

CONFIDENTIAL

Form 3160-3
(December 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

RECEIVED

JUL 20 1995

5. LEASE DESIGNATION AND SERIAL NO. U-18134

6. INDIAN ALLOTTEE OR TRIBE NAME N/A

7. COUNTY AND STATE NAME

DIV. OF OIL, GAS & MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Chandler & Associates, Inc.

3. ADDRESS AND TELEPHONE NO.
 475 Seventeenth St., Suite 1000 Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface: 1994' FNL 1867' FEL
 At proposed prod. zone: *SW 1/4 N 1/4 E 1/4*

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 See Topo Map "A" (Attached)

8. FARM OR LEASE NAME, WELL NO.
 Ferron Federal

9. API WELL NO.
 #7-12-19-7

10. FIELD AND POOL, OR WILDCAT
 Ferron

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 12, T19S, R7E

12. COUNTY OR PARISH
 Emery

13. STATE
 UT

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drilg. unit line, if any) 1867'

16. NO. OF ACRES IN LEASE 1480.44

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED* LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4600'

19. PROPOSED DEPTH 2050'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5937 GR

22. APPROX. DATE WORK WILL START* A.S.A.P.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	300'	(See attached Drilling Plan)
7 7/8"	5 1/2"	15.5#	2050'	(See attached Drilling Plan)

- M.I.R.U.
- Drill to T.D. 3150'
- Run 5 1/2" casing if commercial production is indicated
- If dry hole, well will be plugged and abandoned as instructed by B.L.M.
- Well will be drilled with air/mist to T.D. mud will be in place to run 5 1/2" casing.

I hereby certify that I am responsible by the terms and conditions of the lease to conduct lease operations. Bond coverage for lease activities is being provided by Chandler & Associates, Inc. B.L.M. Bond # 124290364.

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Robert L. Kay TITLE Agent for Chandler DATE 6-21-95

(This space for Federal or State office use)

PERMIT NO. 43-015-30257 APPROVAL DATE _____

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:

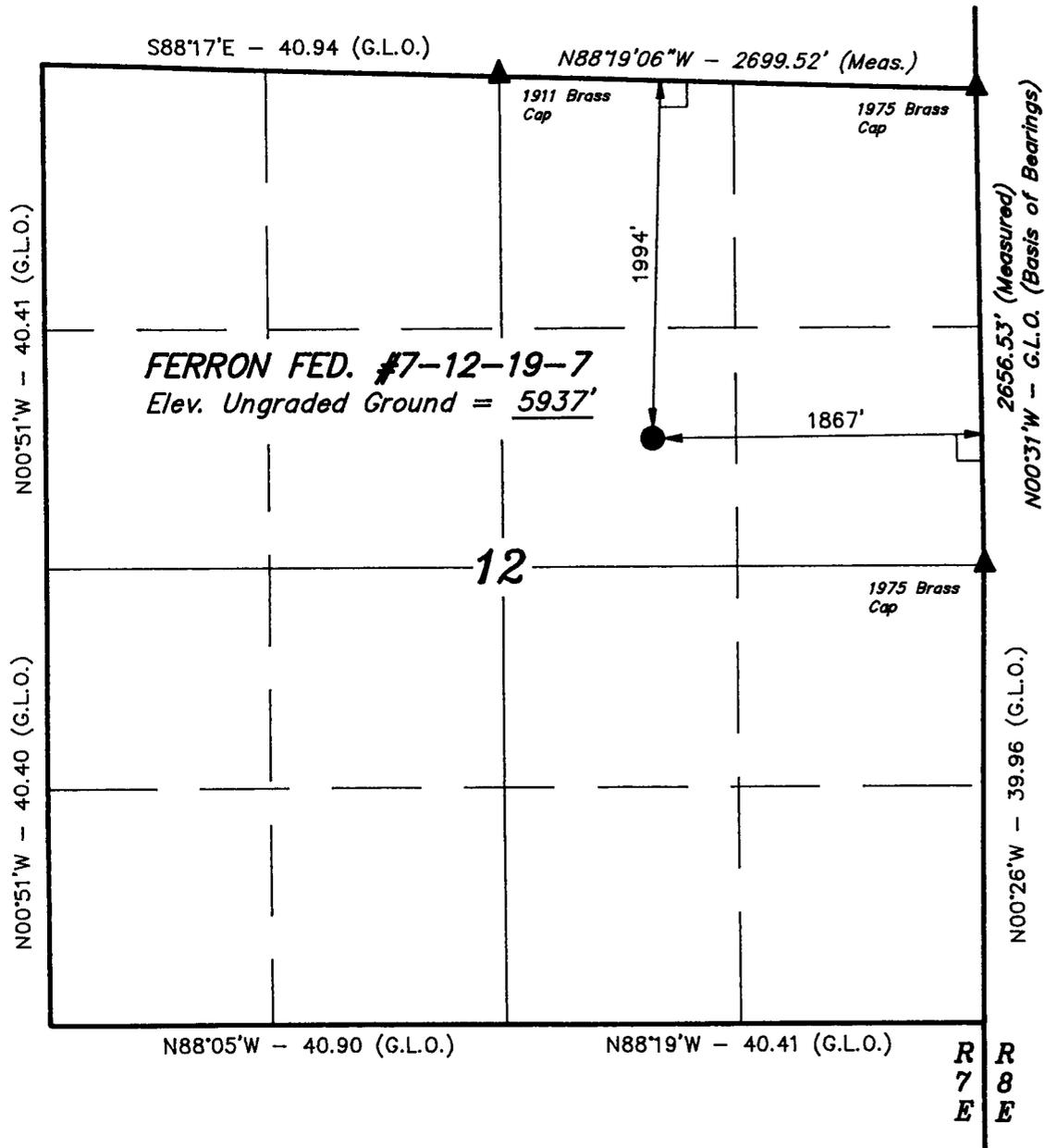
APPROVED BY J.P. Matthews TITLE Petroleum Engineer DATE 9/5/95

*See Instructions On Reverse Side

T19S, R7E, S.L.B.&M.

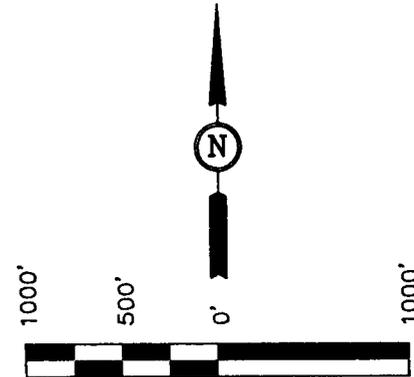
CHANDLER & ASSOCIATES, INC.

Well location, FERRON FED. #7-12-19-7, located as shown in the SW 1/4 NE 1/4 of Section 12, T19S, R7E, S.L.B.&M. Emery County, Utah.



BASIS OF ELEVATION

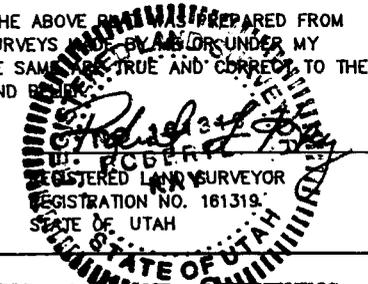
SPOT ELEVATION IN THE NW 1/4 OF SECTION 7, T19S, R7E, S.L.B.&M. TAKEN FROM THE CASTLE DALE QUADRANGLE, UTAH, EMERY COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5922 FEET.



SCALE

CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (801) 789-1017

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 5-15-95	DATE DRAWN: 5-18-95
PARTY J.F. C.G. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CHANDLER & ASSOCIATES, INC.	

CHANDLER & ASSOCIATES, INC.
DRILLING PLAN FOR THE
FERRON FEDERAL #7-12-19-7

I. DRILLING PLAN:

1. Geological Surface Formation: QUATERNARY

2. Estimated Tops:

<u>Name</u>	<u>Top</u>	<u>Prod. Phase Anticipated</u>
Top of Ferron	1700'	GAS
TD	2050'	

3. CASING PROGRAM:

	<u>Depth</u>	<u>Hole Size</u>	<u>Csg. Size</u>	<u>Type</u>	<u>Weight</u>
Surface	300'	12-1/4"	8-5/8"	K-55	24#/ft (new)
Prod.	2050'	7-7/8"	5-1/2"	K-55	15.5#/ft (new)

4. Operator's Specification for Pressure Control Equipment:

- A. 2,000 psi W.P. Double Gate BOP or Single Gate BOP (Schematic attached).
- B. Functional test daily.
- C. All casing strings shall be pressure-tested (0.2 psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
- D. All ram-type preventers and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All tests shall be for a period of 15 minutes.

Chandler & Associates, Inc.
Ferron Federal #7-12-19-7

5. Auxiliary Equipment:

- A. Kelly Cock - yes.
- B. Float at the bit - no.
- C. Monitoring equipment on the mud system - visually.
- D. Full opening safety valve on rig floor - yes.
- E. Rotating head - no.
- F. The blooie line shall be a least 6" in diameter and extend at least 100' from the wellbore into the reserve/blooie pit.
- G. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500').
- H. Compressor shall be tied directly to the blooie line through a manifold.
- I. A mistor with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

6. Proposed Circulating Medium:

<u>Depth</u>	<u>Mud Type</u>	<u>Density</u> <u>(lb./gal)</u>	<u>Viscosity</u>	<u>Water Loss</u>
0'-2050'	Air/Mist	-	-	-

7. Testing, Logging, and Coring Program:

- A. Cores - None anticipated.
- B. DST - none anticipated.
- C. Logging - DIL-GR (TD to base of surface casing).
FDC-CNL-GR-Cal (TD to base of surface casing).

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- D. Formation and Completion Interval: Ferron interval, final determination of completion will be made by analysis of logs.
Stimulation - Stimulation will be designed for the particular area of interest as encountered.
- E. Frac gradient - approximately .80 psi/ft.

8. Cementing Program:

<u>Casing</u>	<u>Volume</u>	<u>Type & Additives</u>
Surface	145 sx	Class "G" (based on 100% access)
Production	260 sx*	180 sx 50-50 poz, plus 80 sx class "G".

Cement Characteristics:

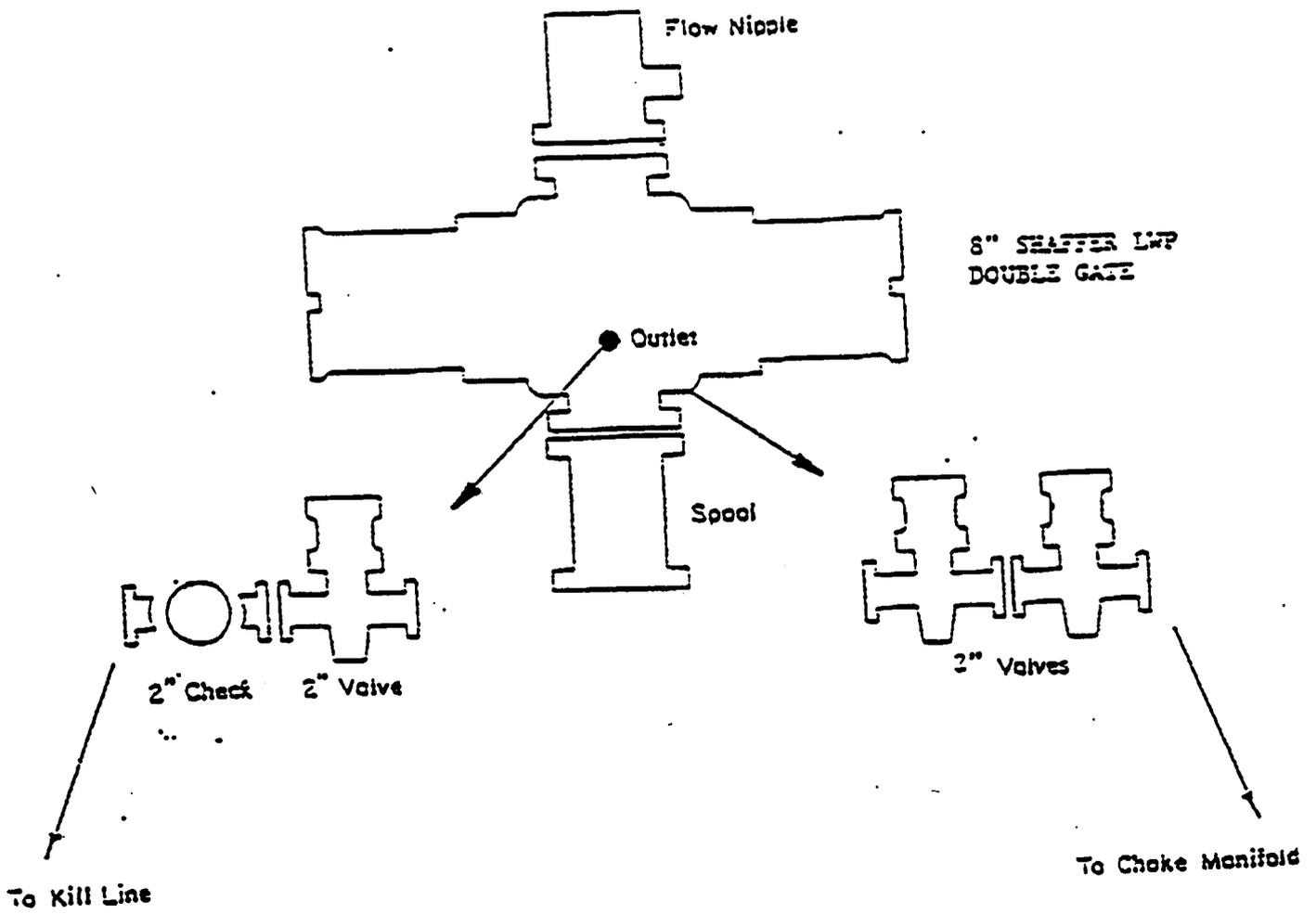
Class "G" - yeild = 1.18 cu.ft. per. sack
weight = 15.8 lb./gal
strength = 3200 psi in 72 hrs @ 135 degrees.

* Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

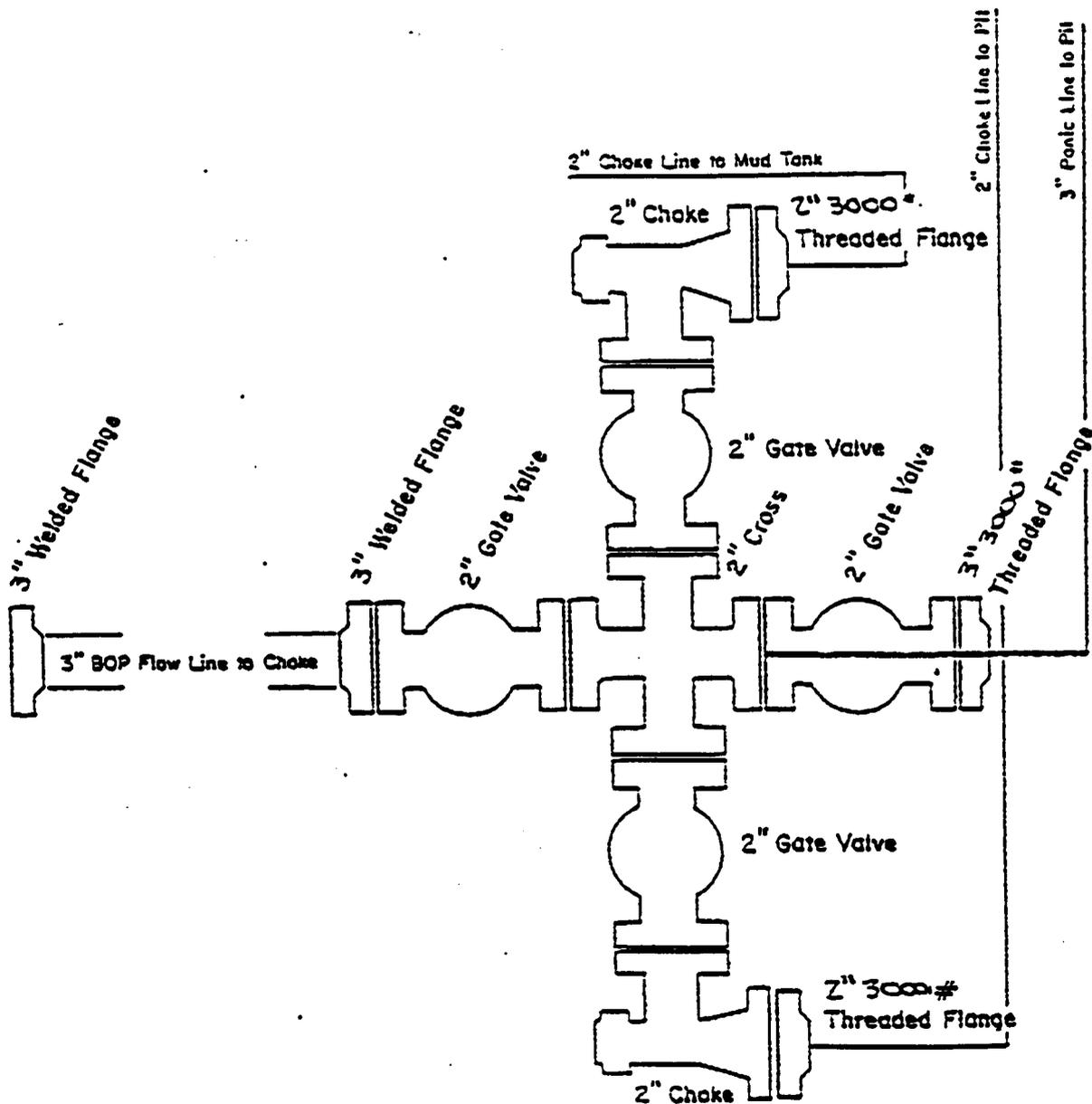
No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1,500 psi (calculated at 0.732 psi/ft) and maximum anticipated surface pressure equals approximately 1049 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

CHANDLER DRILLING
RIG NO.7



CHANDLER DRILLING

RIG NO.7



II. SURFACE USE PLAN
CHANDLER & ASSOCIATES, INC.
FERRON FEDERAL #7-12-19-7

1. Existing Road:

- A. Topo Map "A" is the vicinity map, showing the access routes from Castle Dale, Utah.
- B. Topo Map "B" shows the proposed access road to each individual well. It also shows existing roads in the immediate area.
- C. The existing and proposed access road, unless otherwise stated, shall be crowned, ditched, and dipped from the nearest improved road.
- D. Occasional maintenance blading and storm repairs will keep roads in good condition.
- E. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:

The proposed access road, will be crowned, ditched, and dipped.

- A. Maximum grade will be 8% or less, unless otherwise stated.
- B. No turnouts will be required.
- C. Low water crossings to be placed in Proposed Access road during drilling process and culverts may be installed at a later date.
- D. Road surface material will be that native to the area.

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- E. No cattleguard will be required.
- F. The proposed access road was flagged at the time the location was staked.
- G. The area authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- H. The backslopes of the proposed access roads will be no steeper than vertical or 1/4:1 in rock; and 2:1, elsewhere.

The operator or his contractor will notify the B.L.M. office at least 48 hours prior to commencement of any work on these locations, roadways, or pipelines.

3. Location of Existing Wells:

See Topo Map "C"

4. Location of Existing and/or Proposed Facilities:

- A. All Petroleum Production Facilities are to be contained within the proposed location sites.
- B. In the event that production of these wells is established, the following will be shown:
 - 1. Proposed location and attendant lines, by flagging, if off well pad.
 - 2. Dimensions of facilities.
 - 3. Construction methods and materials.

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- C. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
 - D. All permanent facilities placed on the locations shall be painted a non-reflective which will blend with the natural environment.
 - E. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
 - F. All buried pipelines shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.
 - G. Construction width of the right-of way/pipeline route shall be restricted to 30 feet of disturbance.
 - H. Pipeline location warning signs shall be installed within 90 days upon completion of construction.
5. Location and Type of Water Supply:

Any water to be used for the drilling of this well will be from the city of Castle Dale and transported by a local trucking company.

No water wells are to be drilled.

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6. Source of Construction Materials:

A. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operations and pipeline construction is needed.

B. All access roads crossing B.L.M. Land are described under item #2 and shown on Map #B.

All Construction material for these location sites and access roads shall be borrow material accumulated during the construction of the location sites and access roads. No additional construction material from other sources is anticipated at this time, but if it is required, the appropriate actions will be taken to acquire it from private sources.

C. All well pad surface disturbance area is on B.L.M. lands

7. Methods for Handling Waste Disposal:

A. Drill cuttings will be buried in the reserve pit when covered.

B. Drilling fluids will be contained in the reserve pit.

C. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling progress or during completion operations.

D. Portable chemical toilets will be provided and serviced by a local commercial sanitary service.

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- E. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill.

All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the authorized officer.

- F. Prior to commencement of drilling, the reserve pit will be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pit shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

8. Ancillary Facilities:

No air strips, camps, or other living facilities will be built off the location. Housing and office trailers will be on the location as seen on the location layout.

9. Well Site Layout:

- A. See attached cutsheet.
- B. The areas authorized officer will be contacted at least 24 hours prior to commencing construction of the access road and well pad.
- C. The authorized officer will determine after the location is constructed whether the pit is to be lined, and if so, the type of material to be used.
- D. Topsoil shall be stripped to a depth of 4 to 6 inches and stockpiled as shown on the location layout plat.
- E. The backslopes of the locations will be no steeper than vertical or 1/4:1 in rock, and 2:1 elsewhere.

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- F. The upper edges of all cut banks on the access roads and well pads will be rounded.
- G. Catchment ponds to be placed as required to intercept drainage re-routes.

10. Plans for Restoration:

- A. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- B. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within 90 days from the date of well completion.
- C. The area officer shall be notified at least 48 hours prior to commencing reclamation work.
- D. All disturbed areas will be seeded with the a mixture which is found suitable by the B.L.M.
- E. The seed bed will be prepared by disking, following the natural contour. Drill seed on contour at a depth no greater than 1/2 inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soil. Certified seed is recommended.
- F. Fall seeding will be completed after September, and prior to prolonged ground frost.

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- G. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- H. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site the fill material will be pushed into cuts and up over the backslope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- I. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application proposals must be approved. Application of herbicides must be under direct field supervision of an EPA certified pesticide applicator.

11. Other Information:

- A. The area is used by man for the primary purpose of grazing domestic livestock.

All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the Authorized Officer.

If any fossils are discovered during construction, the operator shall cease construction immediately and notify the Authorized Officer so as to determine the significance of the discovery.

Chandler & Associates, Inc.
Ferron Federal #7-12-19-7

- B. A Class III cultural resource inventory shall be completed prior to disturbance by a qualified professional Archaeologist.
- C. The B.L.M. considers the development of groundwater resources to be necessary and frequently indispensable to effective land management. Therefore, any groundwater intercepted by the party conducting mineral exploration shall be reported to the authorized officer immediately including approximate quantities and a sample in a sealed quart container. The B.L.M. shall have the first opportunity to file State water rights for the intercepted groundwater. The undersigned may file for water rights only with a written waiver from the State.
- D. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:
- whether the materials appear eligible for the National Register of Historic Places;
the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary);
and a timeframe for the AO to complete an expedited review under 36 CFR 800-11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

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Ferron Federal #7-12-19-7

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, an operator will then be allowed to resume construction.

