
3,300.0	44.90	176.65	2,562.8	-1,843.7	108.0	1,846.8	0.00	0.00	0.00
3,400.0	44.90	176.65	2,633.6	-1,914.1	112.1	1,917.4	0.00	0.00	0.00
3,500.0	44.90	176.65	2,704.4	-1,984.6	116.2	1,988.0	0.00	0.00	0.00
3,600.0	44.90	176.65	2,775.3	-2,055.0	120.4	2,058.6	0.00	0.00	0.00
3,700.0	44.90	176.65	2,846.1	-2,125.5	124.5	2,129.1	0.00	0.00	0.00
3,800.0	44.90	176.65	2,917.0	-2,196.0	128.6	2,199.7	0.00	0.00	0.00
3,900.0	44.90	176.65	2,987.8	-2,266.4	132.7	2,270.3	0.00	0.00	0.00
4,000.0	44.90	176.65	3,058.6	-2,336.9	136.9	2,340.9	0.00	0.00	0.00
4,100.0	44.90	176.65	3,129.5	-2,407.3	141.0	2,411.5	0.00	0.00	0.00
4,200.0	44.90	176.65	3,200.3	-2,477.8	145.1	2,482.1	0.00	0.00	0.00
4,215.1	44.90	176.65	3,211.0	-2,488.4	145.7	2,492.7	0.00	0.00	0.00
Blue Gate Shale									
4,302.8	44.90	176.65	3,273.1	-2,550.2	149.4	2,554.6	0.00	0.00	0.00
4,350.0	40.41	176.65	3,307.9	-2,582.2	151.2	2,586.6	9.50	-9.50	0.00

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Site USA 3-795D Revised
Company:	Conoco	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Utah	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	USA 3-795D Revised	**North Reference:**	True
Well:	3-795D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	OH		

Planned Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
4,400.0	35.66	176.65	3,347.2	-2,612.9	153.0	2,617.4	9.50	-9.50	0.00
4,422.8	33.49	176.65	3,366.0	-2,625.8	153.8	2,630.3	9.50	-9.50	0.00
Ferron									
4,450.0	30.91	176.65	3,389.0	-2,640.3	154.6	2,644.8	9.50	-9.50	0.00
4,481.0	27.96	176.65	3,416.0	-2,655.5	155.5	2,660.0	9.50	-9.50	0.00
Ferron Coal									
4,500.0	26.16	176.65	3,432.9	-2,664.1	156.0	2,668.7	9.50	-9.50	0.00
4,550.0	21.41	176.65	3,478.7	-2,684.2	157.2	2,688.8	9.50	-9.50	0.00
4,600.0	16.66	176.65	3,525.9	-2,700.5	158.2	2,705.1	9.50	-9.50	0.00
4,650.0	11.91	176.65	3,574.4	-2,712.8	158.9	2,717.5	9.50	-9.50	0.00
4,659.6	11.00	176.65	3,583.7	-2,714.7	159.0	2,719.4	9.50	-9.50	0.00
4,700.0	11.00	176.65	3,623.4	-2,722.4	159.5	2,727.1	0.00	0.00	0.00
4,800.0	11.00	176.65	3,721.6	-2,741.5	160.6	2,746.2	0.00	0.00	0.00
4,845.2	11.00	176.65	3,766.0	-2,750.1	161.1	2,754.8	0.00	0.00	0.00
Tununk									
4,900.0	11.00	176.65	3,819.8	-2,760.5	161.7	2,765.3	0.00	0.00	0.00
5,000.0	11.00	176.65	3,917.9	-2,779.6	162.8	2,784.3	0.00	0.00	0.00
5,100.0	11.00	176.65	4,016.1	-2,798.6	163.9	2,803.4	0.00	0.00	0.00
5,134.6	11.00	176.65	4,050.0	-2,805.2	164.3	2,810.0	0.00	0.00	0.00

Targets

Target Name - hit/miss target - Shape	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
USA 3-795D Revised - plan hits target - Point	0.00	0.00	4,050.0	-2,805.2	164.3	-2,809.49	-54.14	38° 6' 43.286 N	118° 27' 20.554 W

Formations

Measured Depth (ft)	Vertical Depth (ft)	Name	Lithology	Dip (°)	Dip Direction (°)
4,215.1	3,211.0	Blue Gate Shale		0.00	
4,481.0	3,416.0	Ferron Coal		0.00	
4,845.2	3,766.0	Tununk		0.00	
4,422.8	3,366.0	Ferron		0.00	

Database:	EDM 2003.16 Single User Db	**Local Co-ordinate Reference:**	Site USA 3-795D Revised
Company:	Conoco	**TVD Reference:**	WELL @ 0.0ft (Original Well Elev)
Project:	Utah	**MD Reference:**	WELL @ 0.0ft (Original Well Elev)
Site:	USA 3-795D Revised	**North Reference:**	True
Well:	3-795D	**Survey Calculation Method:**	Minimum Curvature
Wellbore:	OH		
Design:	OH		

Plan Annotations

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates +N/-S (ft)	Local Coordinates +E/-W (ft)	Comment
0.1	0.1	0.0	0.0	SHL
460.0	460.0	0.0	0.0	Start Build 9.50
890.6	854.9	-147.0	8.6	Hold 40.91 INC., 176.76 AZM
932.6	885.7	-175.6	10.3	Start 3370.2 hold at 932.6 MD
933.7	886.5	-176.4	10.3	Start 3358.9 hold at 933.7 MD
4,292.6	3,265.9	-2,543.1	148.9	Start Drop -9.50
4,302.8	3,273.1	-2,550.2	149.4	Start Drop -9.50
4,650.5	3,574.8	-2,712.9	158.9	Start 12.2 hold at 4650.5 MD
4,659.6	3,583.7	-2,714.7	159.0	Start 475.0 hold at 4659.6 MD
4,662.7	3,586.8	-2,715.3	159.0	Start 473.8 hold at 4662.7 MD
4,748.0	3,670.5	-2,731.6	160.0	Begin drop 9.5/100'
5,062.8	3,979.6	-2,791.5	163.5	Hold 11.00 INC ., 176.6 AZM
5,134.6	4,050.0	-2,805.2	164.3	TD at 5134.6
5,136.5				TD at 5136.5

Conoco

Project: Utah
Site: USA 3-795D Revised
Well: 3-795D
Wellbore: OH
Design: OH

True North

Azimuths to True North
Magnetic North: 13.91°

Magnetic Field
Strength: 50164.1snT
Dip Angle: 62.47°
Date: 2/29/2008
Model: IGRF200510

WELL DETAILS: 3-795D

Ground Level: 0.0

+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
0.0	0.0	0.00	0.00	38° 7' 11.008 N	118° 27' 22.609 W	

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	460.0	0.00	0.00	460.0	0.0	0.0	0.00	0.00	0.0	
3	932.6	44.90	176.65	885.7	-175.6	10.3	9.50	176.65	175.9	
4	4302.8	44.90	176.65	3273.1	-2550.2	149.4	0.00	0.00	2554.6	
5	4659.6	11.00	176.65	3583.7	-2714.7	159.0	9.50	180.00	2719.4	
6	5134.6	11.00	176.65	4050.0	-2805.2	164.3	0.00	0.00	2810.0	USA 3-795D Revised

FORMATION TOP DETAILS

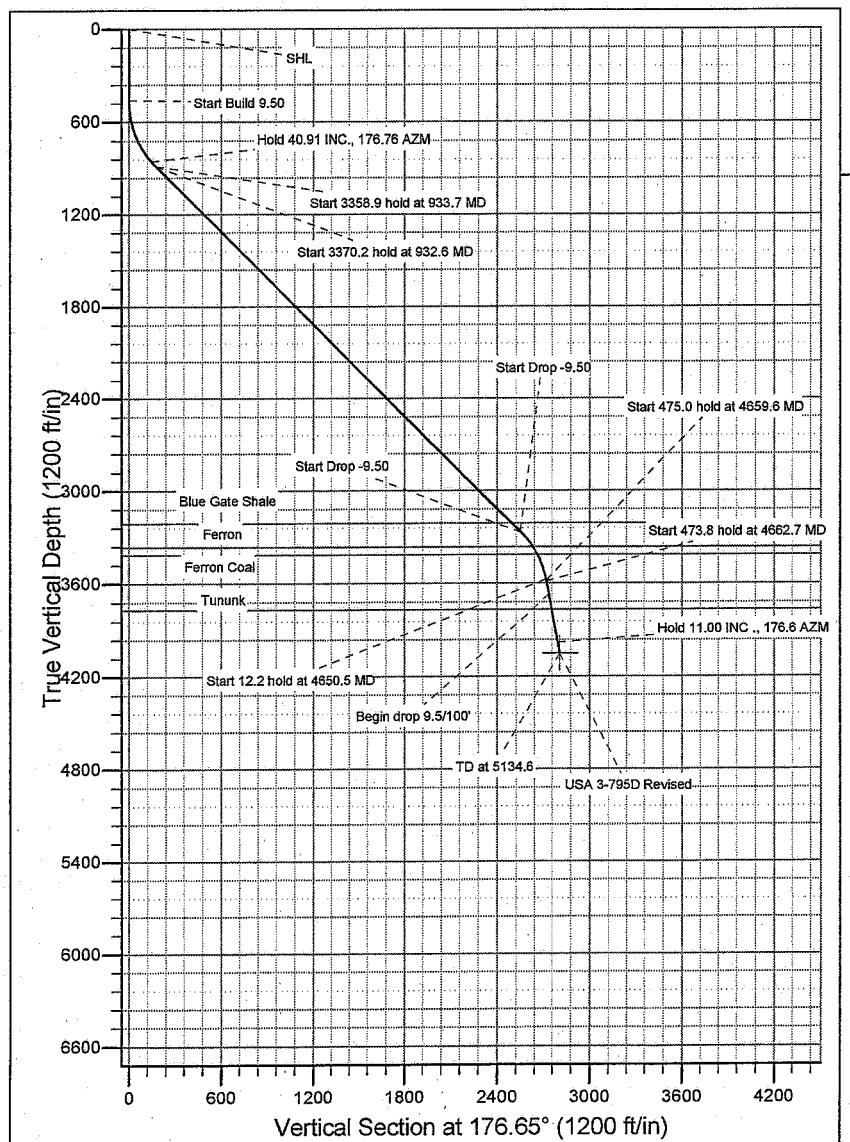
TVDPath	MDPath	Formation
3211.0	4215.1	Blue Gate Shale
3366.0	4422.8	Ferron
3416.0	4481.0	Ferron Coal
3766.0	4845.2	Tununk

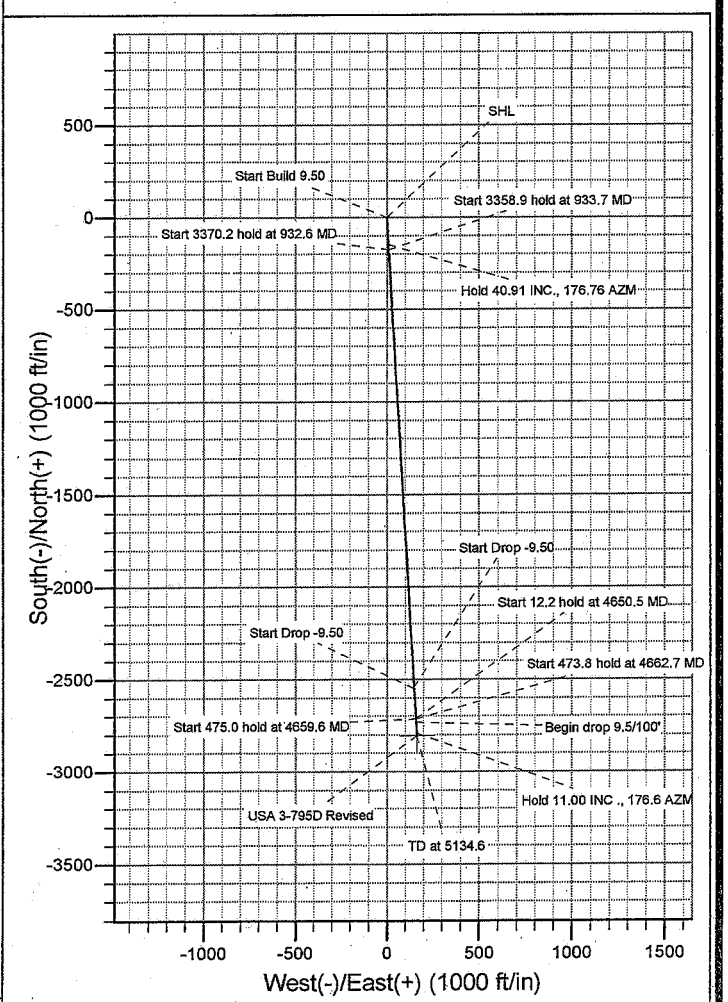
ANNOTATIONS

TVD	MD	Annotation
0.1	0.1	SHL
460.0	460.0	Start Build 9.50
854.9	890.6	Hold 40.91 INC., 176.76 AZM
885.7	932.6	Start 3370.2 hold at 932.6 MD
886.5	933.7	Start 3358.9 hold at 933.7 MD
3265.9	4292.6	Start Drop -9.50
3273.1	4302.8	Start Drop -9.50
3574.8	4650.5	Start 12.2 hold at 4650.5 MD
3583.7	4659.6	Start 475.0 hold at 4659.6 MD
3586.8	4662.7	Start 473.8 hold at 4662.7 MD
3670.5	4748.0	Begin drop 9.5/100'
3979.6	5062.8	Hold 11.00 INC ., 176.6 AZM
4050.0	5134.6	TD at 5134.6
	5136.5	TD at 5136.5

