



PHILLIPS PETROLEUM COMPANY

6825 South 5300 West
P.O. Box 851
Price, UT 84501
TEL: (435) 613-9777 FAX: (435) 613-9782

September 12, 2001

RECEIVED

SEP 17 2001

**DIVISION OF
OIL, GAS AND MINING**

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

RE: Application for Permit to Drill-
Utah 15-553, NE/4 SE/4 Sec. 15
T. 16S, R. 08E, SLB & M, Emery County, Utah

Dear Ms Cordova:

Enclosed is the original of the *Application for Permit to Drill (APD)*. Included with the APD is the following information:

Exhibit "A" – Survey Plat of the Proposed Well Site

Exhibit "B" – Proposed Location Map with Pipeline, Power and Road Access

Exhibit "C" – Drilling Site Layout

Exhibit "D" – Drilling Information

Exhibit "E" – Multipoint Surface Use Plan

Exhibit "F" – Typical Road Cross-Section

Exhibit "G" – BOP Diagram

Exhibit "H" – Typical Wellhead Manifold

Exhibit "I" – Evidence of Bond

ORIGINAL

CONFIDENTIAL

This proposed well is located more than 660' from the drilling unit boundary. Well spacing is in accordance with Cause #243-1 which applies to proposed wells outside the Unit Boundary in this area.

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

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

Sincerely,



Jean Semborski
Permitting Analyst

Cc: Mr. Eric Jones, BLM, Moab, Utah
Mr. Chuck Snure, Texaco
Ms. Robin Adams, Dominion Resources
Mr. Don Stephens, BLM, Price, Utah
Ms. Jeannette Borges, Phillips Petroleum
Mr. Dave Levanger, Carbon County Planning and Zoning
Mrs. Deanna Walker, Phillips Petroleum
PPCo Well File

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		5. Lease Designation and Serial Number: ML-48209-A	
1A. Type of Work: DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		6. If Indian, Allottee or Tribe Name: N/A	
B. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		7. Unit Agreement Name: N/A	
2. Name of Operator: Phillips Petroleum Company		8. Farm or Lease Name: Utah	
3. Address and Telephone Number: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777		9. Well Number: 15-553	
4. Location of Well (Footages) At Surface: 1930' FSL, 1260' FEL At Proposed Producing Zone: 4364269 N 499460 E		10. Field or Pool, or Wildcat: Wildcat Undesignated	
12. County: Emery		13. State: UTAH	
15. Distance to nearest property or lease line (feet): 41.56'		16. Number of acres in lease: 2233.76	
17. Number of acres assigned to this well: 160 acres		18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): 2500'	
19. Proposed Depth: 4320'		20. Rotary or cable tools: Rotary	
21. Elevations (show whether DF, RT, GR, etc.): 7166' GR		22. Approximate date work will start: May 2002	

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
14"	12 3/4"	Conductor	40'	
11"	J-55 8 5/8"	24#/ft	432'	167sks G+2%CaCl+1/4#/sk flocel
7 7/8"	N-80 5 1/2"	17#/ft	4310'	408sks 50/50poz 8%gel+2%CaCl+10%extender 80 sks "G" thixotropic

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.

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SEP 17 2001
DIVISION OF
OIL, GAS AND MINING

ORIGINAL

CONFIDENTIAL

24. Name & Signature: Jean Semborski Title: Permitting Analyst Date: 9/12/01

(This space for state use only)

API Number Assigned: 43-015-30334

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

Date: 11-25-01

[Signature]

Range 8 East

(N89°52'W - 2607.86')

(S89°56'W - 2581.26')

S89°57'17"W - 2580.10'

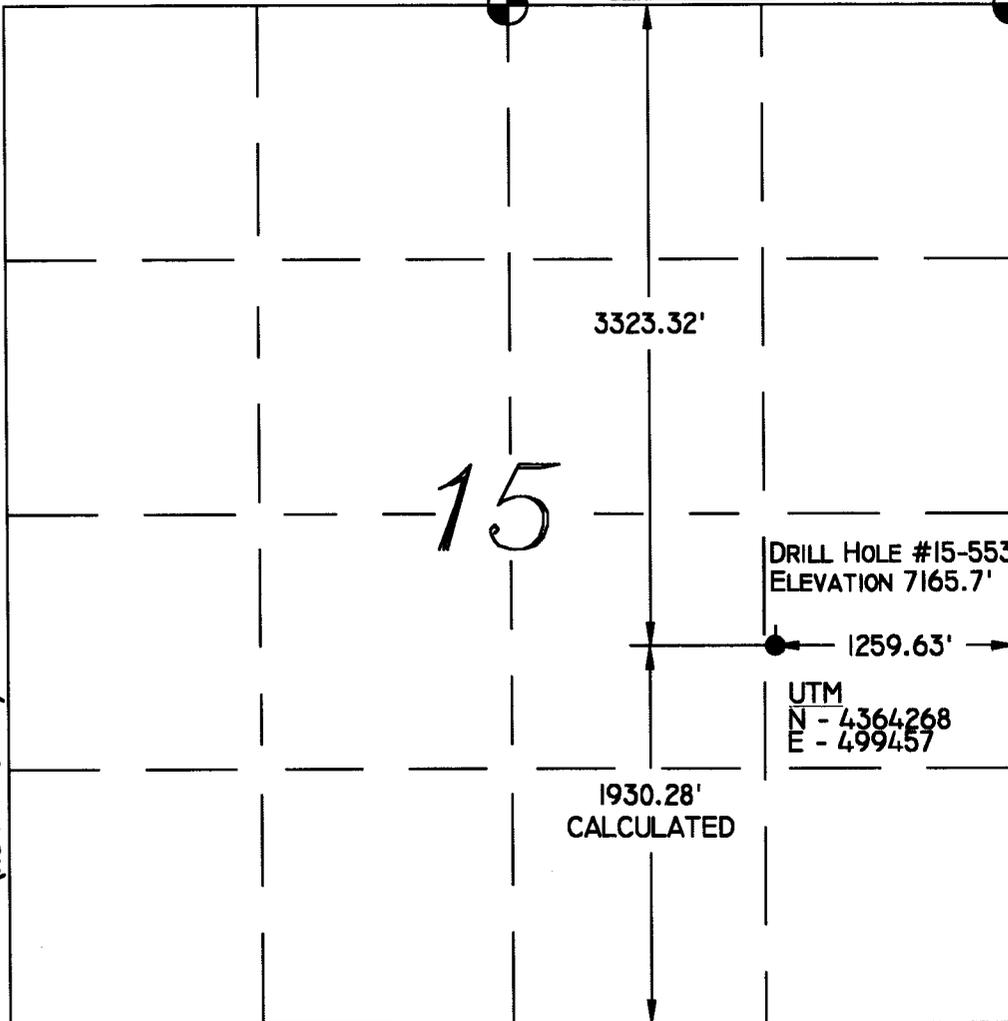
(N00°14'W - 2615.58')

(NORTH - 2623.50')

(N00°37'W - 2632.74')

(N00°04'W - 2620.86')

Township 16 South



(S89°51'W - 2612.28')

(N89°40'W - 2602.38')

Legend

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

NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°25'47"N
111°00'23"W

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

BASIS OF ELEVATION OF 7105.0' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 10, TOWNSHIP 16 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE HIAWATHA QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE NE 1/4, SE 1/4 OF SECTION 15, T16S, R8E, S.L.B.&M., BEING 3323.32' SOUTH AND 1259.63' WEST FROM THE NORTHEAST CORNER OF SECTION 15, T16S, R8E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

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



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603



PHILLIPS PETROLEUM
WELL #15-553

Section 15, T16S, R8E, S.L.B.&M.
Emery County, Utah

Drawn By:
J. STANSFIELD

Checked By:
L.W.J./A.J.S.

Drawing No.
A-1

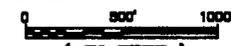
Date:
08/03/01

Scale:
1" = 1000'

Job No.
399

Sheet 1 of 4

GRAPHIC SCALE



(IN FEET)

1 inch = 1000 ft.

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
Phillips Petroleum Company
Utah 15-553
NE/4, SE/4, Sec.15, T16S, R08E, SLB & M
1930' FSL, 1260' FEL
Emery County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 3920'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 3870' - 4020'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 1400 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW, USED</u>
14"	40'	12-3/4"	Conductor	New
11"	432'	8-5/8"	24#ST&C	New
7-7/8"	4310'	5-1/2	17#LT&C	New

Cement Program -Every attempt will be made to bring cement back to surface.

Surface Casing: 167 sks G+2%CaCl+1/4#per sack flocel;15.8#/gal,density, 1.15 cu.ft/sk yield.

Production Casing: 408 sks 50/50 poz 8%gel +2%CaCl+10%extender;12.5#/gal, density, 1.92 cu.ft/sk yield.

80 sks "G" thixotropic, 14.2#/gal density, 1.61 cu.ft/sk yield

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

0-300	11" hole	Drill with air, will mud-up if necessary.
300-TD	7 7/8" hole	Drill with air. 400 psi @ 1500-1800 Scf.

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

300-TD Gamma Ray, Density, Neutron Porosity, Induction, Caliper

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1748 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around May 2002.

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

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

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

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to Form 3
Phillips Petroleum Company
Utah 15-553
NE/4, SE/4, Sec. 15, T16S, R08E, SLB & M
1930' FSL, 1260' FEL
Emery County, Utah

1. Existing Roads

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

2. Planned Access

Approximately 5000' of new access is required (See Exhibit "B")

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 6%
- c. Turnouts: None
- d. Drainage design: 8 culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and Power lines will follow the proposed access road.