- E. Less than 10,000 pounds of any chemical(s) from EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less than threshold planning quantity (TPQ) of any extremely hazardous substances(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

12. Lessee's or Operator's Representative:

Mr. Don Johnson
Manager Operations/Production
Chandler & Associates, Inc.
475 Seventeenth Street
Suite 1000
Denver, Colorado 80202
Telephone #(303)295-0400

Chandler & Associates, Inc.
Ferron Federal #7-12-19-7

13. Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite(s) and access route(s); that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by **Chandler & Associates, Inc.**, and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.

6-21-95

Date

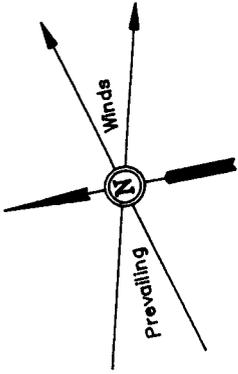
Robert L. Kay

Robert L. Kay
Agent

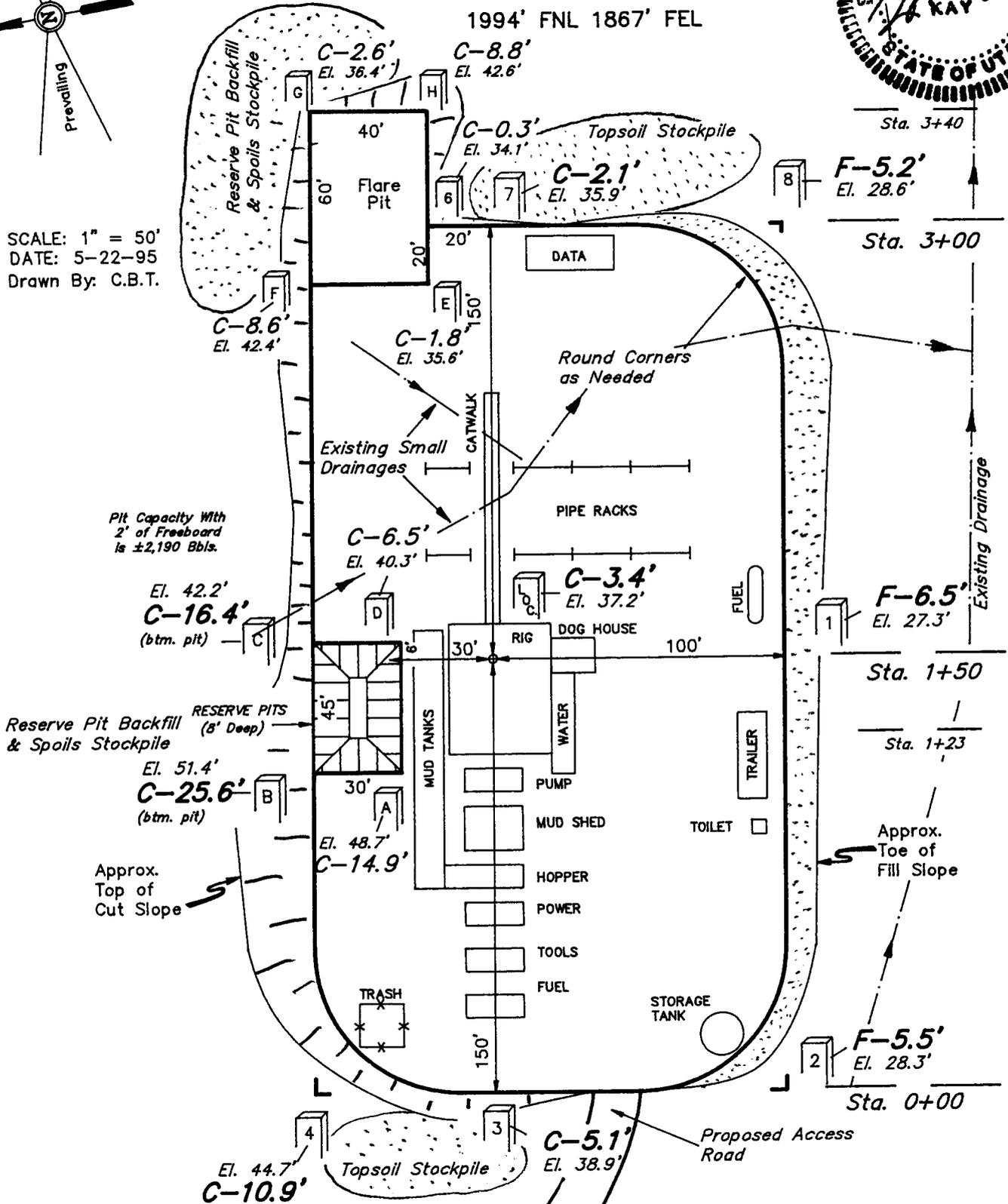
CHANDLER & ASSOCIATES, INC.

LOCATION LAYOUT FOR

FERRON FED. #7-12-19-7
SECTION 12, T19S, R7E, S.L.B.&M.
1994' FNL 1867' FEL



SCALE: 1" = 50'
DATE: 5-22-95
Drawn By: C.B.T.



Elev. Ungraded Ground at Location Stake = 5937.2'

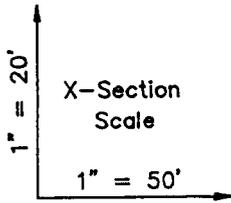
Elev. Graded Ground at Location Stake = 5933.8'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

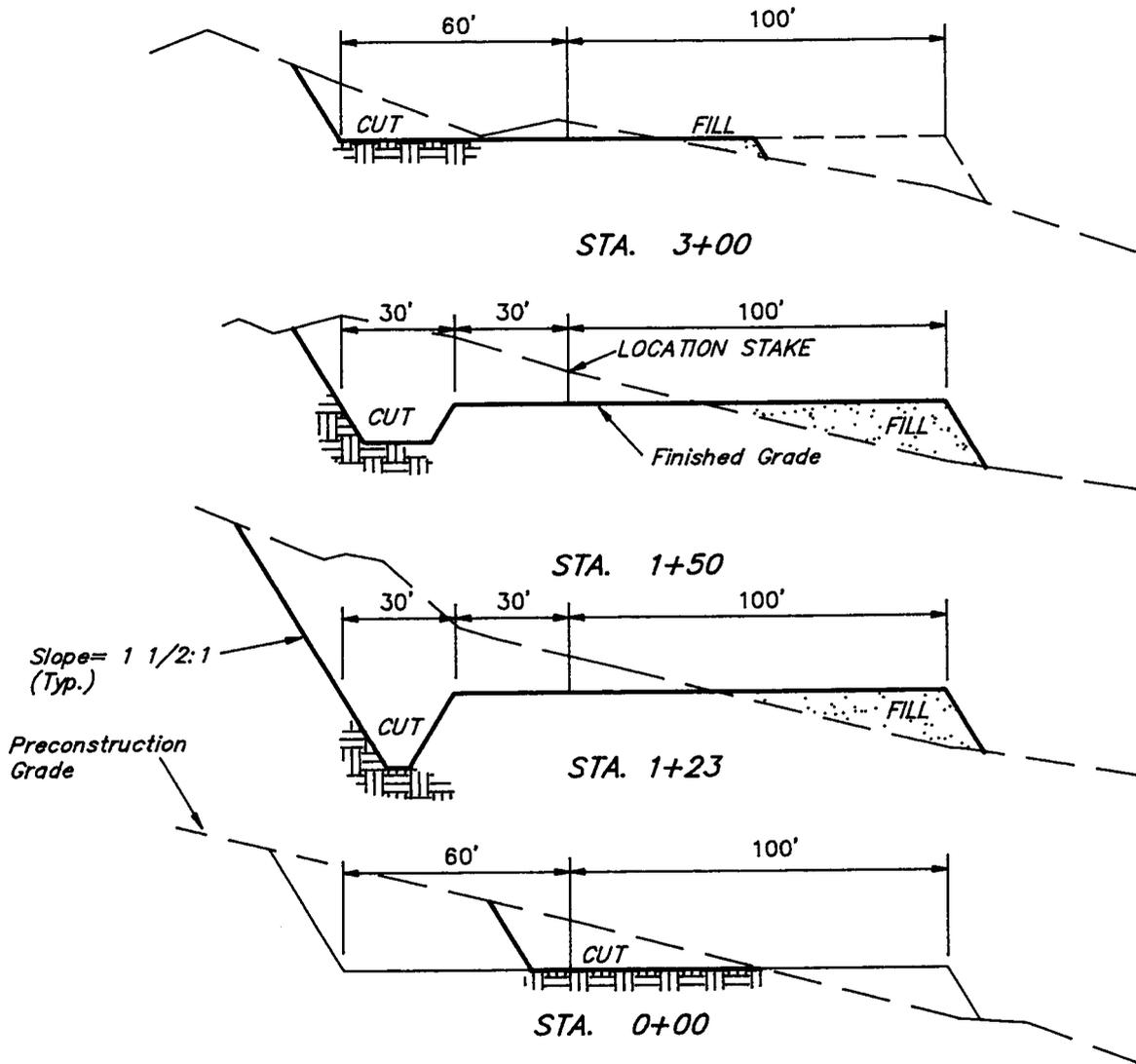
CHANDLER & ASSOCIATES, INC.

TYPICAL CROSS SECTIONS FOR

FERRON FED. #7-12-19-7
SECTION 12, T19S, R7E, S.L.B.&M.
1994' FNL 1867' FEL



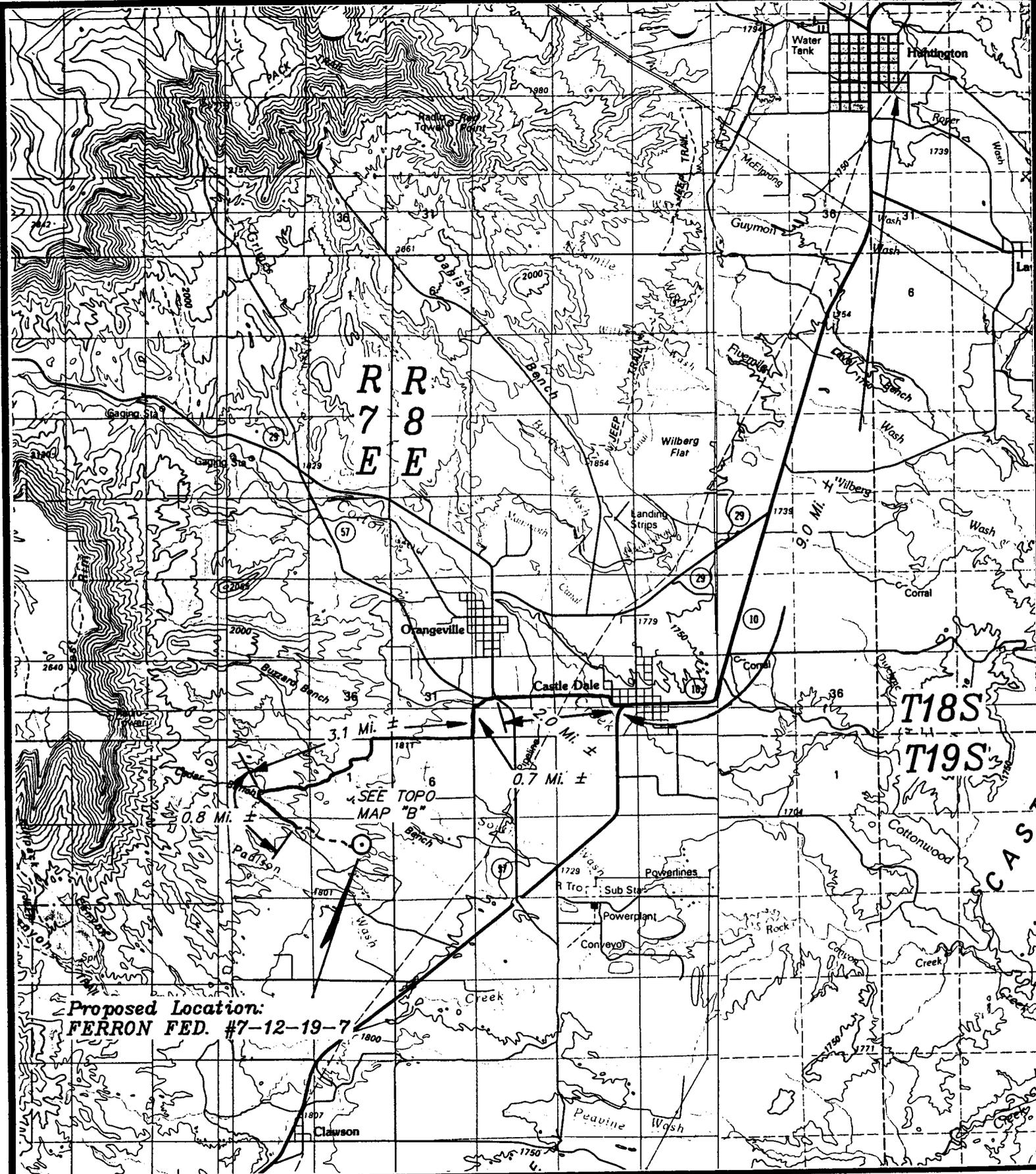
DATE: 5-22-95
Drawn By: C.B.T.



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,020 Cu. Yds.
Remaining Location	=	5,250 Cu. Yds.
TOTAL CUT	=	6,270 CU.YDS.
FILL	=	4,900 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,110 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,110 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.



Proposed Location:
FERRON FED. #7-12-19-7

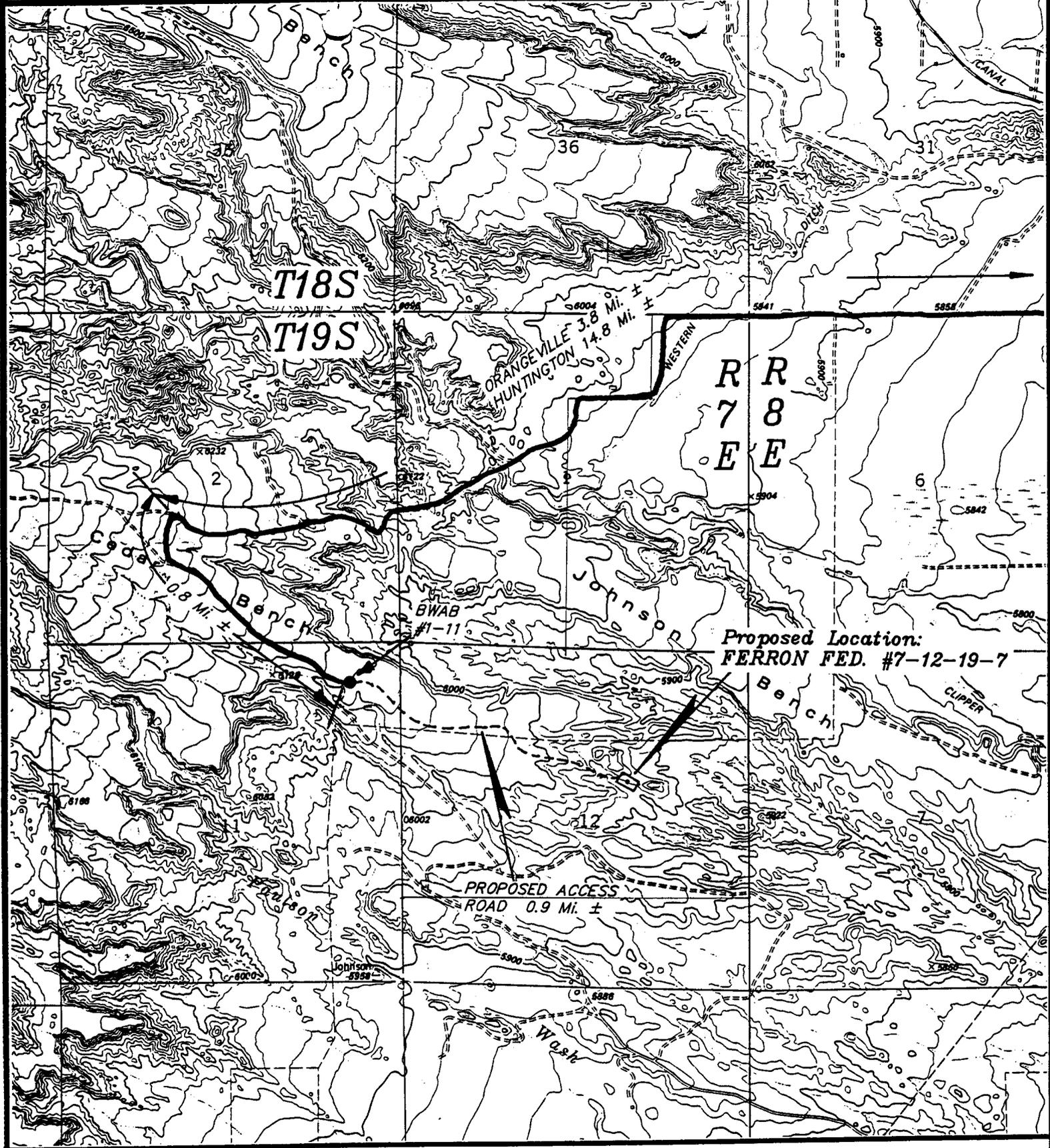
SEE TOPO
 MAP "B"

**TOPOGRAPHIC
 MAP "A"**

DATE: 5-22-95 C.B.T.



CHANDLER & ASSOCIATES, INC.
 FERRON FED. #7-12-19-7
 SECTION 12, T19S, R7E, S.L.B.&M.
 1994' FNL 1867' FEL



Lease Boundary

TOPOGRAPHIC

MAP "B"

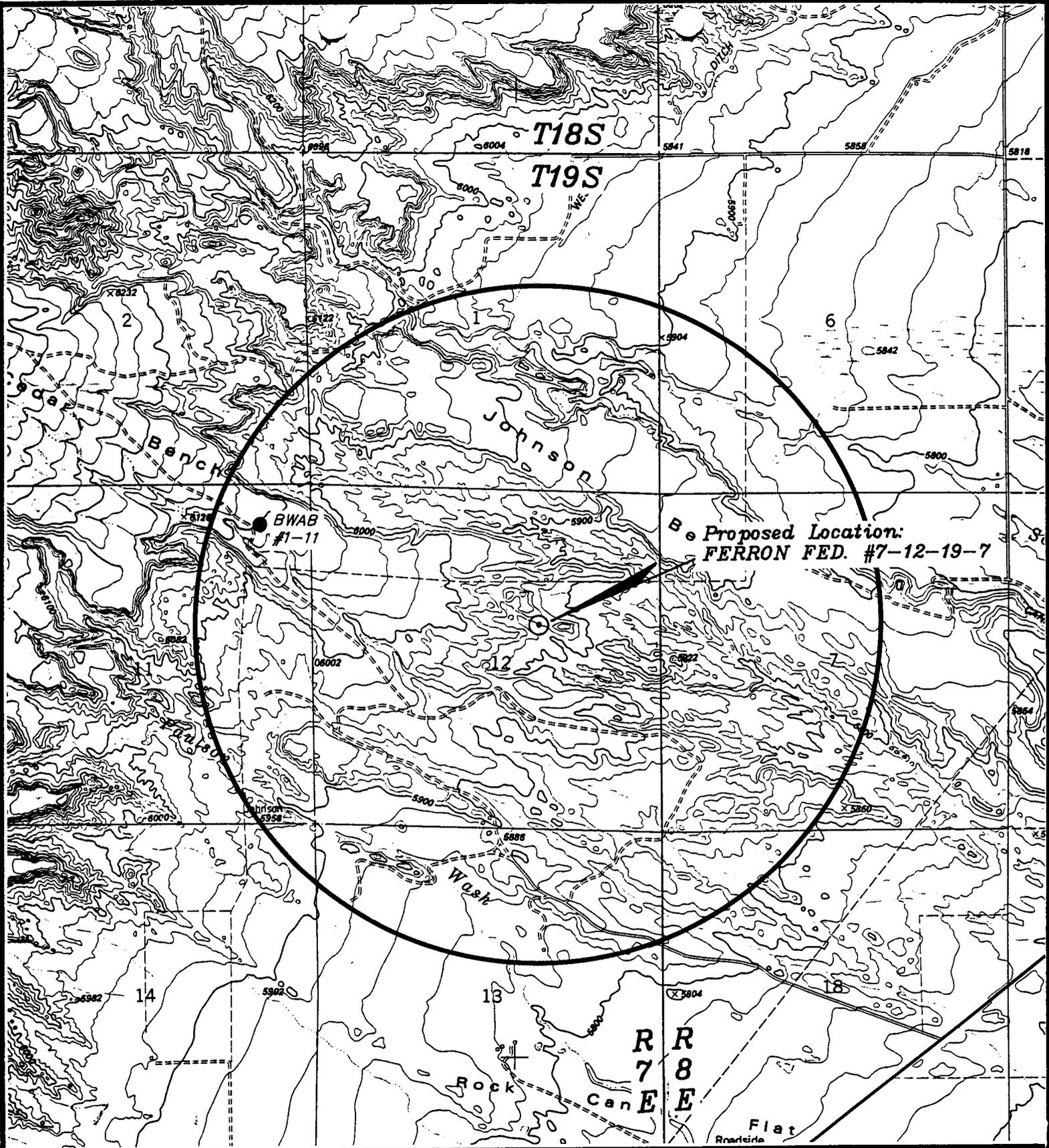
SCALE: 1" = 2000'

DATE: 5-22-95 C.B.T.



CHANDLER & ASSOCIATES, INC.