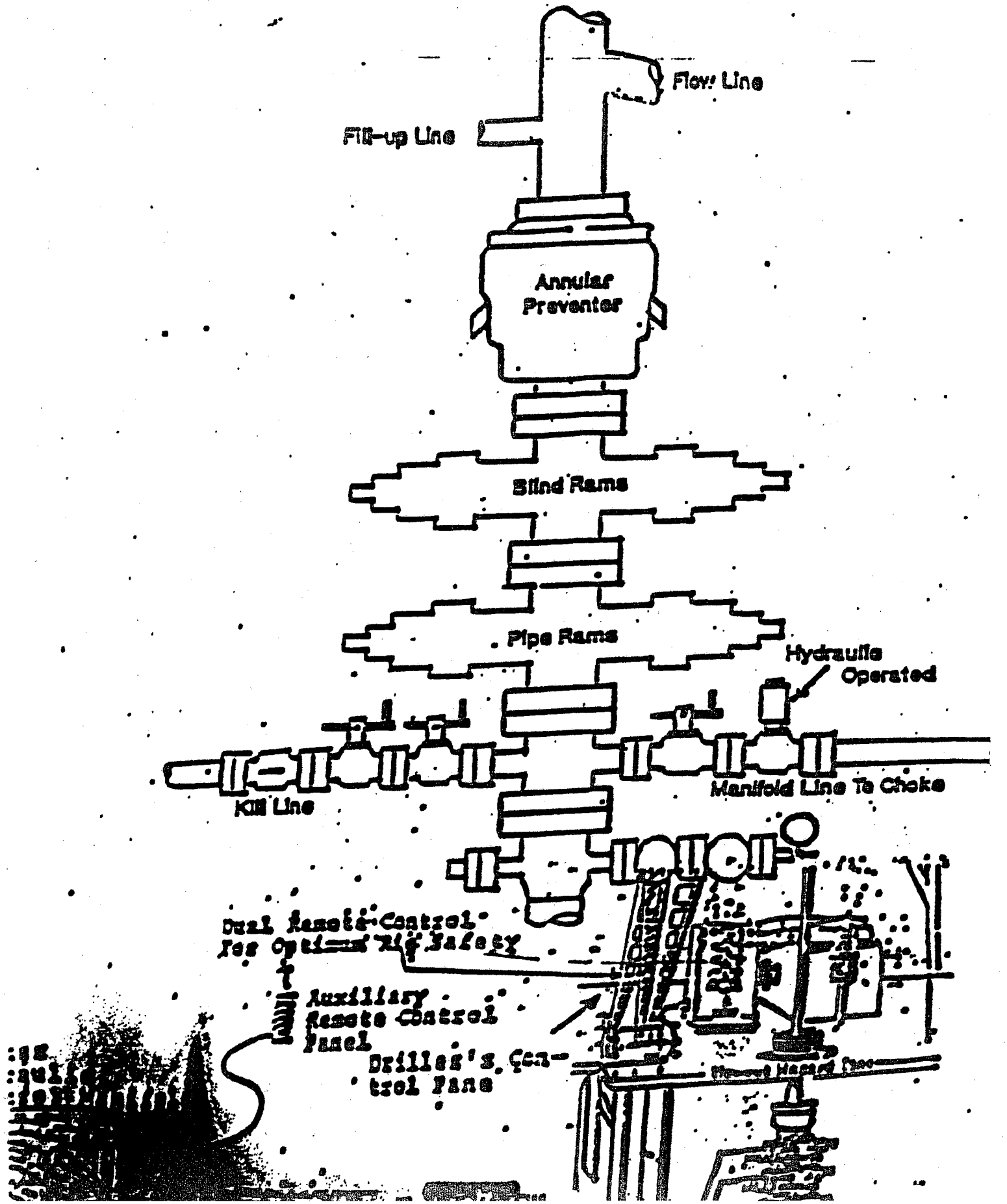
WELLBORE TARGET DETAILS (MAP CO-ORDINATES)

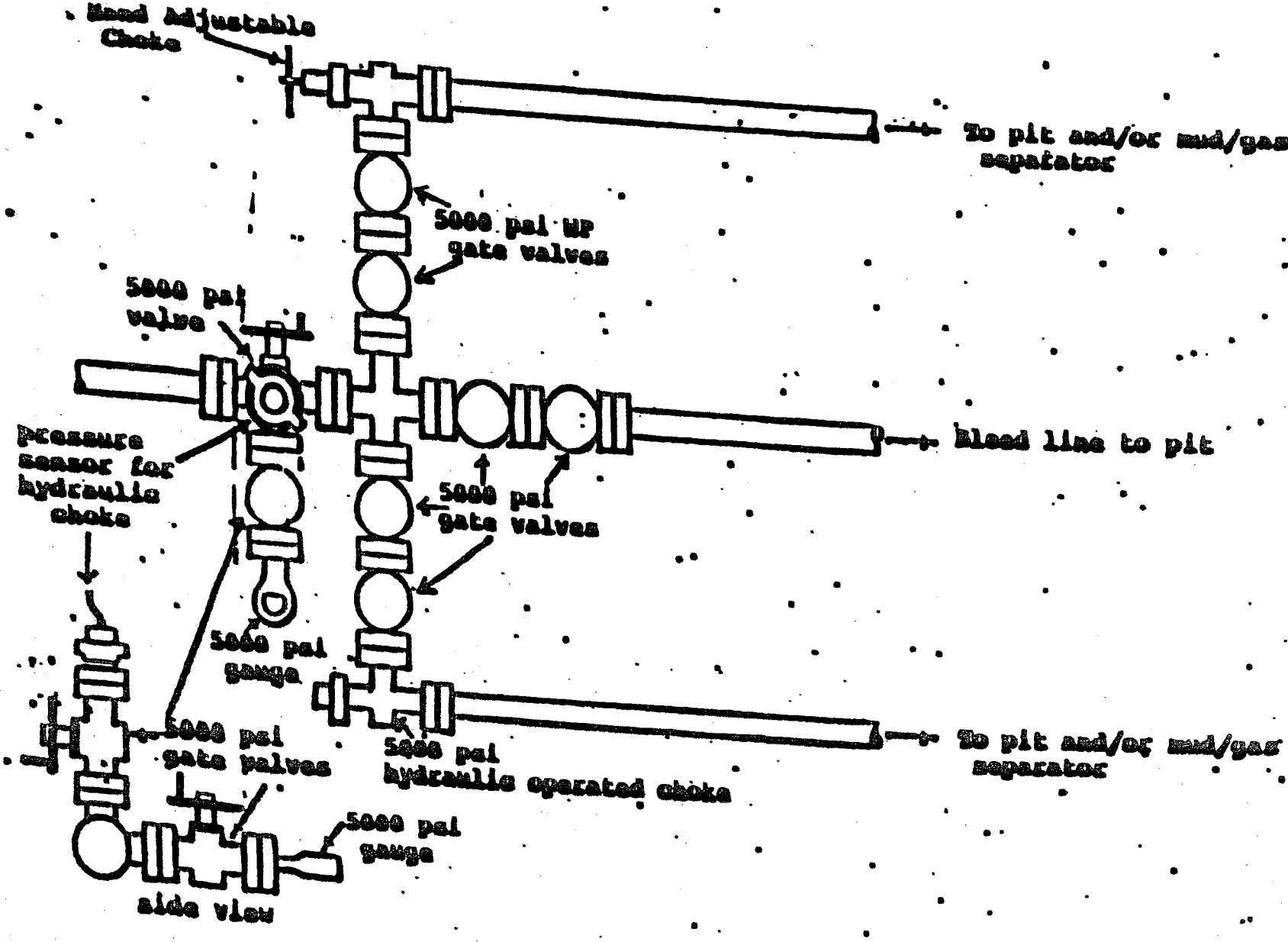
Name	TVD	+N/-S	+E/-W	Northing	Easting	Shape
USA 3-795D Revised	4050.0	-2805.2	164.3	-2809.49	-54.14	Point





5000 PSI Working Pressure Preventer Stack
Regular Service




Hand Adjustable Choke
To pit and/or mud/gas separator
5000 psi WP gate valves
5000 psi valve
Pressure sensor for hydraulic choke
Bleed line to pit
5000 psi gate valves
5000 psi gauge
5000 psi gate valves
5000 psi hydraulic operated choke
To pit and/or mud/gas separator
5000 psi gauge
side view

Surface Use Plan of Operations

CONOCOPHILLIPS COMPANY
LEASE NAME: USA 3-795D
LOCATION: Surf: NWSW od 34-14S-8E
Carbon County, Utah
LEASE NO.: BHL: UTU61155

TOTAL NEW SURFACE DISTURBANCE: 6.949 ACRES (Includes pad, access road, & spoil stockpile areas) This well is to be on an existing well pad.

ConocoPhillips Company requests that this APD serve as the application for right of way for the access road and water haul route on federal lands if applicable.

1. Access Road - Existing

   A. From the existing road as indicated on the attached plat, head north/northeast for approximately 4800' to the proposed location.

   B. Proposed route to location
   Of the new construction, approximately 800' is located on federal surface with the remaining 4000' on SITLA.

   C. The existing road will be maintained in the same or better condition as existed prior to the commencement of operations and will meet minimum road standards as found in BLM Manual Section 9113. Said maintenance will include but is not limited to installing, repairing, grading and maintaining the road surface, drainage structures, ditches, culverts, and gravel layer. The maintenance will continue until final abandonment and reclamation of this drilling location.

   D. If required, ConocoPhillips shall enter into a maintenance agreement with all other authorized users of the common access road to the well site and any said costs of the maintaining of common road will be shared proportionally.

2. Planned Access Roads

   A. There will be .09 miles (4800') of new access road with a 50' construction right of way and a minimum travel way width of 14-18'.

   B. Maximum grade will not exceed 10 percent.

   C. There will be no County approach.

   D. There will be no low water crossing but may have culverts as the topography indicates.

   E. There will be no cattleguard installed on the access road.

   F. The proposed road to the location is surveyed and staked with stations set continuously along the centerline at maximum 100' intervals. The road will be centerline crowned with a .03 to .05 ft/ft crown to insure proper drainage. The inside slope of the side ditches shall be 4:1. Topsoil removed from the access road shall be conserved on the back slope of the borrow ditches. The borrow ditches shall be seeded as prescribed.

G. The proposed access road will be constructed in accordance with roading guidelines established for oil & gas exploration and development activities as referenced in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition and/or BLM Manual Section 9113 concerning road construction activities on projects under federal jurisdiction. Prior to moving in any heavy equipment, the access road will be thoroughly compacted. The access road will be surfaced to an average minimum depth (after compaction) of four inches with three inch minus pit run gravel or crushed road.

H. Construction activity or routine maintenance shall not be performed using frozen or saturated soil material or during periods when watershed damage is likely to occur.

3. Location of Existing Wells (1-Mile Radius)

A. There are 0 permitted water wells in the area to the best of our knowledge

B. There is 0 dry hole located in the area.

C. There is 0 abandoned well in the area.

D. There is 0 saltwater disposal well in the area.

E. There are 4 proposed wells in the area

F. There are 6 producing wells in the area.

G. There is 0 shut in well in the area.

H. There is no injection wells in the area.

I. There are no monitoring or observation wells in the area.

4. Location of existing and/or Proposed Facilities

A. On Well Pad

1. Production facilities (including dikes) will be located on the cut portion of the well pad. Production water or testing tanks will be located and/or diked so that any spilled fluids will flow into the reserve pit. Production and storage tanks will not be placed on topsoil stock piles.

2. Storage tanks and treater will be located on the well pad and constructed so that all four sides are surrounded by a berm to adequately contain 110% of the capacity of the largest vessel within it, plus one day's production. All load lines will terminate within the berm or dike.

3. All production facilities will be on-site and spaced as close as possible to the minimum safe distances so that the well pad can be reduced to a one to one and one half acre production site after interim reclamation. Production facilities may include a lined or unlined produced water pit as specified in NTL2B. If water is produced from the well, an NTL2B application will be submitted.

4. All production facilities will be painted within six (6) months of installation. Facilities required to comply with OSHA rules and regulations will be excluded from the painting requirement. All permanent facilities will be painted Carlsbad Tan.

5. The gas meter will be located on lease within 500' of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of as set forth.

6. The tank battery will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall comply with the provision as set forth.

7. The pipeline and powerlines will follow the proposed access route with the powerline located on the north/east side of the road and the pipelines on the west/south. The Pipelines will be approximately 4" for the gas and 4" for the water.

5. Location and Type of Water Supply

A. Water for drilling will be obtained from the Price River Water District.

B. The water will be transported on the route as described above for the proposed access road.

6. Source of Construction Materials

A. Any materials needed in addition to what can be used from location and access road will be hauled in from a supplier having a permitted source of materials.

B. If production is established, any additional construction materials required for the surfacing of the access road and for installation of the production facilities will be purchased from a supplier having a permitted source of materials.

C. No construction materials will be taken from Federal lands without a prior approval from the appropriate Surface Management Agency.

D. No vehicle travel, construction, or routine maintenance activities shall be performed during periods when the soil is to wet to adequately support vehicles and/or construction equipment. If such equipment creates ruts in excess of 4 inches deep, the soil shall be deemed to wet to adequately support such equipment.

7. Methods for Handling Waste Disposal

A. ConocoPhillips will comply with the Hazardous Materials Management Summary provided in the EIS.

B. Cuttings and drilling fluids will be contained in the reserve pit.

C. Any spills of oil or any other potentially hazardous material will be cleaned up and immediately removed to an approved disposal site after notification to BLM and other federal, state, and/or local agencies as prescribed by regulation.

D. All produced water will be disposed of via truck transport to an approved disposal facility

E. Portable, self contained chemical toilets will be provided for human waste disposal. Upon completion of operations, or as required, the toilet holding tanks will be pumped and the contents thereof disposed of in an approved sewage disposal facility. All state and local laws and regulations pertaining to disposal of human and solid waste will be complied with.

All garbage and non-flammable waste materials will be contained in a self-contained portable dumpster or trash cage. Upon completion of operations, or as needed, the accumulated trash will be transported to a state approved waste disposal site. No trash will be placed in the reserve pit. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the location. No potentially adverse materials or substances will be left on the location. Any open pits will be fenced during drilling operations and said fencing will be maintained until such time as the pits have been backfilled.

F. ConocoPhillips Company maintains a file, per 29 CFR 1910.1200 (g) containing MSDS sheets for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be used necessary for well completion/stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for SARA listed Extremely Hazardous Substances at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

8. Ancillary Facilities

The production facilities are discussed under Item 4.

9. Well Site Layout

A. See survey plat

B. Well Site Layout

C. Topsoil will be stripped from the location and access road and be stockpiled and be deposited apart from other excavated material. All equipment and vehicles will be confined to the approved disturbed areas of this APD (i.e road, well pad, and spoil and topsoil storage areas)

D. The pit is 220' x 40' x 12'. This size will be adequate to contain all the cuttings from the drilling operation and any fluids which could result from a catastrophic event such as excessive rain or snowfall, or a spill on location. The reserve pit will be constructed in a way that minimizes the accumulation of surface precipitation runoff into the pit. This may be accomplished by appropriate placement of subsoil/topsoil storage areas and/or construction of berms or ditches. The pit will be lined

with atleast a 12 mil synthetic liner and will be installed to seal the pit area and to prevent migration of pit fluids into underlying soils. The liner will have a burst strength of not less than 140 psi. The liner will be installed so that it will not leak, will completely cover the bottom and walls of the pit, and will be chemically compatible will all substances which my be put into the pit. The reserve pit serves as a containment area for fresh water, drill fluids & cuttings, and other miscellaneous waste products. An adequate freeboard of at least one foot will be maintained at all time. If surface water is encountered while digging the reserve pit, the plan will be revised to ensure protection of ground water.

E The reserve pit will be fenced immediately upon construction on all four sides. The pit will be fenced on three non-working sides during drilling. After drilling is completed, the fourth side of the pit will be fenced until the pit is reclaimed. The fence could be a woven wire atleast 28 inches high and within 4 inches of ground surface with 2 strands of barbed wire above the woven wire with 10 inch spacing or other similar fence design as dictated by ground and/or wildlife conditions. In addition to reserve pit fencing, when the reserve pit contains fluids or toxic substances, the operator will provide overhead protection and shall insure that livestock, migratory birds, and other wildlife do not enter, ingest, or become entrapped in such substances. Fences will be maintained to keep livestock out until the reclamation work has been approved.

F. The location will be fenced with 4 strands of barbed wire and wood corner and brace posts if fencing is required.

G Siphons, catchments, and absorbent pads will be installed to keep hydrocarbons produced by the drilling rig from entering the reserve pit Hydrocarbons and contaminated pads will be disposed of in accordance with Wyoming DEQ requirements.

10. Plans for Reclamation of the Surface

A. If this well is a producer, all site rehabilitation shall be completed within six months. Topsoil from the berms and/or storage piles will be spread along the access road's cut and fill slopes. Drainage ditches or culverts will not be blocked with topsoil and associated organic matter. Under normal weather conditions, the timetable for rehab will allow two months for the mud to settle in the reserve pit, two months for backfill settling upon pit closure, and two months to complete final recontouring, and topsoiling. "Trenching" of the reserve pit during the pit reclamation phase will not be allowed unless ConocoPhillips Company proves to the satisfaction of BLM that surface or groundwater contamination will not result. In the event of winter freeze-up, reclamation will be put on hold as determined by the BLM.