3. Location of Existing Wells

- a. See Exhibit "B". There are 7 proposed and 0 existing wells within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

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

5. Location and Type of Water Supply

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

6. Source of Construction Materials

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

7. Methods for handling waste disposal

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

8. Ancillary Facilities

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

9. Wellsite Layout

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

10. Plans for Restoration of Surface

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

11. Surface Ownership:

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

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 19,500 feet north.
- b. Nearest live water is Cedar Creek, located 3000' northeast.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations

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

13. **Company Representative**

Jean Semborski
Permitting Analyst
Phillips Petroleum Company
6825 S. 5300 W. P.O. Box 851
Price, Utah 84501
(435) 613-9777
(435) 820-9807

Mail Approved A.P.D. To:

Company Representative

Excavation Contractor

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

14. **Certification**

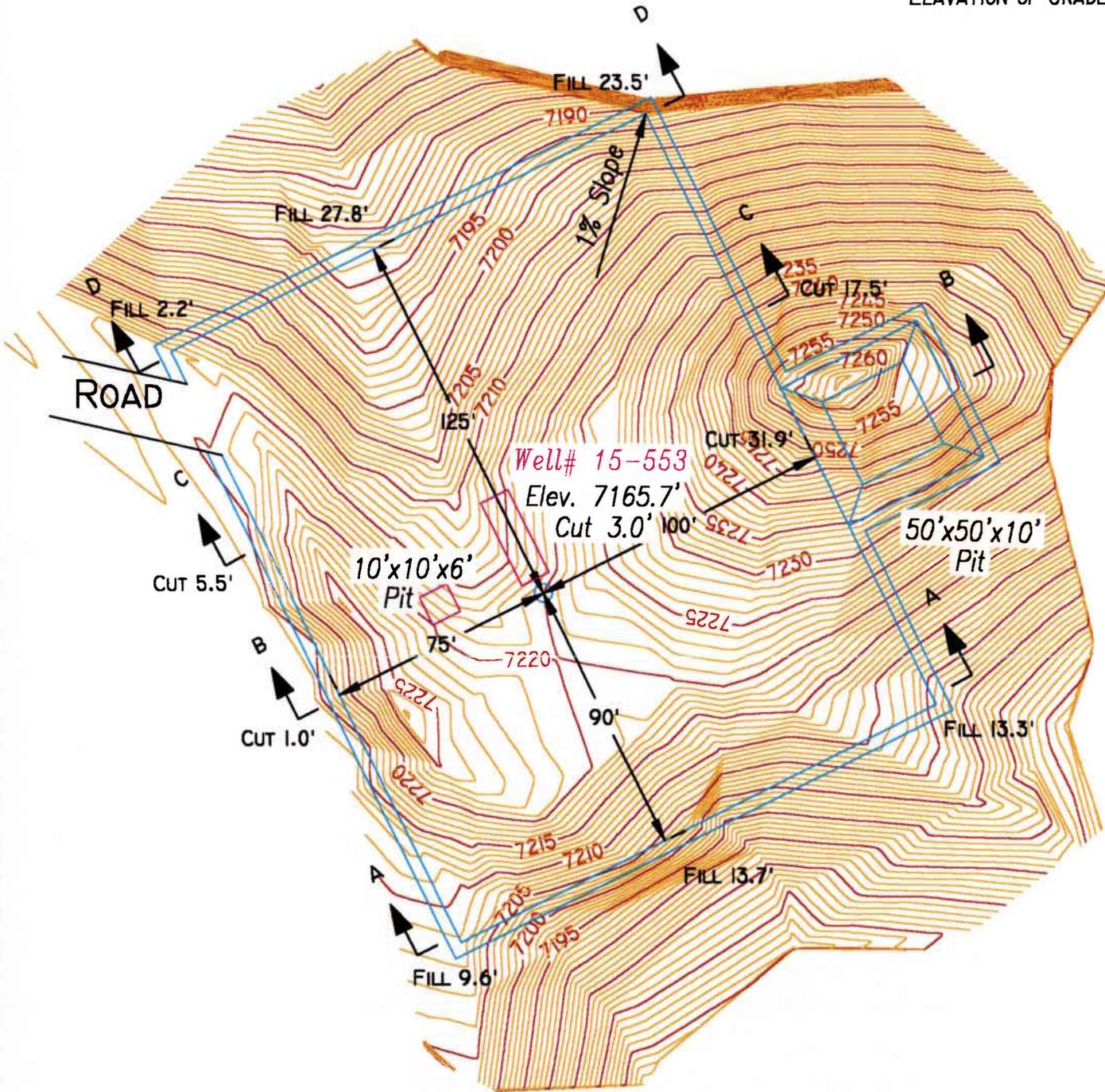
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated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

9/12/01
Date



Jean Semborski
Permitting Analyst
Phillips Petroleum Company

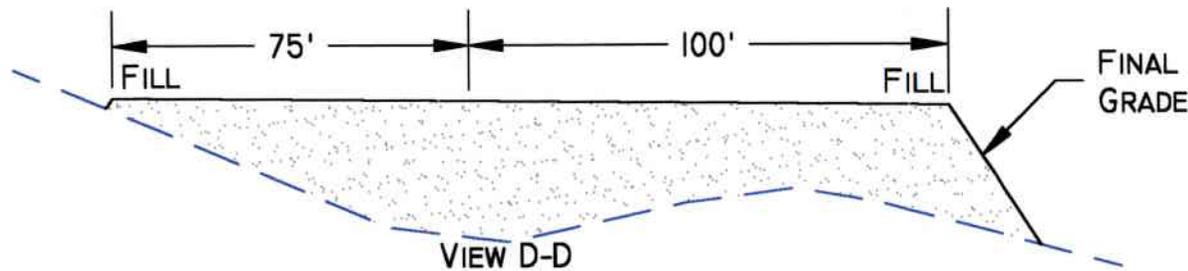
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7165.7'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7165.2'



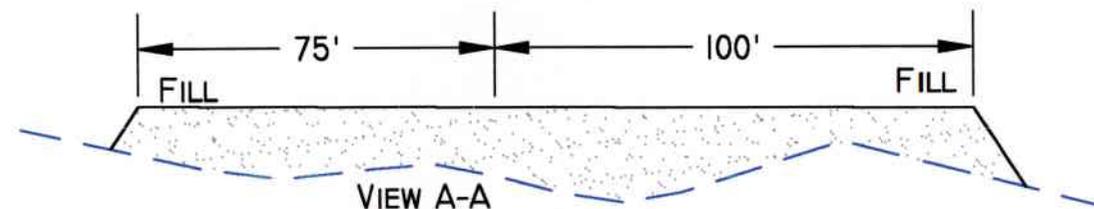
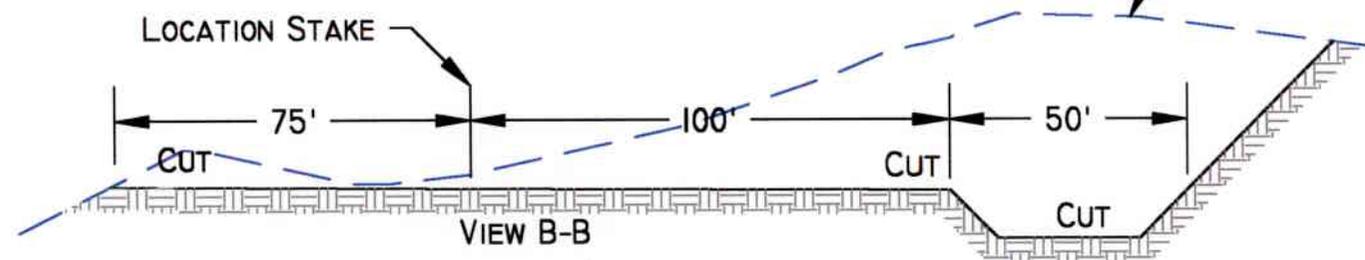
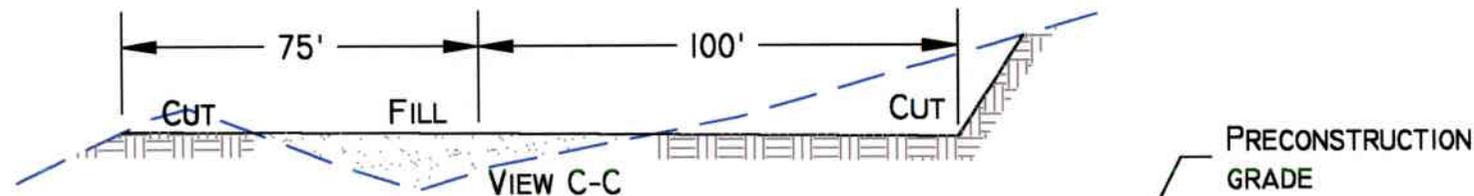
Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

PHILLIPS PETROLEUM
LOCATION LAYOUT
 Section 15, T16S, R8E, S.L.B.&M.
WELL #15-553

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 08/03/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 399



1"=40'
X-Section
Scale
1"=40'



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



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

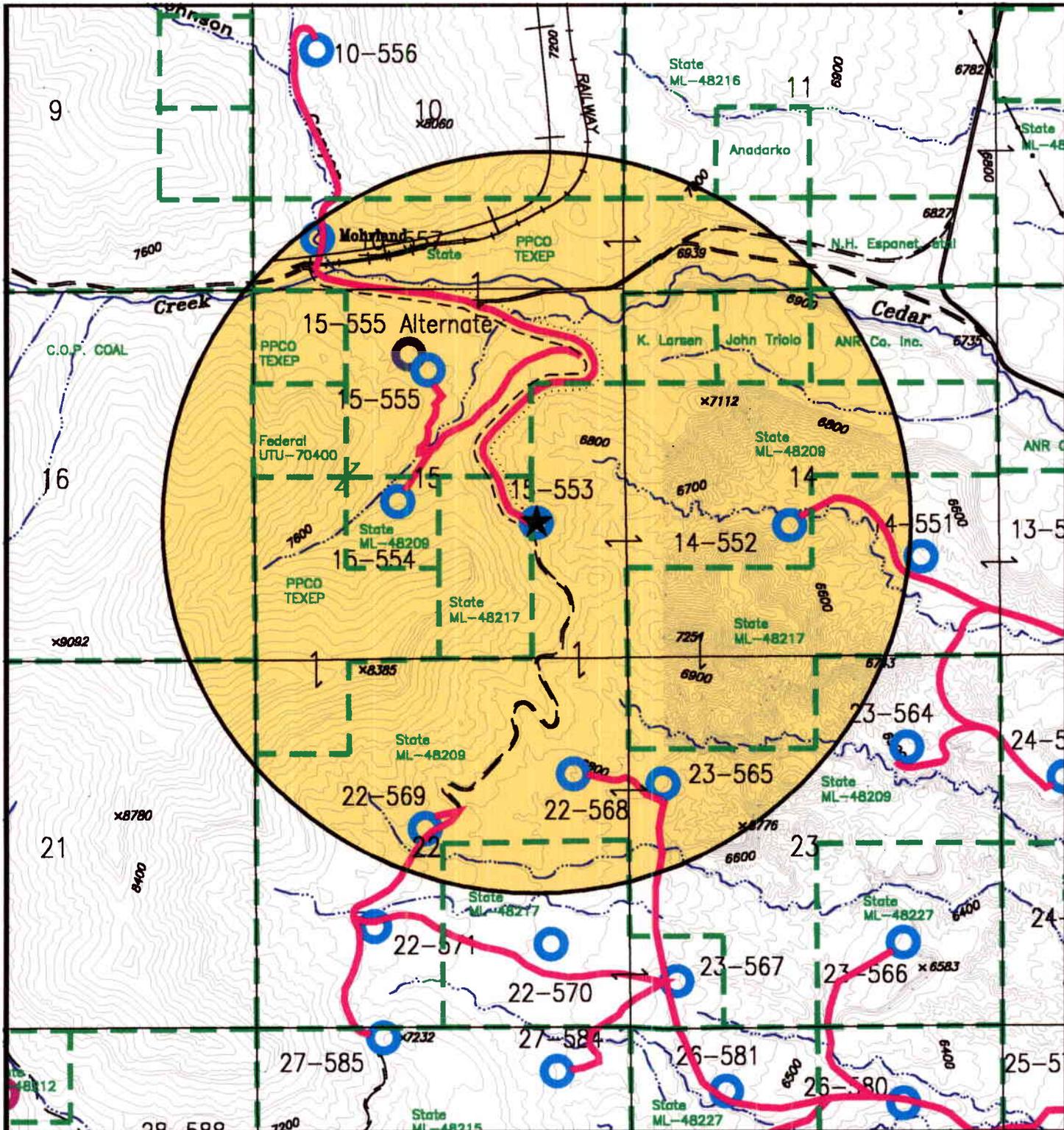


PHILLIPS PETROLEUM
TYPICAL CROSS SECTION
Section 15, T16S, R8E, S.L.B.&M.
WELL #15-553

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 08/03/01
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 399

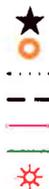
APPROXIMATE YARDAGES

CUT
(6") TOPSOIL STRIPPING = 750 CU. YDS.
REMAINING LOCATION = 6,381 CU. YDS.
TOTAL CUT = 10,396 CU. YDS.
TOTAL FILL = 9,678 CU. YDS.