FERRON FED. #7-12-19-7
 SECTION 12, T19S, R7E, S.L.B.&M.
 1994' FNL 1867' FEL



LEGEND:

- ⊙ = Water Wells
- ◆ = Abandoned Wells
- = Temporarily Abandoned Wells
- ⊘ = Disposal Wells
- = Drilling Wells
- = Producing Wells
- = Shut-in Wells



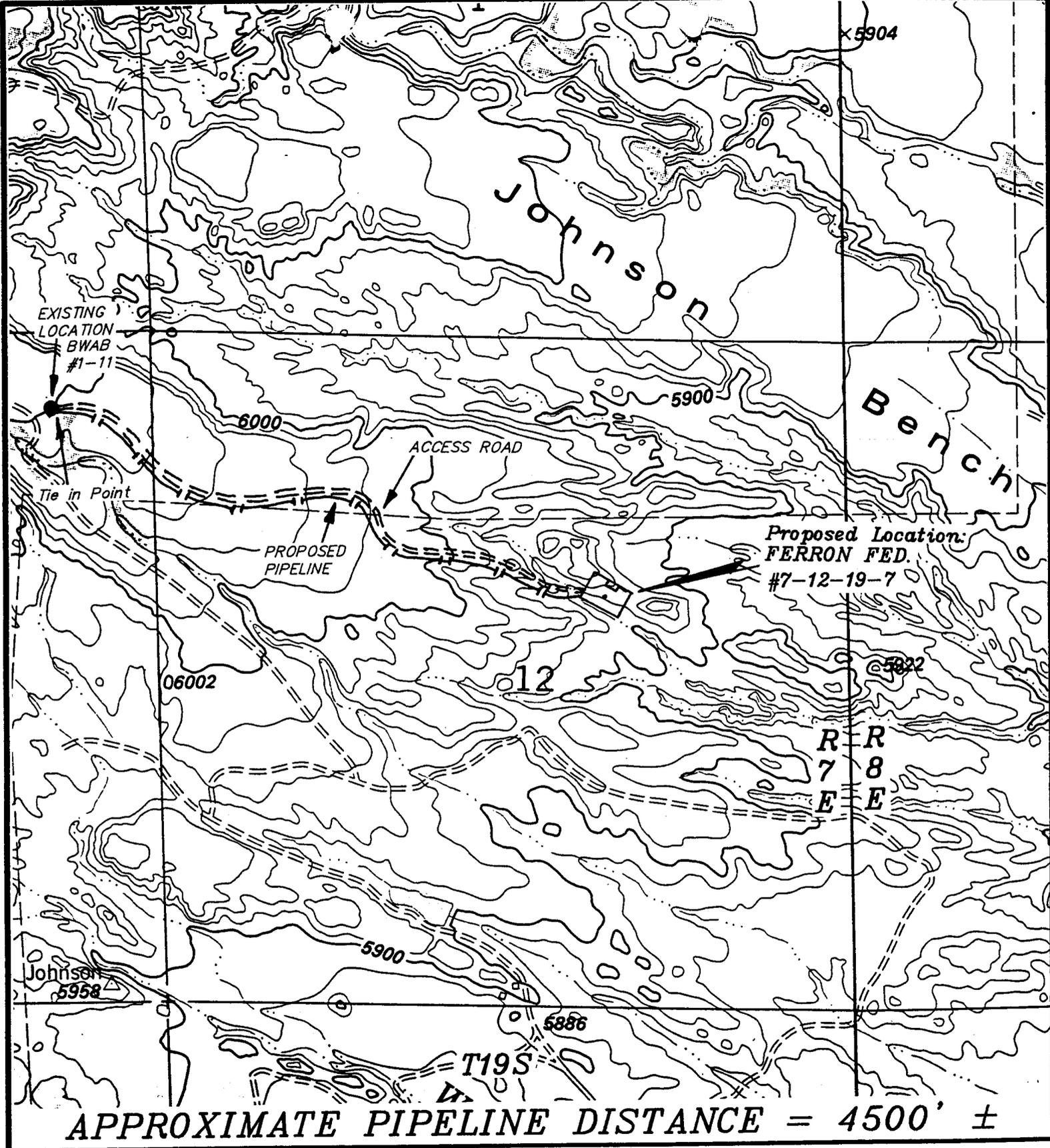
CHANDLER & ASSOCIATES, INC.

FERRON FED. #7-12-19-7

SECTION 12, T19S, R7E, S.L.B.&M.

TOPOGRAPHIC MAP "C"

DATE: 5-22-95 C.B.T.



LEGEND:

- PROPOSED PIPELINE
- EXISTING PIPELINE



CHANDLER & ASSOCIATES, INC.

FERRON FED. #7-12-19-7
 SECTION 12, T19S, R7E, S.L.B.&M.
 TOPOGRAPHIC MAP " D "

DATE: 5-22-95 C.B.T.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/20/95

API NO. ASSIGNED: 43-015-30257

WELL NAME: FERRON FEDERAL 7-12-19-7
 OPERATOR: CHANDLER & ASSOCIATES (N3320)

PROPOSED LOCATION:
 SWNE 12 - T19S - R07E
 SURFACE: 1994-FNL-1867-FEL
 BOTTOM: 1994-FNL-1867-FEL
 EMERY COUNTY
 UNDESIGNATED FIELD (002)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
 LEASE NUMBER: U - 18134

PROPOSED PRODUCING FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal State Fee
 (Number 124290364)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
 (Number _____)
- RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: _____
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
- Board Cause no: _____
- Date: _____

COMMENTS: 1. WATER PERMIT NO WILL BE SUPPLIED BY
SUNDAY NOTICE PRIOR TO SPUD

STIPULATIONS: _____



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 5, 1995

Chandler & Associates, Inc.
475 Seventeenth Street, Suite 1000
Denver, Colorado 80202

Re: Ferron Federal #7-12-19-7 Well, 1994' FNL, 1867' FEL, SW NE, Sec. 12, T. 19 S.,
R. 7 E., Emery 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 43-015-30257.

Sincerely,

R. J. Firth
Associate Director

ldc

Enclosures

cc: Emery County Assessor

Bureau of Land Management, Moab District Office

WAPD



Operator: Chandler & Associates, Inc.

Well Name & Number: Ferron Federal #7-12-19-7 Well

API Number: 43-015-30257

Lease: Federal U-18134

Location: SW NE Sec. 12 T. 19 S., R. 7 E.

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 following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

All required reports, forms and submittals shall 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.

CONFIDENTIAL

SR / PR RECEIVED JUN 22 1995
UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
AUG 30 1995
DIV. OF OIL, GAS & MINING

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN DIV. OF OIL, GAS & MINING

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Chandler & Associates, Inc.

3. ADDRESS AND TELEPHONE NO.
 475 Seventeenth St., Suite 1000 Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 1994' FNL 1867' FEL
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 See Topc Map "A" (Attached)

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1867'

16. NO. OF ACRES IN LEASE 1480.44

17. NO. OF ACRES ASSIGNED TO THIS WELL 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4600'

19. PROPOSED DEPTH 2050'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5937 GR

22. APPROX. DATE WORK WILL START* A.S.A.P.

5. LEASE DESIGNATION AND SERIAL NO. U 18134

6. INDIAN, ALLOTTEE OR TRIBE NAME N/A

7. LEASE AGREEMENT NAME N/A

8. FARM OR LEASE NAME, WELL NO. Ferron Federal

9. API WELL NO. #7-12-19-7

10. FIELD AND POOL, OR WILDCAT Ferron

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 12, T19S, R7E

12. COUNTY OR PARISH Emery

13. STATE UT

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24#	300'	(See attached Drilling Plan)
7 7/8"	5 1/2"	15.5#	2050'	(See attached Drilling Plan)

1. M.I.R.U.
2. Drill to T.D. 3150'
3. Run 5 1/2" casing if commercial production is indicated
4. If dry hole, well will be plugged and abandoned as instructed by B.L.M.
5. Well will be drilled with air/mist to T.D. mud will be in place to run 5 1/2" casing.

I hereby certify that I am responsible by the terms and conditions of the lease to conduct lease operations. Bond coverage for lease activities is being provided by Chandler & Associates, Inc. B.L.M. Bond # 124290364.
 UT 0969

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A
 1/1/80

CONDITIONS OF APPROVAL ATTACHED TO OPERATING COPY

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED Robert L. Kay TITLE Agent for Chandler DATE 6-21-95
 (This space for Federal or State office use)

PERMIT NO. 43-015-30257 APPROVAL DATE _____

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:

/S/ WILLIAM C. STRINGER

Associate District Manager

AUG 25 1995

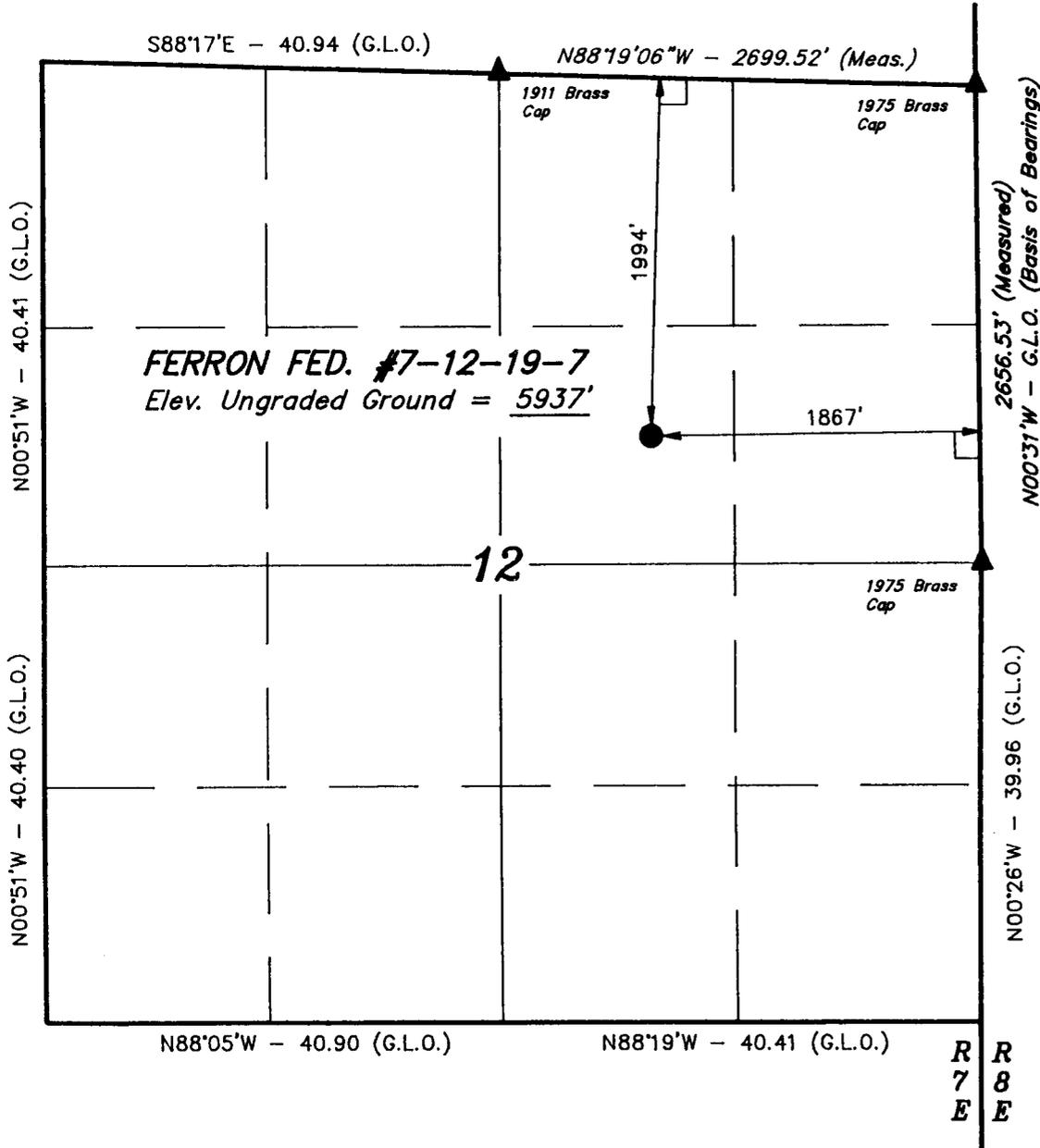
APPROVED BY _____ TITLE _____ DATE _____

***See Instructions On Reverse Side**

T19S, R7E, S.L.B.&M.

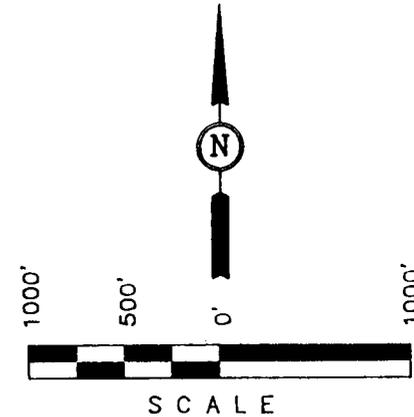
CHANDLER & ASSOCIATES, INC.

Well location, FERRON FED. #7-12-19-7, located as shown in the SW 1/4 NE 1/4 of Section 12, T19S, R7E, S.L.B.&M. Emery County, Utah.



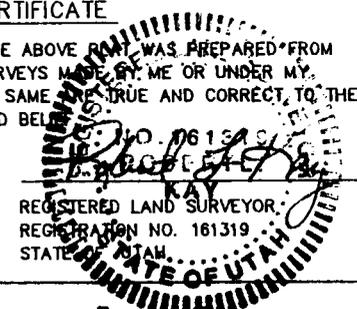
BASIS OF ELEVATION

SPOT ELEVATION IN THE NW 1/4 OF SECTION 7, T19S, R7E, S.L.B.&M. TAKEN FROM THE CASTLE DALE QUADRANGLE, UTAH, EMERY COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5922 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (801) 789-1017

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

SCALE 1" = 1000'	DATE SURVEYED: 5-15-95	DATE DRAWN: 5-18-95
PARTY J.F. C.G. C.B.T.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE CHANDLER & ASSOCIATES, INC.	

Chandler & Associates, Inc.
Ferron Federal 7-12-19-7
Lease U-18134
SW/NE Section 12, T19S, R7E
Emery County, Utah

CONDITIONS OF APPROVAL

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

Be advised that Chandler & Associates, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT0969 (Principal - Chandler & Associates, Inc.) via surety consent as provided for in 43 CFR § 3104.2.

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

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

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

A. DRILLING PROGRAM

1. The BOP system shall be rated to 2M as proposed. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. The proposal indicated that a double gate or single gate BOP would be used. Per Onshore Oil and Gas Order No. 2, a single gate BOP is not acceptable unless used in conjunction with another single gate or an annular BOP. A double gate ram, as depicted in your BOP schematic, is acceptable.
3. The application indicated that a rotating head would not be used. As with all air drilling operations, use of a rotating head is mandatory.
4. The application also indicated that no float would be used at the bit. During air drilling operations, a float valve must be in place above the bit.
5. The choke manifold diagram does not depict a pressure gauge in the system. The manifold must include a pressure gauge with a valve capable of isolating the gauge from the system.
6. If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

B. SURFACE STIPULATIONS

Application for Permit to Drill
Chandler and Associates
#7-12-19-7
T.19 S.,R.7 E. 12 SWNE
Emery Co. Utah

1. No earthwork will be done when the soil is wet or frozen.
2. The drill pads will be designed to prevent overland flow from entering or exiting the site during rainstorms. The pad site will be sloped to drain spills and rainwater into the reserve pit.
3. Topsoil from the spur roads will be windrowed along the uphill side of the roads. When the wells are plugged and the road is put to bed, this soil shall then be used as a topcoating for the seed bed.
4. Prior to reclamation, BLM will be contacted so that arrangements can be made with the permittee to restrict cattle access to this portion of the allotment.
5. The seed mixture shall be made up of the following species and amounts:

<u>Common name</u> <u>(lbs/ac)</u>	<u>Latin</u>	<u>Amount</u>
Galleta	<i>Hilaria jamesii</i>	2
Indian Ricegrass	<i>Oryzopsis hymenoides</i>	2
Forage kochia	<i>Kochia prostrata</i>	2
Fourwing saltbush	<i>Atriplex canescens</i>	2
Mat saltbush	<i>Atriplex corrugata</i>	2
Globemallow, scarlet	<i>Sphaeralcea coccinea</i>	1
Small burnet	<i>Sanguisorba minor</i>	1
Yellow Sweetclover	<i>Melilotus officinalis</i>	<u>+ 1</u>
Total:		13 lbs/ac

Substitute species may be used with BLM approval.

6. Any paleontological resources (prehistoric object) discovered by the operator or person working on their behalf, on public or Federal land shall be immediately reported to the San Rafael Resource Area Manager. The operator shall suspend all operations in the area of such discovery until written authorization to proceed is issued by the San Rafael Resource

Area Manager. An evaluation of the discovery will be made by the San Rafael Resource Area Manager to determine appropriate actions to prevent the loss of significant scientific values. Any decision as to proper mitigation measures will be made by the San Rafael Resource Area Manager after consulting with the operator.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

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

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

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

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

First Production- A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR § 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

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

NOTIFICATIONS

Notify Mike Kaminski of the San Rafael Resource Area in Price, Utah, at (801) 637-4584 for the following:

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

1 day prior to spudding;

50 feet prior to reaching each casing setting depth;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, contact one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer	Office: (801) 259-6111
	Home: (801) 259-2214
Gary Torres, Petroleum Engineer	Office: (801) 587-2141
	Home: (801) 587-2705

10.2-95

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: CHANDLER & ASSOCIATES INC.

Well Name: FERRON FEDERAL 7-12-19-7

Api No. 43-015-30257

Section 12 Township 19S Range 7E County EMERY

Drilling Contractor _____

Rig # _____

SPUDDED: Date 9/27/95

Time _____

How DRY HOLE

Drilling will commence _____

Reported by JIM SYMINGTON

Telephone # _____

Date: 9/27/95 Signed: FRM

OPERATOR Chandler & Associates, Inc.
 ADDRESS 475 17th ST, Suite 1000
Denver, CO 80202

OPERATOR ACCT. NO. H 3320

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
	900999	11837	43-015-30257	Ferron Federal 7-12-19-7	SWNE	12	19S	7E	Emery	09-27-95	09-27-95
WELL 1 COMMENTS: Entity added 10-23-95. <i>lee</i>											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

RECEIVED
 OCT 19 1995
 DIV. OF OIL, GAS & MINING

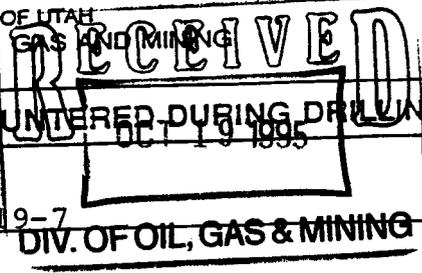
- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

V.P. Operations
 Signature

V.P. Operations 10-17-95
 Title Date

Phone No. (303) 295-0400



REPORT OF WATER ENCOUNTERED DURING DRILLING

1. Well name and number: Ferron Federal 7-12-19-7

API number: 43-015-30257

2. Well Location: QQ SWNE Section 12 Township 19S Range 7E County Emery

3. Well operator: Chandler & Associates, Inc.

Address: 475 17th ST, Suite 1000

Denver, CO 80202

Phone: (303) 295-0400

4. Drilling contractor: Chandler Drilling Corporation

Address: (same as above)

Phone: (303) 295-0400

5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		

6. Formation tops: Ferron Sandstone 1737'

Tunuck Shale 2035'

Total Depth 2200'

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge. Date: 10-17-95

Name & Signature: *D.M. Johnson* Title: V.P. Operations
D.M. (Don) Johnson

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

RECEIVED
OCT 19 1995

REPORT OF WATER ENCOUNTERED DURING DRILLING

DIV. OF OIL, GAS & MINING

1. Well name and number: Ferron Federal 7-12-19-7
API number: 43-015-30257
2. Well Location: QQ SWNE Section 12 Township 19S Range 7E County Emery
3. Well operator: Chandler & Associates, Inc.
Address: 475 17th ST, Suite 1000
Denver, CO 80202 Phone: (303) 295-0400
4. Drilling contractor: Chandler Drilling Corporation
Address: (same as above) Phone: (303) 295-0400
5. Water encountered (attach additional pages as needed):

DEPTH		VOLUME (FLOW RATE OR HEAD)	QUALITY (FRESH OR SALTY)
FROM	TO		

6. Formation tops: Ferron Sandstone 1737'
- Tunuck Shale 2035'
- Total Depth 2200'

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I hereby certify that this report is true and complete to the best of my knowledge. Date: 10-17-95
Name & Signature: *D.M. Johnson* Title: V.P. Operations
D.M. (Don) Johnson

SUBMIT IN DUPLICATE*

(See other instructions on reverse side)

STATE OF UTAH
OIL & GAS CONSERVATION COMMISSION

5. LEASE DESIGNATION AND SERIAL NO.

U-18134

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N.A.

7. UNIT AGREEMENT NAME

N.A.

8. FARM OR LEASE NAME

Ferron Federal

9. WELL NO.

7-12-19-7

10. FIELD AND POOL, OR WILDCAT

Ferron

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec 12-T19S-R7E

12. COUNTY OR PARISH
Emery

13. STATE
Utah

19. ELEV. CASINGHEAD

23. INTERVALS DRILLED BY

ROTARY TOOLS
0-ID

CABLE TOOLS

25. WAS DIRECTIONAL SURVEY MADE

NO

27. WAS WELL CORED

NO

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other _____

2. NAME OF OPERATOR
Chandler & Associates, Inc.

3. ADDRESS OF OPERATOR
475 17th Street, Suite 1000, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface SW NE(1994'FNL & 1867'FEL)
At top prod. interval reported below same
At total depth same

14. PERMIT NO. 43-015-30257 DATE ISSUED 09-05-95

CONFIDENTIAL

15. DATE SPUNDED 09-27-95 16. DATE T.D. REACHED 10-16-95 17. DATE COMPL. (Ready to prod.) 12-18-95 18. ELEVATIONS (DF, REB, BT, OR, ETC.)* 5937' GR 5947' KB

20. TOTAL DEPTH, MD & TVD 2200' 21. PLUG, BACK T.D., MD & TVD 2073' 22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY ROTARY TOOLS 0-ID CABLE TOOLS -----

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* 1942'-1964' 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN DI-FL/GR; CNL-CDL/GR; CBL ¹⁰⁻¹³⁻⁹⁶ DUAL BURST THERMAL DECAY TIME

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8	24	323	12 1/4	220sx. class 'G'	-----
5 1/2	15.5	2116	7 7/8	325sx. 50/50 Poz-mix	-----

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
2 3/8	1915			

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number)

1942'- 1964' w/4jspf(88 shots),

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1942-1964	Brkdwn using 10bbls. 2%KCL

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)
		shut-in

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED [Signature] TITLE Vice President of Operations DATE 01-13-97

RECEIVED
JAN 16 1997
DIV. OF OIL, GAS & MINING

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See instructions on items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

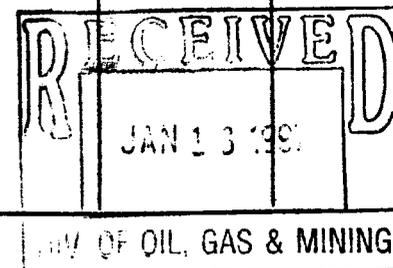
37. SUMMARY OF POROUS ZONES:

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

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Ferron	1740	1746	sand
Ferron	1750	1762	sand
Ferron	1805	1820	sand
Ferron	1898	1908	coal-gas
Ferron	1943	1952	sand-gas

38. GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
Ferron Sandstone	1740	1740
Tununk Shale Transition	1981	1981
Tununk Shale	2048	2048



Expires: February 28, 1995

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

5. LEASE DESIGNATION AND SERIAL NO.

U-18134

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

7. UNIT AGREEMENT NAME

N/A

8. FARM OR LEASE NAME, WELL NO.

Ferron Fed. 7-12-19-7

9. API WELL NO.

43-015-30257

10. FIELD AND POOL OR WILDCAT

Ferron

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 12, T19S, R7E

12. COUNTY OR PARISH

Emery

13. STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG*

1a. TYPE OF WORK

OIL WELL GAS WELL DRY Other _____

1b. TYPE OF WELL

NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR Other _____

2. NAME OF OPERATOR

Chandler & Associates, Inc.