B. At such time as the well is abandoned, ConocoPhillips Company will contact the BLM for development of the final rehabilitation plan. Upon abandonment, an erect dry hole marker welded to surface casing four feet below ground level will be installed. It will contain the same information as the well sign as directed by 43 CFR 3162.6 (30 CFR 221.22). The dry hole marker sealing the casing will have an 1/8" to 1/4" weep hole which will allow pressure to dissipate and make detection of any fluid seepage easier.

C. If this well site is constructed and not drilled, the site and access road will be reclaimed or BLM approved special erosion control measures implemented within 90 days of site construction unless otherwise approved in writing by sundry notice.

D. The unused portion of the site will be ripped prior to replacing the topsoil. The soil-banked material will be spread over the area. Reseeding will be an approved mixture by the BLM and/or the Landowner and shall have no primary or secondary noxious weeds in the mixture. The seed will be tested for purity and germination and viability testing of seed shall be done in accordance with State law and within 9 months prior to purchase. The mixture container will be tagged in accordance with Wyoming State law and copies of seed test results/certification forwarded to this office. Seeding will be done either in late Autumn (September 15 to November 15, before freeze up) after completion or as early as possible the following Spring to take advantage of available ground moisture. All disturbed areas will be seeded using a drill equipped with a depth regulator. All seed will be drilled on the contour. The seed will be planted between ¼ and 1/2" deep. Where drilling is not possible (too steep or rocky), the seed will be broadcast and the area raked or chained to cover the seed. If the broadcast method is utilized, the seed mixture shall be doubled. There shall be no primary or secondary noxious weed seed in the native seed mixture.

E. The entire disturbed location shall be fenced after seeding. The seeding will be repeated until a satisfactory stand, as determined by the Authorized Officer is obtained. The first evaluation of growth will be made following completion of the first growing season after seeding. When the location has been rehabilitated and vegetation re-established, the fence shall be removed or the fenced area reduced as required by the landowner or BLM.

F. Weeds will be controlled on disturbed areas within the exterior limits of the wellpad. The control methods will be in accordance with guidelines established by EPA, BLM, state, and local authorities.

G. A prework onsite with the BLM and ConocoPhillips Company may be held for all phases of reclamation.

11. Surface Ownership
Bureau of Land Management

12. Other Information

A. The area that would be impacted by the well site and access road will be surveyed for cultural resources.

B. ConocoPhillips will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, ConocoPhillips Company will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer, Bureau of Land Management.

Within five (5) working days, the Authorized Officer will inform ConocoPhillips Company as to whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and a time frame for the

Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

C. ConocoPhillips Company will protect, in place, all public land survey Monuments, private property corner, and Forest Service boundary markers. In the event that any such land markers or monuments are destroyed in the exercise of their rights, depending on the type of monument destroyed, the operator shall see that they are reestablished or referenced in accordance with (1) the procedures outlined in the "Manual of Instructions for the Survey of the Public Land of the United States", (2) the specifications of the county surveyor, or (3) the specification of the BLM.

D. The APD is valid for a period of two years from the date of approval or until the oil and gas Lease expires/terminates, whichever occurs first. If the APD terminates, any surface disturbance created under the application must be reclaimed in accordance with the approved plan. All applicable local, state, and/or federal laws, regulations and/or statues will be complied with. A copy of the approved APD will be at the drill site during the construction phase, the drilling of the well, and the completion operation.

ConocoPhillips Company will comply with the additional Conditions of Approval provided by the BLM.

Within five (5) working days the Authorized Officer will inform ConocoPhillips Company as to whether the materials appear eligible for the National Register of Historic Places; the mitigation measures the operator will likely have to undertake before the site can be used (assuming in site preservation is not necessary); and a time frame for the Authorized officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

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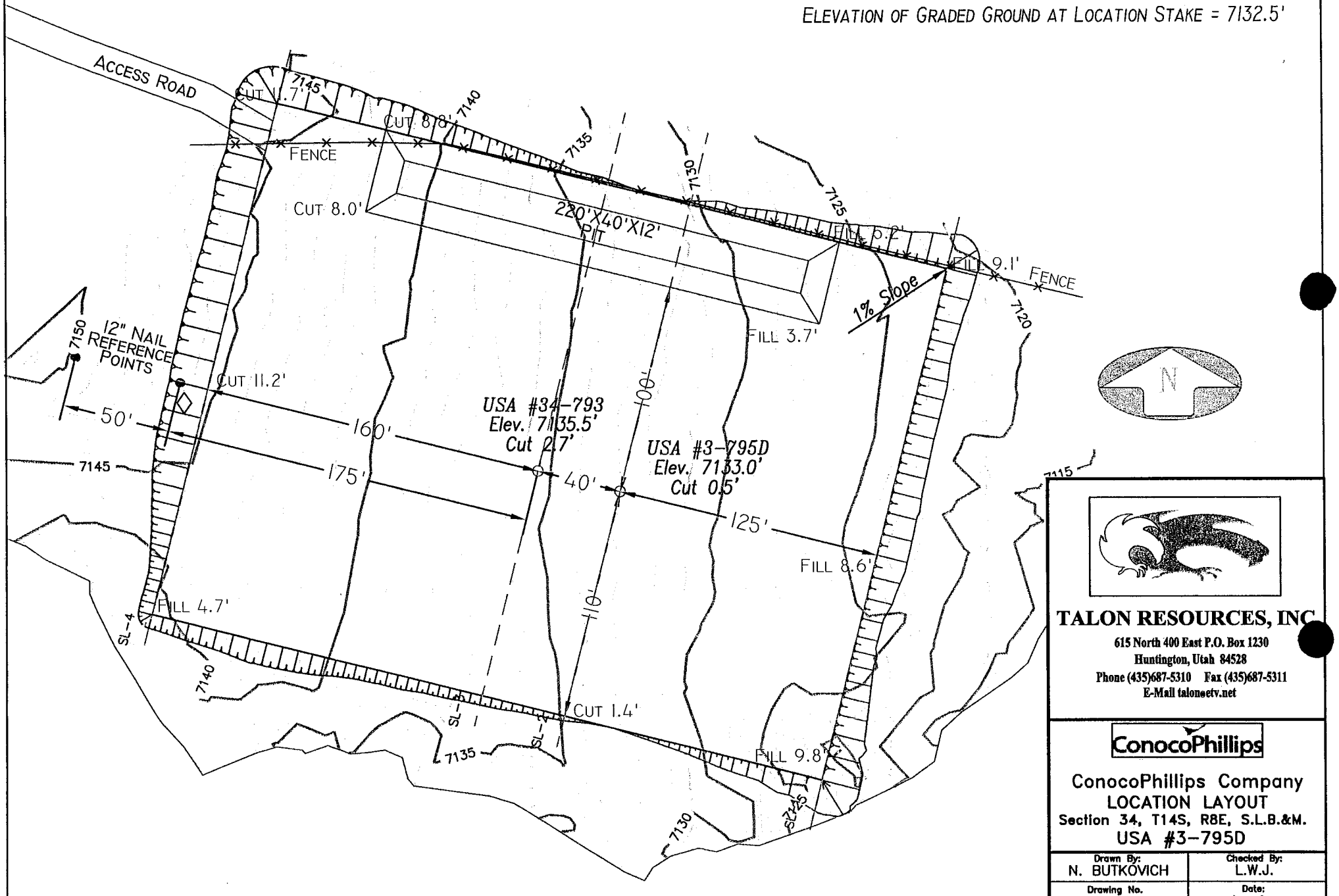
ConocoPhillips Company will comply with the additional Conditions of Approval provided by the BLM.

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7133.0'
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7132.5'

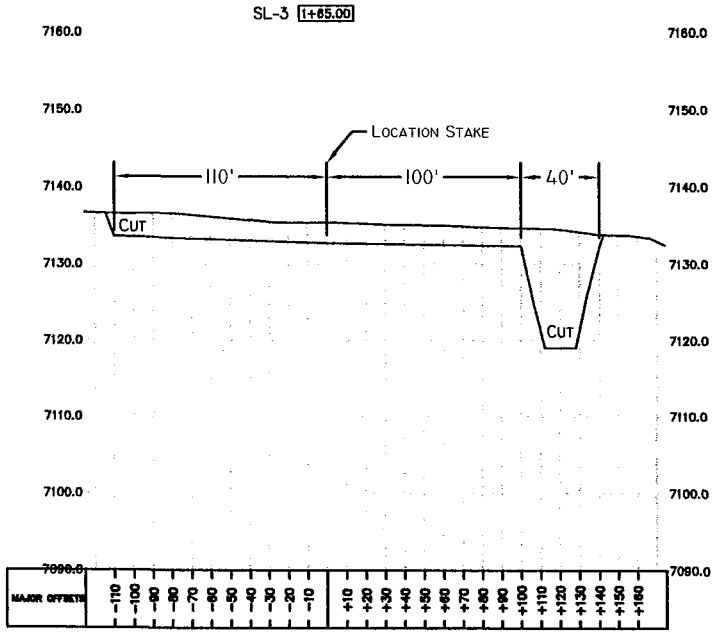


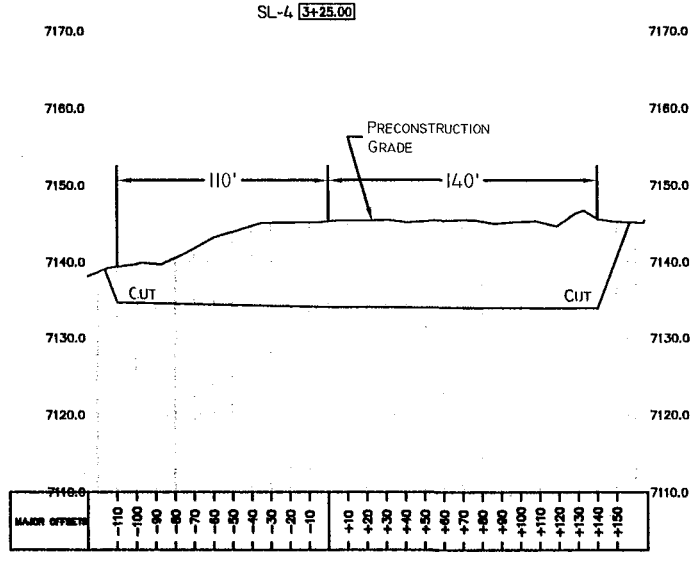
TALON RESOURCES, INC
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net

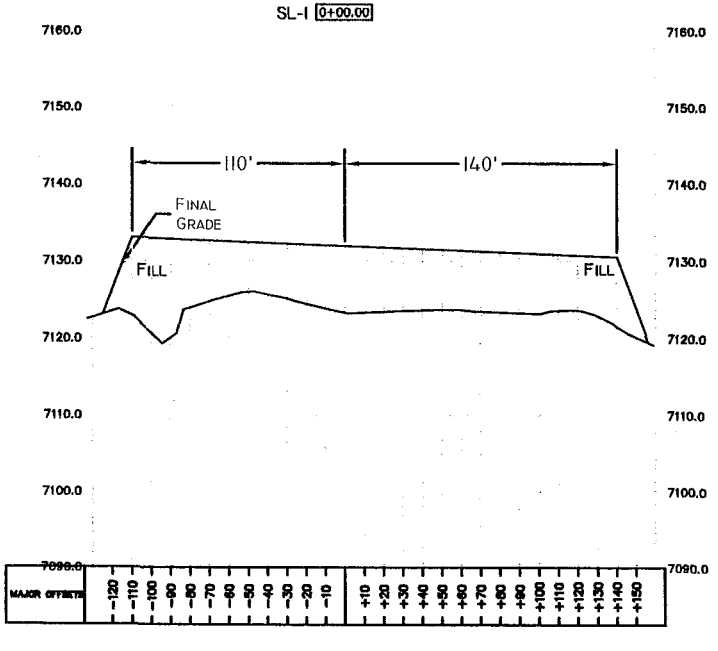
ConocoPhillips

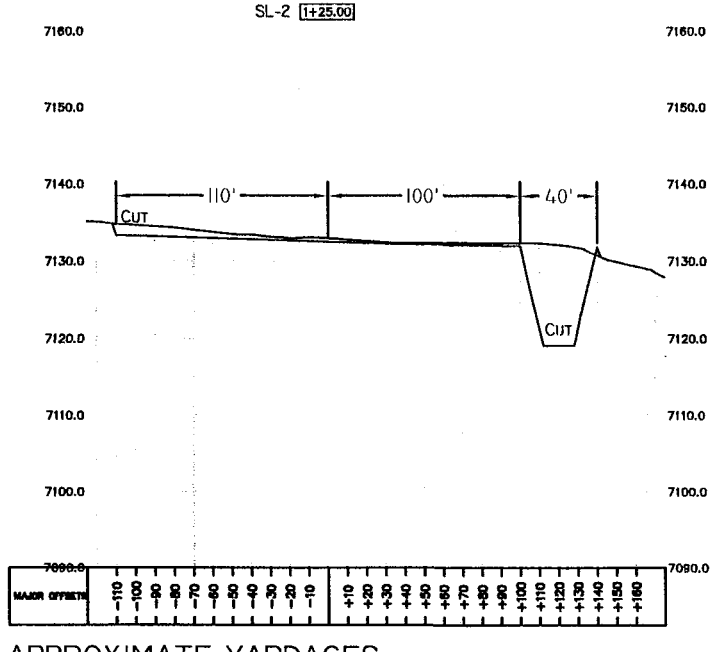
ConocoPhillips Company
LOCATION LAYOUT
Section 34, T14S, R8E, S.L.B.&M.
USA #3-795D

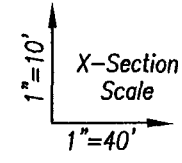
Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 6/10/08
	Scale: 1" = 60'
Sheet 2 of 4	Job No. 3723