LEGEND

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



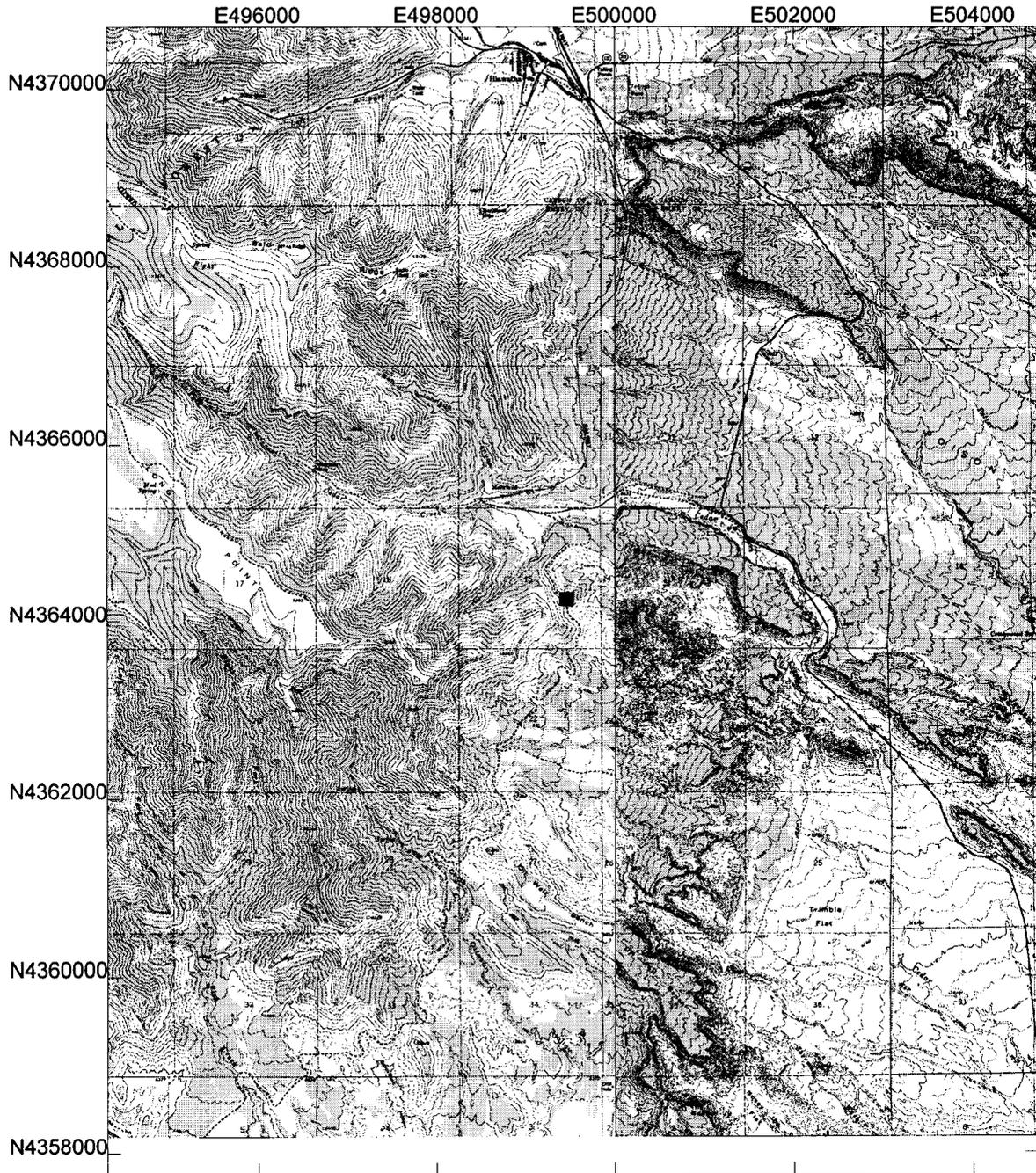
Scale - 1" = 2000'

PHILLIPS PETROLEUM COMPANY

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



WELL # 15-553
Section 15, T16S, R8E, S.L.B.&M.
Exhibit B 1 of 2



Utah 15-553 Section 15, T16S, R8E

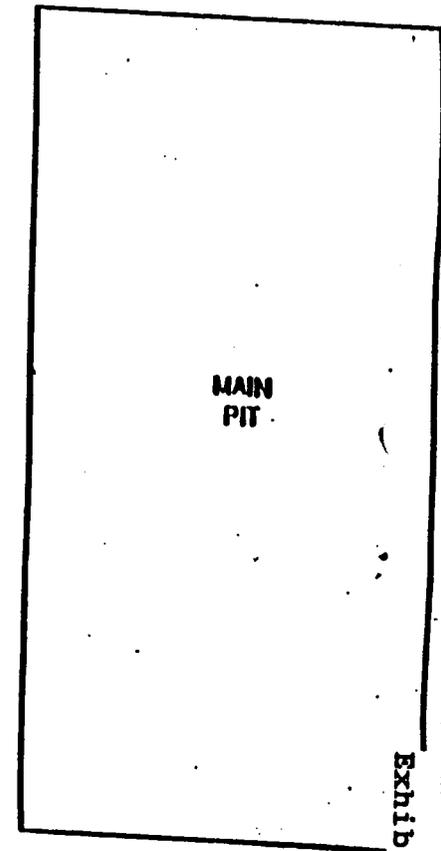
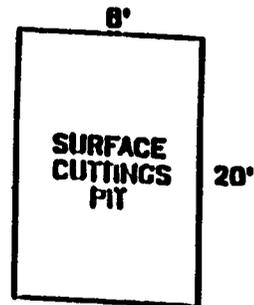
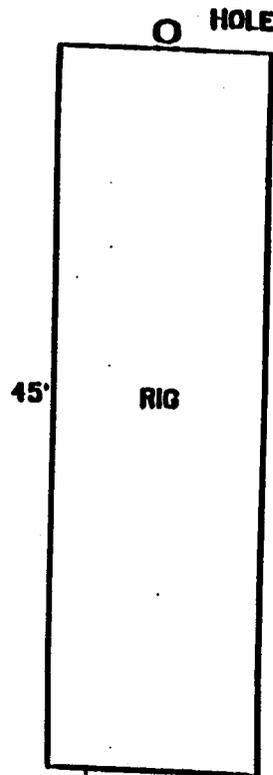
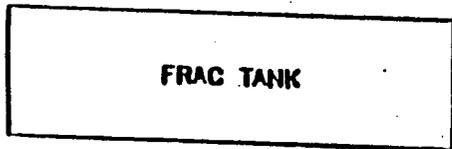
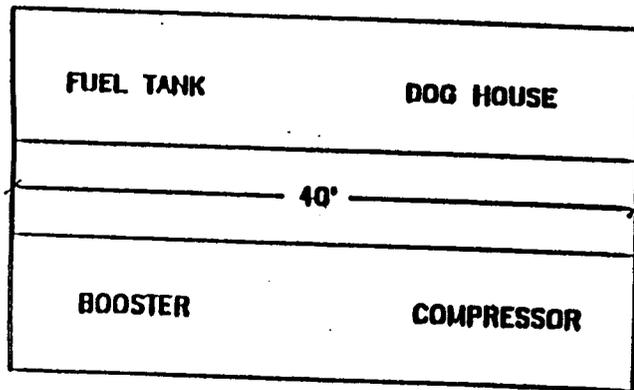
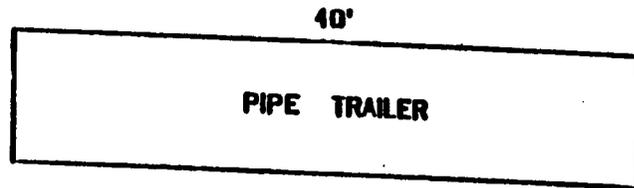
UTM
12 North
NAD 1927 (Western US)



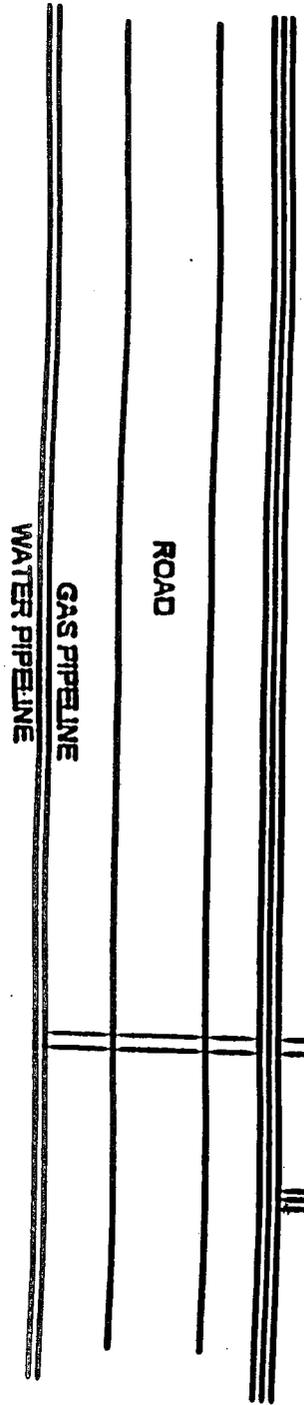
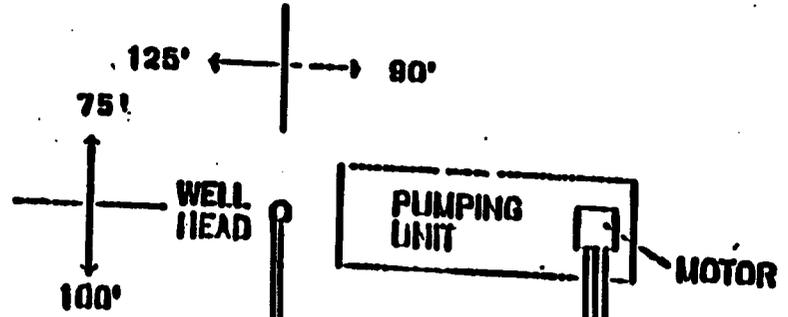
Scale 1:75,000
0 8,000
Feet

23468.ssf
9/8/2001
GPS Pathfinder[®] Office
 **Trimble.**

APPROXIMATE LAYOUT OF RIG & EQUIPMENT



○ ANCHOR (TYP. 4 PL.)



MOTOR

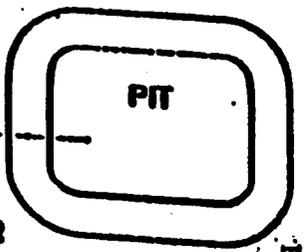
GAS/WATER

3-PHASE
ELEC.