3. ADDRESS AND TELEPHONE NO.

475 17th Street, Suite 1000, Denver, Colorado 80202 Rangely 970-675-8451

4. LOCATION OF WELL (Report locations clearly and in accordance with any State requirements. *)

At Surface
1994' FNL, 1867' FEL, SWNE

At top prod. Interval reported below

Same

At total depth

Same

14. PERMIT NO.

DATE ISSUED

08/25/95

15. DATE SPUDDED

09/28/95

16. DATE T.D. REACHED

10/16/95

17. DATE COMPL. (Ready to prod.)

01/22/98

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

5937' GR

19. ELEV. CASINGHEAD

Same

20. TOTAL DEPTH, MD & TVD

MD **2200'** TVD _____

21. PLUG, BACK T.D., MD & TVD

TD MD **2067'** TVD _____

22. IF MULTIPLE COMPL.,

HOW MANY*

DRILLED BY

23. INTERVALS

0-2200'

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

**1742'-1764' and 1898'-1906'
1942'-1964 (isolated w/CIBP @ 1910')**

26. TYPE ELECTRIC AND OTHER LOGS RUN

Density, Induction/GR, DUAL BURST THERMAL DEGRY TIME (ORIG WGR) 10-19-95

23. CASING RECORD (Report all casing for this well)

CASING SIZE/GRADE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	TOP OF CEMENT, CEMENTING RECORD	AMOUNT PULLED
8-5/8" J-55	24#	323'	12-1/4	Surface	N/A
5-1/2" J-55	15.5#	2116'	7-7/8	Cement to surface w/170 sx lite & 155 sx 50/50 Poz	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2-3/8"	1882'	N/A

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
1742' - 1764'	4" gun	2 jpf
1898' - 1906'	4" gun	4 jpf
1942' - 1964'	4" gun	4 jpf

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
1742'-1764'	1000 gals. 7-1/2% HCl
1898'-1906'	52,000# 16/30 down 2-3/8" tubing
1942'-1964'	53,000# 16/30

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)					WELL STATUS (Producing or shut-in)	
01/22/98	Plunger Lift - 2-3/8"					Producing	
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
01/23/98	24	1	→	0	25	3	N/A
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
90#	180#	→	0	25	3	0	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

Sold via Questar Pipeline Co.

TEST WITNESSED BY
JIm Simonton

35. LIST OF ATTACHMENTS

Wellbore Diagram

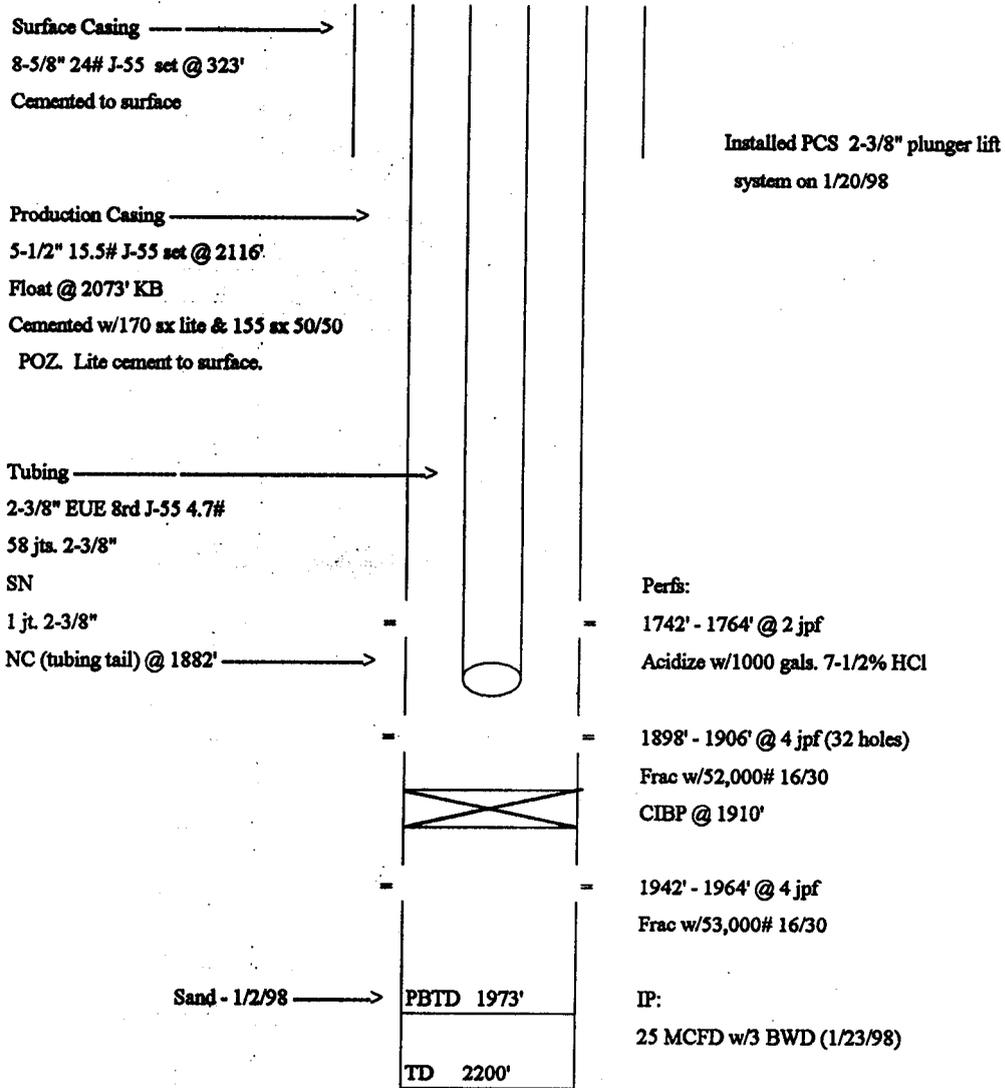
36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED *James A. Simonton* TITLE **Operations/Production Supervisor** DATE **02/02/98**

*(See Instructions and Spaces for Additional Data on Reverse Side)

Well Name: Ferron Fed. 7-12-19-7
 Location: SWNE Sec. 12, T199S, R7E
 Field: Ferron
 Spud Date: 9/28/95
 Completed: 1/22/98

Date: 1/30/98
 County: Emery
 State: Utah
 KB: 5949'
 GL: 5937'



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

SUNDRY NOTICES AND REPORTS ON WELLS		6. Lease Designation and Serial Number
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT - for such proposals		7. Indian Allottee or Tribe Name
1. Type of Well <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify) _____		8. Unit or Communitization Agreement
2. Name of Operator <i>Shenandoah Energy Inc.</i>		9. Well Name and Number
3. Address of Operator <i>475 17th Street, Suite #1000 Denver, Colorado 80202</i>	4. Telephone Number <i>303-295-0400</i>	10. API Well Number
5. Location of Well Footage : Please see attached spreadsheet County : _____ QQ, Sec. T., R., M. : _____ State : _____		11. Field and Pool, or Wildcat

12. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA																											
<p align="center">NOTICE OF INTENT (Submit in Duplicate)</p> <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Abandonment</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Recompletion</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Multiple Completion</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input type="checkbox"/> Other _____</td> <td></td> </tr> </table> <p>Approximate Date Work Will Start _____</p>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> Other _____		<p align="center">SUBSEQUENT REPORT (Submit Original Form Only)</p> <table style="width:100%; border: none;"> <tr> <td><input type="checkbox"/> Abandonment *</td> <td><input type="checkbox"/> New Construction</td> </tr> <tr> <td><input type="checkbox"/> Casing Repair</td> <td><input type="checkbox"/> Pull or Alter Casing</td> </tr> <tr> <td><input type="checkbox"/> Change of Plans</td> <td><input type="checkbox"/> Shoot or Acidize</td> </tr> <tr> <td><input type="checkbox"/> Conversion to Injection</td> <td><input type="checkbox"/> Vent or Flare</td> </tr> <tr> <td><input type="checkbox"/> Fracture Treat</td> <td><input type="checkbox"/> Water Shut-Off</td> </tr> <tr> <td><input checked="" type="checkbox"/> Other <u>Change of Operator</u></td> <td></td> </tr> </table> <p>Date of Work Completion _____</p> <p style="font-size: x-small;">Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form. * Must be accompanied by a cement verification report.</p>	<input type="checkbox"/> Abandonment *	<input type="checkbox"/> New Construction	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing	<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize	<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off	<input checked="" type="checkbox"/> Other <u>Change of Operator</u>	
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<input checked="" type="checkbox"/> Other <u>Change of Operator</u>																											

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Please be advised that effective 1/1/200 Chandler & Associates, Inc has changed its name to Shenandoah Energy Inc. Shenandoah Energy Inc. is responsible under the terms and conditions of the lease for the operation conducted upon the leased lands.

Shenandoah Energy Inc. is bonded in the amount of \$80,000.00 to the School and Inst. Trust Lands via a name change rider filed with the State. Continental Casualty Bond # 159261960.

14. I hereby certify that the foregoing is true and correct.

Name & Signature: Thomas D. Taylor Title Production Geologist Date 05/25/2000

(State Use Only)

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**DIVISION OF
OIL, GAS AND MINING**

SHENANDOAH ENERGY INC.
UTAH OPERATED WELLS

A.P.I. #	ENTITY	WELL NAME	WELL #	LOCATION	FIELD NAME	PROD. ZONE	FORMATION	WELL TYPE	AGREEMENT
43-047-15090-00	04915	WRU	#31-4	SWSE 4, 8S-22E	WHITE RIVER		GREENRIVER	WSW	8910035090
43-047-15081-00	04915	WRU	#16-9	SWSE 9, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	891003509D
43-047-15084-00	04915	WRU	#20-9	NESW 9, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	891003509D
43-047-15087-00	04915	WRU	#25-9	NENE 9, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	891003509D
43-047-31354-00	05170	WRU	#43-16	NENW 16, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	
43-047-31399-00	09915	WRU	#45-16	NENE 16, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	
43-047-32052-00	11468	DESERT SPRINGS FED.	#20-1	NESW 20, 10S-18E	WILDCAT	GRRV	GREEN RIVER	OW	
43-013-32088-00	12497	W. DESERT SPRING	#11-20	NESW 20, 10S-17E	WILDCAT	WSTC	WASATCH	OW	
43-013-32057-00	12497	W. RIVER BEND	#16-17-10-17	SESE 17, 10S-17E	WILDCAT	GRRV	GREEN RIVER	OW	
43-013-31888-00	12497	W. RIVER BEND	#3-12-10-15	NENW 12, 10S-15E	WILDCAT	GRRV	GREEN RIVER	OW	
43-013-32084-00	12497	WILKIN RIDGE	#13-23	SWSW 23, 10S-16E	WILDCAT	WSTC	GREEN RIVER	OW	
43-047-33163-00		DESERT SPRING	#7-30-10-18	SWNE 30, T10S-R18E	APD	WSTC			

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MAY 30 2000

DIVISION OF
OIL, GAS AND MINING

RECEIVED

MAY 30 2000

DIVISION OF
OIL, GAS AND MINING

SHENANDOAH ENERGY INC.
UTAH OPERATED WELLS

A.P.I. #	ENTITY	WELL NAME	WELL #	LOCATION	FIELD NAME	PROD. ZONE	FORMATION	WELL TYPE	AGREEMENT
43-015-30168-00	10684	BUZZARD BENCH FED	#6-3	SENW 3, 19S-7E	BUZZARD BENCH	FRSD	FERRON	GW	8910204190
43-015-30229-00	10670	BUZZARD BENCH FED	#3-24	SESW 3, 19S-7E	BUZZARD BENCH	FRSD	FERRON	GW	8910204190
43-015-30110-00	10685	FERRON FED	#16-20	SESE 20, 17S-8E	BUZZARD BENCH	FRSD	FERRON	OW	
43-015-30257-00	11837	FERRON FEDERAL	#7-12-19-7	SWNE 12, 19S-7E	BUZZARD BENCH	FRSD	UPPER FERRON	GW	
43-015-30000-00		FERRON FEDERAL	#16-9-10-7	SESE 9, 19S-7E	FERRON		FERRON	DRG	
43-015-3025300	11836	FERRON STATE	#4-36	SWNW 36, 18S-7E	BUZZARD BENCH	FRSD	FERRON	GW	
43-015-30222-00	11029	ORANGEVILLE FED	#1-11	NENE 11, 19S-7E	BUZZARD BENCH	FRSD	UPPER FERRON	GW	891020388A
43-015-30221-00	10600	ORANGEVILLE FED	#4-1	NWNW 1, 19S-7E	BUZZARD BENCH	FRSD	UPPER FERRON	GW	
43-015-30102-00	10920	ORANGEVILLE ST	#1-36	SESE 36, 18S-7E	BUZZARD BENCH	FRSD	UPPER FERRON	GW	8910203880
43-015-30179-00	00535	ORANGEVILLE STATE	#10-2	NWSE 2, 19S-7E	BUZZARD BENCH	FRSD	LOWER FERRON	GW	891020388A
43-015-30108-00	10978	ORANGEVILLE UNIT	#16-6	SESE 6, 18S-8E	BUZZARD BENCH	FRSD	FERRON	OW	
43-047-33164-00	12496	DESERT SPRING	#16-19-10-18	SESE 19, 10S-18E	DESERT SPRING	GRRV	GREEN RIVER	OW	
43-047-3316200	12523	DESERT SPRING	#3-29-10-18	NWNE 29, 10S-18E	DESERT SPRING	GRRV	GREEN RIVER	OW	
43-047-32493-00	11630	E COYOTE FEDERAL	#14-4-8-25	SESW 4, 8S-25E	EAST COYOTE FEDERAL	GRRV	GREENRIVER	OW	
43-047-31555-00	09497	ANTELOPE DRAW	#2-17-4C	SESW 17, 8S-22E	GLEN BENCH	GRRV	GREENRIVER	OW	UTU73974X
43-047-31556-00	09498	ANTELOPE DRAW	#3-17-3C	SESE 17, 8S-22E	GLEN BENCH	GRRV	GREENRIVER	OW	UTU73974X
43-047-32476-00	11862	GLEN BENCH	#8-19	SENE 19, 8S-22E	GLEN BENCH	GRRV	GREENRIVER	OW	UTU73974X
43-047-31257-00	11587	GLEN BENCH FED	#44-19	L 20 19, 8S-22W	GLEN BENCH	GRRV	GREEN RIVER	OW	UTU73974X
43-047-31355-00	11588	GLEN BENCH FED	#13-20	NWSW 20, 8S-22E	GLEN BENCH	GRRV	GREENRIVER	OW	UTU73974X
43-047-31356-00	06135	GLEN BENCH FED	#22-20	SENW 20, 8S-22E	GLEN BENCH		GREEN RIVER	WIW	UTU73974X
43-047-31433-00	06196	GLEN BENCH FED	#31-20	NWNE 20, 8S-22E	GLEN BENCH	GRRV	GREENRIVER	OW	UTU73974X
43-047-31008-00	06045	GLEN BENCH FED	#31-30	L 6 30, 8S-22E	GLEN BENCH	GRRV	GREEN RIVER	OW	UTU73974X
43-047-31260-00	06050	GLEN BENCH FED	#22-30	SENW 30, 8S-22E	GLEN BENCH	GRRV	GREEN RIVER	OW	UTU73974X
43-047-32549-00	11716	GLEN BENCH STATE	#6-16	SENW 16, 8S-22E	GLEN BENCH	GRRV	GREENRIVER	OW	UTU73974X
43-047-32582-00	11716	GLEN BENCH STATE	#7-16	SENE 16, 8S-22E	GLEN BENCH		GREENRIVER	WIW	UTU73974X
43-047-32583-00	11732	GLEN BENCH STATE	#12-16	NWSW 16, 8S-22E	GLEN BENCH		GREENRIVER	WIW	UTU73974X
43-047-32756-00	11955	GLEN BENCH UNIT	#15-19-8-22	SWSE 19, 8S-22E	GLEN BENCH		GREEN RIVER	WIW	UTU73974X
43-047-32755-00	12014	GLEN BENCH UNIT	#4-30-8-22	NWNW 30, 8S-22E	GLEN BENCH	GRRV	GREEN RIVER	OW	UTU73974X
43-047-32857-00	12219	GLEN BENCH UNIT	#11-16-8-22	NESW 16, 8S-22E	GLEN BENCH	GRGBS	GREEN RIVER	OW	UTU73974X
43-013-3147700	12248	UTD WALTON	#26-03	NENW 26, 9S-16E	MONUMENT BUTTE	GRRV	GREEN RIVER	OW	
43-047-33252-00	12527	GLEN BENCH STATE	#2-36-8-21	NENW 36, 8S-21E	NATURAL BUTTES	WSTC	WASATCH	GW	
43-047-33037-00	12377	GLEN BENCH STATE	#8A-36-8-21	SWNE 36, 8S-21E	NATURAL BUTTES	WSTC	WASATCH	GW	
43-047-33038-00	12378	GLEN BENCH STATE	#6-36-8-21	SENW 36, 8S-21E	NATURAL BUTTES	WSTC	WASATCH	GW	
43-047-32746-00	11944	SAGE GROUSE FEDERAL	#6-14-8-22	SENW 14, 8S-22E	NATURAL BUTTES	GRRV	GREEN RIVER	GW	
43-047-32724-00	12361	SAGE GROUSE FEDERAL	#8-36-8-21	SENE 36, 8S-21E	NATURAL BUTTES	GRRV	GREEN RIVER	GW	
43-047-3309500	12528	WHITE RIVER UNIT	#13-35-8-22	SWSW 35, 8S-22E	NATURAL BUTTES	WSTC	WASATCH	GW	891003509B
43-047-3306100	12528	WHITE RIVER UNIT	#15-35-8-22	SWSE 35, 8S-22E	NATURAL BUTTES	WSTC	WASATCH	GW	891003509B
43-047-3275400	12003	FLU KNOLLS FED.	#23-3	NESW 3, 10S-18E	UTELAND BUTTE	GRRV	GREEN RIVER	OW	
43-047-15083-00	04915	WHITE RIVER UNIT	#19-9	SWNE 9, 8S-22E	WHITE RIVER		GREENRIVER	WIW	891003509D
43-047-15080-00	04915	WRU	#15-9	NESE 9, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	891003509D
43-047-15085-00	04915	WRU	#24-10	NESW 10, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	891003509D
43-047-15086-00	04915	WRU	#27-10	SWNE 10, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	891003509D
43-047-31561-00	10000	WRU	#47-10	L1 10, 8S-22E	WHITE RIVER	GRRV	GREENRIVER	OW	



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3100
U-058 et al
(UT-932)

JUN 5 2000

NOTICE

Shenandoah Operating Company, LLC : Oil and Gas Leases
475 17th Street, Suite 1000 :
Denver, CO 80202 :

Name Change Recognized

Acceptable evidence has been received in this office concerning the change of name of Chandler & Associates, LLC to Shenandoah Operating Company, LLC on Federal oil and gas leases.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the name change. The exhibit was compiled from a list of leases obtained from our automated records system. We have not abstracted the lease files to determine if the entity affected by the name change holds an interest in the leases identified nor have we attempted to identify leases where the entity is the operator on the ground maintaining no vested record title or operating rights interests. We are notifying the Minerals Management Service and all applicable Bureau of Land Management offices of the name change by a copy of this notice. If additional documentation for changes of operator are required by our Field Offices, you will be contacted by them.

A rider to statewide Surety Bond No. 124 29 03 64 (BLM Bond No. UT0969) changing the name on the bond from Chandler & Associates, LLC to Shenandoah Energy Inc. has been accepted by this office effective January 26, 2000. However, the rider makes no mention of Shenandoah Operating Company, LLC. A rider to the above bond adding the name of Shenandoah Operating Company, LLC needs to be submitted to this office.

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure
Exhibit of Leases

RECEIVED

JUN 06 2000

DIVISION OF
OIL, GAS AND MINING

EXHIBIT A
LEASES AFFECTED BY NAME CHANGE

U-058	UTU-64911	UTU-72468	UTU-74494	UTU-75102
U-059	UTU-64912	UTU-72598	UTU-74493	UTU-75103
U-0629	UTU-65276	UTU-72634	UTU-74496	UTU-75116
U-0803	UTU-65485	UTU-72649	UTU-74830	UTU-75243
U-0971	UTU-65632	UTU-73182	UTU-74831	UTU-75503
U-0971-A	UTU-65771	UTU-73409	UTU-74832	UTU-75678
U-01089	UTU-65777	UTU-73443	UTU-74833	UTU-75684
U-02510-A	UTU-66014	UTU-73456	UTU-74834	UTU-76278
U-029649	UTU-66473	UTU-73482	UTU-74836	UTU-76482
U-9613	UTU-67844	UTU-73502	UTU-74842	UTU-76721
U-9617	UTU-68387	UTU-73680	UTU-74966	UTU-76835
U-9809	UTU-68620	UTU-73681	UTU-74967	UTU-76963
U-18126	UTU-69001	UTU-73684	UTU-74968	UTU-77061
U-18134	UTU-69402	UTU-73686	UTU-74971	UTU-77063
U-18889-A	UTU-65404	UTU-73687	UTU-75071	UTU-77301
U-18897-A	UTU-67532	UTU-73914	UTU-75076	UTU-77503
U-28652	UTU-69403	UTU-73917	UTU-75079	UTU-77508
U-43915	UTU-71407	UTU-74374	UTU-75080	UTU-77514
U-43916	UTU-71416	UTU-74380	UTU-75081	UTU-78021
U-43918	UTU-71432	UTU-74394	UTU-75082	UTU-78028
U-51015	UTU-72002	UTU-74401	UTU-75083	UTU-78029
U-56947	UTU-72066	UTU-74402	UTU-75084	UTU-78215
U-63150	UTU-72109	UTU-74407	UTU-75085	UTU-78216
UTU-64906	UTU-72118	UTU-74408	UTU-75086	
UTU-64907	UTU-72356	UTU-74419	UTU-75087	
UTU-64908	UTU-72467	UTU-74457	UTU-75088	
	U-63021X (White River Unit)		U-63079X (Orangeville Unit)	
	U-63083X (Buzzard Bench Unit)		UTU-73974X (Glen Bench Unit)	

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JUN 06 2000

DIVISION OF
OIL, GAS AND MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS ✓
2. CDW ✓		5- STP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

X Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **8-24-2000**

FROM: (Old Operator):
CHANDLER & ASSOCIATES INC
Address: 475 17TH STREET STE 1000
DENVER, CO 80202
Phone: 1-(303)-295-0400
Account No. N3320

TO: (New Operator):
SHENANDOAH ENERGY INC
Address: 475 17TH STREET STE 1000
DENVER, CO 80202
Phone: 1-(303)-295-0400
Account No. N4235

CA No.

Unit:

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
FERRON FEDERAL 16-20	43-015-30110	10685	20-17S-08E	FEDERAL	OW	S
FERRON STATE 4-36-18-7	43-015-30253	11836	36-18S-07E	STATE	GW	S
FERRON FEDERAL 7-12-19-7	43-015-30257	11837	12-19S-07E	FEDERAL	GW	S
TOLL STATION STATE 8-36-8-21	43-047-32724	12361	36-08S-21E	STATE	GW	TA
SAGE GROUSE 12A-14-8-22	43-047-33177	12524	14-08S-22E	FEDERAL	GW	TA
ANTELOPE DRAW 2-174C	43-047-31555	9497	17-08S-22E	FEDERAL	OW	P
ANTELOPE DRAW 3-173C	43-047-31556	9498	17-08S-22E	FEDERAL	OW	P
GLEN BENCH U 15-18-8-22	43-047-33364	12690	18-08S-22E	FEDERAL	GW	P
FEDERAL 31-20	43-047-31433	6196	20-08S-22E	FEDERAL	OW	P

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 05/30/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 05/30/2000
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 11/02/2000
- Is the new operator registered in the State of Utah: YES Business Number: 1467732-0143
- If **NO**, the operator was contacted on: _____
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 06/05/2000
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC") Prog:** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 11/06/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 11/06/2000
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: 159261960

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 3.2.01

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filled in each well file on: _____

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

		5. LEASE DESIGNATION AND SERIAL NUMBER: See Exhibit A
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER See Exhibit A		8. WELL NAME and NUMBER: See Exhibit A
2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION		9. API NUMBER: Exhibit A
3. ADDRESS OF OPERATOR: 610 Reilly Avenue CITY Farmington STATE NM ZIP 87401-2634		PHONE NUMBER: (505) 327-9801
4. LOCATION OF WELL		10. FIELD AND POOL, OR WILDCAT: See Exhibit A
FOOTAGES AT SURFACE: See Exhibit A		COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: See Exh A		STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Shenandoah Energy, Inc., 475 17th St., Suite 1000, Denver, CO 80202, (303) 295-0400, hereby resigns effective May 1, 2002.
 SHENANDOAH ENERGY, INC.