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

APPROXIMATE YARDAGES

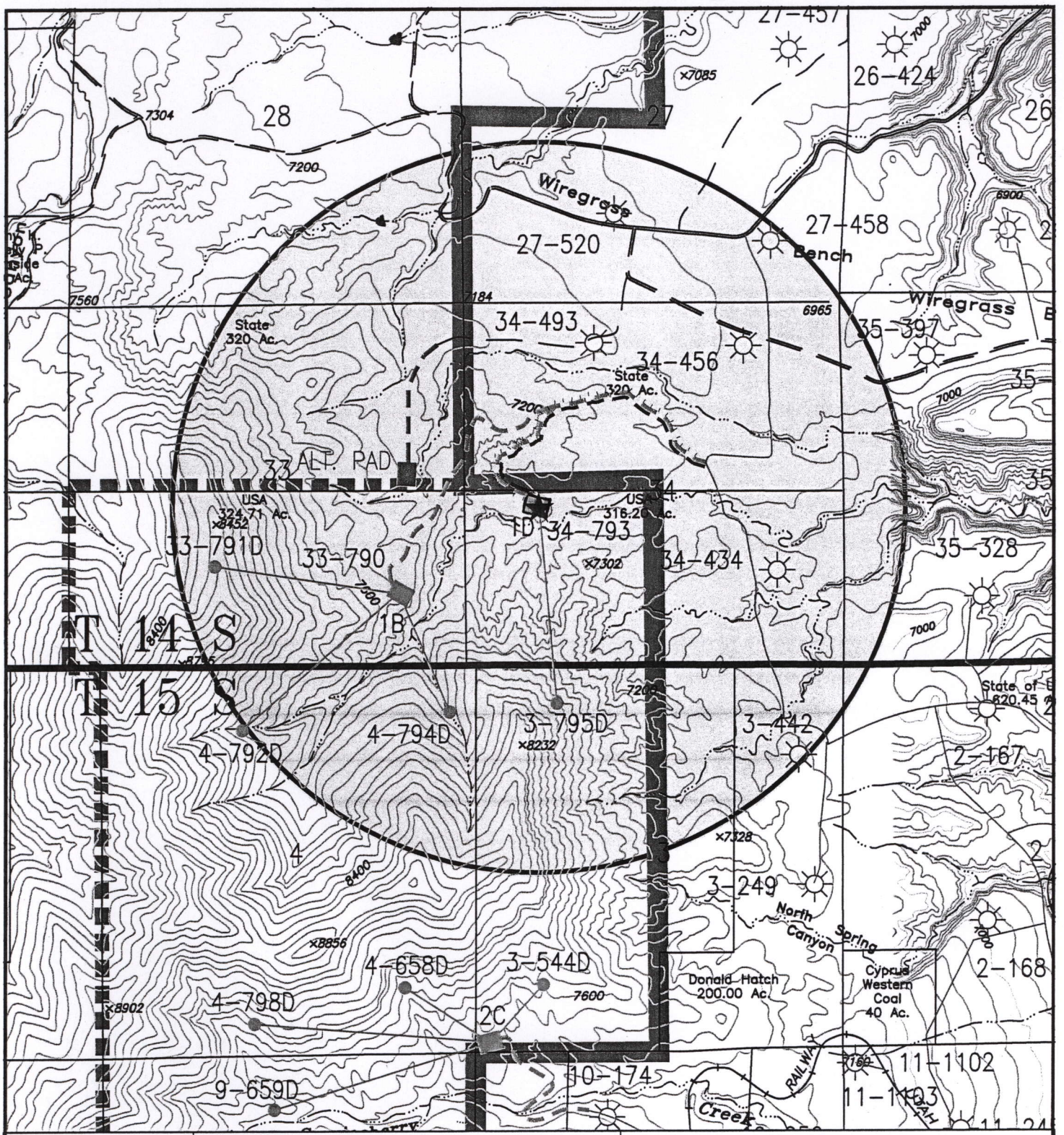
(6")TOPSOIL STRIPPING = 1,505 CU. YDS.
TOTAL CUT (INCLUDING PIT) = 14,145 CU. YDS.
TOTAL FILL = 4,765 CU. YDS.

TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net

ConocoPhillips

ConocoPhillips Company
TYPICAL CROSS SECTION
Section 34, T14S, R8E, S.L.B.&M.
USA #3-795D

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. C-1	Date: 6/10/08
	Scale: 1" = 100'
Sheet 3 of 4	Job No. 3723



LEGEND

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

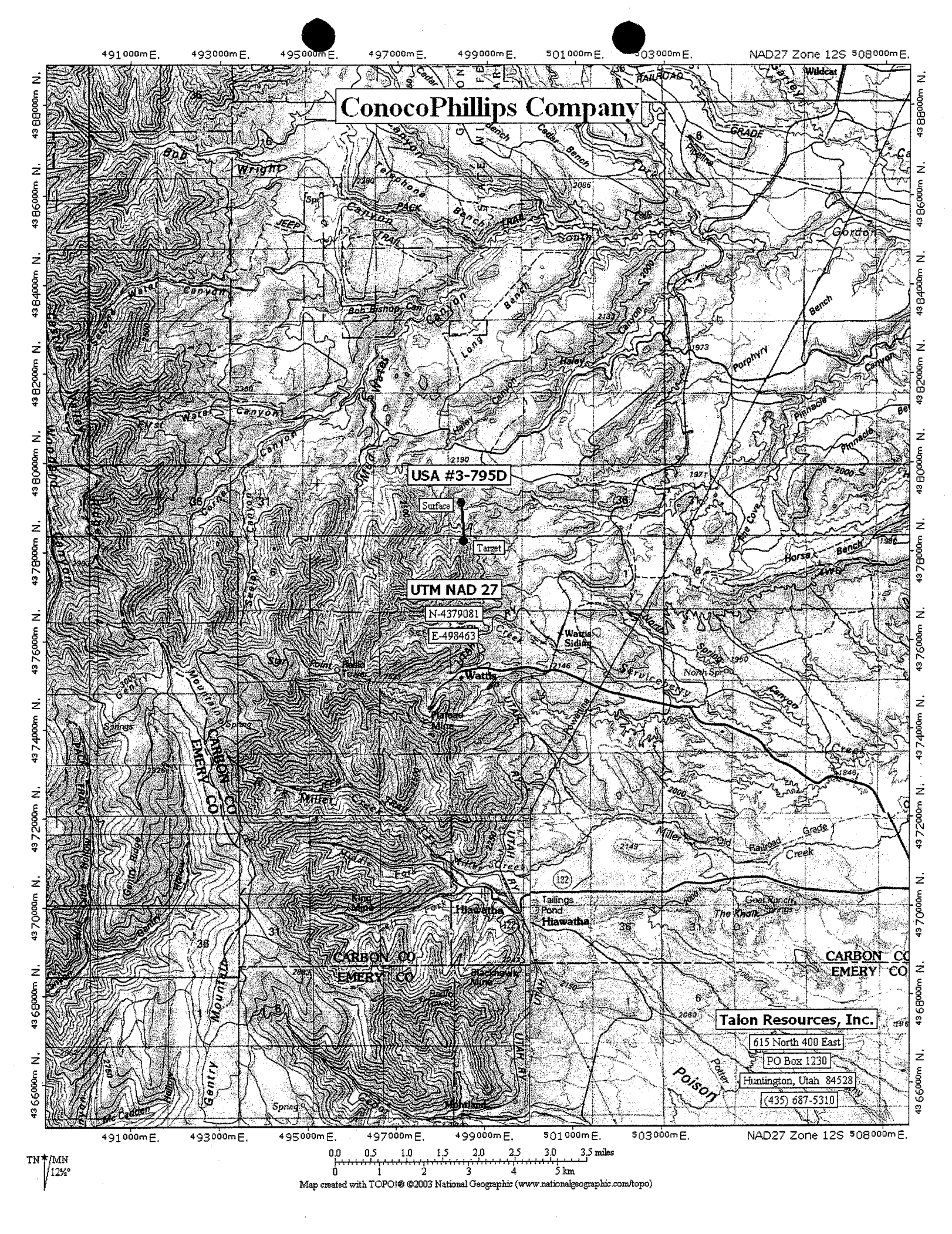
Scale: 1" = 2000'

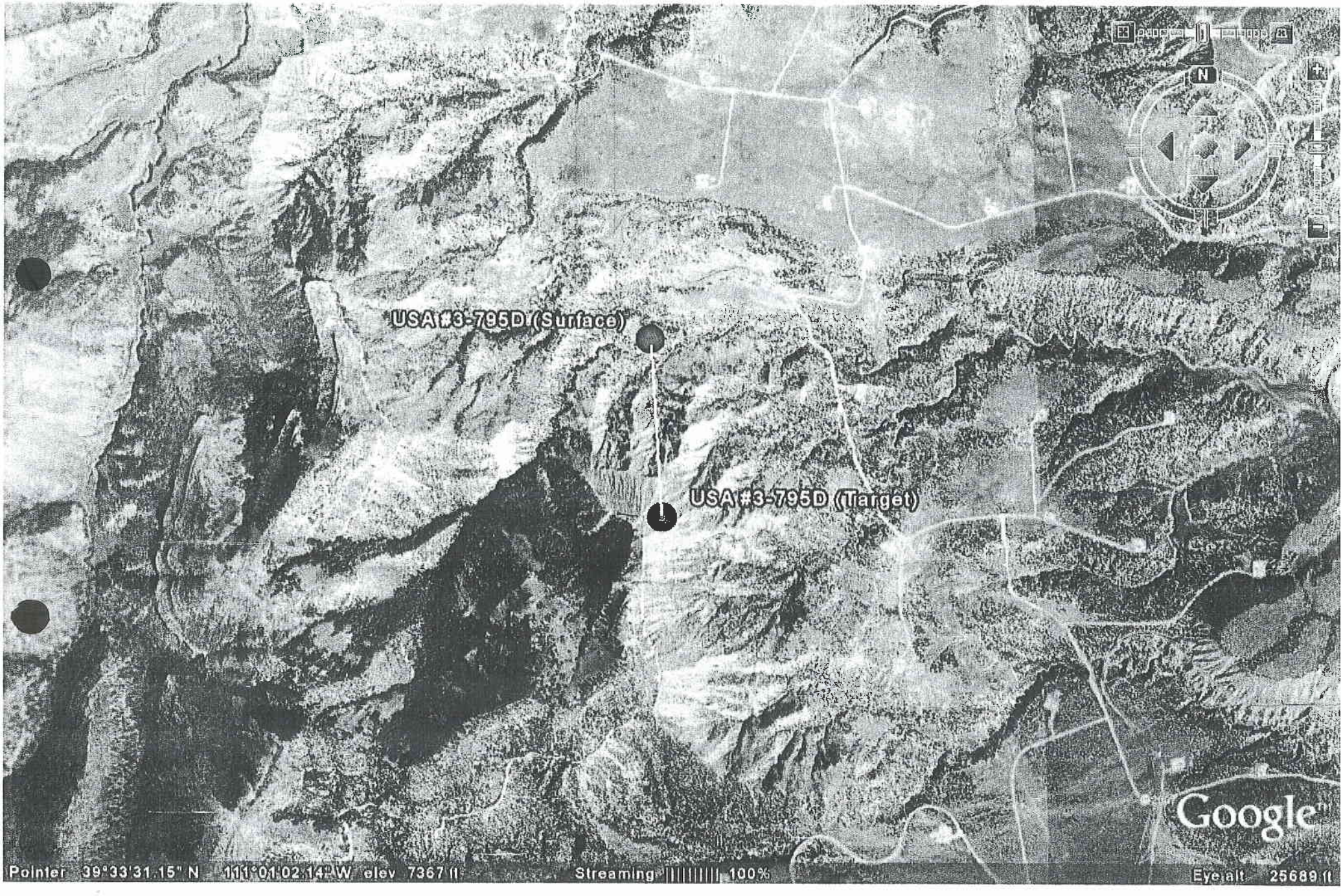
July 22, 2008

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

ConocoPhillips

WELL USA #3-795D
Section 34, T14S, R8E, S.L.B.&M.
Drawing L-1 4 of 4


ConocoPhillips Company
USA #3-795D
Surface
Target
UTM NAD 27
N-4379081
E-498463
Talon Resources, Inc.
615 North 400 East
PO Box 1230
Huntington, Utah 84528
(435) 687-5310
CARBON CO
EMERY CO
Wattis
Hiawatha
Tailings Pond
Miller Creek
Water Canyon
Long Bench
Cedar Bench
Gordon
Porphyry
Pinnacle
Horse Bench
Gentry Mountain
Mohrland
Poison
NAD27 Zone 12S
491000mE.
493000mE.
495000mE.
497000mE.
499000mE.
501000mE.
503000mE.
508000mE.
4388000m N.
4386000m N.
4384000m N.
4382000m N.
4380000m N.
4378000m N.
4376000m N.
4374000m N.
4372000m N.
4370000m N.
4368000m N.
4366000m N.
TN 12¼°
0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles
0 1 2 3 4 5 km
Map created with TOPO!® ©2003 National Geographic (www.nationalgeographic.com/topo)


USA #3-795D (Surface)
USA #3-795D (Target)
N
Google
Pointer 39°33'31.15" N 111°01'02.14" W elev 7367 ft
Streaming 100%
Eye alt 25689 ft

Operator Certification

CONOCOPHILLIPS COMPANY
WELL NAME: USA 3-795D
LOCATION: Surf: NWSW of 34-14S-8E
Carbon County, Utah
LEASE NO.: BHL: UTU 61155

Lessee or Operator's Field Representative and Certification

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

1. Shonna Green — Office: 432/688-9134
Drilling Engineer

2. Steve Carroll — Office: 432/688-6883
Drlg. Manager

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of State and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.

Date: 8/21/08

Donna Williams
Sr. Regulatory Specialist

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/04/2008

API NO. ASSIGNED: 43-007-31454

WELL NAME: USA 3-795D

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

PHONE NUMBER: 432-688-6943

CONTACT: DONNA WILLIAMS

PROPOSED LOCATION:

NWSW 34 140S 080E

SURFACE: 2254 FSL 1086 FWL

BOTTOM: 0550 FNL 1250 FWL Sec 3 T.15S.

COUNTY: CARBON

LATITUDE: 39.56334 LONGITUDE: -111.0179

UTM SURF EASTINGS: 498466 NORTHINGS: 4379085

FIELD NAME: DRUNKARDS WASH (48)

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

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU6155

PROPOSED FORMATION: MNCS

SURFACE OWNER: 1 - Federal

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. ES0085)

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:)

N/A Fee Surf Agreement (Y/N)