SEPARATOR

RTU
STARTER

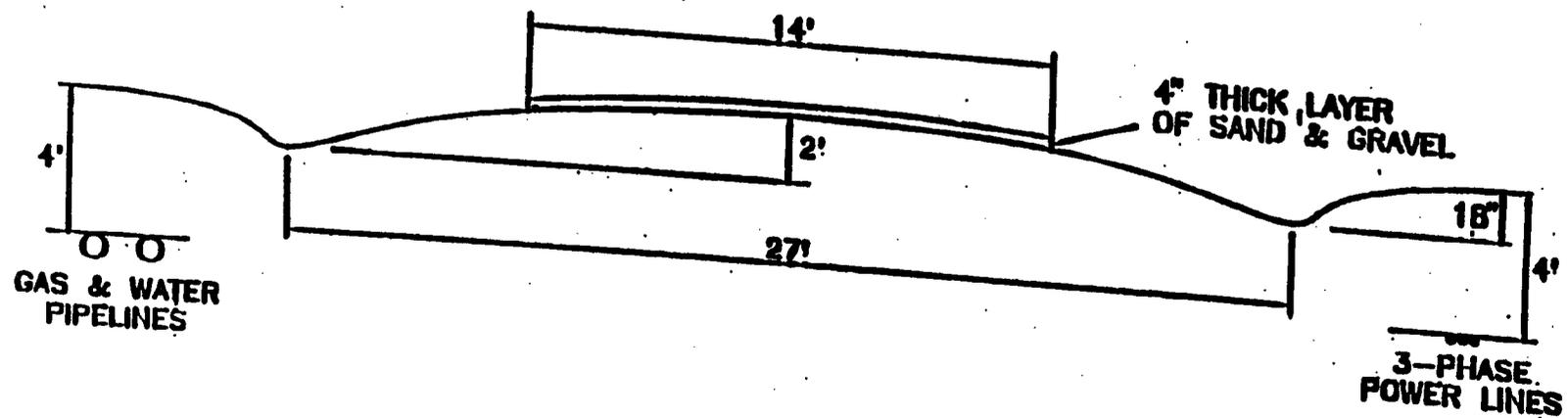
TRANSFORMER



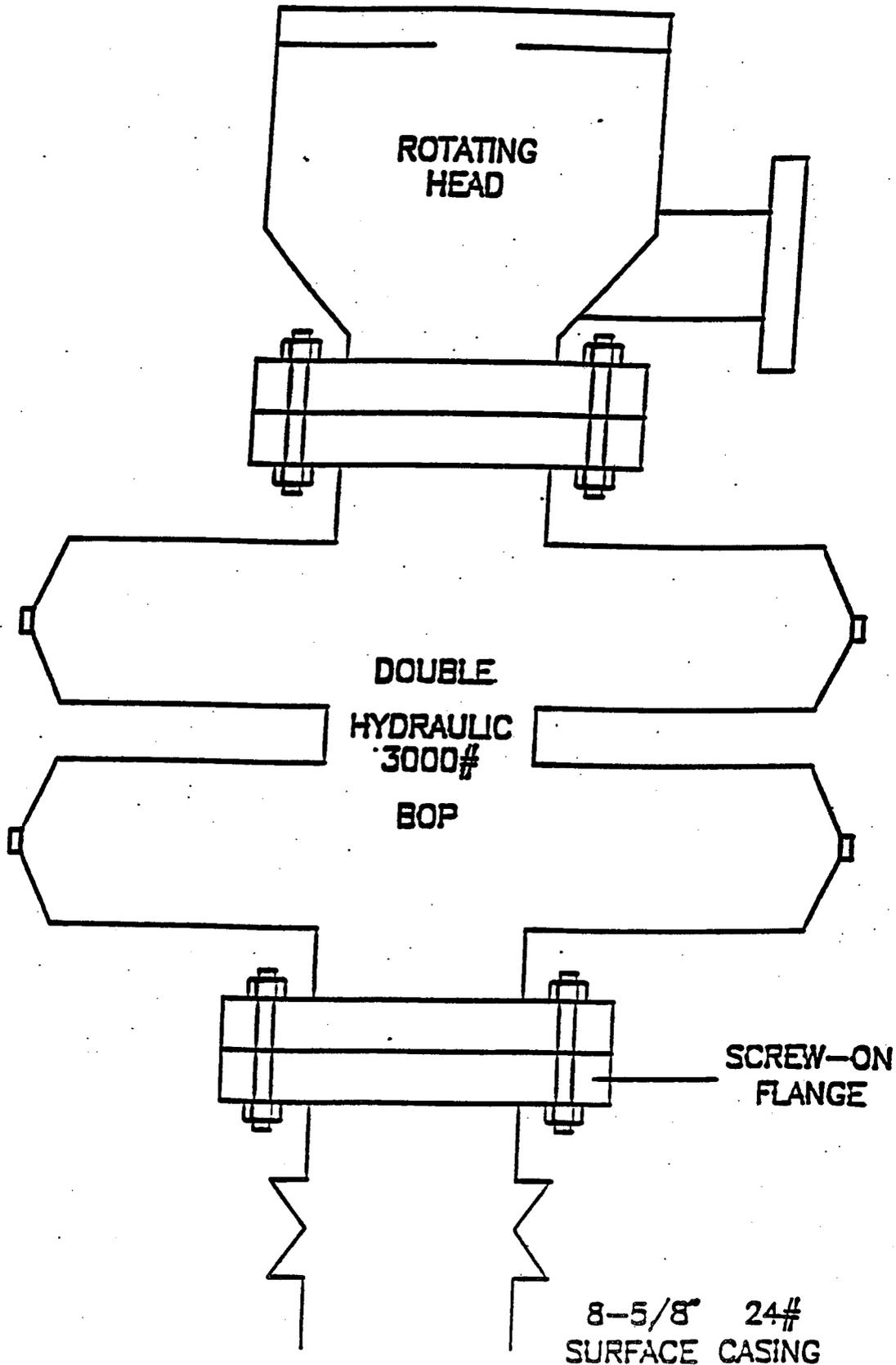
RIVER GAS CORP.
WELL SITE LAYOUT
215' X 175'

Exhibit "B"

TYPICAL ROAD CROSS-SECTION

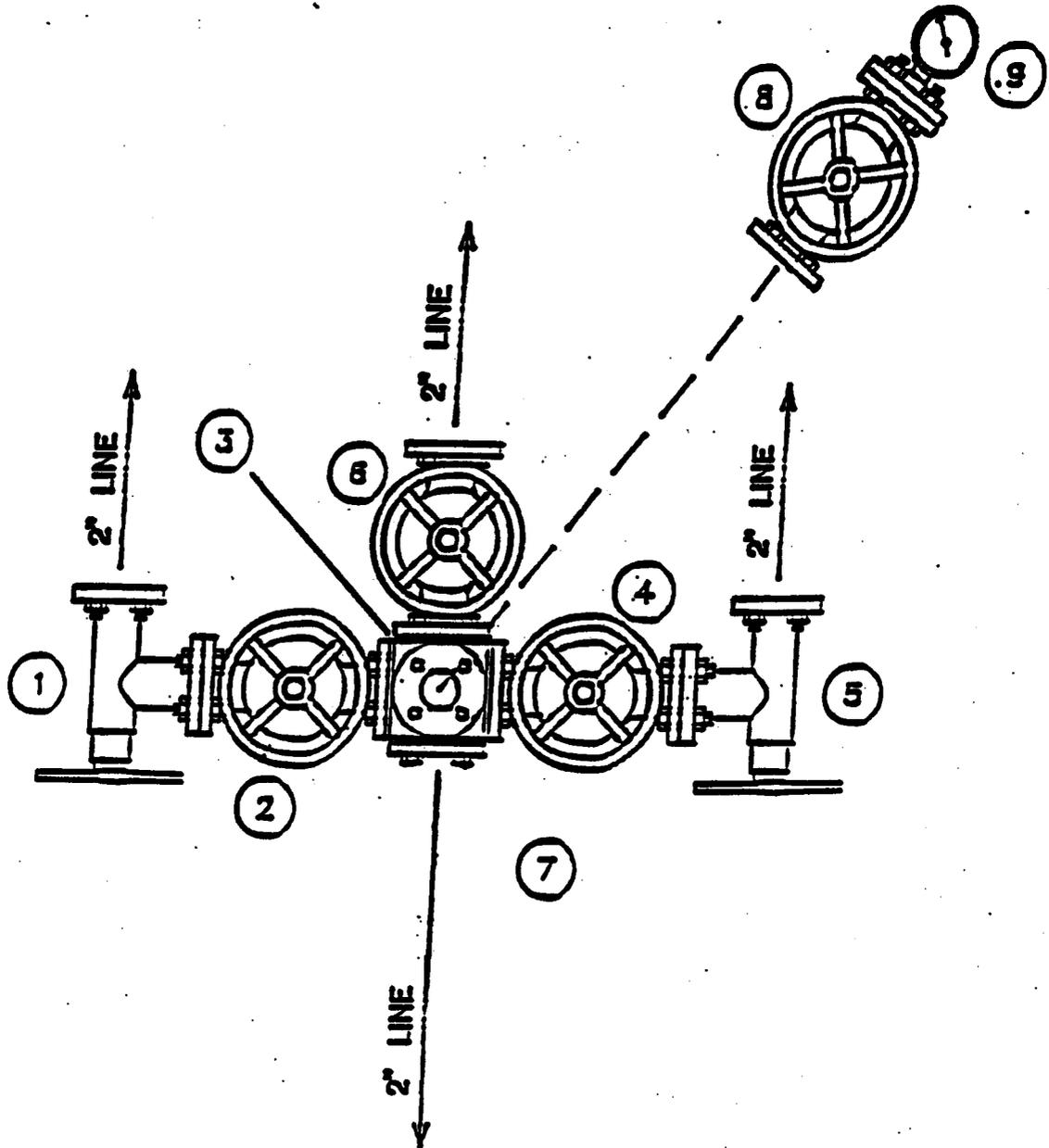


DIVERTER HEAD



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

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



TO SOP

AND A NEW 2" BALL VALVE
FULL OPEN 5000PSI

MANIFOLD

STATE OF UTAH
BOND OF LESSEE

KNOW ALL MEN BY THESE PRESENTS, that we Phillips Petroleum Company
of Bartlesville, Oklahoma as principal and
Safeco Insurance Company of America as surety, are held and firmly bound
unto the State of Utah in the sum of Two Hundred Thousand Dollars (\$200,000.00) lawful money of the United States
to be paid to the School & Institutional Trust Lands Administration, as agent for the State of Utah, for the use and benefit
of the State of Utah, and of any patentee or purchaser of any portion of the land covered by the hereinafter described
lease heretofore sold or which may hereafter be sold with a reservation to the State of Utah, on the surface or of other
mineral deposits of any portion of such lands, for which payment, well and truly to be made, we bind ourselves, and each
of us, and each of our heirs, executors, administrators, successors, sublessees, and assignees, jointly and severally by
these presents.

Signed with our hands and seals this 31st day of January, 192001

The condition of the foregoing obligation is such that,

WHEREAS, The State of Utah, as Lessor, issued a(n) _____
lease, Lease Number _____ and dated _____, to _____
as lessee (and said lease has been duly assigned under date of _____
to _____) to drill for, mine, extract, and remove all of the _____
deposits in and under the following described lands, to wit:

Statewide Blanket Bond to cover all operations on state of Utah lands.