NAME (Please Print) Gary L. Nordloh TITLE President
 SIGNATURE [Signature] DATE 5/7/02

Please be advised that effective May 1, 2002, Merrion Oil & Gas Corporation, 610 Reilly Avenue, Farmington, NM 87401-2634, 505-327-9801, has assumed the operatorship of the wells described on Exhibit A attached hereto and made a part hereof. Merrion Oil & Gas Corporation is now responsible under the terms and conditions of the lease for the operations conducted upon the lease lands. Bond coverage for the lease activities is provided by NM 0883.
State Fee Bonding in process.
 MERRION OIL & GAS CORPORATION

NAME (PLEASE PRINT) George F. Sharpe TITLE President Investment Mgr
 SIGNATURE [Signature] DATE 5-15-02

(This space for State use only)

EXHIBIT A

Attached to and made a part of that certain Form 9, dated effective May 1, 2002, by
SHENANDOAH ENERGY, INC. and MERRION OIL AND GAS CORPORATION

Box 1	Box 4	Box 4	Box 5	Box 8	Box 9	Box 10
<u>Type of Well</u>	<u>Footages at Surface</u>	<u>Q/Q/Sec/T/R/M</u>	<u>Lease Designation & Serial #</u>	<u>Well Name and Number</u>	<u>API Number</u>	<u>Field and Pool</u>
Gas	1994' FNL & 1867' FEL	SWNE 12-19S-7E	UTU-18134	Ferron Fed 7-12-19-7	43-015-30257	Buzzard Bench
Gas	511' FSL & 899' FEL	SESE 9-19S-7E	UTU-69403	Ferron Fed 16-9-19-7	43-015-30256	Lone Mountain
Oil	770' FSL & 684' FEL	SESE 20-17S-8E	UT ST ML-48176	Ferron Fed 16-20-17-8	43-015-30110	Lone Mountain
Gas	1011' FNL & 520' FWL	NWNW 36-18S-7E	UT ST ML-28195	Ferron State 4-36-18-7	43-015-30253	Buzzard Bench
Gas	502' FSL & 845' FWL	NWNW 1-19S-7E	UTU-18134	Orangeville U 4-1-19-7	43-015-30221	Buzzard Bench
Oil	775' FSL & 507' FEL	SESE 6-18S-8E	UT ST ML-48265	Orangeville Fed 16-6-18-8	43-015-30108	Lone Mountain
Gas	1236' FSL & 1595' FWL	SESW 3-19S-7E	U-18897-A	Buzzard Bench Fed 3-24-19-7	43-015-30229	Buzzard Bench
Gas	2264' FNL & 1965' FWL	SESW 3-19S-7E	U-18897-A	Buzzard Bench Fed 6-3-19-7	43-015-30168	Buzzard Bench
Gas	572' FNL & 795' FEL	NENE 11-19S-7E	U-18134	Orangeville U 1-11-19-7	43-015-30222	Buzzard Bench
Gas	1992' FSL & 2073' FEL	NWSE 2-19S-7E	UT ST ML-28199	Orangeville 10-2-19-7	43-015-30179	Buzzard Bench

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or reenter 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 *Merrion Oil & Gas Corporation*

3a. Address *610 Reilly Avenue
Farmington, NM 87401-2634* 3b. Phone No. (include area code) *505-327-9801*

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
*1994' FNL & 1867' FEL
SWNE 12-19S-7E*

5. Lease Serial No. *UTU-18134*

6. If Indian, Allottee or Tribe Name

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

8. Well Name and No. *Ferron Fed 7-12-19-7*

9. API Well No. *43-015-30257-00-00*

10. Field and Pool, or Exploratory Area *Buzzard Bench*

11. County or Parish, State *Emery County, Utah*

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

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

13. Describe Proposed or Completed Operations (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 shall 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 shall be filed once Testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Shenandoah Energy Inc. / Shenandoah Operating Company, LLC / Chandler & Associates, LLC / Chandler & Associates, Inc.
 475 17th St., Suite 1000, Denver, CO 80202 Phone No. 303-295-0400
 Shenandoah Energy Inc., Operator, hereby resigns effective May 1, 2002.
Shenandoah Energy Inc.

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) *Gary L. Nordloh* Title *President*

Signature *[Signature]* Date *4-17-02*

Please be advised that effective _____, 2002, Merrion Oil & Gas Corporation is now considered to be the Operator of the following well:

Ferron Fed 7-12-19-7; SWNE of Section 12, T19S-R7E, Lease UTU-18134, Emery County, Utah
 Merrion Oil & Gas Corporation is now responsible under the terms and conditions of the Lease for the operations conducted upon the leased lands. Bond coverage is provided by BLM No. NM 0883.
Merrion Oil & Gas Corporation

14. I hereby certify that the foregoing is true and correct

Name (Printed/Typed) *T. Greg Merrion* Title *President*

Signature *T. Greg Merrion* Date *4-19-02*

RECEIVED
 MOAB FIELD OFFICE
 2002 MAY - 3 P 13
 DEPARTMENT OF THE INTERIOR
 BUREAU OF LAND MANAGEMENT

THIS SPACE FOR FEDERAL OR STATE USE

Approved by **RECEIVED** Title *Division of Resources* Date *MAY - 3 2002*

Office *Moab Field Office*

Conditions of approval, if any, are set forth in the 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.

Title 18 U.S.C. Section 1001 and Title 45 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.

Merrion Oil and Gas Corporation
Well No. 7-12-19-7
SWNE Sec. 12, T. 19 S., R. 7 E.
Lease UTU18134
Grand County, Utah

CONDITIONS OF ACCEPTANCE

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

Be advised that Merrion Oil and Gas Corporation is considered to be the operator of the above well effective May 1, 2002, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by NM0883 (Principal - Merrion Oil and Gas Corporation) via surety consent as provided for in 43 CFR 3104.2.

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

RECEIVED

MAY 23 2002

**DIVISION OF
OIL, GAS AND MINING**

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW ✓
3. FILE

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **05-01-2002**

FROM: (Old Operator):	TO: (New Operator):
SHENANDOAH ENERGY INC	MERRION OIL & GAS CORP
Address: 475 17TH STREET, STE 1000	Address: 610 REILLY AVE
DENVER, CO 80202	FARMINGTON, NM 87401-2634
Phone: 1-(303)-295-0400	Phone: 1-(505)-327-9801
Account No. N4235	Account No. N0630

CA No.

Unit:

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
FERRON FEDERAL 16-20-17-8	20-17S-08E	43-015-30110	10685	FEDERAL	OW	S
FERRON STATE 4-36-18-7	36-18S-07E	43-015-30253	11836	STATE	GW	S
ORANGEVILLE FEDERAL 16-6-18-8	06-18S-08E	43-015-30108	10978	FEDERAL	OW	S
ORANGEVILLE U 4-1-19-7	01-19S-07E	43-015-30221	10600	STATE	GW	S
FERRON FEDERAL 16-9-19-7	09-19S-07E	43-015-30256	12691	FEDERAL	GW	P
FERRON FEDERAL 7-12-19-7	12-19S-07E	43-015-30257	11837	FEDERAL	GW	S

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 05/28/2002
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 05/28/2002
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 06/24/2002
- Is the new operator registered in the State of Utah: YES Business Number: 650289-0143
- If **NO**, the operator was contacted on: N/A
- (R649-9-2) Waste Management Plan received on: IN PLACE

6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: N/A

7. Federal and Indian Units:

The BLM or BIA has approved the successor of unit operator for wells listed on: 06/18/2002

8. Federal and Indian Communization Agreements ("CA"):

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

9. Underground Injection Control ("UIC") The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 06/24/2002
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 06/24/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: NM0883

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

UIC INJECTION PERMIT APPLICATION ANALYSIS FORM
WELL NAME: Ferron Federal 7-12-19-7
API #: 4301530257

R649-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. O.K.
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. UIC Form 1 lacks API number.
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1 The plat is incomplete for operator within ½ mile radius.
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2 O.K.
2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.	2.3 O.K.
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4 O.K.
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5 The proposed casing perforation program reveals that the Operator intends to perforate a span greater than the proposed injection interval, an interval that is identical in span to existing perfs. Is this an engineering non sequitor? The Operator also proposes to inject into the same rock stratigraphic unit as that which is productive in the field, which may constitute injection rather than disposition and require Board participation and a different application.
2.6. A statement as to the type of fluid to be used for injection, its source and estimated amounts to be injected daily.	2.6 O.K.
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7 O.K.
2.8. The proposed average and maximum injection pressures.	2.8 O.K. To be modified by SRT data?
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9 Step rate test (SRT) is required but not proposed.
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10 Insufficient geologic data tendered.
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11 O.K.
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12 Not correctly executed.
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13 O.K.

OTHER COMMENTS AND OBSERVATIONS: The deficiencies involving items 2, 2.1 and 2.12 are fatal flaws and will need to be cured prior to any additional processing of this application. The other deficiencies will need to be cured before we can issue a permit.

Reviewed by: Christopher J. Kierst Date: 6/13/07

From: "Connie Dinning" <cdinning9804@qwest.net>
To: "Chris Kierst" <chriskierst@utah.gov>
Date: 07/09/2007 4:36 PM
Subject: Clarification

I am dragging on this because I had fires to put out, a retreat to attend and more importantly, a vacation. I will submit a new UIC application with the correct API number. Don't know how I managed to put the fax number instead of the API number, but it was just a typo.

I had a couple of questions about the other two fatal errors.

1. I noted in the support data that there were no other operators within a ½ mile radius, this well is the only well within a half mile radius. As a formality, do I need to send a plat showing our well only - with a circle around it?
2. What is the correct execution for the affidavit? Didn't see any format. Does it need to be notarized, or what do we need to do?

I will revise the perf data and beef up the geology data and provide a procedure for the SRT. New Mexico doesn't require an SRT, so I did not include that, but we can do it. Does Utah have guidelines for conducting a step rate test? Are they on the website?

I have used your website a lot. It has great info and is very helpful, as you have been. Thanks for your help!

Connie Dinning

Merrion Oil & Gas Corp.

610 Reilly Ave

Farmington, NM 87401

505.324.5326

Main Office 505.324.5300

Fax 505.324.5350

From: Chris Kierst
To: Connie Dinning
Subject: Re: Clarification

>>> "Connie Dinning" <cdinning9804@qwest.net> 07/09/2007 4:32 PM >>>
I am dragging on this because I had fires to put out, a retreat to attend and more importantly, a vacation. I will submit a new UIC application with the correct API number. Don't know how I managed to put the fax number instead of the API number, but it was just a typo.

I had a couple of questions about the other two fatal errors.

1. I noted in the support data that there were no other operators within a ½ mile radius, this well is the only well within a half mile radius. As a formality, do I need to send a plat showing our well only - with a circle around it?
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I have used your website a lot. It has great info and is very helpful, as you have been. Thanks for your help!

Connie Dinning

Merrion Oil & Gas Corp.

610 Reilly Ave

Farmington, NM 87401

505.324.5326

Main Office 505.324.5300

Fax 505.324.5350



June 6, 2007

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

4301530257

RE: UIC Permit Ferron Federal 7-12, NE/4, Section 12, T19S, R7E, Emery Co, Utah

Please find enclosed a copy of the State of Utah Form UIC 1 requesting approval for the conversion of the subject well to a produced water disposal well. You are receiving the notice because you are a surface or mineral rights owner within a one half mile radius of the wellbore. If you have questions or objections, please contact the Utah Division of Oil, Gas and Mining as listed below:

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

The full permit application has been sent to the DOGM. I am sending this additional copy for your attention as an adjacent surface owner in the event that it requires handling by a different department.

If you wish to contact Merrion Oil & Gas, please call or email me @ 505.324.5326 or cdinning@merrion.bz.

Sincerely

A handwritten signature in black ink, appearing to read "CDinning", is written over a horizontal line.

Connie S. Dinning
Investment Engineer

Attachment

csd

RECEIVED
JUN 11 2007
DIV. OF OIL, GAS & MINING

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

UIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator Merrion Oil and Gas Corporation	Utah Account Number N	Well Name and Number Ferron Federal 7-12-19-7
Address of Operator 610 Reilly Ave CITY Farmington STATE NM ZIP 87401	Phone Number (505) 324-5300	API Number 5053245350 4301530257
Location of Well Footage : 1994' frl & 1867' fel County : Emery QQ, Section, Township, Range: swne 12 19S 7E State : UTAH		Field or Unit Name Buzzard Bench Lease Designation and Number UTU-18134

Is this application for expansion of an existing project? Yes No

Will the proposed well be used for:	Enhanced Recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
	Disposal?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
	Storage?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Is this application for a new well to be drilled? Yes No

If this application is for an existing well, has a casing test been performed? Yes No
Date of test: 12/19/1995

Proposed injection interval: from 1,742 to 1,964

Proposed maximum injection: rate 10,000 bpd pressure 1,032 psig

Proposed injection zone contains oil , gas , and / or fresh water within 1/2 mile of the well.

List of attachments: Please see attached list

**ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT
UTAH OIL AND GAS CONSERVATION GENERAL RULES**

I hereby certify that this report is true and complete to the best of my knowledge.

Name (Please Print) Connie S. Dinning
Signature 

Title Evaluations Engineer
Date 5/25/2007

RECEIVED
JUN 11 2007
DIV. OF OIL, GAS & MINING



June 6, 2007

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

4301530257

RE: UIC Permit Ferron Federal 7-12, NE/4, Section 12, T19S, R7E, Emery Co, Utah

Please find enclosed the permit application for the conversion of the subject well to a produced water disposal well. Merrion Oil & Gas requests administrative approval of this application.

Notice was published in the "Sun Advocate" in Emery County on Tuesday, June 5, and will be published in the "Salt Lake Tribune" on Friday, June 8, 2007. These legal notices can be verified online.

If you wish to contact Merrion Oil & Gas, please call or email me @ 505.324.5326 or cdinning@merrion.bz.

Sincerely

A handwritten signature in black ink, appearing to read "C. Dinning", written over a horizontal line.

Connie S. Dinning
Investment Engineer

Attachment

csd

610 Reilly Avenue
Farmington, NM 87401
main 505.324.5300
fax 505.324.5350

RECEIVED

JUN 11 2007

DIV. OF OIL, GAS & MINING

UIC Application
Merrion Oil & Gas
Ferron Federal 7-12, Convert to SWD

List of Attachments

1. UIC Application
2. Plat with ½ mile radius
3. Open Hole Log Strips
4. Cement Bond Log
5. Wellbore Diagram
6. Water Analysis Information
7. Surface Pressure Calculations
8. Geological Supporting Data
9. Ferron 7-12 Production Data
10. Proposed Perforations
11. Production Bubbles and Structural Fault Map

Merrion Oil & Gas (MOG)
Application for Conversion of Ferron Federal 7-12 to SWD

R649-5-2. Requirements for Class II Injection Wells Including Water Disposal, Storage and Enhanced Recovery Wells.

1. The proposed injection well shall be completed, equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.

2. UIC Application is Attachment 1.

2.1 Plat is shown as Attachment 2, surface owners within a half mile radius are the BLM, the State of Utah and Utah Power and Light.

2.2 Open hole Induction and Neutron Density Logs, are on file with the Utah DOGM. **Copies of log strips for the zones of interest are shown as Attachment 3** showing the existing perforated intervals, and the proposed perforations.

2.3 A copy of the **cement bond log is Attachment 4**. Proposed perforated intervals are noted on the CBL and the wellbore diagram.

2.5 A wellbore diagram with casing detail is Attachment 5. MOG proposes to run a retrievable bridge plug above the existing perforations set at $\pm 1730'$ KB, load the hole with produced water, and pressure test the casing to the maximum authorized injection pressure (proposed 1312 psi) for 15 minutes.

2.6 All injected fluid will be produced water from the Ferron Sand or Ferron Coal.

2.7 Analysis of the produced water from the Ferron 7-12 is attached. The other produced water analyses show waters from two producing wells, along with their compatibility analyses. The compatibility analysis of the water from the Ferron 7-12 and the two producing wells indicates that the mixture will be less likely to cause scale problems in the wellbore than the Ferron 7-12 water alone, thus the waters are compatible. **Water analysis information is shown as Attachment 6**.

2.8 We propose to inject a maximum rate of 10,000 BWPD at an estimated 1312 psig maximum surface pressure. The average injection rate will be about 8,000 BWPD with an estimated surface pressure of 1154 psig.

2.9 The fracture gradient for the original frac job performed on the well was calculated to be 1.04. **Attachment 7** shows the supporting calculations for a maximum proposed surface injection pressure of 1312 psig.

2.10 Discussion of the geologic data as well as the geologic report provided from the drilling of the well are shown as **Attachment 8**.

2.11 There are no wells within a half mile radius of the subject well.

2.12 A copy of the affidavit certifying that a copy of this application has been sent to the BLM, State of Utah and Utah Power and Light (surface owners) is attached.

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

UIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator Merrion Oil and Gas Corporation	Utah Account Number N	Well Name and Number Ferron Federal 7-12-19-7
Address of Operator 610 Reilly Ave CITY Farmington STATE NM ZIP 87401	Phone Number (505) 324-5300	API Number 5053245350 4301530257
Location of Well Footage : 1994' fml & 1867' fel County : Emery		Field or Unit Name Buzzard Bench
QQ, Section, Township, Range: swne 12 19S 7E State : UTAH		Lease Designation and Number UTU-18134

Is this application for expansion of an existing project? Yes No

Will the proposed well be used for:

Enhanced Recovery?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
Disposal?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
Storage?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>

Is this application for a new well to be drilled? Yes No

If this application is for an existing well, has a casing test been performed? Yes No
Date of test: 12/19/1995 - 12 years ago

Proposed injection interval: from 1,742 to 1,964

Proposed maximum injection: rate 10,000 bpd pressure 1,032 psig

Proposed injection zone contains oil , gas , and / or fresh water within 1/2 mile of the well.
Actually not!

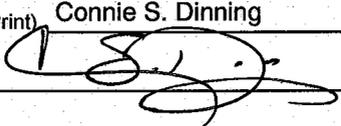
List of attachments: Please see attached list

**ATTACH ADDITIONAL INFORMATION AS REQUIRED BY CURRENT
UTAH OIL AND GAS CONSERVATION GENERAL RULES**

I hereby certify that this report is true and complete to the best of my knowledge.

Name (Please Print) Connie S. Dinning

Title Evaluations Engineer

Signature 

Date 5/25/2007

UIC Application
Merrion Oil & Gas
Ferron Federal 7-12, Convert to SWD

List of Attachments

1. UIC Application
2. Survey Plat
3. Open Hole Log Strips
4. Cement Bond Log
5. Wellbore Diagram
6. Water Analysis Information
7. Surface Pressure Calculations
8. Geological Supporting Data
9. Ferron 7-12 Production Data
10. Proposed Perforations
11. Production Bubbles and Structural Fault Map

RANGEVILLE UNIT
☀ 1-11

BLM

State of Utah

Utah Power & Light

FERRON FEDERAL
☀ 7-12-19-

BLM 12

Utah Power & Light

BLM

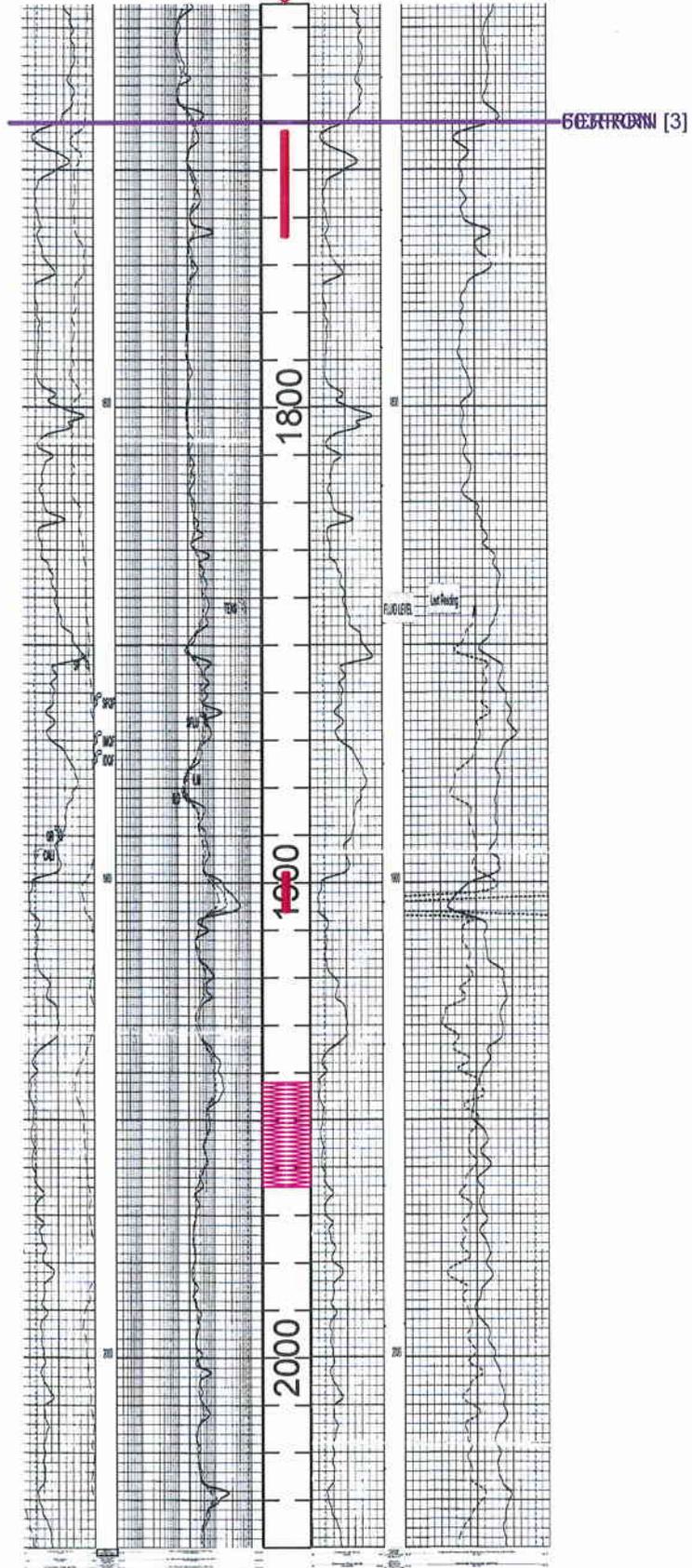
7

SNOW^s
☀ 3-13-19-7

Merrion Oil & Gas Corporation
Ferron Federal 7-12
Proposed Conversion to SWD
Surface Ownership
0 1,045 FEET
POSTED WELL DATA
Well Name ● Well Number
WELL SYMBOLS ☀ Gas Well ☐ Dry Hole
January 4, 2007