N/A 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: 243-6

Eff Date: 2-14-2001

Siting: 460' fr ubdry & uncomm tracts

✓ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1-Federal Approval

API Number: 4300731454

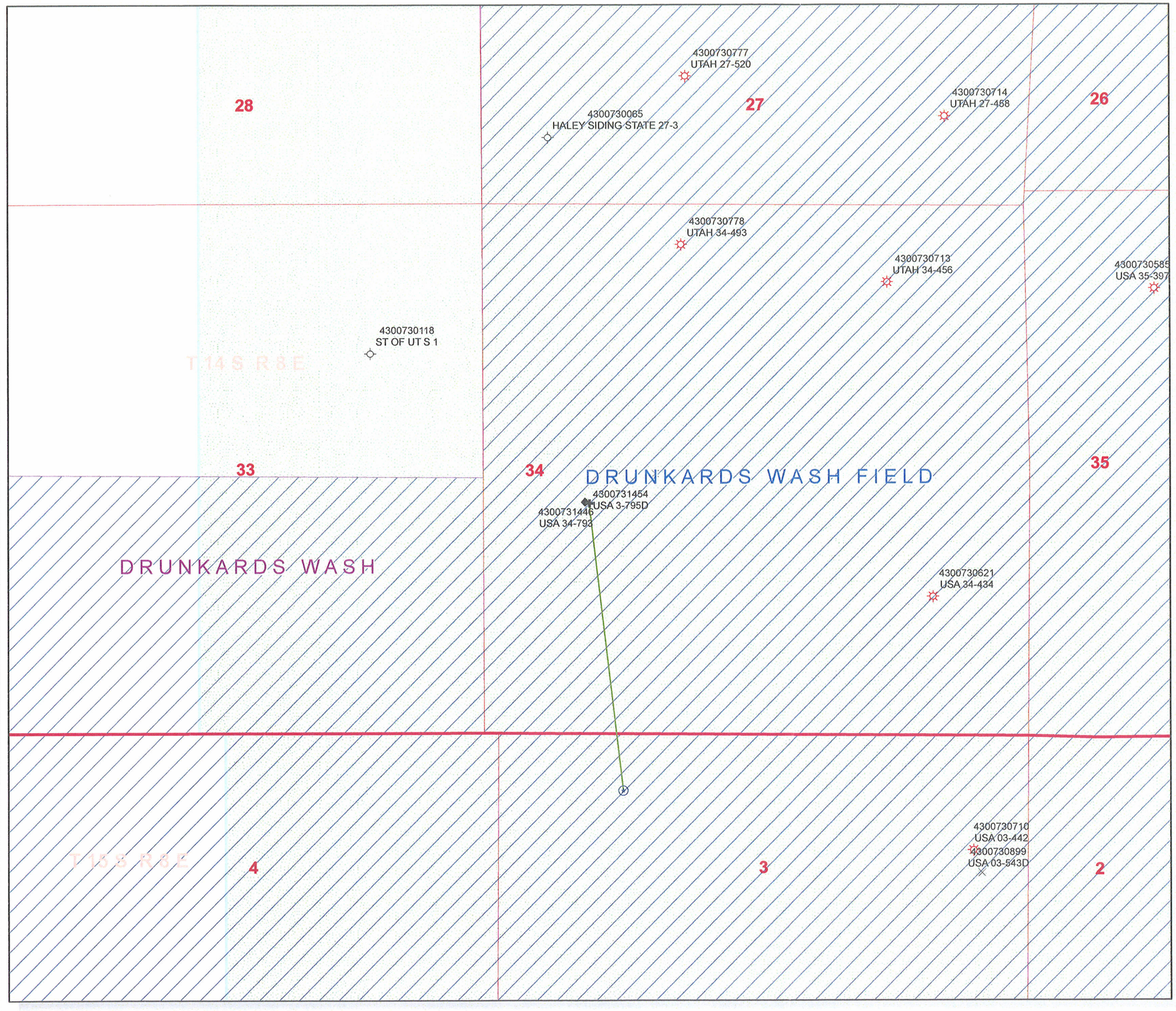
Well Name: USA 3-795D

Township 14.0 S Range 08.0 E Section 34

Meridian: SLBM

Operator: CONOCOPHILLIPS COMPANY

Map Prepared:
Map Produced by Diana Mason



Units

STATUS
- ACTIVE
- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields

STATUS
- ACTIVE
- COMBINED
- Sections
- Township

Wells Query Events
- <all other values>

GIS_STAT_TYPE
- <Null>
- APD
- DRL
- GI
- GS
- LA
- NEW
- OPS
- PA
- PGW
- POW
- RET
- SGW
- SOW
- TA
- TW
- WD
- WI
- WS
- Bottom Hole Location

1,300 650 0 1,300 Feet

1:12,000

ConocoPhillips

ConocoPhillips Company
3300 North A Street, Building 6
Midland, TX 79705

August 21, 2008

Utah Division of Oil, Gas, and Mining
1594 W North Temple, Suite 1210
Salt Lake City, Utah 84116

RE: Directional Drilling Request
USA 3-795D
NWSW of 34-14S-8E to the NWNW of 3-15S-8E
Carbon County, Utah

Ladies and Gentlemen:

ConocoPhillips Company respectfully request approval to directionally drill to approximately 2811.98 southeast of the original surface location. This request is due to the topography which prevented the surface location from being located at that point. We are requesting approval to directionally drill from a surface location of 2254.55 FSL & 1086.75 FWL (NWSW) of 34-14S-8E to a proposed bottomhole location of 550 FNL & 1250 FEL (NWNW) of 3-15S-8E, all of which is in the Drunkards Wash Unit which COP operates. Furthermore, COP is the owner/operator of a radius of 460' along the terminus of the entire lateral to be drilled.

Should you have any questions, or need additional information, please do not hesitate to contact me at 432-688-6943.

Sincerely,

Donna Williams
Sr. Regulatory Specialist

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

September 25, 2008

Conocophillips Company
P O Box 51810
Midland, TX 79710

Re: USA 3-795D Well, Surface Location 2254' FSL, 1086' FWL, NW SW, Sec. 34, T. 14 South, R. 8 East, Bottom Location 550' FNL, 1250' FWL, NW NW, Sec. 3, T. 15 South, R. 8 East, Carbon County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-007-31454.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Price Field Office

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

UTAH DNR
OIL, GAS & MINING

Operator: Conocophillips Company

Well Name & Number USA 3-795D

API Number: 43-007-31454

Lease: UTU6155

Surface Location:	NW SW	**Sec.** 34	**T.** 14 South	**R.** 8 East
Bottom Location:	NW NW	**Sec.** 3	**T.** 15 South	**R.** 8 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

   Notify the Division within 24 hours of spudding the well.

   - Contact Carol Daniels at (801) 538-5284

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

   - Contact Dustin Doucet at (801) 538-5281 (801) 733-0983 home

3. **Reporting Requirements**

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

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

5. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

COPY

Form 3160-3
(February 2005)

FORM APPROVED
OMB No. 1004-0137
Expires March 31, 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.
Surf: UTU 61154/BHL: UTU6155

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

1a. Type of work: ☑ DRILL ☐ REENTER

7. If Unit or CA Agreement, Name and No.
Drunkards Wash

1b. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

8. Lease Name and Well No.
USA 3-795D

2. Name of Operator
ConocoPhillips Company

9. API Well No.
43-007-31454

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

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

10. Field and Pool, or Exploratory
Drunkards Wash

4. Location of Well *(Report location clearly and in accordance with any State requirements.*)*
At surface **2254.55 FSL & 1086.75 FWL of 34-14S-8E**
At proposed prod. zone **550 FNL & 1250 FWL of 3-15S-8E**

11. Sec., T. R. M. or Blk. and Survey or Area
NWSW of 34-14S-8E

14. Distance in miles and direction from nearest town or post office*
3 miles north of Wattis, Utah

12. County or Parish
Carbon

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
550' Fed Lease
3700' Unit

16. No. of acres in lease
N/A Unit

17. Spacing Unit dedicated to this well
N/A Unit

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
~3000'

19. Proposed Depth
4050 TVD

20. BLM/BIA Bond No. on file
ES0085

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
7135.5 GL

22. Approximate date work will start*
10/01/2008

23. Estimated duration
30 days

24. Attachments

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

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

25. Signature — Name *(Printed/Typed)*: **Donna Williams** — Date: **08/21/2008**

Title: **Sr. Regulatory Specialist**

Approved by *(Signature)*: AFM - Acting — Name *(Printed/Typed)*: Steve Rigby — Date: 10-21-08

Title: AFM - Acting — Office: PFO

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*(Instructions on page 2)

NOTICE OF APPROVAL

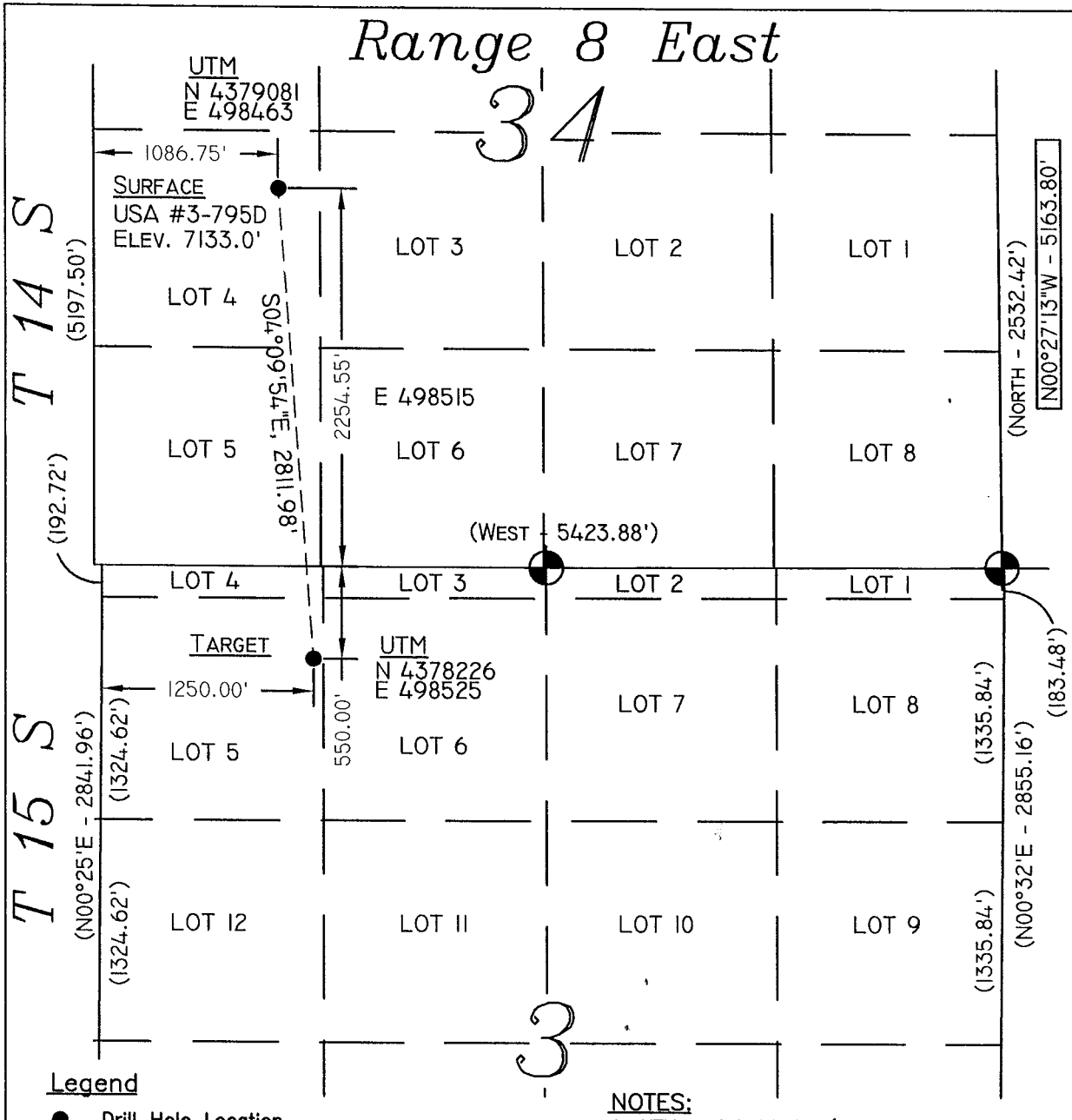
RECEIVED
OCT 27 2008
DIV. OF OIL, GAS & MINING

RECEIVED
BLM
PRICE, UT

RECEIVED
AUG 25 2008
BLM

NO NOS
APMSS - 08KJN0353A

UDOGM



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 7184' being at the Northwest Section Corner of Section 34, Township 14 South, Range 8 East, Salt Lake Base and Meridian, as shown on the Wattis Quadrangle 7.5 minute series map.

Description of Location:
Surface
Proposed Drill Hole located in NW/4 SW/4 (Lot 4) Section 34, T14S, R8E, S.L.B.&M., being North 2254.55' from South Line and East 1086.75' from West line of Section 34, T14S, R8E, Salt Lake Base & Meridian.

Target
Proposed Target located in NW/4 NW/4 (Lot 5) Section 3, T15S, R8E, S.L.B.&M., being South 550.00' from North Line and East 1250.00' from West line of Section 3, T15S, R8E, Salt Lake Base & Meridian.

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

Registered Professional Land Surveyor
7/7/08
No. 146652
Albert J. Spensko
State of Utah

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.

SURFACE	TARGET
LAT / LONG	LAT / LONG
39°33'47.893"N	39°33'20.158"N
110°01'04.412"W	111°01'01.807"W

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

TALON RESOURCES, INC.
615 North 400 East P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talon @ etv.net

ConocoPhillips

ConocoPhillips Company
USA #3-795D
Section 34, T14S, R8E, S.L.B.&M.
Carbon County, Utah

Drawn By:	Checked By:
N. BUTKOVICH	L.W.J./A.J.S.
Drawing No.	Date:
A-1	6/10/08
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 3723

UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
PRICE FIELD OFFICE
125 SOUTH 600 WEST PRICE, UT 84501 (435) 636-3600

CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:	**ConocoPhillips Company**	**Location:**	**NWSW-(Lot 4)-Sec. 34-T14S-R8E**
Well No:	**USA-3-795D**	**Lease No:**	**UTU-61155**
API No:	**43-007-31454**	**Agreement:**	**Drunkards Wash (UTU-67921X)**

Title	Name	Office Phone Number	Cell Phone Number
Acting Field Manager & Authorized Officer:	Michael Stiewig	(435) 636-3633	(435) 650-9135
Senior Petroleum Engineer:	Matthew Baker (Primary)	(435) 781-4490	(435) 828-4470
Petroleum Engineer:	Ryan Angus (Alt.)	(435) 781-4430	(435) 828-7368
Petroleum Engineering Technician	Randy Knight (Primary)	(435) 636-3615	(435) 650-9143
Petroleum Engineering Technician	Walton Willis (Alt.)	(435) 636-3662	(435) 650-9140
NRS/Enviro Scientist:	Don Stephens	(435) 636-3608	

Fax: (435) 636-3657

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. **This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.**

NOTIFICATION REQUIREMENTS

Location Construction (Notify NRS)	- Forty-Eight (48) hours prior to construction of location and access roads.
Location Completion (Notify NRS)	- Prior to moving on the drilling rig.
Spud Notice (Notify Petroleum Engineer)	- Twenty-Four (24) hours prior to spudding the well.
Casing String & Cementing (Notify Petroleum Tech.)	- Twenty-Four (24) hours prior to running casing and cementing all casing strings.
BOP & Related Equipment Tests (Notify Petroleum Tech.)	- Twenty-Four (24) hours prior to initiating pressure tests.
First Production Notice (Notify Petroleum Engineer)	- Within Five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

SURFACE USE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC COAs:

- A pre-construction field meeting may be conducted prior to beginning any dirt work approved under this APD. The operator shall contact the BLM Authorized Officer Don Stephens @ 435-636-3608 at least 48-hours prior to beginning operations so that the meeting can be scheduled. The operator is responsible for having all contractors present (dirt contractors, drilling contractor, pipeline contractor, project oversight personnel, etc.) including the overall field operations superintendent, and for providing all contractors copies of the approved APD(s), project map and BLM Conditions of Approval pertinent to the work that each will be doing.

- The following appendices are attached for your reference. They are to be followed as conditions of approval:
    - Appendix C: Reclamation Plan
    - Appendix D: Environmental Protection Measures, Price Coalbed Methane EIS

- CP will measure gas production on the well pad unless permission is granted for measurement at another place.

- CP shall provide a interim reclamation plan for the location and road within 90 days of approval of the APD's.

- As required by the Price River MFP, if cultural resources are uncovered during surface-disturbing activities, CP will suspend operations at the site and immediately contact the AO, who will arrange for a determination of eligibility in consultation with the SHPO, and, if necessary, recommend a recovery or avoidance plan.

- As required under 40 CFR 112.3(e), CP will maintain a copy of the SPCC plan at each facility, if the facility is normally attended at least eight hours per day, or at the nearest field office if the facility is not so attended. CP will also implement and adhere to SPCC plans in a manner such that any spill or accidental discharge of oil will be reported and remediated.

- All equipment and personnel used during drilling and construction activities will be restricted to only approve access roads.