NOW, THEREFORE, the principal and surety shall be obligated to pay all monies, rentals, royalties, costs of
reclamation, damages to the surface and improvements thereon and any other damages, costs, expenses, penalties, interest
or liabilities which arise by operation of or in connection with the above described lease(s) accruing to the Lessor and
shall fully comply with all other terms and conditions of said lease, the rules, regulations, and policies relating thereto
of the School & Institutional Trust Lands Administration, the Board of Oil, Gas and Mining, and the Division of Oil,
Gas and Mining as they may now exist or may from time to time be modified or amended. This obligation is in effect
even if the principal has conveyed part of its interest to a successor in interest. If the principal fully satisfies the above
described obligations, then the surety's obligation to make payment to the State of Utah is void and of no effect.
otherwise, it shall remain in full force and effect until released by the School & Institutional Trust Lands Administration.

Signed, sealed and delivered
in the presence of

Terry L. Hicks
Witness

PHILLIPS PETROLEUM COMPANY

R. B. Gisi (SEAL)
R. B. Gisi Principal Asst. Treasurer

Terry L. Hicks
Witness

BONDING COMPANY SAFECO INSURANCE COMPANY OF AMERICA

BY Betty Miller
Betty Miller, Attorney-in-Fact
Attest: Ally R. Blum
Secretary
Resident Agent: N/A

APPROVED AS TO FORM:
JAN GRAHAM
ATTORNEY GENERAL

By [Signature]

Bonding Co. Address: Millenium Corp Park, Bldg. C, 18400 NE Union Hill Rd
Redmond, WA 98052
Corporate Seal of Bonding Company Must be Affixed.



POWER OF ATTORNEY

SAFECO INSURANCE COMPANY OF AMERICA
GENERAL INSURANCE COMPANY OF AMERICA
HOME OFFICE SAFECO PLAZA
SEATTLE, WASHINGTON 98185

No. 8718

KNOW ALL BY THESE PRESENTS:

That SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA, each a Washington corporation, does each hereby appoint SANDRA L. HABERLY; BETTY J. MILLER, Bartlesville, Oklahoma

Its true and lawful attorney(s)-in-fact, with full authority to execute on its behalf fidelity and surety bonds or undertakings and other documents of a similar character issued in the course of its business, and to bind the respective company thereby.

IN WITNESS WHEREOF, SAFECO INSURANCE COMPANY OF AMERICA and GENERAL INSURANCE COMPANY OF AMERICA have each executed and attested these presents

this 27th day of September, 1993

Signature of R.A. Pierson

R.A. PIERSON, SECRETARY

Signature of W. Randall Stoddard

W. RANDALL STODDARD, PRESIDENT

CERTIFICATE

Extract from the By-Laws of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA:

Article V, Section 13. - FIDELITY AND SURETY BONDS . . . the President, any Vice President, the Secretary, and any Assistant Vice President appointed for that purpose by the officer in charge of surety operations, shall each have authority to appoint individuals as attorneys-in-fact or under other appropriate titles with authority to execute on behalf of the company fidelity and surety bonds and other documents of similar character issued by the company in the course of its business . . . On any instrument making or evidencing such appointment, the signatures may be affixed by facsimile. On any instrument conferring such authority or on any bond or undertaking of the company, the seal, or a facsimile thereof, may be impressed or affixed or in any other manner reproduced; provided, however, that the seal shall not be necessary to the validity of any such instrument or undertaking.

Extract from a Resolution of the Board of Directors of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA adopted July 28, 1970.

On any certificate executed by the Secretary or an assistant secretary of the Company setting out: (i) The provisions of Article V, Section 13 of the By-Laws, and (ii) A copy of the power-of-attorney appointment, executed pursuant thereto, and (iii) Certifying that said power-of-attorney appointment is in full force and effect, the signature of the certifying officer may be by facsimile, and the seal of the Company may be a facsimile thereof.

I, R. A. Pierson, Secretary of SAFECO INSURANCE COMPANY OF AMERICA and of GENERAL INSURANCE COMPANY OF AMERICA, do hereby certify that the foregoing extracts of the By-Laws and of a Resolution of the Board of Directors of these corporations, and of a Power of Attorney issued pursuant thereto, are true and correct, and that both the By-Laws, the Resolution and the Power of Attorney are still in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the facsimile seal of said corporation

this 31st day of January, 2001



Signature of R.A. Pierson

R.A. PIERSON, SECRETARY

Registered trademark of SAFECO Corporation.

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/17/2001

API NO. ASSIGNED: 43-015-30334

WELL NAME: UTAH 15-553
 OPERATOR: PHILLIPS PETROLEUM (N1475)
 CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:
 NESE 15 160S 080E
 SURFACE: 1930 FSL 1260 FEL
 BOTTOM: 1930 FSL 1260 FEL
 EMERY
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	11/27/01
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML-48209-*alc*
 SURFACE OWNER: 3 - State

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

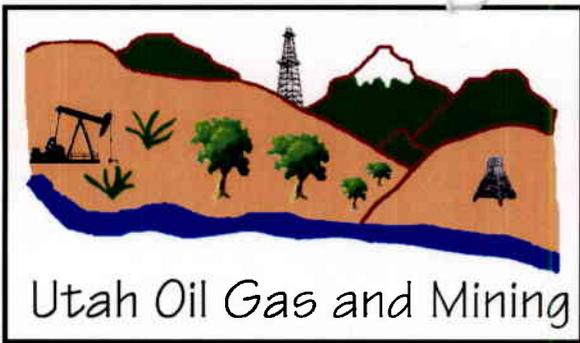
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 5952189)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. PRWID)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

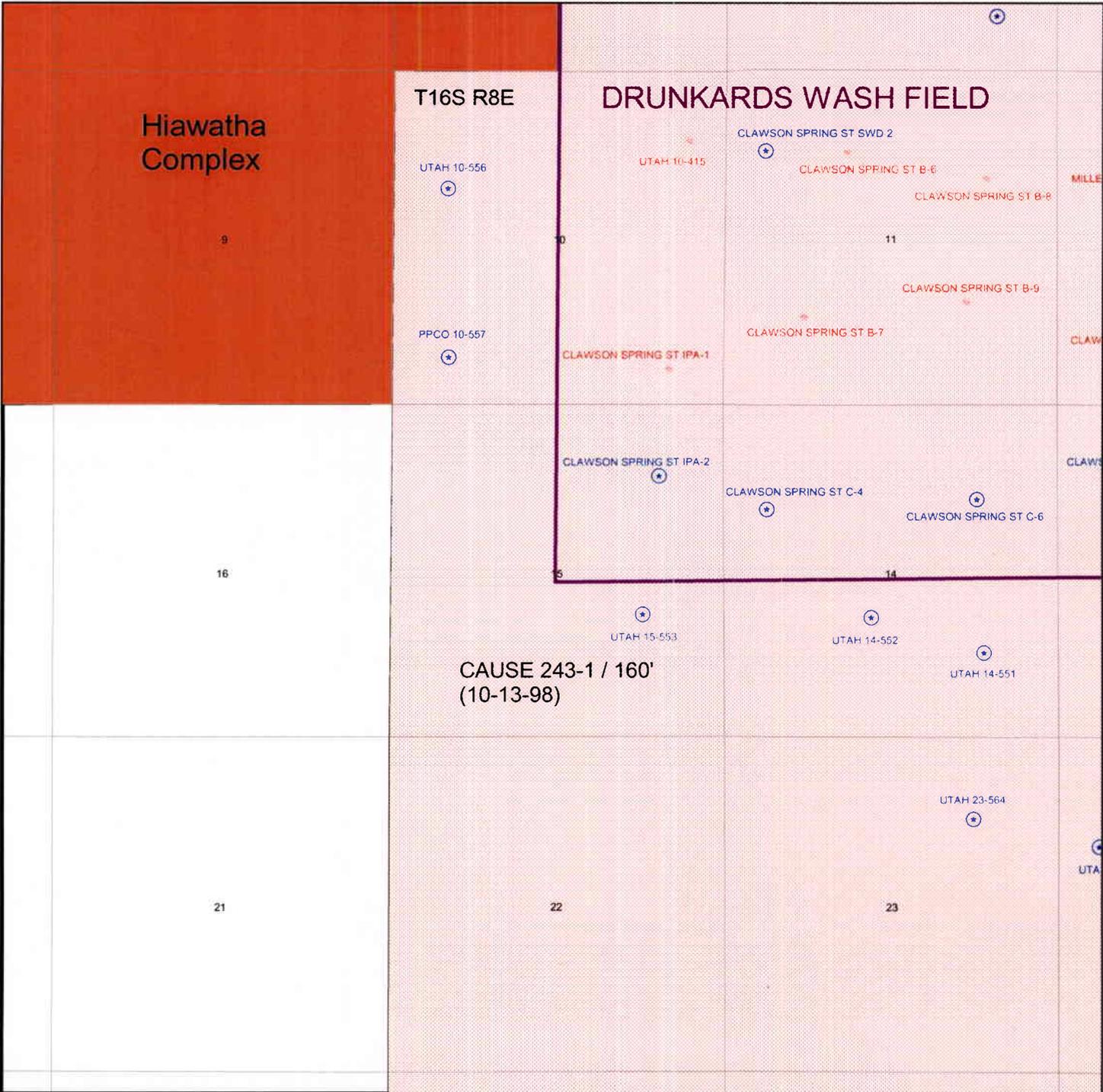
- R649-2-3. Unit
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 243-1 (160')
Eff Date: 10-13-98
Siting: 660' f. O.L. Unit Boundary & 1320' between wells.
- R649-3-11. Directional Drill

COMMENTS: Need presite. (10-30-01)

STIPULATIONS: 1-Statement of Basis



OPERATOR: PHILLIPS PETRO CO (N1475)
 SEC. 15, T16S, R8E
 FIELD: UNDESIGNATED (002)
 COUNTY: EMERY CAUSE: 243-1 (160')



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

OPERATOR: Phillips
WELL NAME & NUMBER: Utah 15-553
API NUMBER: 43-015-30334
LEASE: State **FIELD/UNIT:** _____
LOCATION: 1/4,1/4 NESE Sec: 15 TWP: 16S RNG: 8E 1930 FSL 1260' FEL
LEGAL WELL SITING: 660' from unit boundary 1320' between wells.
GPS COORD (UTM): X = 499457 E; Y = 4364268 N SURFACE OWNER: SITLA

PARTICIPANTS

M. Jones (DOGM), J. Semborski (Phillips), L. Jensen (NELCO), Bryant Anderson (Emery County), SITLA and DWR were invited but chose not to attend the onsite.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

This well is proposed for location .6 miles South of Morhland, Utah and ~7.0 miles north of Huntington, Utah. The closest live water source is Cedar Creek ~.6 miles North. The location is proposed just off the Berma Road. Cliffs are directly west and very steep dry-wash drainages are located on all three, (N,E, and S) sides of the location. The location sits on a small level spot alongside the Berma Road. Runoff drains into Cedar Creek.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife habitat and grazing.
PROPOSED SURFACE DISTURBANCE: 215' x 175' and a 50' x 50' x 10' pit.
LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 5 proposed and 2 existing wells are within a 1 mile radius.
LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadside.
SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.
ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

Portable chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: Pinion Juniper, Sagebrush, 4 winged-salt brush, cactus, grasses, Elk, deer, small game, rodents.