Attachment 2

Well Name : FERRON FEDERAL
7-12-19-
SW NE
T19S R7E S12



Ferron Federal 7-12 SWD

Existing Perfs

Emery Co., UT

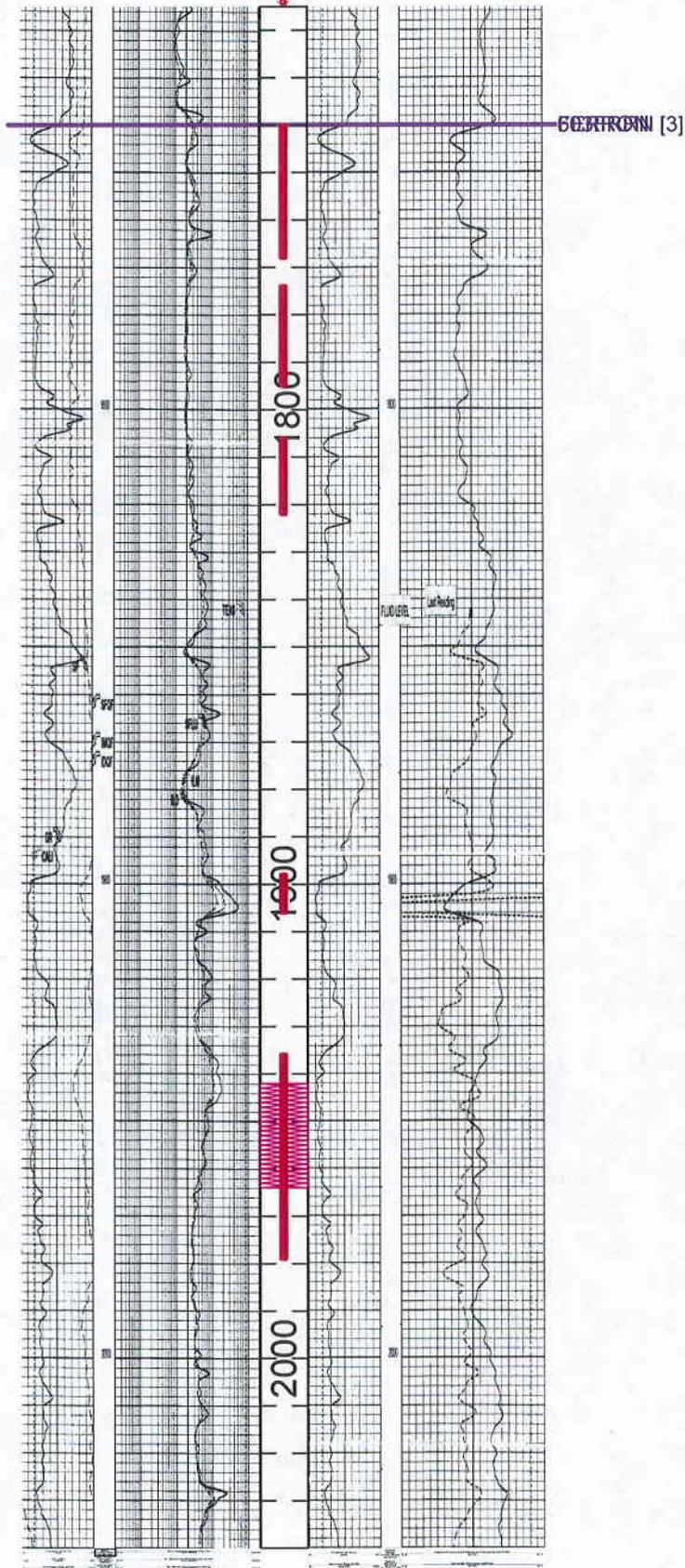
Sec 12, T19S, R7E

Well Name : FERRON FEDERAL

7-12-19-

SW NE

T19S R7E S12



Ferron Federal 7-12 SWD

Proposed Perfs

Emery Co., UT

Sec 12, T19S, R7E

COMPLETION COPY

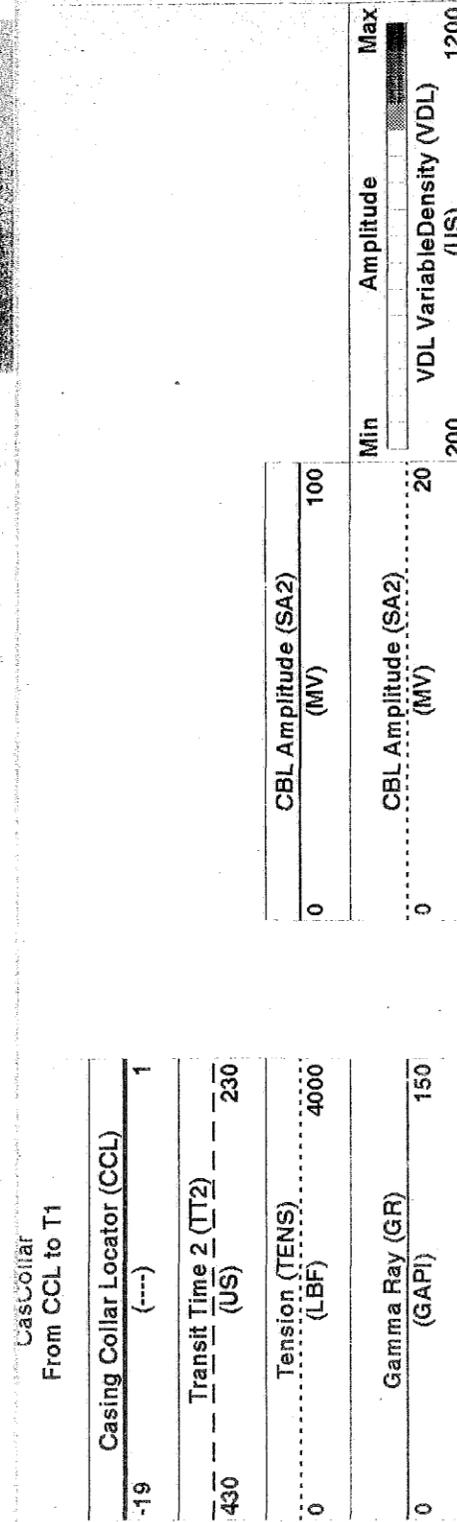
COMPANY: CHANDLER & ASSOCIATES

WELL: FERRON FEDERAL #7-12-19-7

FIELD: FERRON

COUNTY: EMERY STATE: UTAH

COUNTY: EMERY Field: FERRON Location: SEC12 T19S R7E Well: FERRON FEDERAL #7-12-19-7 Company: CHANDLER & ASSOCIATES		LOCATION SEC12 T19S R7E 1994' FNL & 1867' FEL Elev.: K.B. 5949 F G.L. 5937 F D.F. 5948 F	
Permanent Datum: GROUND LEVEL Log Measured From: RKB Drilling Measured From: RKB Elev.: 5937 F 12.0 F above Perm. Datum		CEMENT BOND LOG with Gamma Ray and Collars	
API Serial No. 43-015-30257		SECTION 12	TOWNSHIP 19S
Logging Date: 25-OCT-1995 Run Number: 1 Depth Driller: 2073 F Schlumberger Depth: 2056 F Bottom Log Interval: 2053 F Top Log Interval: 100 F Casing Driller Size @ Depth: 5.500 IN @ Casing Schlumberger: @ Bit Size: 7.875 IN Type Fluid In Hole: @ Density: 8.4 LB/G Viscosity: @ Fluid Loss: @ PH: @ Source Of Sample: @ RM @ Measured Temperature: @ RMF @ Measured Temperature: @ RMC @ Measured Temperature: @ Source RMF: @ RMC: @ RM @ MRT: @ RMF @ MRT: @ Maximum Recorded Temperatures: @ Circulation Stopped: @ Time: @ Logger On Bottom: 25-OCT-1995 12:00 Time: @ Unit Number: 1610 VERNAL, UT Location: JARDON/BECKER Recorded By: JIM SIMONTON Witnessed By:		RANGE 7E RECEIVED JUN 11 2007 DIV. OF OIL, GAS & MINING	



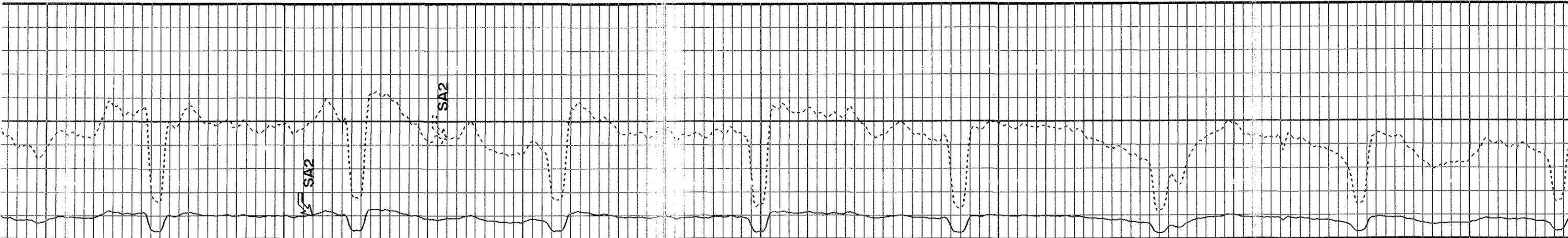
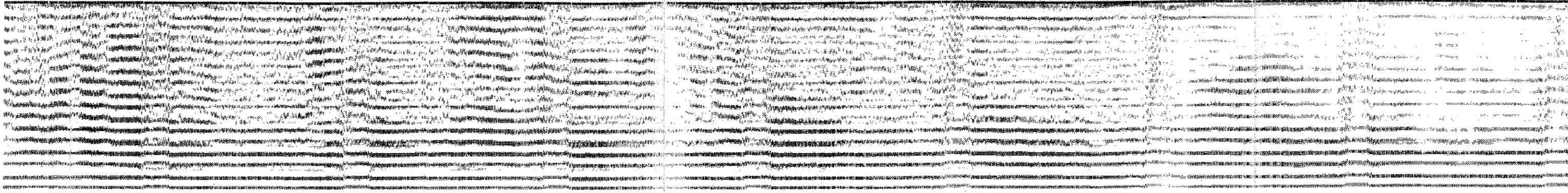
CasCollar
From CCL to T1

Casing Collar Locator (CCL)
-19 (---) 1

Transit Time 2 (TT2) (US)
430 --- 230

Tension (TENS) (LBF)
0 4000

Gamma Ray (GR) (GAPI)
0 150

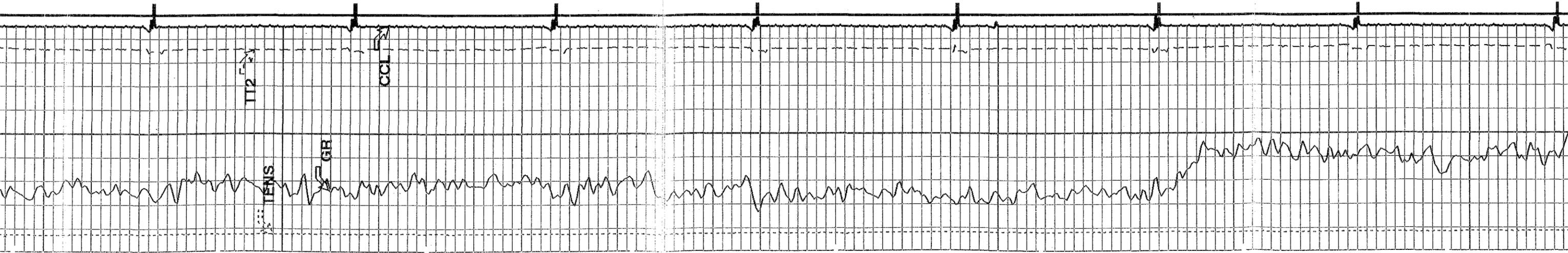


100

200

300

400



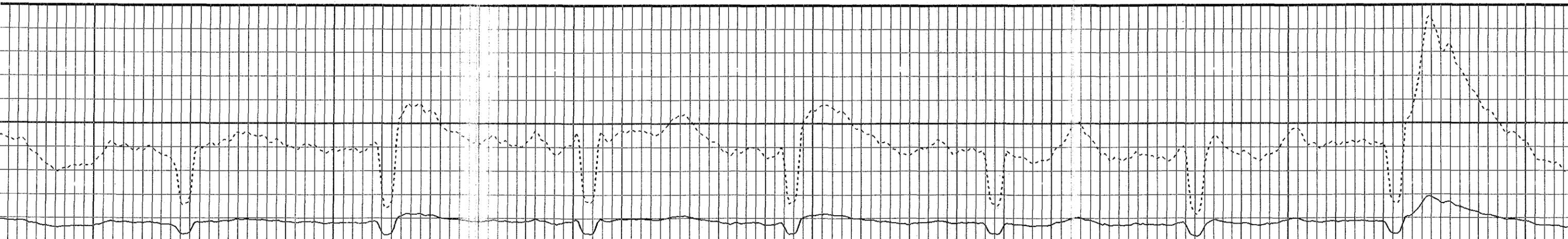
T12

CCL

TENS

GR

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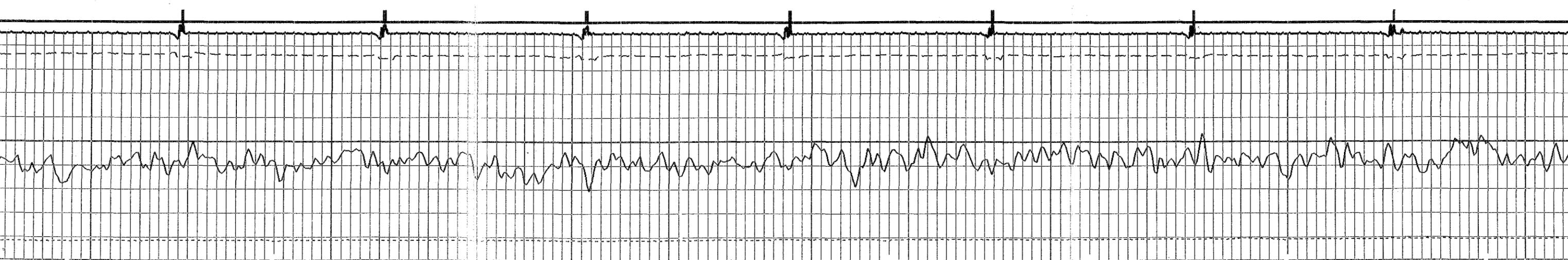


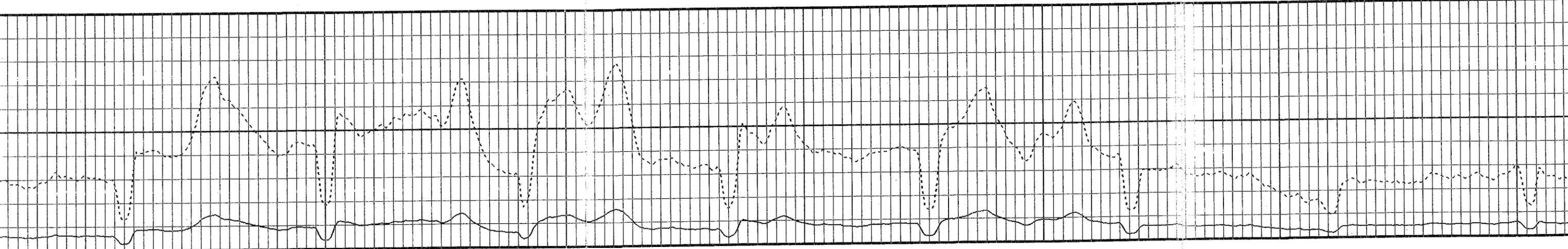
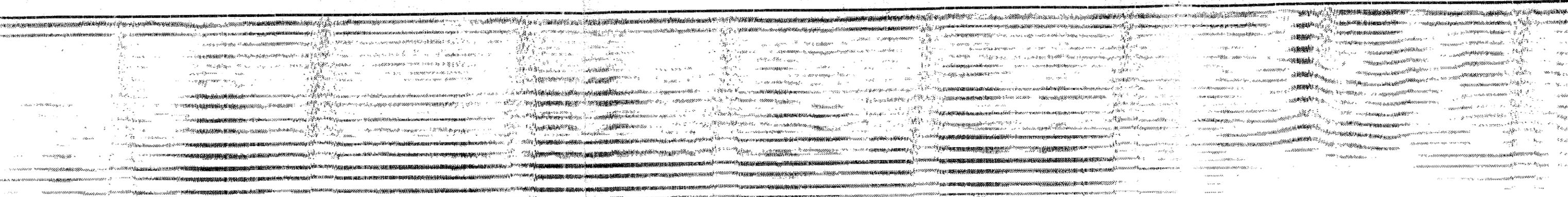
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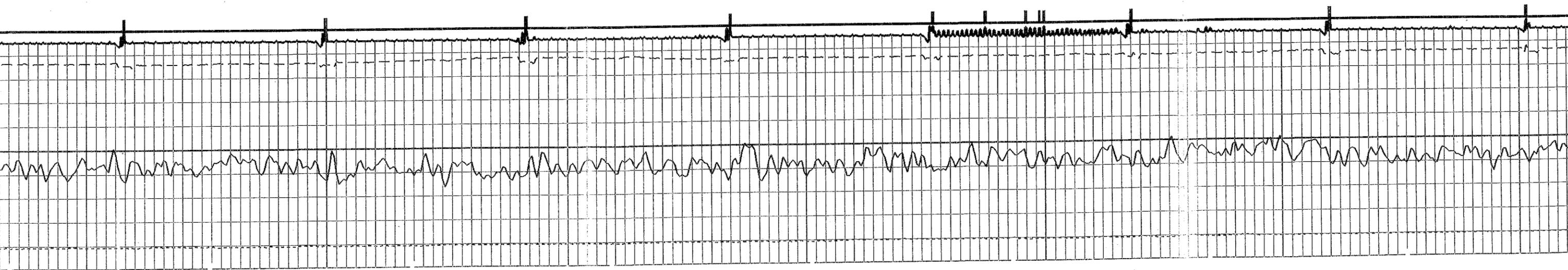




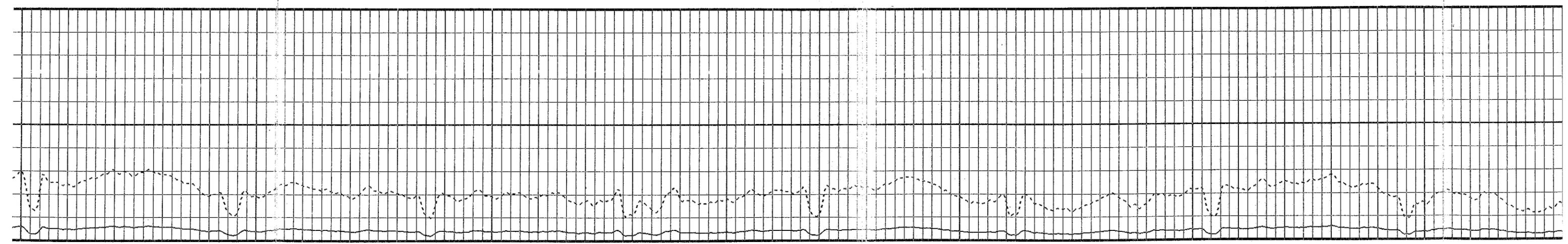
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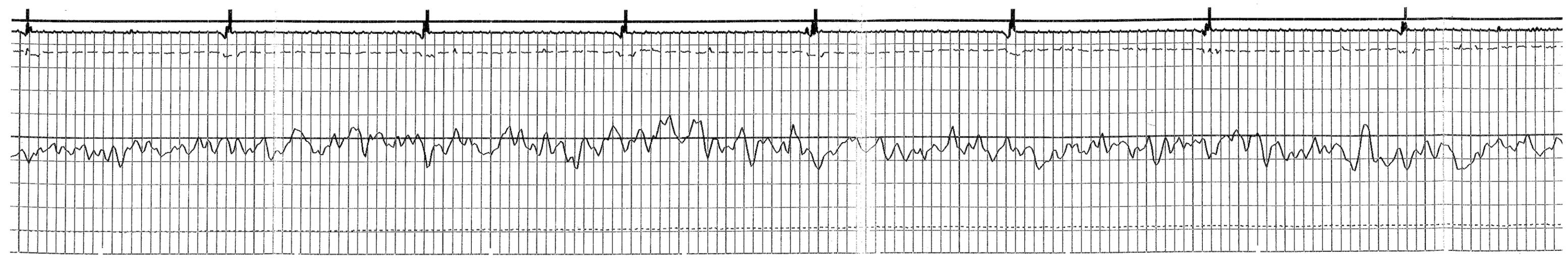
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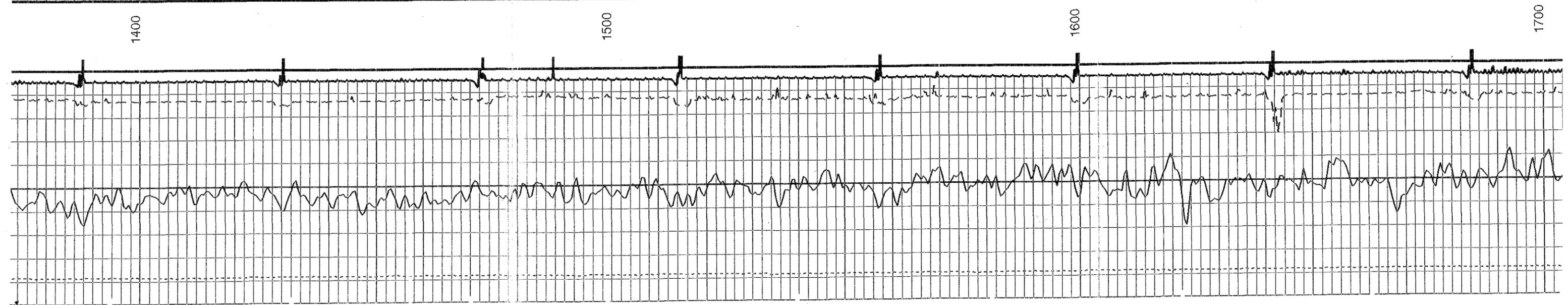
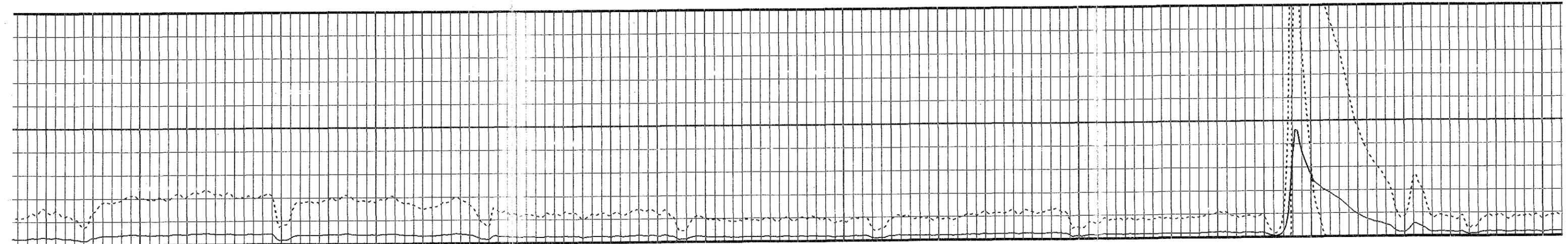
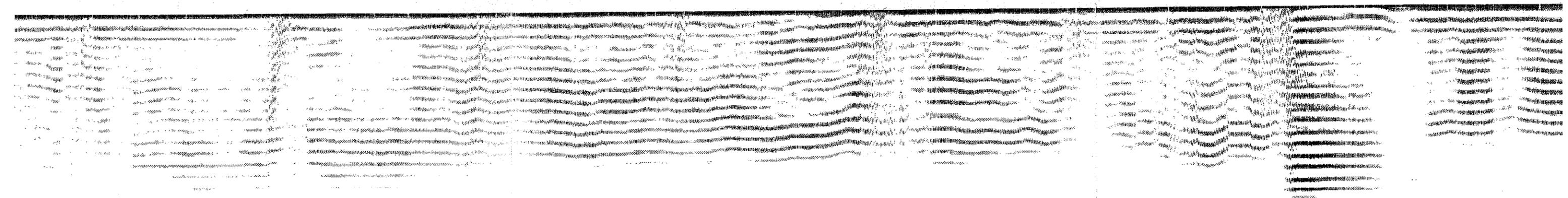