- All permanent above-ground structures (e.g., production equipment, tanks, etc.) not subject to safety requirements will be painted to blend with the natural color of the landscape. The paint used will be a color which simulates "Standard Environmental Colors." All facilities will be painted the designated color at the time of installation.

- No oil, lubricants, or toxic substances may be drained onto the ground surface.

- CP will not allow any open burning of garbage or refuse at well sites or other facilities.

- CP will repair or replace to current BLM standards any fences, cattleguards, gates, drift fences, and natural barriers that are damaged as a result of the Proposed Action. Cattleguards will be used instead of gates for livestock control on most road ROWs.

- To minimize wildlife mortality due to vehicle collisions, CP will advise project personnel regarding appropriate speed limits in the Project Area. Employees and contractors will be educated about anti-poaching laws.

- Please contact Don Stephens, Natural Resource Specialist, (435) 636-3608, Bureau of Land Management, Price Field Office, if there are any questions concerning these surface use COAs.

Standard Conditions of Approval

General

- CP will provide georeferenced spatial data depicting as-built locations of all facilities, wells, roads, pipelines, power lines, and other related facilities to the BLM by November 1 of each year until completion of project construction activities has occurred

- CP will inform their employees, contractors, and subcontractors about relevant Federal regulations intended to protect archaeological and cultural resources. All personnel will be informed that collecting artifacts, including arrowheads, is a violation of Federal law and that employees engaged in this activity will be subject to disciplinary action.

Construction

- Topsoil will be removed from constructed well locations including areas of cut and fill, and stockpile at the site. Topsoil will also be salvaged for use in reclamation on all other areas of surface disturbance (roads, pipelines, etc.). Clearly segregate topsoil from excess spoil material. Any topsoil stockpiled for one year or longer will be signed and stabilized with annual ryegrass or other suitable cover crop.

- The operator will not push soil material and overburden over side slopes or into drainages. All soil material disturbed will be placed in an area where it can be retrieved without creating additional undue surface disturbance and where it does not impede watershed and drainage flows.

- Construct the backslope no steeper than 1½:1, and construct the foreslope no steeper than 2:1, unless otherwise directed by the BLM Authorized Officer.

- Maintain a minimum 20-foot undisturbed vegetative border between toe-of-fill of pad and/or pit areas and the edge of adjacent drainages, unless otherwise directed by the BLM Authorized Officer.

- Reserve pits will be adequately fenced during and after drilling operations until the pit is reclaimed so as to effectively keep out wildlife and livestock. Adequate fencing, in lieu of more stringent requirements by the surface owner, is defined as follows: 1) Construction materials will consist of steel or wood posts. Three or four strand wire (smooth or barbed) fence or hog panel (16-foot length by 50-inch height) or plastic snow fence must

be used with connectors such as fence staples, quick-connect clips, hog rings, hose clamps, twisted wire, etc. Electric fences will not be allowed; 2) Construction standards: Posts shall be firmly set in ground. If wire is used, it must be taut and evenly spaced, from ground level to top wire, to effectively keep out animals. Hog panels must be tied securely into posts and one another using fence staples, clamps, etc. Plastic snow fencing must be taut and sturdy. Fence must be at least 2-feet from edge of pit. 3 sides fenced before beginning drilling, the fourth side fenced immediately upon completion of drilling and prior to rig release. Fence must be left up and maintained in adequate condition until pit is closed.

- The reserve pit will be oriented to prevent collection of surface runoff. After the drilling rig is removed, the operator may need to construct a trench on the uphill side of the reserve pit to divert surface drainage around it. If constructed, the trench will be left intact until the pit is closed.

- The reserve pit will be lined with an impermeable liner if permeable subsurface material is encountered. An impermeable liner is any liner having a permeability less than 10^{-7} cm/sec. The liner will be installed so that it will not leak and will be chemically compatible with all substances that may be put in the pit. Liners made of any man-made synthetic material will be of sufficient strength and thickness to withstand normal installation and pit use. In gravelly or rocky soils, a suitable bedding material such as sand will be used prior to installing the liner.

- Culverts will be placed on channel bottoms on firm, uniform beds, which have been shaped to accept them, and aligned parallel to the channel to minimize erosion. Backfill will be thoroughly compacted.

- The minimum diameter for culverts will be 18 inches. However, all culverts will be appropriately sized in accordance with standards in BLM Manual 9113.

- Pipeline construction shall not block nor change the natural course of any drainage. Pipelines shall cross perpendicular to drainages. Pipelines shall not be run parallel in drainage bottoms. Suspended pipelines shall provide adequate clearance for maximum runoff.

- Pipeline trenches shall be compacted during backfilling. Pipeline trenches shall be routinely inspected and maintained to ensure proper settling, stabilization and reclamation.

- The operator shall submit a Sundry Notice (Form 3160-5) to BLM for approval prior to construction of any new surface disturbing activities that are not specifically addressed in the approved APD.

- Surface disturbance will be limited to the approved location and access routes.

- No surface-disturbing activities will occur during muddy and wet periods (e.g., when soils are saturated and excessive rutting of more than four inches with multiple passes could occur).

- The edges of well pads will be feathered to blend with the surrounding landscape.

- Removal and disturbance of vegetation will be kept to a minimum through construction site management (e.g., using previously disturbed areas and existing easements where feasible, placing pipelines adjacent to roads, limiting well pad size, etc.).

- During the construction phase of the project, CP will implement an intensive reclamation and weed control program after each segment of project completion. CP will reseed all portions of wells pads and the ROW not utilized for the operational phase of the project. Post-construction seeding application will continue until determined successful by the BLM. Weed control will be conducted through an Approved Pesticide Use and Weed Control Plan from the AO.

- To reduce the spread or introduction of noxious and invasive weed species into the Project Area via project-related vehicles and equipment, CP and its contractors will power-wash all construction equipment prior to the entering the Project Area.

- Areas used for spoil storage will be stripped of topsoil before spoil placement.

- Appropriate erosion control and revegetation measures will be employed. In areas with unstable soils where seeding alone may not adequately control erosion, grading will be used to minimize slopes and water bars will be installed on disturbed slopes. Erosion control efforts will be monitored by CP and necessary modifications would be made to control erosion.

- Sufficient topsoil or other suitable materials to facilitate revegetation will be segregated from subsoils during all construction operations requiring excavation and will be returned to the surface upon completion of operations. Soils compacted during construction will be ripped and tilled as necessary prior to reseeding. Cut and fill sections on all roads and along pipelines will be revegetated with native species.

- During the activities of road maintenance, new road construction or the construction of well pads, if any standing live or dead trees are damaged, cut down or knocked over by grading or construction equipment, actions would be taken to remove the vegetation from the road or pad edge. These materials would distributed over the reclaimed areas as directed by BLM.

Operations/Maintenance

- Rat and mouse holes shall be filled and compacted from the bottom to the top immediately upon release of the drilling rig from the location.

- Hydrocarbons shall be put in test tanks on location during completion work. Produced water will be put in the reserve pit during completion work per Onshore Order #7.

- The only fluids/waste materials which are authorized to go into the reserve pit are RCRA exempt exploration and production wastes. These include drilling muds and cuttings, rigwash, and excess cement and certain completion & stimulation fluids defined by EPA as exempt. It does not include drilling rig waste, such as spent hydraulic fluids, used engine oil, used oil filter, empty cement, drilling mud, or other product sacks, empty paint, pipe dope, chemical or other product containers, and excess chemicals or

chemical rinsate. Any evidence of non-exempt wastes being put into the reserve pit may result in the BLM Authorized Officer requiring specific testing and closure requirements.

- If this well is drilled during the fire season (June-October), the operator shall institute all necessary precautions to ensure that fire hazard is minimized, including but not limited to mowing vegetation on the access route(s) and well location(s), keeping fire fighting equipment readily available when drilling, etc.

Dry Hole/Reclamation

- All disturbed lands associated with this project, including the pipelines, access roads, etc. will be expediently reclaimed and reseeded in accordance with the surface use plan and any pertinent site-specific COAs.

- The Seed Mixtures and procedures outline in Appendix B Revegetation Plan of the Cardinal Draw II Coal Bed Methane Project EA (attached) shall be used for reclamation.

- Disturbed lands will be re-contoured back to conform with existing undisturbed topography. No depressions will be left that trap water or form ponds.

- Reserve pits will be closed as soon as possible, unless the BLM Authorized Officer gives an extension. Squeezing of pit fluids and cuttings is prohibited. Pits must be dry of fluids or they must be removed via vac-truck or other environmentally acceptable method prior to backfilling, re-contouring and replacement of topsoil. Mud and cuttings left in pit must be buried at least 3-feet below re-contoured grade. The operator will be responsible for re-contouring any subsidence areas that develop from closing a pit before it is sufficiently dry.

- Before the location has been reshaped and prior to redistributing the topsoil, the operator will rip or scarify the drilling platform and access road on the contour, to a depth of at least 12 inches. The rippers are to be no farther than 24 inches apart.

- Distribute the topsoil evenly over the entire location and other disturbed areas. Prepare the seedbed by disking to a depth of 4-to-6 inches following the contour.

- Phased reclamation plans will be submitted to BLM for approval prior to individual POD facility abandonment via a Notice of Intent (NOI) Sundry Notice. Individual facilities, such as well locations, pipelines, discharge points, impoundments, etc. need to be addressed in these plans as they are no longer needed. Individual items that will need to be addressed in reclamation plans include:

- Pit closure
- Configuration of reshaped topography, drainage systems, and other surface manipulations
- Waste disposal
- Revegetation methods, including specific seed mix (pounds pure live seed/acre) and soil treatments (seedbed preparation, fertilization, mulching, etc.). On private surface, the landowner should be consulted for the specific seed mix.

- Other practices that will be used to reclaim and stabilize all disturbed areas, such as water bars, erosion fabric, hydro-mulching, etc.
- An estimate of the timetables for beginning and completing various reclamation operations relative to weather and local land uses.
- Methods and measures that will be used to control noxious weeds, addressing both ingress and egress to the individual well or POD.
- Decommissioning/removal of all surface facilities.

- A Notice of Intent to Abandon and a Subsequent Report of Abandonment must be submitted for abandonment approval.

- For performance bond release approval, a Final Abandonment Notice (with a surface owner release letter on split-estate) must be submitted prior to a final abandonment evaluation by BLM.

- Soil fertility testing and the addition of soil amendments may be required to stabilize some disturbed lands.

- Any mulch utilized for reclamation needs to be certified weed free.

- Waterbars are to be constructed at least one (1) foot deep, on the contour with approximately two (2) feet of drop per 100 feet of waterbar to ensure drainage, and extended into established vegetation. All waterbars are to be constructed with the berm on the downhill side to prevent the soft material from silting in the trench. The initial waterbar should be constructed at the top of the backslope. Subsequent waterbars should follow the following general spacing guidelines:

Slope (percent)	Spacing Interval (feet)
≤ 2	200
2 – 4	100
4 – 5	75
≥ 5	50

Producing Well

- All internal combustion equipment will be kept in good working order.

- Landscape those areas not required for production to the surrounding topography as soon as possible.
- Reduce the backslope to 2:1 and the foreslope to 3:1, unless otherwise directed by the BLM Authorized Officer. Reduce slopes by pulling fill material up from foreslope into the toe of cut slopes.
- Production facilities (including dikes) must be placed on the cut portion of the location and a minimum of 15 feet from the toe of the back cut unless otherwise approved by the BLM Authorized Officer.

- Any spilled or leaked oil, produced water or treatment chemicals must be reported in accordance with NTL-3A and immediately cleaned up in accordance with BLM requirements. This includes clean-up and proper disposition of soils contaminated as a result of such spills/leaks.
- Distribute stockpiled topsoil evenly over those areas not required for production and reseed as recommended.
- Upgrade and maintain access roads and drainage control (e.g., culverts, drainage dips, ditching, crowning, surfacing, etc.) as necessary and as directed by the BLM Authorized Officer to prevent soil erosion and accommodate safe, environmentally-sound access.
- Prior to construction of production facilities not specifically addressed in the APD, the operator shall submit a Sundry Notice to the BLM Authorized Officer for approval.
- If not already required prior to constructing and drilling the well location, the operator shall immediately upgrade the entire access road to BLM standards (including topsoiling, crowning, ditching, drainage culverts, surfacing, etc.) to ensure safe, environmentally-sound, year-round access. This requirement does not supercede or apply where specific road requirements are addressed in the APD/POD surface use plan (e.g., two track road, spot upgrade, etc.)
- Waterbars shall be installed on all reclaimed pipeline corridors per the guidelines.

Roads and Pipelines

- No road grades in excess of 15 percent will occur without written permission of the AO.
- Roads constructed on BLM lands shall be constructed to allow for drainage and erosion control. The operator is responsible for maintenance of all roads authorized through the lease or right-of-way. Construction and maintenance shall comply with BLM System Road Standards as described in BLM Manual Section 9113 and the BLM Gold Book standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, and headcut restoration/prevention.
- Topsoil from access roads and pipelines are to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
- The operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
- Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipaters as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipaters and gravel dispersion fans may be used, or any other design which would accomplish the

desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting

Health and Safety

- In accordance with 29 CFR 1910.1200, a Material Safety Data Sheet (MSDS) for every chemical or hazardous material brought on-site will be kept on file in CP's field office.

- CP will transport and/or dispose of any hazardous wastes, as defined by the Resource Conservation and Recovery Act of 1976 (RCRA), as amended, in accordance with all applicable Federal, State, and local regulations.

- All storage tanks that contain produced water, or other fluids which may constitute a hazard to public health or safety, will be surrounded by a secondary means of containment for the entire contents of the tank, plus freeboard for precipitation, or to contain 110 percent of the capacity of the tank. The appropriate containment and/or diversionary structures or equipment, including walls and floor, will be constructed so that any discharge from a primary containment system, such as a tank or pipe, will not drain, infiltrate, or otherwise escape to groundwater or surface waters before cleanup is completed. A liner shall be used when the ground is permeable and would allow filtration of fluid to the subsurface strata.

- Notice of any spill or leakage, as defined in BLM NTL 3A, will be immediately reported by CP to the AO and to other Federal and State officials as required by law. Oral notice will be given as soon as possible, but within no more than 24 hours, and those oral notices will be confirmed in writing within 72 hours of any such occurrence.

DOWNHOLE PROGRAM
CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- All casing strings below the conductor shall be pressure tested to 0.22 psi/foot or 1500 psi, whichever is greater but not to exceed 70% of the internal yield.

VARIANCES GRANTED

- 3000# BOP test will be sufficient for well safety.
- Deduster equipment and automatic ignitor are not required unless the air/mist system is not used.
- Compressor location of 90 degrees from the blooie line is granted.
- All other air drilling equipment shall be adhered to.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Price Field Office within 24 hours of spudding.

- Notify Price Field Office Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.

- If air drilling operations are utilized, the requirements of Onshore Oil & Gas Order No. 2, Part III.E *Special Drilling Operations*, shall be implemented.

- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and **NOT** by the rig pumps. Test shall be reported in the driller's log.

- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.

- No aggressive/fresh hard-banded drill pipe shall be used within casing.

- **Cement baskets shall not be run on surface casing.**

- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Price Field Office.

- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Price Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.

- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Price BLM office engineer within 30 days of the completion of the well.

- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Price Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.