SOIL TYPE AND CHARACTERISTICS: clayey soil with abundant rocks and boulders.

EROSION/SEDIMENTATION/STABILITY: Easily eroded.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): Liner required.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: Yes.

CULTURAL RESOURCES/ARCHAEOLOGY: Arch study on file with state.

OTHER OBSERVATIONS/COMMENTS

Extreme amount of dirt work to be done for this location. There is no other possible place for the pad due to topography.

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

October 30, 2001 / 9:00 am
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 20 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.





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

OPERATOR: Phillips
WELL NAME & NUMBER: Utah 15-553
API NUMBER: 43-015-30334
LOCATION: 1/4,1/4 NESE Sec: 15 TWP: 16S RNG: 8E 1930 FSL 1260 FEL

Geology/Ground Water:

This location is situated on the west end of a drainage basin formed in the Upper Portion of the Blue Gate Member of the Mancos Shale. Below this Member are the subdivided units of the Emery Sandstone Member of the Mancos Shale. It is unlikely that there is any significant high quality ground water resource to be found in the strata below the location. The sandy Upper and Lower units may provide aquifer grade strata, although the location is rather distant from a reliable recharge source. The nearest surface waters are in Cedar Creek, ~3,000' to the north northeast. Although a remote prospect, a water resource may be encountered in the sandy strata of the subdivided units of the Emery Sandstone Member, if they are being recharged by Cedar Creek as it flows over the strata and, from the north, the larger groundwater flow across these same units at the base of the Pediment Mantle capping Poison Spring Bench. The proposed cementing and casing program should be adequate to protect the potential groundwater resource. In any case, the operator should extend the surface casing as needed to protect any interval of strata, which is a possible aquifer in the Emery Sandstone Member of the Mancos Shale. All existing water rights within a mile are on Cedar Creek or a tributary, except for one at West Boy Scout Spring.

Reviewer: Christopher J. Kierst **Date:** 11/14/01

Surface:

This well location has been placed in the proposed location due to surrounding topography. This location will take a considerable amount of dirt work to build the pad. It is located right on the Berma Road South of Morhland, Utah ~3.7 miles and North of Huntington, Utah ~7.0 miles. SITLA and DWR were invited but chose not to attend the onsite. There are no raptor issues with this well and it is within big Game high value winter range. The closest live water source is Cedar Creek ~3000' Northwest.

Reviewer: Mark L. Jones **Date:** October 30, 2001

Conditions of Approval/Application for Permit to Drill:

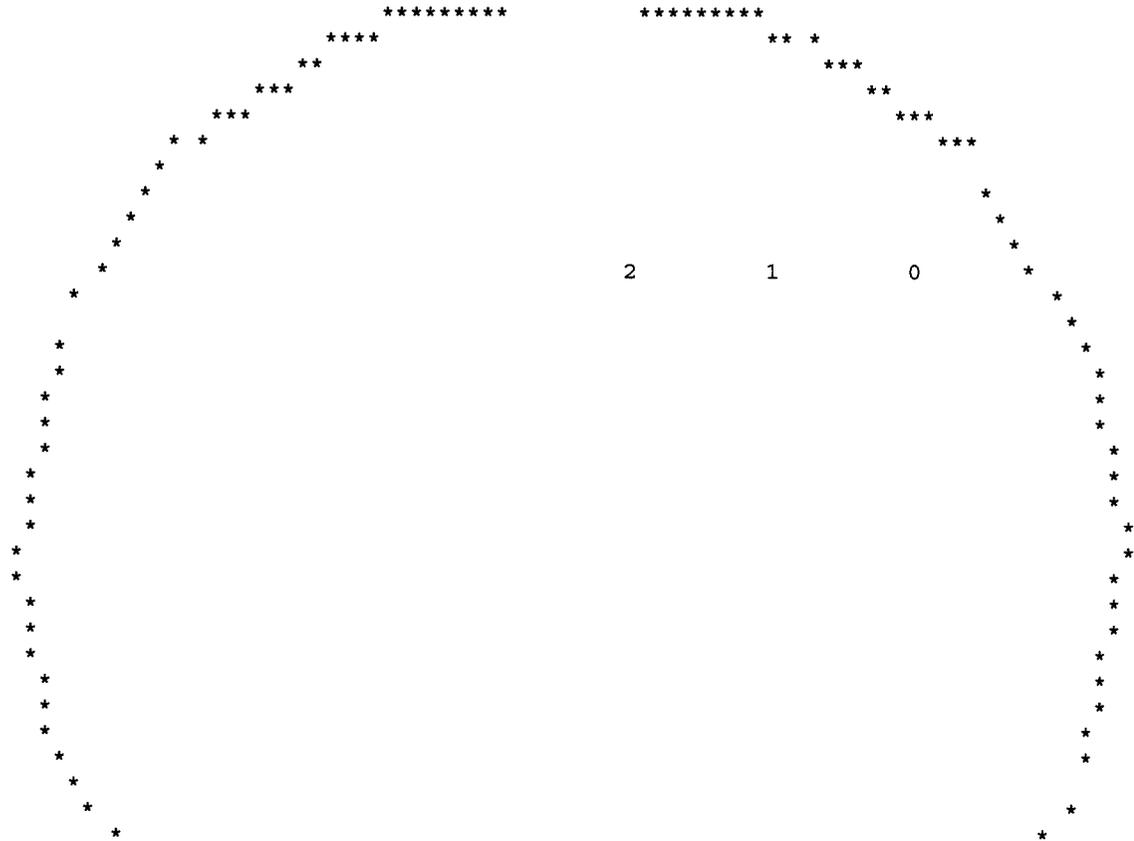
1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

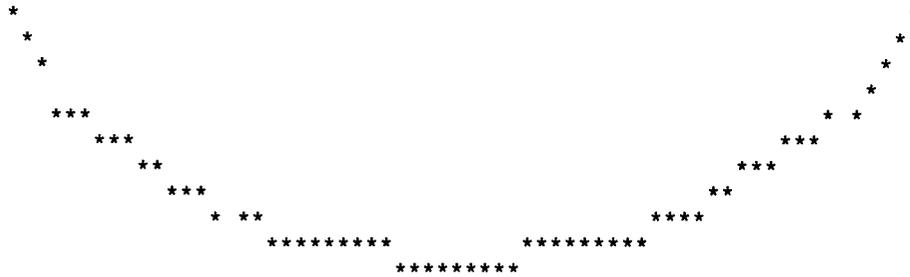
UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED WED, NOV 14, 2001, 4:19 PM
PLOT SHOWS LOCATION OF 6 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 1930 FEET, W 1260 FEET OF THE SE CORNER,
SECTION 15 TOWNSHIP 16S RANGE 8E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION	or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A P T : N P E E 1 N P R R 1
0	93 519	.0000	.00	Cedar Creek			X :
		WATER USE(S): STOCKWATERING		Salvatore, Triolo	383 Rio Lindo	PRIORITY DATE: 00/00/1902 Chico CA 95926	
0	93 519	.0000	.00	Cedar Creek			X :
		WATER USE(S): STOCKWATERING		Salvatore, Triolo	383 Rio Lindo	PRIORITY DATE: 00/00/1902 Chico CA 95926	
1	93 517	.0000	.00	Cedar Creek			X :
		WATER USE(S): STOCKWATERING		Larsen, Keith and Joyce		PRIORITY DATE: 00/00/1902 Huntington UT 84528	
1	93 517	.0000	.00	Cedar Creek			X :
		WATER USE(S): STOCKWATERING		Larsen, Keith and Joyce		PRIORITY DATE: 00/00/1902 Huntington UT 84528	
2	93 163	.0000	.00	Left Fork Cedar Creek			X :
		WATER USE(S): STOCKWATERING		C.O.P. Coal Development Company	53 West Angelo Ave	PRIORITY DATE: 00/00/1902 Salt Lake City UT 84115	
2	93 510	.0110	.00	West Boy Scout Spring			X :
		WATER USE(S): STOCKWATERING		C.O.P. Coal Development Company	53 West Angelo Ave.	PRIORITY DATE: 00/00/1902 Salt Lake City UT 84115	

Well name:	11-01 Phillips Utah 15-553	
Operator:	Phillips Petroleum Company	Project ID:
String type:	Surface	43-015-30334
Location:	Emery County	

Design parameters:

Collapse
Mud weight: 8.330 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:
Design factor 1.125

Burst:
Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 71 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.436 psi/ft
Calculated BHP 189 psi

No backup mud specified.

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

Tension is based on air weight.
Neutral point: 378 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 4,320 ft
Next mud weight: 8.400 ppg
Next setting BHP: 1,885 psi
Fracture mud wt: 19.000 ppg
Fracture depth: 800 ft
Injection pressure 790 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	432	8.625	24.00	J-55	ST&C	432	432	7.972	2830

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	187	1370	7.33	189	2950	15.65	10	244	23.53 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

Phone: 801-538-5281
FAX: 801-359-3940

Date: November 27, 2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 432 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:	11-01 Phillips Utah 15-553	
Operator:	Phillips Petroleum Company	Project ID:
String type:	Production	43-015-30334
Location:	Emery County	

Design parameters:

Collapse

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

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 125 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 250 ft

Cement top:

Surface

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP: 1,885 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on air weight.
 Neutral point: 3,770 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	4320	5.5	17.00	N-80	LT&C	4320	4320	4.767	30990

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1885	6290	3.34	1885	7740	4.11	73	348	4.74 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

Phone: 801-538-5281
 FAX: 801-359-3940

Date: November 27, 2001
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 4320 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

11-01 Phillips Utah 15-5'

Casing Schematic

Surface

M4200

TOC @ 0. TOC @ 0.

w/13% washout

BOP

BHP

$(0.052)(8.4)(4320) = 1887 \text{ psi}$
Anticipated = 1748 psi

8-5/8"
MW 8.3
Frac 19.

Surface
432. MD

Gas

$(0.12)(4320) = 518 \text{ psi}$
MASP = 1368 psi

3M BOPE proposed

Adequate
DND 11/27/01

w/5% washout

3920'
Blue bit/Ferro

-3870'

coals & sandstone

-4020'

5-1/2"
MW 8.4

Production
4320. MD



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 28, 2001

Phillips Petroleum Company
P O Box 851
Price, UT 84501

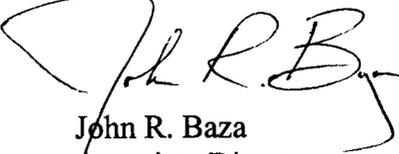
Re: Utah 15-553 Well, 1930' FSL, 1260' FEL, NE SE, Sec. 15, T. 16 South,
R. 8 East, Emery County, Utah

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 43-015-30334.