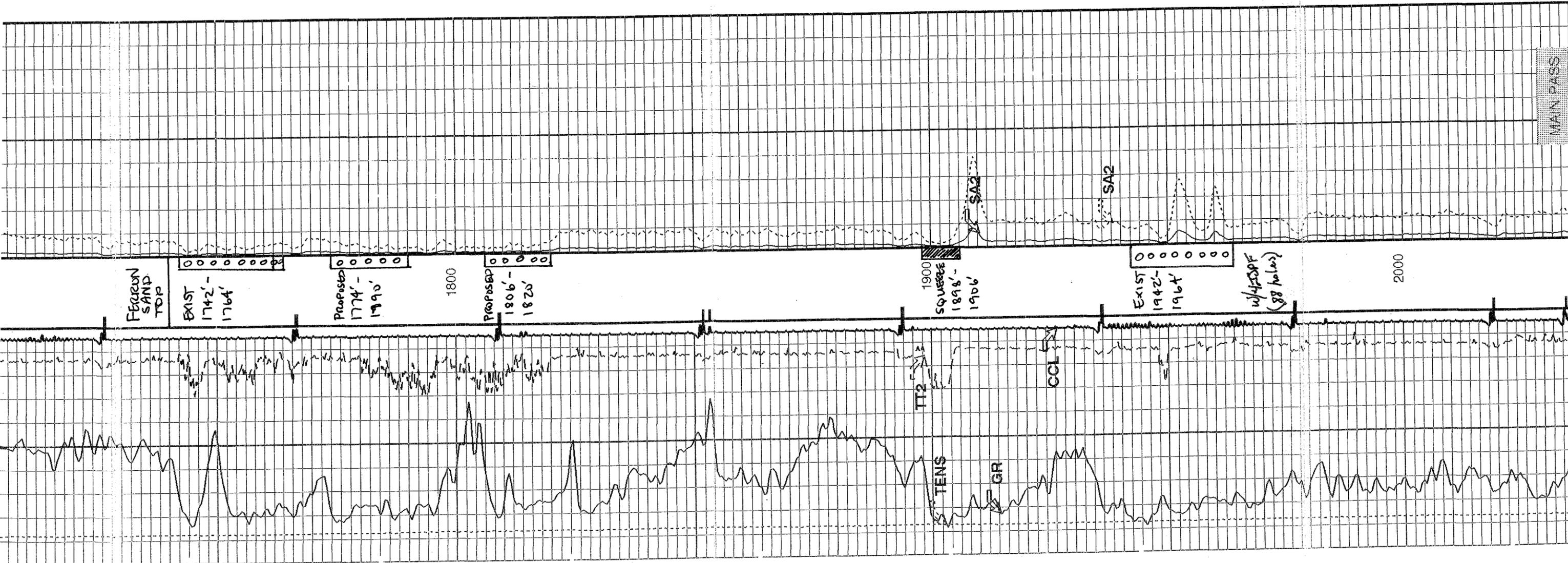
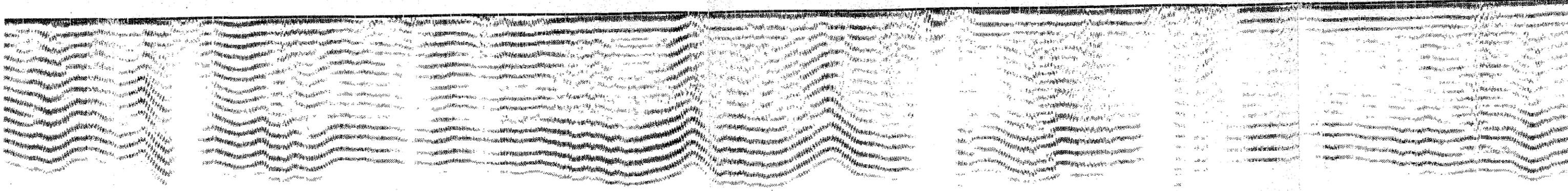
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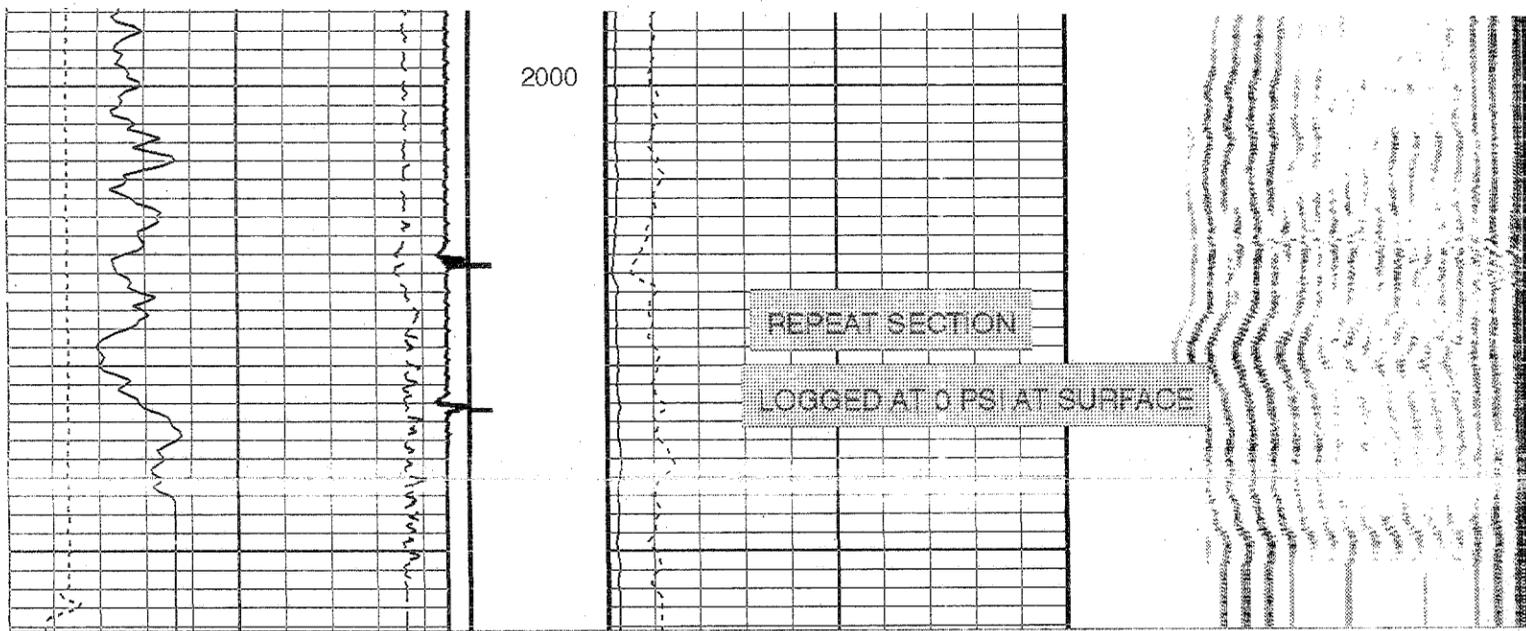
1200

1300









Gamma Ray (GR) (GAPI)	0	150	CBL Amplitude (SA2) (MV)	0	20	Min	Amplitude	Max
Tension (TENS) (LBF)	0	4000	CBL Amplitude (SA2) (MV)	0	100	200	VDL Variable Density (VDL) (US)	1200
Transit Time 2 (TT2) (US)	430	230						
Casing Collar Locator (CCL) (---)	-19	1						
CasCollar From CCL to T1								

PIP SUMMARY

← Casing Collars

Time Mark Every 60 S

Parameters

DLIS Name	Description	Value
CCLD	CCL reset delay	12 IN
CCLT	CCL detection level	0.5 V
DO	Depth Offset	0.0 FT
PP	Playback Processing	NORMAL

Format: CBL_VDL Vertical Scale: 5" per 100' Graphics File Created: 26-Oct-1995 10:27

OP System Version: 8B0-240

MCM

SLT-J	8B0-240	SGT-G	8B0-240
CCL-AJ	8B0-240		

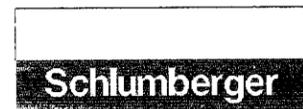
Input DLIS Files

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Output DLIS Files

DEFAULT	SLTJ .009	FN:8	FIELD	26-Oct-1995 10:27
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COMPANY:	CHANDLER & ASSOCIATES	BOTTOM LOG INTERVAL	2058 F
		SCHLUMBERGER DEPTH	2058 F
WELL:	FERRON FEDERAL #7-12-19-7	DEPTH DRILLER	2076 F
FIELD:	FERRON	KELLY BUSHING	5946 F
COUNTY:	EMERY	DRILL FLOOR	5946 F
STATE:	UTAH	GROUND LEVEL	5937 F



CEMENT BOND LOG
with Gamma Ray and Collars

Merrion Oil & Gas Corporation
Wellbore Schematic

Attachment 5

Ferron Federal 7-12

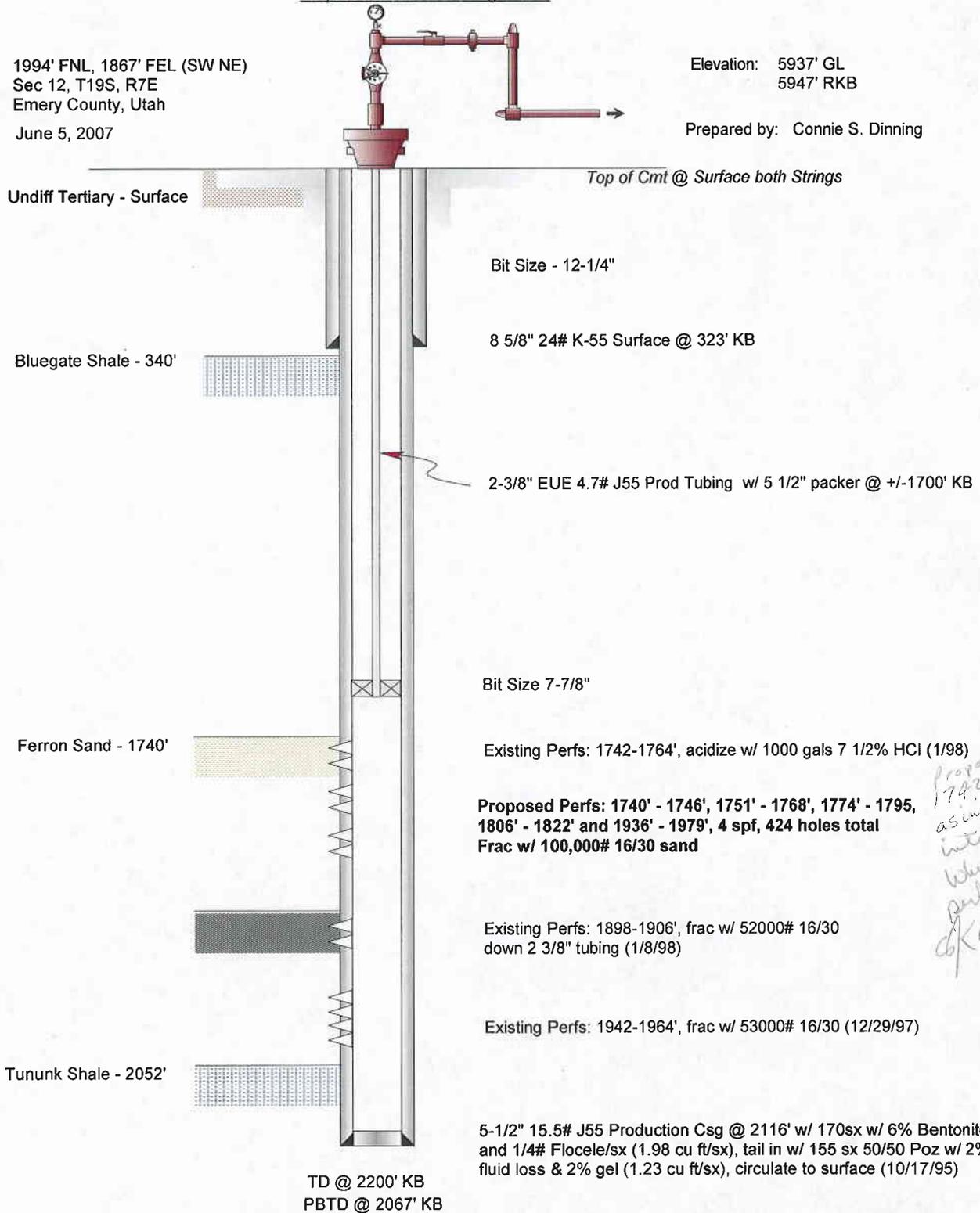
Proposed Wellbore Configuration

Location: 1994' FNL, 1867' FEL (SW NE)
Sec 12, T19S, R7E
Emery County, Utah

Date: June 5, 2007

Elevation: 5937' GL
5947' RKB

Prepared by: Connie S. Dinning



*Propose
1742-1764
as injection
interval.
Why other
perfs?
C/K 6/12/07*

RECEIVED

JUN 11 2007

DIV. OF OIL, GAS & MINING

UNICHEM

A Division of BJ Services

P.O. Box 217
Roosevelt, Utah 84066

Office (801) 722-5066
Fax (801) 722-5727

WATER ANALYSIS REPORT

CHANDLER AND ASSOCIATES

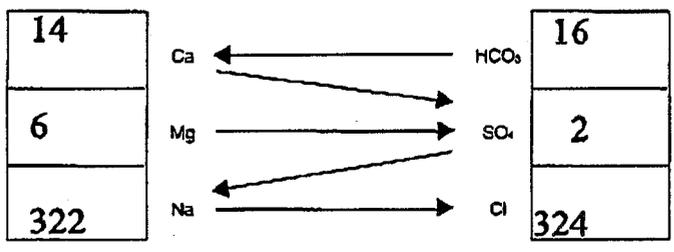
COMPANY _____ ADDRESS _____ DATE 12-27-95

SOURCE FERRON FED. 7-12-19-7 DATE SAMPLED _____ ANALYSIS NO. _____

Analyte	Mg/l(ppm)	*Meq/l
1. PH	<u>8.3</u>	
2. H ₂ S (Qualitative)	<u>2.0</u>	
3. Specific Gravity	<u>1.012</u>	
4. Dissolved Solids	<u>20,320</u>	
5. Suspended Solids	_____	
6. Anaerobic Bacterial Count	_____ C/Ml	
7. Methyl Orange Alkalinity (CaCO ₃)	_____	
8. Bicarbonate (HCO ₃)	HCO ₃ <u>950</u>	+61 <u>16</u> HCO ₃
9. Chlorides (Cl)	Cl <u>11,500</u>	+35.5 <u>324</u> Cl
10. Sulfates (SO ₄)	SO ₄ <u>100</u>	+48 <u>2</u> SO ₄
11. Calcium (Ca)	Ca <u>280</u>	+20 <u>14</u> Ca
12. Magnesium (Mg)	Mg <u>73</u>	+12.2 <u>6</u> Mg
13. Total Hardness (CaCO ₃)	<u>1,000</u>	
14. Total Iron (Fe)	<u>40</u>	
15. Barium (Qualitative)	_____	
16. Phosphate Residuals	_____	

*Milli equivalents per liter

PROBABLE MINERAL COMPOSITION



Compound	Equly. Wt.	X	Meq/l	=	Mg/l
Ca(HCO ₃) ₂	81.04		<u>14</u>		<u>1,135</u>
CaSO ₄	68.07				
CaCl ₂	55.50				
Mg(HCO ₃) ₂	73.17		<u>2</u>		<u>146</u>
MgSO ₄	60.19		<u>2</u>		<u>120</u>
MgCl ₂	47.62		<u>2</u>		<u>95</u>
NaHCO ₃	84.00				
Na ₂ SO ₄	71.03				
NaCl	58.46		<u>322</u>		<u>18,824</u>

Saturation Values	Distilled Water 20°C
CaCO ₃	13 Mg/l
CaSO ₄ · 2H ₂ O	2,090 Mg/l
MgCO ₃	103 Mg/l

REMARKS _____

A METHOD FOR PREDICTING THE TENDENCY OF OIL FIELD WATERS TO DEPOSIT CALCIUM CARBONATE

WELL NAME: **Ferron Federal 7-12 Formation Water**

FORMATION: **Ferron Sand** Remarks: Produced water

Report Date: **12/27/1995**

CONCENTRATION:

Na + K=	0 ppm	0.00 meq/liter
Ca =	280 ppm	13.97 meq/liter
Mg =	73 ppm	6.00 meq/liter
Fe =	40 ppm	2.15 meq/liter
Cl =	11,500 ppm	324.30 meq/liter
HCO3 =	950 ppm	15.58 meq/liter
SO4 =	100 ppm	2.08 meq/liter
CO3=	1,000 ppm	33.30 meq/liter

TDS= 13,943 ppm

TOTAL IONIC 0.213

Resistivity = ohm-m @ 68°F

Spec. Grav. 1.012 @ 60°F

pH FACTOR = 8.30

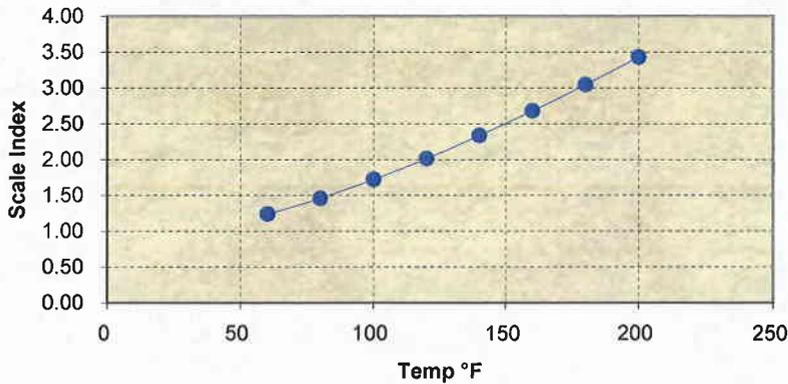
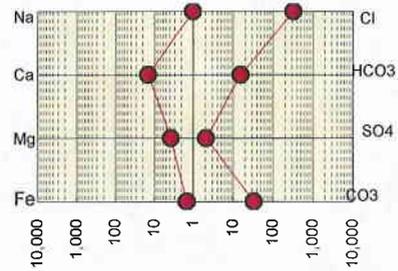
pCa = 2.142

pAlk = 1.794

Total Hardness = 1,000.4 mg/l
58.50 grains/gal

TEMP (°F)	TEMP (°C)	K	Scale Index
60	15.6	3.128	1.236 *
80	26.7	2.906	1.458 *
100	37.8	2.644	1.720 *
120	48.9	2.351	2.013 *
140	60.0	2.030	2.334 *
160	71.1	1.686	2.678 *
180	82.2	1.321	3.044 *
200	93.3	0.936	3.429 *

LOGARITHMIC PROFILE



* A POSITIVE INDEX INDICATES SCALE FORMATION. A NEGATIVE INDEX INDICATES CORROSION.

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by Douglas M. Boone
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Version 1.1

A METHOD FOR PREDICTING THE TENDENCY OF OIL FIELD WATERS TO DEPOSIT CALCIUM CARBONATE

WELL NAME: **Buzzard Bench Compatibility 95/5**

FORMATION: **Ferron Sand** Remarks: Produced water

Report Date: **5/14/2007**

CONCENTRATION:

Na + K=	6,589 ppm	286.62 meq/liter
Ca =	14 ppm	0.70 meq/liter
Mg =	4 ppm	0.30 meq/liter
Fe =	3 ppm	0.18 meq/liter
Cl =	7,815 ppm	220.38 meq/liter
HCO3 =	5,071 ppm	83.16 meq/liter
SO4 =	5 ppm	0.10 meq/liter
CO3=	113 ppm	3.76 meq/liter

TDS= **19,614 ppm**

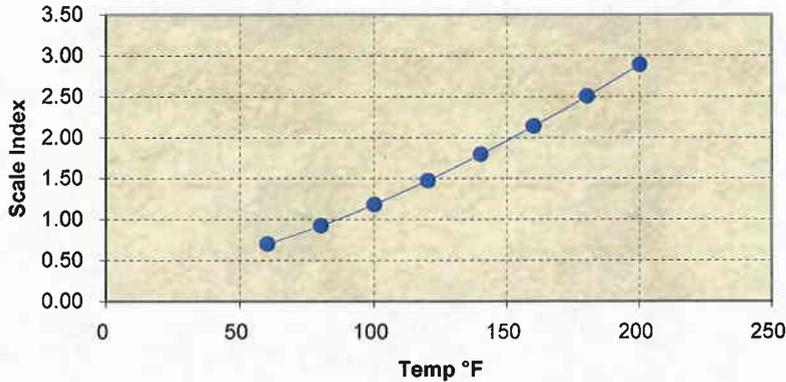
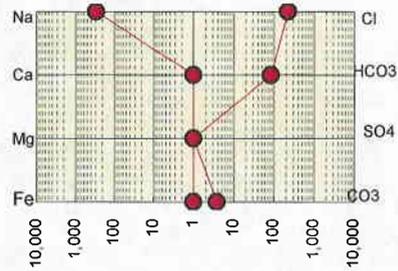
TOTAL IONIC 0.299

Resistivity = ohm-m @ 68°F

Spec. Grav. 1.013 @ 60°F

	TEMP (°F)	TEMP (°C)	K	Scale Index
pH FACTOR =	8.40	60	3.205	0.699 *
pCa =	3.429	80	2.983	0.921 *
pAlk =	1.067	100	2.721	1.183 *
Total Hardness =	50.2 mg/l	120	2.428	1.476 *
	2.94 grains/gal	140	2.108	1.796 *
		160	1.764	2.141 *
		180	1.398	2.506 *
		200	1.013	2.891 *

LOGARITHMIC PROFILE



* A POSITIVE INDEX INDICATES SCALE FORMATION. A NEGATIVE INDEX INDICATES CORROSION.