- A cement bond log (CBL) will be run from the production casing shoe to the top of cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

- The use of a flow conditioner in lieu of straightening vanes in the gas meter run cannot be approved with the information provided. This proposal is not consistent with the provisions of Onshore Oil & Gas Order No. 5, and as such, can only be considered for approval as a "variance" from Order No. 5. A written request for variance would identify the Order No. 5 requirement(s) from which the variance is being requested, and it would included supporting justification as to how the alternate method of measurement would meet or exceed the minimum standards established in Order No. 5. A variance request for the use of a flow conditioner would also include the make, model, dimensions, and description of use for the specific flow conditioner being proposed.

- **Please submit a copy of all other logs run on this well to the BLM Price Field Office.**

- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Price Field Office.

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.

- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.

- Should the well be successfully completed for production, the BLM Price Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:

    - Operator name, address, and telephone number.

    - Well name and number.

    - Well location (¼¼, Sec., Twn, Rng, and P.M.).

    - Date well was placed in a producing status (date of first production for which royalty will be paid).

    - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).

    - The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.

    - Unit agreement and/or participating area name and number, if applicable.

    - Communitization agreement number, if applicable.

- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Price Field Office.

- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Price Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in

accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Price Field Office.

- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Price Field Office.

- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Price Field Office Petroleum Engineers will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports shall be submitted to the BLM Price Field Office. All measurement facilities will conform to the API standards for liquid hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be identified as the point of sale or allocation for royalty purposes.

- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Price Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.

- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Price Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.

- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover equipment shall be removed from a well to be placed in a suspended status without prior approval of the BLM Price Field Office. If operations are to be suspended for more than 30 days, prior approval of the BLM Price Field Office shall be obtained and notification given before resumption of operations.

- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

- Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well: ☐ Oil Well ☑ Gas Well ☐ Other

2. Name of Operator: **ConocoPhillips Company**

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

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

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

2254.55 FSL & 1086.75 FWL
Lot 4 NWNW of 34-14S-8E

5. Lease Serial No.: **UTU 61154/BHL: UTU61155**

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

7. If Unit or CA/Agreement, Name and/or No.: **Drunkards Wash**

8. Well Name and No.: **USA 3-795D**

9. API Well No.: **43-007-31454**

10. Field and Pool, or Exploratory Area: **Drunkards Wash**

11. County or Parish, State: **Carbon County, Utah**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Surface Casing**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

Utilized Pense rig 18 to drill 15" surface to totoal depth of 413'. Ran 10 3/4" J55 STC 40.5# casing and landed shoe at 397.86'. Cemented w/409 sxs 'G' neat. Circulated to surface. Rig down Pense rig and prepare for Nabors 124 to move in and drill production hole.

14. I hereby certify that the foregoing is true and correct
Name *(Printed/Typed)*: **Donna Williams** Title **Sr. Regulatory Specialist**

Signature: Date **12/01/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
DEC 08 2008
DIV. OF OIL, GAS & MINING

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

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UTU61154/BHL: UTU61155

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N/A

7. If Unit or CA/Agreement, Name and/or No.
Drunkards Wash

1. Type of Well
☐ Oil Well ☐ ☑ Gas Well ☐☐ ☐ Other

8. Well Name and No.
USA 3-795D

2. Name of Operator **ConocoPhillips Company**

9. API Well No.
43-007-31454

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

3b. Phone No. *(include area code)*
423-688-6943

10. Field and Pool, or Exploratory Area
Drunkards Wash

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*
2254.55 FSL & 1086.75 FWL
Lot 4 NWNW of 34-14S-8E

11. County or Parish, State
Carbon County, Utah

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☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Total Depth**
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	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

The above well reached total depth of 5143' MD on 12/9/08. Ran 7" 26# N80 LTC casing and set at 5131.55KBMD. Ran ACP/DVT and set at 4300' MD. Pumped 1st stage of 111 sxs litecrete (9.6ppg/2.36 yield). Open DVT. Pumped 2nd stage using 553 sxs litecrete mixed. Good circulation throughout job. Circuated to surface. Rig released on 12/12/08.

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

Title **Sr. Regulatory Specialist**

Signature

Date **12/15/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

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Office

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(Instructions on page 2)

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Expires: March 31, 2007

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☐ Oil Well ☐ ☑ Gas Well ☐☐ ☐ Other

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☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **First Sales**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

The above well had first sales on July 21, 2009. The well was making 47 mcf gas, 0 oil, and 50 bbls of water.

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

Signature Date **07/22/2009**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED
JUL 27 2009
DIV. OF OIL, GAS & MINING

Form 3160-5
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well: ☐ Oil Well ☐ ☑ Gas Well ☐ ☐ Other

2. Name of Operator: **ConocoPhillips Company**

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

3b. Phone No. *(include area code)*: **423-688-6943**

4. Location of Well *(Footage, Sec., T., R., M., or Survey Description)*

2254.55 FSL & 1086.75 FWL
Lot 4 NWNW of 34-14S-8E

5. Lease Serial No.: **UTU61154/BHL: UTU61155**

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

7. If Unit or CA/Agreement, Name and/or No.: **Drunkards Wash**

8. Well Name and No.: **USA 3-795D**

9. API Well No.: **43-007-31454**

10. Field and Pool, or Exploratory Area: **Drunkards Wash**

11. County or Parish, State: **Carbon County, Utah**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
☐ Notice of Intent	☐ Acidize	☐ Deepen	☐ Production (Start/Resume)	☐ Water Shut-Off
☑ Subsequent Report	☐ Alter Casing	☐ Fracture Treat	☐ Reclamation	☐ Well Integrity
☐ Final Abandonment Notice	☐ Casing Repair	☐ New Construction	☐ Recomplete	☑ Other **Directional Survey**
	☐ Change Plans	☐ Plug and Abandon	☐ Temporarily Abandon	
	☐ Convert to Injection	☐ Plug Back	☐ Water Disposal	

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

The above well directionally drilled to a total depth of 5143' MD on 12/9/08. At this depth, the bottomhole location is 568.94 FNL & 1244.86 FWL of Section 3-15S-8E. The final directional survey is attached.

RECEIVED
DEC 22 2008
DIV. OF OIL, GAS & MINING

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

Title: **Sr. Regulatory Specialist**

Signature:

Date: **12/15/2008**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title _____ Date _____

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

Office

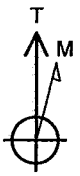
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

CONOCOPHILLIPS

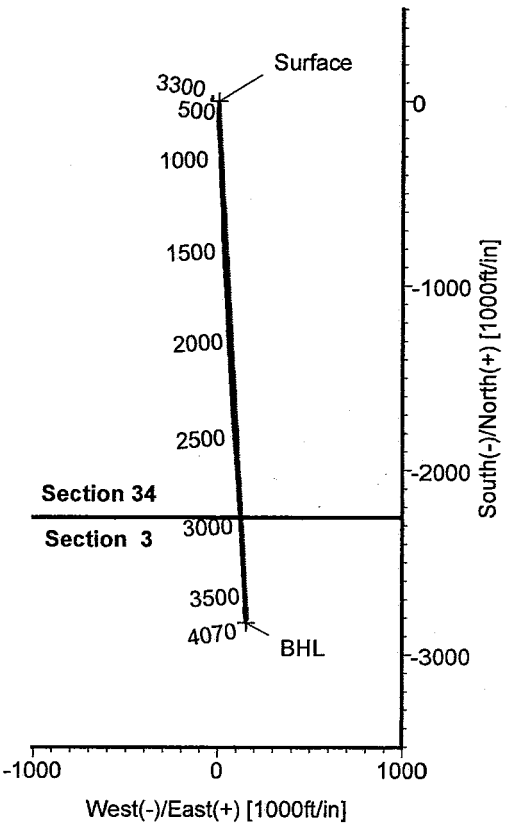
Field: Carbon County, UT
Site: USA #3-795D
Well: #3-795D
Wellpath: Original Hole

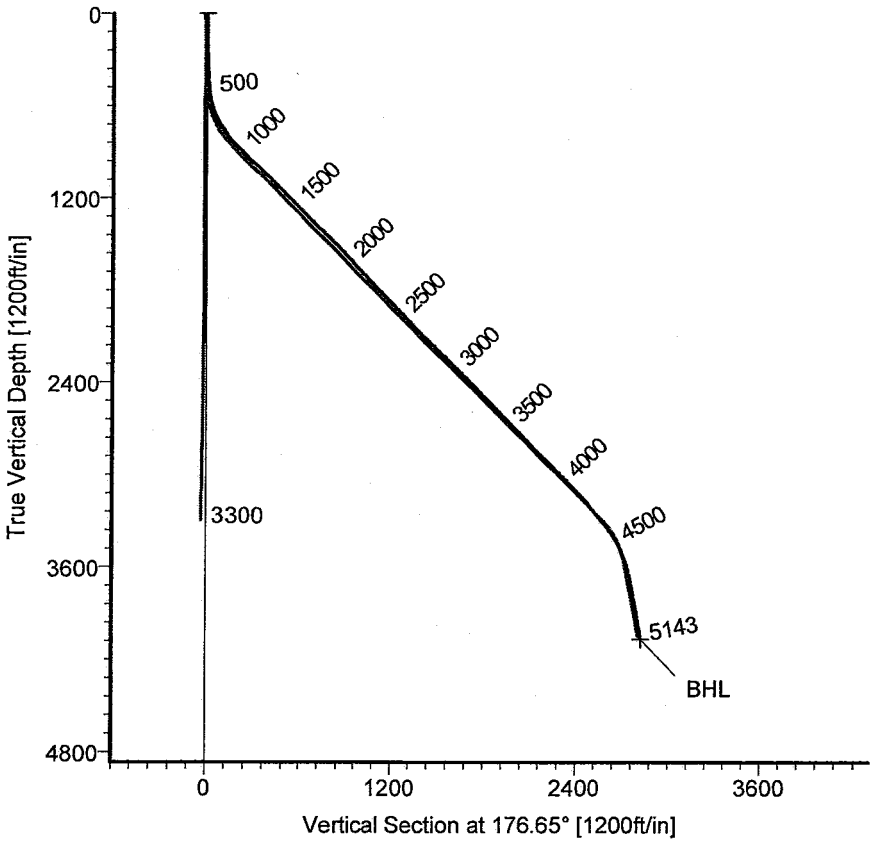
ConocoPhillips



Azimuths to True North
Magnetic North: 11.54°

Magnetic Field
Strength: 52338nT
Dip Angle: 65.48°
Date: 11/19/2008
Model: igrf2005





LEGEND

- #3-795D,Original Hole,Plan #2a
- #34-793 (Original Hole)
- Original Hole

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DEC 2 2 2008
DIV. OF OIL, GAS & MINING

TARGET DETAILS

Name	TVD	+N/-S	+E/-W	Latitude	Longitude	Shape
Surface	0.00	0.00	0.00	39°33'47.893N	110°01'04.412W	Point
BHL	4070.18	-2823.49	158.11	39°33'19.985N	110°01'02.393W	Point

STRATA DIRECTIONAL TECHNOLOGY, LLC.
911 Regional Park Drive Houston, Texas 77060
Phone: 713-934-9600 Fax: 713-934-9067

Wellpath: (#3-795D/Original Hole)
Created By: Ivonne Gonzalez Date: 12/10/2008
Checked: _____ Date: _____

Strata Directional Technology, LLC.

Survey Report

Company:	CONOCOPHILLIPS	**Date:** 12/10/2008	**Time:** 10:22:30	**Page:**	1
Field:	Carbon County, UT	**Co-ordinate(NE) Reference:**	Well: #3-795D, True North		
Site:	USA #3-795D	**Vertical (TVD) Reference:**	Est.7133'GL+11'KB 7144.0		
Well:	#3-795D	**Section (VS) Reference:**	Well (0.00N,0.00E,176.65Azi)		
Wellpath:	Original Hole	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Adapti

Field: Carbon County, UT

Map System:	US State Plane Coordinate System 1927	**Map Zone:**	Utah, Central Zone
Geo Datum:	NAD27 (Clarke 1866)	**Coordinate System:**	Well Centre
Sys Datum:	Mean Sea Level	**Geomagnetic Model:**	igrf2005

Site: USA #3-795D

Site Position:		**Northing:**	451449.13 ft	**Latitude:**	39	33	47.893	N
From:	Geographic	**Easting:**	2417818.90 ft	**Longitude:**	110	1	4.412	W
Position Uncertainty:	0.00 ft			**North Reference:**			True	
Ground Level:	7133.00 ft			**Grid Convergence:**			0.95	deg

Well: #3-795D **Slot Name:**

Well Position:	+N/-S 0.00 ft	**Northing:**	451449.13 ft	**Latitude:**	39	33	47.893	N
	+E/-W 0.00 ft	**Easting :**	2417818.90 ft	**Longitude:**	110	1	4.412	W
Position Uncertainty:	0.00 ft							

Wellpath: Original Hole

Drilled From:	Surface		
Tie-on Depth:	0.00 ft		
Current Datum:	Est.7133'GL+11'KB	**Height** 7144.00 ft	**Above System Datum:** Mean Sea Level
Magnetic Data:	11/19/2008		**Declination:** 11.54 deg
Field Strength:	52338 nT		**Mag Dip Angle:** 65.48 deg

Vertical Section:	**Depth From (TVD)** ft	**+N/-S** ft	**+E/-W** ft	**Direction** deg
	0.00	0.00	0.00	176.65

Survey Program for Definitive Wellpath

Date: 12/10/2008 **Validated:** No **Version:** 0

Actual From ft	**To** ft	**Survey**	**Toolcode**	**Tool Name**
485.00	5088.00	Survey #1 (485.00-5088.00)	MWD	Std MWD
5143.00	5143.00	Survey #2 (5143.00-5143.00)	Project	Projection

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
0.00	0.00	176.65	0.00	0.00	0.00	0.00	0.00	0.00	0.00	TIE LINE
485.00	3.30	187.90	484.73	-13.83	-1.92	13.69	0.68	0.68	0.00	MWD
516.00	7.50	181.80	515.59	-16.74	-2.11	16.59	13.66	13.55	-19.68	MWD
546.00	11.00	182.70	545.19	-21.56	-2.30	21.38	11.68	11.67	3.00	MWD
576.00	15.00	183.70	574.42	-28.29	-2.69	28.09	13.35	13.33	3.33	MWD
607.00	18.00	181.40	604.14	-37.08	-3.06	36.84	9.90	9.68	-7.42	MWD
637.00	20.10	182.70	632.49	-46.87	-3.42	46.59	7.14	7.00	4.33	MWD
669.00	22.40	181.80	662.32	-58.46	-3.87	58.13	7.26	7.19	-2.81	MWD
701.00	25.40	182.10	691.57	-71.41	-4.31	71.04	9.38	9.37	0.94	MWD
732.00	27.60	181.20	719.31	-85.24	-4.71	84.82	7.21	7.10	-2.90	MWD
764.00	30.30	179.80	747.31	-100.72	-4.83	100.27	8.70	8.44	-4.37	MWD
796.00	33.40	178.70	774.49	-117.61	-4.61	117.14	9.86	9.69	-3.44	MWD
828.00	36.30	177.50	800.75	-135.88	-3.99	135.41	9.31	9.06	-3.75	MWD
860.00	40.20	175.80	825.87	-155.65	-2.82	155.22	12.62	12.19	-5.31	MWD
891.00	43.30	174.50	849.00	-176.21	-1.07	175.85	10.38	10.00	-4.19	MWD
923.00	44.40	174.10	872.07	-198.27	1.13	198.00	3.54	3.44	-1.25	MWD
955.00	44.30	173.40	894.96	-220.51	3.57	220.34	1.56	-0.31	-2.19	MWD
1016.00	45.90	178.50	938.03	-263.58	6.59	263.52	6.48	2.62	8.36	MWD
1112.00	45.70	178.30	1004.96	-332.38	8.51	332.31	0.26	-0.21	-0.21	MWD
1207.00	45.40	178.30	1071.48	-400.17	10.52	400.10	0.32	-0.32	0.00	MWD
1303.00	44.90	176.30	1139.19	-468.14	13.72	468.14	1.57	-0.52	-2.08	MWD
1399.00	45.50	177.50	1206.84	-536.16	17.40	536.26	1.09	0.62	1.25	MWD

Strata Directional Technology, LLC.