Sincerely,



John R. Baza
Associate Director

dm

Enclosures

cc: Emery County Assessor
SITLA

Operator: Phillips Petroleum Company
Well Name & Number Utah 15-553
API Number: 43-015-30334
Lease: ML 48209-A

Location: NE SE **Sec.** 15 **T.** 16 South **R.** 8 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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



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
UT-922

April 8, 2003

ConocoPhillips Company
Attn: Gregory A. Reeves
P.O. Box 2197
Houston, Texas 77252-2197

Re: 2nd Revision Consolidated Ferron Formation
Participating Area "A,C,D" = 11256
Drunkards Wash Unit
Carbon and Emery Counties, Utah

Gentlemen:

The 2nd Revision Consolidated Ferron Formation Participating Area "A,C,D", Drunkards Wash Unit, UTU67921F, is hereby approved effective as of November 1, 2002, pursuant to Section 11 of the Drunkards Wash Unit Agreement, Carbon and Emery Counties, Utah.

The 2nd Revision Consolidated Ferron Formation Participating Area "A,C,D" results in the addition of 320.00 acres to the participating area for a total of 67,945.49 acres and is based upon the completion of the following wells, as capable of producing unitized substances in paying quantities.

WELL NO.	API NO.	LOCATION	LEASE NO.
PMC 10-526	43-007-30845	SE, 10-15S-8E	FEE
Utah 15-553	43-015-30334	SE, 15-16S-8E	STATE

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 2nd Revision Consolidated Ferron Formation Participating Area "A,C,D", Drunkards Wash Unit and the effective date.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Minerals Adjudication Group w/exhibit B
Division of Oil, Gas & Mining
Drunkards Wash Unit w/enclosure
MMS - Data Management Division (Attn: Rose Davalos)
Field Manager - Moab w/enclosure
SITLA
Sovereign Lands
Agr. Sec. Chron.
Fluid Chron.

UT922:TATHOMPSON:tt:4/8/03

SPUDDING INFORMATION

Name of Company: PHILLIPS PETROLEUM COMPANY

Well Name: UTAH 15-553

Api No. 43-015-30334 LEASE TYPE: STATE

Section 15 Township 16S Range 08E County EMERY

Drilling Contractor PENSE BROTHERS DRILLING RIG # 9

SPUDDED:

Date 05/31/02

Time 10:00 PM

How DRY

Drilling will commence _____

Reported by FRANKIE HATHAWAY

Telephone # 1-435-613-9777

Date 06/03/2002 Signed: CHD

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SUNDRY NOTICES AND REPORTS ON WELLS

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 TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
Phillips Petroleum Company

3. Address and Telephone Number:
6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. Location of Well Footages: 1930' FSL, 1260' FEL
QQ, Sec., T., R., M.: NE/4, SE/4, Section 15, T16S, R08E, SLB&M

5. Lease Designation and Serial Number:

ML-48209-A

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Well Name and Number:

Utah 15-553

9. API Well Number:

43-015-30334

10. Field or Pool, or Wildcat:

Undesignated

County: Emery County

State: Utah

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- Approximate date work will start _____
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____ Spud Notice
- Date of work completion _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. 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 the Utah 15-553 well was spud on 5/31/02 at 10:00 pm
Pense bros. Rig #9
Dry drill

ORIGINAL

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13.

Name & Signature: Frankie Hathaway

Frankie Hathaway

Title: Administrative Assistant

Date: 6/11/02

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ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	99999	11256	43-007-30429	Utah 34-210	SWSW	27	14S	09E	Carbon	6/5/02	6-13-02
WELL 1 COMMENTS: New single well, spud inside PA and inside of Unit boundary											
A	99999	13510	43-007-30767	Utah 34-512	NWSW	34	13S	09E	Carbon	6/6/02	6-13-02
WELL 2 COMMENTS: New single well, spud outside the PA but inside of Unit boundary											
A	99999	13511	43-007-30820	Utah 34-513	NESE	34	13S	09E	Carbon	6/9/02	6-13-02
WELL 3 COMMENTS: New single well, spud outside the PA but inside of Unit boundary											
A	99999	13512	43-015-30334	Utah 15-553	NESE	15	16S	08E	Emery	5/31/02	6-13-02
WELL 4 COMMENTS: New single well, spud outside the PA but inside of Unit boundary											
A	99999	13513	43-015-30545	Utah 27-584	NENE	27	16S	08E	Emery	5/29/02	6-13-02
WELL 5 COMMENTS: New single well, spud outside the PA but inside of Unit boundary											

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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

Signature Frankie Hathaway
 Frankie Hathaway

Administrative Assistant
 Title Date 6/11/02

Phone No. (435)613-9777

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

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SUNDRY NOTICES AND REPORTS ON WELLS 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 TO DRILL OR DEEPEN form for such proposals.		5. Lease Designation and Serial Number: ML-48209-A
		6. If Indian, Allottee or Tribe Name: N/A
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>		7. Unit Agreement Name: N/A
2. Name of Operator: Phillips Petroleum Company		8. Well Name and Number: Utah 15-553
3. Address and Telephone Number: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777		9. API Well Number: 43-015-30334
4. Location of Well Footages: 1930' FSL, 1260' FEL QQ, Sec., T., R., M.: NE/4 SE/4 Section 15, T16S, R08E, SLB&M		10. Field or Pool, or Wildcat: Drunkards Wash
		County: Emery County State: Utah

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ Approximate date work will start _____	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>Well Report</u> Date of work completion _____
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.
* Must be accompanied by a cement verification report.

12. 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.)

See Attached:

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13. Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 6/11/02

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DIVISION OF
OIL, GAS AND MINING

DRUNKARDS WASH PROJECT DAILY WELL REPORT

CONFIDENTIAL

UTAH

15-553

API NO: 43-015-30334

1930' FSL, 1260' FEL

NESE SEC: 15 TWN 16S RNG: 09E

SPUD TIME/DATE: 5/31/2002 10:00:00 PM

COUNTY: Emery

TD TIME/DATE: 6/3/2002 8:30:00 AM

ELEVATION: 7166

TD DEPTH: 4500

DRILLING CONTRACTOR: Pense Brothers Rig #9

ON-LINE TIME/DATE:

Bit Information

Type	Size	In	Out	Hours	Rotating Hours
Air Hammer	15 in	0.00	5.00	1	0.25
Air Hammer	11 in	5.00	410.00	3.5	3
Air Hammer	7 7/8	410.00	2810.00	22.5	15.75
Tri-cone	7 7/8in	2810.00	4500.00	29	19.5

Conductor Casing

Bore Hole Size: 15 in Conductor From: 0.00 To: 5.00

Casing Description: 12 3/4in PE Number of Joints: 1 Set @: 5.00

Cement: Amount:

Cement Report:

Surface Casing

Bore Hole Size: 11 in Surface Casing From: 5.00 To: 410.00

Casing Description: 8 5/8 in 24#/ft J-55 Number of Joints: 13 Set @: 386.60

Cement: G + 2%S-1 + 1/4#/sk D-29 Amount: 175.00

Cement Report: r/up cementers, safety meeting, test lines, pump 30 bblsw of 2% kcl ahead, mix & pump cement, displsce w/ 22bbls of 2% kcl, close valve @ 3:30am 6/1/02, 10 bbls good cement to surface,

Production Casing

Bore Hole Size: 7 7/8 in Prod.Casing From: 410.00 To: 4500.00

Casing Description: 5 1/2 in 17#/ft N-80 Number of Joints: 104 Length: 4465.00

Lead Cement 50/50 POZ, 8%D20, 10%D44, 2%S001, 1/4#/sk Amount: 175.00

Tail Cement: 10-1 RFC Amount: 90.00

Cement Report: r/up cementers, safety meeting, test lines, pump 130 bbls of 2% kcl ahead, mix & pump cement, s/down, wash lines, drop plug & displace w/ 104 bbls of 2% kcl, plug down @ 6:45pm 6/04/02, no returns

Float Equipment: 5 1/2in float shoe, Centralizers ran on: 2,5,9,13,& 21

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Drilling Data

DAY 1 6/1/2002

CURRENT DEPTH 410 CURRENT OPERATIONS: woc

ROTATING HRS: 3.25

7am-6pm no activity,
6pm-8:30pm move on location,
8:30pm-10pm r/up, service equipment,
10pm-11:15pm spud @ 10pm 5/31/02, drill & set 5ft of conductor, n/up to drill 11in hole,
11:15pm-2am drill 410ft of 11in hole,
2am-2:30am clean hole & pooh,
2:30am-3am rih w/ 8 5/8in guide shoe + 13 jts of 8 5/8in csg, land @ 386.6ft,
3am-3:30am cement surface pipe, close valve @ 3:30am 6/1/02, 10 bbls good cement to surface,
3:30am-7am woc,

Estimated Daily Cost: [REDACTED]

DAY 2 6/2/2002

CURRENT DEPTH 2780 CURRENT OPERATIONS: drilling @ 2780ft

ROTATING HRS: 15.5

7am-8:30am woc,
8:30am-11:30am break loose, n/up bope & manifold,
11:30am-12:30pm test bope,
12:30-2:30pm n/up, change bits, start in hole, s/down & replace hydraulic line,
2:30pm-3:30pm finish rih, drill out cement,
3:30pm-7pm drill 7 7/8in hole to 1070ft,
7pm-11pm drill 1070-1640ft,
11pm-3am-drill 1640-2180ft
3am-7am drill 2180-2780ft

Estimated Daily Cost: [REDACTED]

DAY 3 6/3/2002

CURRENT DEPTH 4380 CURRENT OPERATIONS: drilling @ 4380ft,

ROTATING HRS: 18.2

7am-7:15am drill to 2810ft,
7:15am-8am clean hole,
8am-20am pooh,
10am-12:30pm rih w/ tricone,
12:30-1pm condition hole,
1pm-5pm drill 2810-3240ft,
5pm-9pm drill 3240-3660ft,
9pm-1am drill 3660-4020ft,
2am-5am drill 4020-4260ft,
5am-7am drill 4260-4380ft,

Estimated Daily Cost: [REDACTED]

DAY 4 6/4/2002

CURRENT DEPTH 4500 CURRENT OPERATIONS: moving off location,

ROTATING HRS: 1.50

7am-8:30am drill 4380-4500ft, td @ 8:30am 6/03/02,
8:30am-9:45am clean hole,
9:45am-2:15pm pooh, pump 100bbls of 2% kcl @ 2000ft & 500ft,
2:15pm-2:45pm s/down f/ lightning storm,
2:45pm-3pm finish pooh,
3pm-6pm r/up loggers, log well, r/down loggers, release rig @ 6pm 6/03/02,
6pm-7am r/down & prep to move, (did not move because of weather, slick roads),

Estimated Daily Cost: [REDACTED]

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**DIVISION OF
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DAY 5 6/5/2002

CURRENT DEPTH 4466 **CURRENT OPERATIONS:** making scraper run,

ROTATING HRS: 0.00

7am-10:30am move off location,
10:30am-12pm r/up workover rig, set racks, unload csg,
12pm-3:30pm rih w/ 5 1/2in float shoe + 104 jts of 5 1/2in csg, land @ 4465.62ft,
3:30pm-5:15pm wait on cementers,(setting plug on D-13),
5:15pm-6pm r/up cementers,
6pm-6:45pm cement long string, plug down @ 6:45pm 6/04/02, no returns,
6:45pm-7:30pm r/down cementers, sdfn,

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Estimated Daily Cost: [REDACTED]

DAY 6 6/6/2002

CURRENT DEPTH 4466 **CURRENT OPERATIONS:** no activity,

ROTATING HRS: 0.00

7am-3:30pm n/down bope, n/up wellhead & test, rih w/ 4 3/4in nom csg scraper + 143 jts of 2 7/8in tbg, tag @ 4464ft, pooh laying tbg down on trailer, r/down & move to 560 well,

Estimated Daily Cost: [REDACTED]

Cum. Estimated Daily Cost: [REDACTED]

Frac Data

Completion Data

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**DIVISION OF
OIL, GAS AND MINING**

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: ML-48209-A
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 TO DRILL OR DEEPEN form for such proposals.		6. If Indian, Allottee or Tribe Name: N/A
		7. Unit Agreement Name: N/A
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: CONFIDENTIAL	8. Well Name and Number: Utah 15-553	
2. Name of Operator: Phillips Petroleum Company	9. API Well Number: 43-015-30334	
3. Address and Telephone Number: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777	10. Field or Pool, or Wildcat: Drunkards Wash	
4. Location of Well Footages: 1930' FSL, 1260' FEL QQ, Sec., T., R., M.: NE/4 SE/4 Section 15, T16S, R08E, SLB&M	County: Emery County State: Utah	

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

NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____ Approximate date work will start _____	<input type="checkbox"/> Abandon * <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>1st Production Notification</u> Date of work completion _____
	Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.