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Version 1.1

SUPERIOR WELL SERVICES



Merrion Oil & Gas
 Attn Connie Denning
 Api Water Analysis
 May 14, 2000

Temperature(F)= 70

<u>Ion</u>	<u>Concentration (mpl)</u>	
	<u>Water No. 1</u>	<u>Water No. 2</u>
Sodium	7195	6677
Chloride	5317	9926
Bicarbonate	9926	650
Carbonate	18	5
Hardness	120	120
Silica	0	3
Iron(Ferrous)	0	3
Iron(Ferric)	0	0
Bacteria	1274	2382
pH	8.7	8.2
Specific Gravity	10.12	1.014
Ionic Strength	0.3137	0.2911
TDS	22462	17267

<u>Type of Scale</u>	<u>Solubility (PTB)</u>	<u>Scale Index</u>	<u>Scale (PTB)</u>	<u>Scaling Tendency</u>
100.0 % Water No. 1 0.0 % Water No. 2				
Calcium Sulfate	1619	-6.44	-1619	None
Calcium Carbonate	0	0.26	0	Slight
90.0 % Water No. 1 10.0 % Water No. 2				
Calcium Sulfate	1615	-6.44	-1614	None
Calcium Carbonate	1	0.13	0	Slight
80.0 % Water No. 1 20.0 % Water No. 2				
Calcium Sulfate	1610	-6.44	-1610	None
Calcium Carbonate	1	0.02	0	Slight
70.0 % Water No. 1 30.0 % Water No. 2				
Calcium Sulfate	1606	-6.44	-1605	None
Calcium Carbonate	1	-0.10	0	None
0.0 % Water No. 1 100.0 % Water No. 2				
Calcium Sulfate	1572	-6.42	-1572	None
Calcium Carbonate	21	-1.39	-20	None

NOTE: PTB = Pounds per Thousand Barrels

Merrion Oil & Gas									
Ferron 7-12 Convert to SWD									
Proposed Injection Pressure Calculations									
Top Perf	Hydrostatic Gradient	Hydrostatic Pressure PSIG	Frac Gradient	BHP Frac PSIG	Proposed % of Frac Pressure	Injection BHP PSIG	Injection Rate, BWPD	Friction @ Injection Rate PSIG	Proposed Surface Injection Pressure PSIG
1742	0.43	755	1.04	1812	90%	1631	10000	436	1312
1742	0.43	755	1.04	1812	90%	1631	8000	278	1154

EXECUTIVE SUMMARY

On December 29, 1997 zone I of the **Federal 7-12-19-7** was stimulated with the following:

Formation-	Ferron Sands
Perfs-	1,942-1,964 Ft
Avg. Rate-	26.4 BPM
Avg. Surf. Press.-	1,100 psi
Total Sand Formation-	53,000 LB (16/30 Ottawa)
Total Fluid-	423.5 BBL
Max. Concentration-	7 PPG

The job went as per design with no fluid, equipment or electrical problems. The pressure increased to 1,040 psi and maintained that pressure until flush. A real-time 3-D fracturing model (Fracpro) was run during the job and a good pressure match was obtained and predicted the following:

Propped Height-	320 ft.
Propped Length-	163 ft.
Frac Grad.-	1.04 psi/ft
Conductivity-	8000 md-ft
Fracture Concentration-	1.4 lb/ft ²

Overview of job showed good frac with average permeability and porosity. Net pressure increased 400 psi during the job which would indicate average proppant placement in fracture. If you have any questions about the job or any thing else please call me at 1(800)874-2550.

Thank You,

Chip Koerner
Operations Engineer

**Ferron Federal 7-12
Proposed Conversion to SWD
Geologic Discussion**

In accordance with section 2.10 of the Utah DOGM injection well regulations, the following geological information is submitted to support the approval of the conversion of the Ferron Federal 7-12 to a Class II Water Disposal Well:

2.10

The proposed injection interval is the Ferron Sandstone. It is well confined above by the Bluegate Shale. This shale is 1300' thick in the subject well. The interval is confined below by the Tununk Shale. The top of the Tununk in this well is at 2052', and the TD of the well is 2200', thus the Tununk is at least 148' thick. The stratigraphic chart of the area indicates that the Tununk is commonly 600' thick. The injection interval would be well confined by these two thick, essentially impermeable shale barriers.

Is the proposed injection zone the same as the coal production zone?

2.10.1

There are no known sources of drinking water in the area. The Emery Sandstone is generally found above the Bluegate Shale (top at 340' in this area). The Emery sandstone is not documented as a fresh water aquifer. The nearest aquifers documented on the DWQ website are the Lower Castle Valley and Moab-Spanish Valley aquifers. At their closest point to this location, they are about 15 miles to the southeast.

2.10.2

The Ferron Sand top is at 1740', and it is about 300' thick in the Ferron Federal 7-12. There is one Ferron Coal stringer in this interval as shown on the open hole porosity log dated October 16, 1995.

The well did not appear to be productive on the open hole logs, however, it was cased and completed as a hydrocarbon producer on the strength of a small gas show in the coal interval from 1898' to 1906', as mentioned above.

The lower Ferron Sand interval from 1942' to 1964' was perforated and fractured in 1997. The zone was determined to be wet and was abandoned below a cast iron bridge plug.

The middle zone with the gas show was fractured in January 1998. An upper zone from 1742' to 1764' was perforated and acidized as well. This upper zone had no gas shows at all, and probably did not contribute any of the small amount of gas produced from the wellbore. Merrion Oil & Gas tested this upper interval in the Orangeville 10-2 offset to the northwest, and it tested wet.

Production data from IHS Dwight's is shown on Attachment 9. The coal zone was the only productive zone in the Ferron Federal 7-12, and it produced 1,099 MCF and 89

bbls of water intermittently over two years. This is not a coal zone that would be economic even if it were dewatered. The productivity is low for water and gas based on the production history. It is also a thin zone that would not have significant reserves even if it were economic to produce for a short time.

We propose to cement squeeze this coal interval from 1898' to 1906', use the existing upper and lower zones plus **additional zones as noted on Attachment 10** for water disposal.

2.10.3

The Ferron Sand formation is hydrocarbon productive in many wells in this area. Texaco, the former operator, performed geologic mapping and concluded that there was a fault running essentially north/south as shown on **Attachment 11**. On the west side of this fault, there are some excellent gas wells. On the east side, however, the production is extremely marginal, with none of the wells producing commercial volumes of hydrocarbons. The Snow 3-13, about $\frac{3}{4}$ of a mile south of the subject well, was a dry hole.

It is clear from the production data in the offset wells and from the Ferron Federal 7-12 that there are virtually no recoverable hydrocarbons, and absolutely no economic hydrocarbon production in this wellbore.

**Geological Report
Chandler & Associates Inc.**

**Ferron Federal #7-12-19-7
Section 12, 19S-7E
Emery County, Utah**

**Prepared by:
Donald E. Dayhuff
Consulting Geologist
November 1, 1995**

Drilling Samples

Connection samples were obtained from the base of surface casing to 1450'.

From 1450' to 1740' samples were obtained in 10' intervals.

While drilling the Ferron Sandstone samples were obtained at 10' intervals and checked at numerous other times while monitoring the blooie line from 1740'-2050'.

Connection samples were obtained from 2050' to TD 2200'.

Bluegate Shale

340'-1600'

Shale: dark gray, firm, calcareous, silty, with traces of sandstone, very fine grain, gray, shaly tight.

1600'-1740'

Shale: as above.

Siltstone: dark gray, shaly.

Coal: traces of coal, black, vitreous, brittle.

Ferron Sandstone

1740'-1800'

Sandstone: the clean sand intervals indicated by the electric logs are generally very fine - fine grain, light gray, salt and pepper, slightly calcareous, in part silicious, poor porosity, in part having black flecs of carbonaceous material, (insoluble).

1800'1805'

Due to pressure surge no sample was obtained. By correlation with other wells the interval is probably a shale as described above.

1805'-1847'

Sandstone: very fine - fine grain, light gray, slightly calcareous, salt and pepper, carbonaceous flecs, insoluble, poor porosity.

Sandstone: as above.

1847'-1853'

Shale: dark gray, silty, firm.

1853'-1872'

Sandstone: very fine, fine grain, light gray, poor porosity - shaly in part.

1872'-1899'

Shale: dark gray, slightly calcareous, silty, firm.

1899'-1907'

Sandstone: on penetration of this zone a strong flow of gas was obtained, the flare, with air compressors on, sustained at 30-35: sandstone: very fine - fine grain.

Coal: only a trace of coal, black, vitreous, brittle, was found leaving uncertainty as to the true lithology of this zone. The sample recovery under conditions of this flare was poor.

1907'-1934'

Sandstone: very fine grain, tan, shaly, calcareous, tight.

Shale: as above.

1934'-1980'

Sandstone: very fine grain, light-medium gray, brown-gray, slightly to very calcareous, poor porosity, salt and pepper - in part shaly.

Tununk Shale
1980'-TD2200'

Shale: dark gray, silty, carbonaceous, slightly to non-calcareous.

Sandstone: very fine gray, brown gray, shaly, slightly calcareous.

Siltstone: medium gray, hard.

Summary

Based on the sustained 30-35' flare obtained from the interval 1899-1907 production casing was run.

Preliminary plans are to also production test the basal Ferron Sandstone where the Neutron/Density logs shows gas effect (1942'-1951'). This zone is productive at the Orangeville Federal Unit #1-11 - NENE 11, 19S-7E approximately three quarters of a mile west from the #7-12 well and 179' structurally lower at the datum of the basal sand.

EMERY UT
FERRON FEDERAL 7-12-19-
MERRION OIL & GAS CORPORATION
INACTIVE

Detailed Production Report

Lease Name:	FERRON FEDERAL	Well Number:	7-12-19-
Lease Number:	011837	Cum Oil:	
Operator Name:	MERRION OIL & GAS CORPOR	Cum Gas:	1,022
State:	UTAH	Cum Water:	89
County:	EMERY	First Production Date:	FEB 1998
Field:	BUZZARD BENCH	Last Production Date:	FEB 1999
Sec Twn Rng:	12 19S 7E	Spot:	SW NE
Latitude/Longitude:	39.18558 -111.08209	Lat/Long Source:	IH
Regulatory #:		Completion Date:	
API:	43015302570000	Total Depth:	2200
Production ID:	243001076136	Upper Perforation:	1942
Reservoir Name:	FERRON SANDSTONE	Lower Perforation:	1964
Prod Zone:	FERRON SANDSTONE	Gas Gravity:	
Prod Zone Code:	603FRSD	Oil Gravity:	
Basin Name:	PARADOX BASIN	Temp Gradient:	1.95
Gas Gatherer:		N Factor:	
Liquid Gatherer:		GOR:	
Status:	INACTIVE-PRIOR YEAR		GAS

Annual Production	(2 years)		
Year	Oil BBLs	Gas MCF	Water BBLs
Beginning			
Cum:			
1998		577	30
1999		445	59
Totals:		1,022	89

Monthly Production							
Date	Oil	Gas	Water	Cond Yld	% Water	# of	Days
MO/YR	BBLs	MCF	BBLs	STB/MMCF		Wells	on
FEB 1998		308	15			1	15
MAR 1998		0	0			0	0
APR 1998		0	0			0	0
MAY 1998		0	0			0	0
JUN 1998		0	0			0	0
JUL 1998		0	0			0	0
AUG 1998		269	15			1	15
SEP 1998		0	0			0	0

OCT 1998	0	0	0	0
NOV 1998	0	0	0	0
DEC 1998	0	0	0	0
Totals:				
1998	577	30		
JAN 1999	242	31	1	31
FEB 1999	203	28	1	28
Totals:				
1999	445	59		

Gas Tests

Total count: 1

API Number	Well Number	Test Date	WHSIP	WHFP	BHP	BHP/Z	Water B/D	Cond B/D	Gas MCFD	AOF MCFD
---------------	----------------	--------------	-------	------	-----	-------	--------------	-------------	-------------	-------------

First Test										
43015302570000	7-12-19-	19951218							1	

MERRION OIL & GAS CORPORATION

Ferron Federal 7-12 Proposed Conversion to SWD Proposed & Existing Perforated Intervals

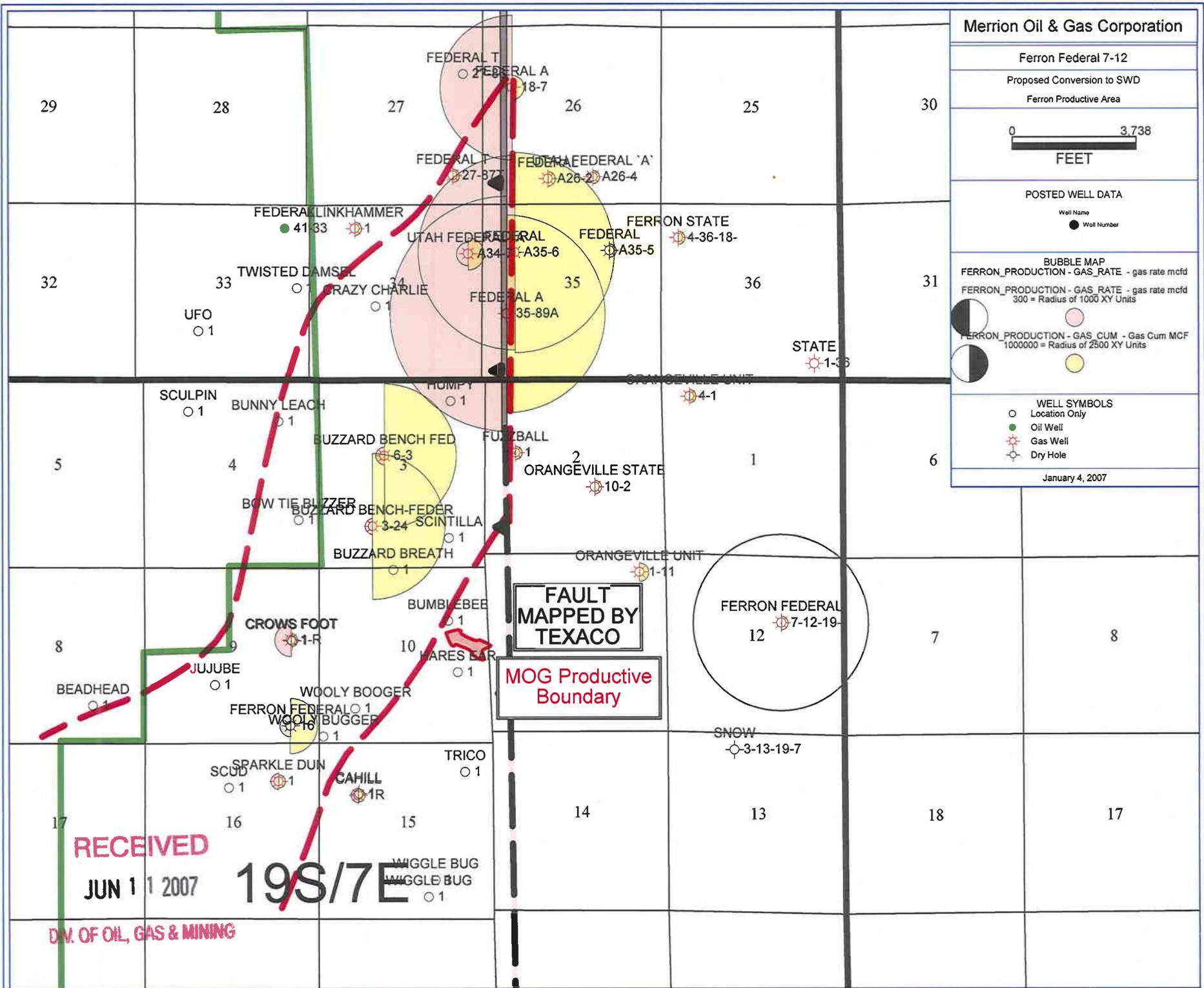
Note: Merrion Oil & Gas (MOG) requests authorization to perforate any Ferron Sand interval in the wellbore from the top of the Ferron Sand at 1740' to the PBD of the wellbore at 2067', however, the following intervals are proposed for the initial conversion.

Existing		Comments	Proposed	
<i>Top</i>	<i>Bottom</i>		<i>Top</i>	<i>Bottom</i>
1742	1764		1740	1746
1898	1906	Cement Squeeze	1751	1768
1942	1964	Under CIBP set +/- 12/29/97	1774	1795
			1806	1822
			1936	1979

The middle interval of the existing perms will be cement squeezed. It is the only zone that actually produced hydrocarbons in the wellbore, although far less than commercial quantities. It also appears to be a coal zone.

Proposed perms may be added to existing intervals in some cases.

MOG proposes to drill out the CIBP over the existing perms that originally tested wet and include this wet sand interval in the injection zone.



Merrion Oil & Gas Corporation

Ferron Federal 7-12

Proposed Conversion to SWD

Ferron Productive Area

0 3,738
FEET

POSTED WELL DATA

Well Name
● Well Number

BUBBLE MAP

FERRON_PRODUCTION - GAS_RATE - gas rate mcf/d
300 = Radius of 1000 XY Units

FERRON_PRODUCTION - GAS_CUM - Gas Cum MCF
1000000 = Radius of 2500 XY Units

WELL SYMBOLS

- Location Only
- Oil Well
- ☼ Gas Well
- ⊗ Dry Hole

January 4, 2007

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JUN 11 2007

19S/7E

DM. OF OIL, GAS & MINING

Attachment 11

Affadavit

Merrion Oil & Gas Corporation hereby attests that copies of its Class II injection well application for the Ferron Federal 7-12 SWD well conversion have been provided via certified mail to all operators, owners, and surface owners within a one-half mile radius of the proposed injection well as listed below:

Bureau of Land Management
Price Field Office
125 South 600 West
Price, UT 84501

State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Utah Power and Light
700 N.E. Multnomah Street
Suite 1600
Portland, OR 97232-4116

A handwritten signature in black ink, appearing to read 'Connie S. Dinning', is written over a horizontal line. The signature is stylized and cursive.

Connie S. Dinning, Investment Engineer
Merrion Oil & Gas Corporation

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SEP 20 2010

FORM 9

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

DIV. OF OIL, GAS & MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER: See attached well list

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: _____

8. WELL NAME and NUMBER: See attached well list

9. API NUMBER: _____

10. FIELD AND POOL, OR WILDCAT: See attached well list

1. TYPE OF WELL: OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR: Coastal Plains Energy, Inc. N2170

3. ADDRESS OF OPERATOR: 420 Throckmorton City Fort Worth STATE TX ZIP 76102 PHONE NUMBER: 817 882-9055

4. LOCATION OF WELL: FOOTAGES AT SURFACE: _____ COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH

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

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

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

See attached list

BLM Bond No UTB000213

STATE BLANKET BOND CTCS 267895
INDIVIDUAL BONDS FUZZBALL 1 TETS 899537
FERRON ST 4-36-18-7 TETS 899542
ORANGVILLE U 10-2 TETS 899545

NAME (PLEASE PRINT) William R Biggs TITLE President

SIGNATURE William R Biggs DATE 9-14-10

(This space for State use only)

APPROVED 12/30/2010
Earlene Russell
 Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: See Attached
2. NAME OF OPERATOR: Merrion Oil & Gas Corporation		9. API NUMBER: 43-015-
3. ADDRESS OF OPERATOR: 610 Reilly Ave CITY Farmington STATE NM ZIP 87401		10. FIELD AND POOL, OR WILDCAT: Buzzard Bench
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: UTAH

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

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

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

Merrion Oil & Gas Corporation has sold the attached list of wells to Coastal Plains effective 9/1/2010

NAME (PLEASE PRINT) <u>Philana Thompson</u>	TITLE <u>Regulatory Compliance Specialist</u>
SIGNATURE	DATE <u>8/24/2010</u>

(This space for State use only)

APPROVED 12/30/2010

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

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SEP 16 2010

DIV. OF OIL, GAS & MINING

N2170

LIST OF UTAH PROPERTIES SOLD TO COASTAL PLAINS ENERGY, INC EFFECTIVE JULY 1, 2010

RECEIVED

AUG 30 2010

DIV. OF OIL, GAS & MINING

WELL NAME	QTR/QTR	SECTION	TWNSHP	RANGE	API NO.	LEASE NO.	COUNTY
BUZZARD BENCH 3-24	SESW	SEC 3	19S	7E	43-015-30229	U-18897-A	EMERY
BUZZARD BENCH 6-3	SENW	SEC 3	19S	7E	43-015-30168	U-18897-A	EMERY
CAHILL 1R	SWNW	SEC 15	19S	7E	43-015-30627	U-69403	EMERY
CROWSFOOT 1R	SENE	SEC 9	19S	7E	43-015-30613	U-69403	EMERY
FERRON FEDERAL 16-9	SESE	SEC 9	19S	7E	43-015-30256	U-69403	EMERY
FERRON FEDERAL 16-20	SESE	SEC 20	17S	8E	43-015-30110	ML 48176	EMERY
FERRON FEDERAL 7-12	SWNE	SEC 12	19S	7E	43-015- ³⁰²⁵⁷ 30254	U-18134	EMERY
FERRON STATE 4-36	NWNW	SEC 36	18S	7E	43-015-30253	ML-28195	EMERY
FUZZBALL 1	SWNW	SEC 2	19S	7E	43-015-30557	ML-28199	EMERY
HUMPY 1	SWNE	SEC 3	19S	7E	43-015-30348	U-51015	EMERY
KLINKHAMMER 1	NENW	SEC 34	18S	7E	43-015-30610	U-72356	EMERY
ORANGEVILLE 1-11	NENE	SEC 11	19S	7E	43-015-30222	U-18134	EMERY
ORANGEVILLE 16-6	SESE	SEC 6	18S	8E	43-015-30108	ML-48777 ✓	EMERY
ORANGEVILLE 4-1	NWNW	SEC 1	19S	7E	43-015-30221	U-18134	EMERY
ORANVEVILLE 10-2	NWSE	SEC 2	19S	7E	43-015-30179	^{ML 28199} U-18134	EMERY
SPARKLE DUN 1	NENE	SEC 16	19S	7E	43-015-30615	ML-49168	EMERY

Plugged
8/23/2007

PUMP AND DEHYDRATOR



August 24,2010

Utah Division of Oil, Gas and Mining
1594 West North Temple Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Ladies & Gentlemen:

Effective date July 1,2010 Merrion Oil & Gas Corp. sold all of its interest in the Buzzard Bench Field. The New operator and owner: Coastal Plains Energy,Inc. 420 Throckmorton, Suite 630 Fort Worth, Texas 76102. Merrion Oil & Gas will no longer be reporting production and revenue for these wells. Also Severance Tax reports and Conservation reports will not be filed after the effective date of sale.

A List of the wells has been included with a Form 9.

Respectfully,
Merrion Oil & Gas Corp.

A handwritten signature in cursive script, appearing to read "Wayne", is written in black ink.

Wayne O'berg
Staff Accountant

RECEIVED
AUG 30 2010
DIV. OF OIL, GAS & MINING

610 Reilly Avenue
Farmington, NM 87401
main 505-324-5300
fax 505-324-5350