Survey Report

Company:	CONOCOPHILLIPS	**Date:** 12/10/2008	**Time:** 10:22:30	**Page:**	2
Field:	Carbon County, UT	**Co-ordinate(NE) Reference:**	Well: #3-795D, True North		
Site:	USA #3-795D	**Vertical (TVD) Reference:**	Est.7133'GL+11'KB 7144.0		
Well:	#3-795D	**Section (VS) Reference:**	Well (0.00N,0.00E,176.65Azi)		
Wellpath:	Original Hole	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Adapti

Survey

MD ft	Incl deg	Azim deg	TVD ft	+N/-S ft	+E/-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
1494.00	45.50	177.60	1273.42	-603.86	20.30	604.01	0.08	0.00	0.11	MWD
1590.00	45.40	177.40	1340.77	-672.20	23.28	672.42	0.18	-0.10	-0.21	MWD
1686.00	45.30	178.00	1408.24	-740.44	26.03	740.70	0.46	-0.10	0.62	MWD
1784.00	45.10	176.80	1477.29	-809.91	29.18	810.23	0.89	-0.20	-1.22	MWD
1879.00	45.20	177.70	1544.29	-877.18	32.41	877.58	0.68	0.11	0.95	MWD
1975.00	43.10	176.20	1613.17	-943.95	35.95	944.43	2.44	-2.19	-1.56	MWD
2070.00	42.90	176.40	1682.65	-1008.60	40.13	1009.22	0.25	-0.21	0.21	MWD
2166.00	43.80	176.50	1752.46	-1074.37	44.21	1075.12	0.94	0.94	0.10	MWD
2262.00	44.70	177.80	1821.22	-1141.28	47.54	1142.10	1.33	0.94	1.35	MWD
2358.00	44.50	177.80	1889.58	-1208.63	50.12	1209.50	0.21	-0.21	0.00	MWD
2454.00	44.20	176.70	1958.23	-1275.66	53.34	1276.60	0.86	-0.31	-1.15	MWD
2548.00	44.60	176.30	2025.39	-1341.31	57.36	1342.37	0.52	0.43	-0.43	MWD
2644.00	44.20	175.90	2093.98	-1408.32	61.92	1409.53	0.51	-0.42	-0.42	MWD
2740.00	44.60	175.50	2162.57	-1475.30	66.96	1476.69	0.51	0.42	-0.42	MWD
2836.00	44.50	177.60	2230.98	-1542.51	71.01	1544.03	1.54	-0.10	2.19	MWD
2931.00	45.80	176.30	2297.98	-1609.76	74.61	1611.37	1.68	1.37	-1.37	MWD
3027.00	44.40	176.60	2365.75	-1677.63	78.82	1679.37	1.48	-1.46	0.31	MWD
3121.00	44.20	176.10	2433.02	-1743.15	83.00	1745.02	0.43	-0.21	-0.53	MWD
3217.00	43.70	174.90	2502.14	-1809.57	88.22	1811.63	1.01	-0.52	-1.25	MWD
3312.00	44.30	175.30	2570.47	-1875.32	93.86	1877.60	0.70	0.63	0.42	MWD
3407.00	43.50	176.10	2638.93	-1941.01	98.80	1943.46	1.02	-0.84	0.84	MWD
3503.00	44.40	175.00	2708.04	-2007.43	103.97	2010.07	1.23	0.94	-1.15	MWD
3599.00	44.30	175.30	2776.69	-2074.30	109.65	2077.16	0.24	-0.10	0.31	MWD
3695.00	45.20	175.60	2844.87	-2141.67	115.01	2144.73	0.96	0.94	0.31	MWD
3791.00	44.80	176.40	2912.75	-2209.38	119.75	2212.60	0.72	-0.42	0.83	MWD
3886.00	45.00	176.60	2980.04	-2276.32	123.84	2279.66	0.26	0.21	0.21	MWD
3982.00	43.70	177.30	3048.69	-2343.33	127.41	2346.77	1.45	-1.35	0.73	MWD
4078.00	43.60	177.10	3118.15	-2409.51	130.65	2413.03	0.18	-0.10	-0.21	MWD
4173.00	40.80	176.60	3188.52	-2473.22	134.15	2476.83	2.97	-2.95	-0.53	MWD
4205.00	40.60	176.40	3212.78	-2494.05	135.42	2497.70	0.75	-0.62	-0.62	MWD
4237.00	40.50	175.60	3237.10	-2514.80	136.87	2518.50	1.66	-0.31	-2.50	MWD
4301.00	39.80	176.70	3286.01	-2555.97	139.65	2559.77	1.56	-1.09	1.72	MWD
4332.00	39.00	177.00	3309.97	-2575.62	140.73	2579.44	2.65	-2.58	0.97	MWD
4364.00	37.60	177.50	3335.08	-2595.43	141.68	2599.27	4.48	-4.37	1.56	MWD
4396.00	35.60	177.40	3360.77	-2614.49	142.53	2618.35	6.25	-6.25	-0.31	MWD
4428.00	33.50	177.30	3387.13	-2632.62	143.37	2636.50	6.56	-6.56	-0.31	MWD
4460.00	31.40	177.10	3414.13	-2649.77	144.21	2653.66	6.57	-6.56	-0.62	MWD
4492.00	29.10	177.10	3441.77	-2665.86	145.02	2669.78	7.19	-7.19	0.00	MWD
4524.00	26.40	176.30	3470.09	-2680.74	145.88	2684.68	8.52	-8.44	-2.50	MWD
4556.00	24.30	175.70	3499.00	-2694.40	146.83	2698.38	6.61	-6.56	-1.87	MWD
4588.00	21.90	175.20	3528.43	-2706.92	147.82	2710.93	7.52	-7.50	-1.56	MWD
4620.00	19.10	178.20	3558.41	-2718.10	148.49	2722.13	9.34	-8.75	9.37	MWD
4652.00	17.10	179.20	3588.82	-2728.04	148.72	2732.07	6.32	-6.25	3.12	MWD
4684.00	14.10	181.40	3619.64	-2736.64	148.69	2740.65	9.55	-9.37	6.87	MWD
4716.00	12.00	182.40	3650.81	-2743.86	148.45	2747.85	6.60	-6.56	3.12	MWD
4780.00	11.20	176.10	3713.51	-2756.71	148.60	2760.69	2.34	-1.25	-9.84	MWD
4843.00	11.10	171.40	3775.32	-2768.81	149.92	2772.84	1.45	-0.16	-7.46	MWD
4905.00	10.80	171.60	3836.19	-2780.46	151.66	2784.57	0.49	-0.48	0.32	MWD
4968.00	10.60	172.00	3898.09	-2792.04	153.33	2796.23	0.34	-0.32	0.63	MWD
5032.00	10.10	172.10	3961.05	-2803.43	154.92	2807.69	0.78	-0.78	0.16	MWD
5088.00	10.70	170.60	4016.13	-2813.42	156.44	2817.75	1.18	1.07	-2.68	MWD
5143.00	10.70	170.60	4070.18	-2823.49	158.11	2827.91	0.00	0.00	0.00	BHL

Strata Directional Technology, LLC.

Survey Report

Company:	CONOCOPHILLIPS	**Date:**	12/10/2008	**Time:**	10:22:30 **Page:** 3
Field:	Carbon County, UT	**Co-ordinate(NE) Reference:**	Well: #3-795D, True North		
Site:	USA #3-795D	**Vertical (TVD) Reference:**	Est.7133'GL+11'KB 7144.0		
Well:	#3-795D	**Section (VS) Reference:**	Well (0.00N,0.00E,176.65Azi)		
Wellpath:	Original Hole	**Survey Calculation Method:**	Minimum Curvature	**Db:**	Adapti

Targets

Name	Description Dip.	Dir.	TVD ft	+N/-S ft	+E/-W ft	Map Northing ft	Map Easting ft	<--- Latitude ---> Deg	Min	Sec	<--- Longitude ---> Deg	Min	Sec
Surface			0.00	0.00	0.00	451449.13	2417818.90	39	33	47.893 N	110	1	4.412 W
BHL			4070.18	-2823.49	158.11	448628.64	2418023.78	39	33	19.985 N	110	1	2.393 W

Form 3160-4
(February 2005)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: March 31, 2007

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No. **UTU61154/UTU61155**

1a. Type of Well ☐ Oil Well ☑ Gas Well ☐ Dry ☐ Other
b. Type of Completion: ☑ New Well ☐ Work Over ☐ Deepen ☐ Plug Back ☐ Diff. Resvr.,
Other

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

7. Unit or CA Agreement Name and No. **Drunkards Wash**

2. Name of Operator **ConocoPhillips Company**

8. Lease Name and Well No. **USA 3-795D**

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

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

9. AFI Well No. **43-007-31454**

4. Location of Well *(Report location clearly and in accordance with Federal requirements)**

At surface **2254.55 FSL & 1086.75 FWL (Lot 4 NWNW 34-14S-8E)**

At top prod. interval reported below

At total depth **568.94 FNL & 1247.86 FWL (NWNW of 3-15S-8E)** per HSM review

10. Field and Pool, or Exploratory **Drunkards Wash**

11. Sec., T., R., M., on Block and Survey or Area **34-14S-8E**

12. County or Parish **Carbon**

13. State **UT**

14. Date Spudded **11/09/2008**

15. Date T.D. Reached **12/12/2008**

16. Date Completed **06/08/2009** ☐ D & A ☑ Ready to Prod.

17. Elevations (DF, RKB, RT, GL)* **7135.5 GL**

18. Total Depth: MD **5143** TVD **4070**

19. Plug Back T.D.: MD **5096** TVD **4024**

20. Depth Bridge Plug Set: MD TVD

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Attached RST

22. Was well cored? ☑ No ☐ Yes (Submit analysis)
Was DST run? ☑ No ☐ Yes (Submit report)
Directional Survey? ☐ No ☑ Yes (Submit copy)

23. Casing and Liner Record *(Report all strings set in well)*

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sks. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
15	**10 3/4**	**40.5**	**Surface**	**398**		**409 sxs**		**Surface**	
9 1/2	**7**	**26**	**Surface**	**5132**	**DVT@4300**	**664 sxs**		**250'**	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)

25. Producing Intervals / 26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) **Ferron**	**4689**	**4934**	**4689-93;4736-44;4752-58**	**3 spf**		**Open**
B)			**4764-74**			
C)			**4885-90**	**4 spf**		**Open**
D)			**4898-4904; 4920-34**	**3 spf**		**Open**

27. Acid, Fracture, Treatment, Cement Squeeze, etc.

Depth Interval	Amount and Type of Material
4689-4774	**F w/1153 bbls jcoalfrac 150/20 treating fluid system + 1805 mscf N2 + 166900# 16/30 ottawa sand**
4885-4934	**F w/1120 bbls jcoalfrac 150/20 treating fluid system + 1660 mscf N2 + 132580# 16/30 ottawa sand**

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status
								Shut in

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status

*(See instructions and spaces for additional data on page 2)

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28b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method

Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status

29. Disposition of Gas *(Sold, used for fuel, vented, etc.)*

30. Summary of Porous Zones (Include Aquifers):

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

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top Meas. Depth
				Formation tops will be submitted via sundry notice.	

32. Additional remarks (include plugging procedure):

The well is shut in pending installation of production facilities. A sundry notice of first production will be filed upon notification.

33. Indicate which items have been attached by placing a check in the appropriate boxes:

☐ Electrical/Mechanical Logs (1 full set req'd.) ☐ Geologic Report ☐ DST Report ☐ Directional Survey
☐ Sundry Notice for plugging and cement verification ☐ Core Analysis ☐ Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name *(please print)* **Donna Williams** Title **Sr. Regulatory Specialist**

Signature Date **06/10/2009**

Title 18 U.S.C Section 1001 and Title 43 U.S.C Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Continued on page 3)

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:
3160 – UTU67921X
(UT922100)

APR 11 2012

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APR 13 2012
DIV. OF OIL, GAS & MINING

ConocoPhillips Company
3300 North "A" Street, Bldg. 6
Midland, TX 79705
Attn: Stephane A. Temple

Re: Non-Paying Well Determinations
Drunkards Wash Unit, Carbon County, Utah

Dear Ms. Temple:

Pursuant to your request of March 1, 2012, it has been determined by this office that under existing conditions the following wells are not capable of producing unitized substances in paying quantities as defined in Section 9 of the unit agreement:

API No.	Well No.	Bottom Hole Location	Completion Date	Lease
4300731454	3-795D	NW¼NW¼ Sec. 3 T15S R8E	06/08/2009	UTU61155
4300731446	34-793	NW¼SW¼ Sec. 34 T14S R8E	06/09/2009	UTU61154
4300750031	9-670D	NW¼SE¼ Sec. 9 T15S R8E	12/03/2010	UTU78408
4300750032	16-527D	SE¼NE¼ Sec. 16 T15S R8E	12/06/2010	STATE

All past and future production from these wells shall be handled and reported on a lease basis.

As stated in our letter dated January 13, 2012, all legal subdivisions of lands (i.e., 40 acres by Government survey or its nearest lot or tract equivalent; in instances of irregular surveys, unusually large lots or tracts shall be considered in multiples of 40 acres or the nearest aliquot equivalent thereof), not within the Consolidated Ferron Formation Participating Area "A, C, D", UTU67921F, were eliminated automatically from the Drunkards Wash unit area, effective January 1, 2012.

You are requested to submit to this office a description of the lands eliminated from the unit area and promptly notify all parties of interest. Revised exhibits "A" and "B" should also be submitted showing the lands remaining in the unit area. When doing so please do not renumber the tracts.

If you have any questions, please contact Mickey Coulthard of this office at (801) 539-4042.

Sincerely,

Roger L Bankert

Roger L. Bankert
Chief, Branch of Minerals

43-007-31454

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155
http://www.blm.gov/ut/st/en.html

IN REPLY REFER TO:
3180 (UTU67921X)
UT-922100

AUG 02 2012

USA 3-795D
14S 8E 34

ConocoPhillips Company
c/o UnitSource Incorporated
11184 Huron Street, Suite 16
Denver, Colorado 80234

Re: Correction to
Automatic Contraction
Drunkards Wash Unit
Carbon County, Utah

Dear Mr. Woodroof:

On July 26, 2012, the BLM Utah State Office notified ConocoPhillips Company, through UnitSource Incorporated, of the approval of the automatic contraction for the Drunkards Wash Unit. The status of leases in the decision was incorrect.

The correct lease status is as follows:

The following Federal Leases are entirely eliminated from the unit area:

UTU78408	UTU78409	UTU85138*
UTU79775	UTU78412	

* Indicates non-committed lease

The following Federal Leases are partially eliminated from the unit area:

UTU60402 UTU61154 UTU61155 UTU72355

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