12. 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 the Utah 15-553 showed first production on: 11/11/02
 Gas production: 3.4 mcf
 Water production: 189 bbl

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DIVISION OF OIL, GAS AND MINING

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13. Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Operations Clerk/Development Date: 11/20/02

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WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL GAS WELL DRY Other **PERIOD EXPIRED ON 12-11-03**

2. NAME OF OPERATOR: Phillips Petroleum Company

3. ADDRESS OF OPERATOR: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface: 1930' FSL, 1260' FEL
At top prod. interval reported below
At total depth

5. LEASE DESIGNATION AND SERIAL NO.: ML-48209-A

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

7. UNIT AGREEMENT NAME: N/A

8. FARM OR LEASE NAME: Utah

9. WELL NO.: 15-553

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA: NE/4, SE/4, Sec. 15, T16S, R08E

12. COUNTY: Emery

13. STATE: Utah

14. API NO.: 43-015-30334

DATE ISSUED: 11/28/01

15. DATE SPUNDED: 5/31/02

16. DATE T.D. REACHED: 6/3/02

17. DATE COMPL. (Ready to plug & Abd.): 11/11/02

18. ELEVATIONS (DF, REB, RT, GR, ETC.): 7166'

19. ELEV. CASINGHEAD: N/A

20. TOTAL DEPTH, MD & TVD: 4500'

21. PLUG BACK T.D., MD & TVD: 4465'

22. IF MULTIPLE COMPL., HOW MANY: N/A

23. INTERVALS DRILLED BY: ROTARY TOOLS to TD, CABLE TOOLS N/A

24. PRODUCING INTERVAL(S), OF THIS COMPLETION--TOP, BOTTOM, NAME (MD OR TVD): Ferron Coal - Top Coal 4039' & Bottom Coal 4192'

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN: Dual Induction, Laterolog, SFF, Caliper, Comp Density & Neutron

27. WAS WELL CORED YES NO
DRILL STEM TEST YES NO (Submit analysis) (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
12 3/4"	Conductor	5'	15"	175 sks Class G, 2%, 4% Gell & 1/4#/sk Floccel	
8 5/8"	JS524#	387'	11"	175 sks 50/50 POZ, 8% D-20, 10% D-44, 2% S-1	
5 1/2"	N 807#	4465'	7 7/8"	90 sks 10-1 RFC (Thixotropic)	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET
2-7/8"	4298'	N/A

31. PERFORATION RECORD (Interval, size and number)
Ferron Coal
Upper: 4039'-4043', 4071'-4078', 4096'-4098' 2spf .99"
Middle: 4116'-4120', 4136'-4145' 2spf .99"
Lower: 4168'-4172', 4186'-4192' 2spf .99"

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
Upper 4039'-4098'	10,000#, 20/40; 88,400#, 16/30; 40,615 gal fluid
Middle 4116'-4145'	7,800#, 20/40; 36,200#, 16/30; 33,353 gal fluid
Lower 4168'-4192'	10,000#, 20/40; 97,000#, 16/30; 49,307 gal fluid

33. PRODUCTION

DATE FIRST PRODUCTION: 11/11/02

PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump): Pumping - 2 1/2" x 2" x 16' RWAC

WELL STATUS (Producing or shut-in): Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL---BBL.	GAS---MCF.	WATER---BBL.	GAS-OIL RATIO
11/11/02	24hrs.	-----		N/A	3.4	189	

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL---BBL.	GAS---MCF.	WATER---BBL.	DIP GRAD. (CORR.)
48	41		N/A	3.4	189	N/A

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

TEST WITNESSED BY: Kevin E. Snow

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: Jean Semborski TITLE: Permitting Analyst DATE: 11/20/02

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DIVISION OF OIL, GAS AND MINING B&M

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WELL NUMBER: Utah 15-553

37 SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including interval tested, cushion used, flowing and shut-in pressures, and recoveries)		38. GEOLOGIC MARKERS	
FORMATION	BOTTOM	NAME	TOP MEAS. DEPTH
Ferron	4039'	Blue Gate Bentonite	3879'
	4145'	Tununk Shale	4376'
		Ferron Sandston	4016'
			TRUE VERT. DEPTH

Coals and Sandstones

Coal Interval: 4039'-4145'

ORIGINAL
 ORIGINAL

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

FORM 6

ENTITY ACTION FORM

Operator: ConocoPhillips Operator Account Number: N 2335
 Address: 6825 South 5300 West
city Price
state UT zip 84501 Phone Number: (435) 613-9777

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730116	STELLA-HAMAKER 10-174		NENW	10	15S	08E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	10849	11256				11/9/05	
Comments: Well was converted to PA on 07/01/2002. <i>FRSD</i> - K							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300730831	USA 06-437		SENE	6	14S	09E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	13576	11256				11/9/05	
Comments: Well was converted to PA on 10/01/2002. <i>FRSD</i> - K							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530334	UTAH 15-553		NESE	15	16S	08E	CARBON
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
C	13512	11256				11/9/05	
Comments: Well was converted to PA on 11/01/2002. <i>FRSD</i>							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Exploration Committee Section)

Lynnette Allred

Name (Please Print)

Signature

Dr. Operations Assistant

Title

11/9/2005

Date

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NOV 14 2005

(5/2000)

e-mail

NOV 09 2005

DIV. OF OIL, GAS & MINING

DIV. OF OIL, GAS & MINING



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
UT-922

April 8, 2003

ConocoPhillips Company
Attn: Gregory A. Reeves
P.O. Box 2197
Houston, Texas 77252-2197

Re: 2nd Revision Consolidated Ferron Formation
Participating Area "A,C,D"
Drunkards Wash Unit
Carbon and Emery Counties, Utah

Gentlemen:

The 2nd Revision Consolidated Ferron Formation Participating Area "A,C,D", Drunkards Wash Unit, UTU67921F, is hereby approved effective as of November 1, 2002, pursuant to Section 11 of the Drunkards Wash Unit Agreement, Carbon and Emery Counties, Utah.

The 2nd Revision Consolidated Ferron Formation Participating Area "A,C,D" results in the addition of 320.00 acres to the participating area for a total of 67,945.49 acres and is based upon the completion of the following wells, as capable of producing unitized substances in paying quantities.

WELL NO.	API NO.	LOCATION	LEASE NO.
PMC 10-526	43-007-30845	SE, 10-15S-8E	FEE
Utah 15-553	43-015-30334	SE, 15-16S-8E	STATE

13634-11256

13512-11256

Copies of the approved request are being distributed to the appropriate agencies and one copy is returned herewith. Please advise all interested parties of the approval of the 2nd Revision Consolidated Ferron Formation Participating Area "A,C,D", Drunkards Wash Unit and the effective date.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Minerals Adjudication Group w/exhibit B
Division of Oil, Gas & Mining
Drunkards Wash Unit w/enclosure
MMS - Data Management Division (Attn: Rose Davalos)
Field Manager - Moab w/enclosure
SITLA
Sovereign Lands
Agr. Sec. Chron.
Fluid Chron.

UT922:TATHOMPSON:tt:4/8/03

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48217
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810 PHONE NUMBER: (432) 688-6943		7. UNIT or CA AGREEMENT NAME: Drunkards Wash (UTU-67921X)
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1930' FSL & 1260' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 15 16S 8E		8. WELL NAME and NUMBER: Utah 15-553
		9. API NUMBER: 4301530334
		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
		COUNTY: Emery
		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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 2/9/2007	<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>Remedial work</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.

2/7/07: SIRU. Unhang rods, RD unit. POOH w/rods. Scale on weight bars and pump. Pull rod worn. Drop standing valve. No test. ND WH, NU & test BOP - 300 & 1000 psi. RU floor.

2/8/07: POOH w/tbg, scale on last 3 stands, hole in last jt. Replace bottom 2 joints. PU 3 new jts. RIH w/tbg, land @4316'. Spot 5 drums 15% HCL. Wait 1 hour. ND BOP, NU WH.

2/9/07: PU new 2" pump w/4 1.5 weight bars. TIH w/rods. Seat pump, fill & test. RU unit, hang rods on.

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE	DATE <u>3/6/2007</u>

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STATE OF UTAH
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DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48217
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X
		8. WELL NAME and NUMBER: Utah 15-553
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	9. API NUMBER: 4301530334	
2. NAME OF OPERATOR: ConocoPhillips Company	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash	
3. ADDRESS OF OPERATOR: P. O. Box 51810 CITY Midland STATE TX ZIP 79710-1810	PHONE NUMBER: (432) 688-6943	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1930' FSL & 1260' FEL		COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 15 16S 8E		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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 7/3/2007	<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: Remedial Work
	<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.

7/2/2007: MIRU. RD Unit, unseat pump.

7/3/2007: POOH w/rods, LD weight bars and rods. LD pump. Drop standing valve, test to 1000 psi. Retrieve standing valve. PU new pump and 10-7/8" rods. TIH w/rods, seat pump, fill and test. RU unit, function test pump. RDMO.

NAME (PLEASE PRINT) Donna Williams	TITLE Sr. Regulatory Specialist
SIGNATURE	DATE 7/17/2007

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STATE OF UTAH
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FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48209A
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Drunkards Wash (UTU-67921X)
2. NAME OF OPERATOR: ConocoPhillips Company		8. WELL NAME and NUMBER: Utah 15-553
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE TX ZIP 79710-1810		9. API NUMBER: 4301530334
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1930' FSL & 1260' FEL		10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 15 16S 8E		COUNTY: Emery
		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 5/6/2008	<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>Remedial</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.

5/6/2008 MIRU. RD unit, POOH w/rods, LD old pump. Flush tbg. PU new pump, seat pump, fill and test, space out. RU unit, flush casing. Function test. RD.

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE	DATE <u>5/28/2008</u>

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