



6825 South 5300 West  
P.O. Box 851  
Price, UT 84501  
phone 435.613.9777  
fax 435.613.9782

March 28, 2003

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

RE: Application for Permit to Drill-  
Utah 24-562, SW/4 SE/4 Sec. 24  
T16S, R08E, SLB & M, Emery County, Utah

Dear Ms. Mason:

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;

**COPY**

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APR 17 2003

DIV. OF OIL, GAS & MINING

Utah 24-562

Page 2

This proposed well is located more than 460' from the boundary of the Unit Area and from the boundary of any uncommitted tract within the Unit Area and will not require the administrative approval in accordance with Utah Administrative Code Rule R649-3-3.

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

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

Sincerely,



Jean Semborski  
Permitting Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah  
Mr. Gene Herrington, Texaco  
Ms. Julie Bennett, Dominion Resources  
Mr. Don Stephens, BLM, Price, Utah  
Ms. Jeanette Borges, ConocoPhillips  
Mrs. Deanna Walker, ConocoPhillips  
Mr. Mark Jones, DOGM, Price, Utah  
ConocoPhillips Well File

001

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

FORM 3

AMENDED REPORT   
(HIGHLIGHT CHANGES)

<b>APPLICATION FOR PERMIT TO DRILL</b>		5. MINERAL LEASE NO. ML-48209A	6. SURFACE State
1A. Type of Work: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
8. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company		9. WELL NAME and NUMBER: Utah 24-562	
3. ADDRESS OF OPERATOR: 6825 South 5300 West, P.O. Box 851, Price, Utah 84501 CITY STATE ZIP		PHONE NUMBER: (435) 613-9777	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 619' FWL, 1706' FWL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW/4 SE/4 Section 24, T16S, R08E, SLB&M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 5.1 miles northwest of Huntington, UT		12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 1706'	16. NUMBER OF ACRES IN LEASE: 1641.18 acres	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 2000'	19. PROPOSED DEPTH: 3239'	20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 6306' GR	22. APPROXIMATE DATE WORK WILL START: May 2003	23. ESTIMATED DURATION:	

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
14"	12 3/4" Conductor	40'	
11"	J-55 8 5/8" 24#/ft	324'	150 sks G+2&CaCl+1/4#/sk floccel
7 7/8"	N-80 5 1/2" 17#/ft	3229'	150 sks 50/50poz8%gel+2%CaCl+1%extender
			90 sks "G" thixotropic

**COPY**

**ATTACHMENTS**

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

- COMPLETE DRILLING PLAN
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

**CONFIDENTIAL**

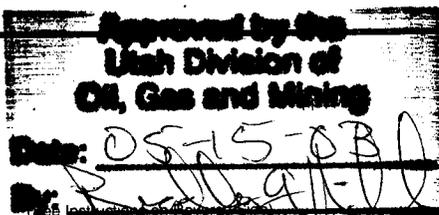
Name & Signature: Jean Semborski

Title: Permitting Supervisor

Date: 1/6/03

(This space for state use only)

API Number Assigned: 43-015-30436



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**APR 17 2003**

DIV. OF OIL, GAS & MINING

# Range 8 East

Township 16 South

(S89°21'02"W - 2521.81')

(S89°46'E - 2635.38')

(S89°53'E - 2585.2')

(N0°04'E - 2632.74')

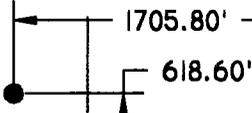
(N0°09'57"W - 2630.08')  
(N00°10'W - 2629.44')

(N00°43'W - 2729.76')  
(S00°05'25"W - 2635.85')

(N02°10'W - 2733.72')  
(N02°00'02"W - 2641.14')

24

DRILL HOLE #24-562  
ELEVATION 6306.0'  
UTM  
N - 4362275  
E - 502540



(S89°53'W - 2704.02')

(S89°53'E - 2643.3')

(S89°59'43"W - 2709.02')

(S89°59'43"W - 2709.02')

## 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°24'43"N  
111°58'14"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:

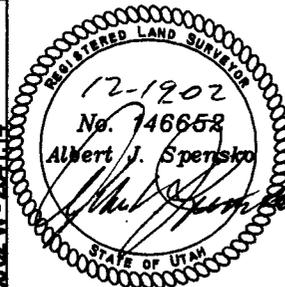
BASIS OF ELEVATION OF 6181' BEING A BENCHMARK LOCATED IN THE EAST HALF  
OF SECTION 30, TOWNSHIP 16 SOUTH, RANGE 9 EAST, SALT LAKE BASE  
AND MERIDIAN, AS SHOWN ON THE POISON SPRING BENCH 7.5 MINUTE  
SERIES MAP.

### Description of Location:

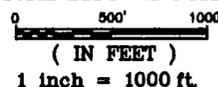
PROPOSED DRILL HOLE LOCATED IN THE SW1/4, SE1/4 OF SECTION 24,  
T16S, R8E, S.L.B.&M., BEING 618.60' NORTH AND 1705.80' WEST  
FROM THE SOUTH EAST CORNER OF SECTION 24, T16S, R8E, SALT  
LAKE BASE & MERIDIAN.

### 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.



### GRAPHIC SCALE



Talon Resources, Inc.

P.O. Box 1230  
195 N. 100 W.  
Huntington, Utah. 84526  
Ph: 435-637-8781  
Fax: 435-636-8603

ConocoPhillips

WELL #24-562  
Section 24, T16S, R8E, S.L.B.&M.  
Emery County, Utah

Drawn By: BEN SCOTT	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 12/09/02
Sheet 1 of 4	Scale: 1" = 1000'

EXHIBIT "D"  
DRILLING PROGRAM

Attached to Form 3  
ConocoPhillips  
Utah 24-562  
SW/4, SE/4, Sec.24, T16S, R08E, SLB & M  
619' FNL, 1706' FWL  
Emery County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2759'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2789' - 2939'

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 &amp; JOINT</u>	<u>NEW, USED</u>
14"	40'	12-3/4"	Conductor	New
11"	324'	8-5/8"	24#ST&C	New
7-7/8"	3229'	5-1/2"	17#LT&C	New

Cement Program -

Surface Casing: 150 sks G+2%CaCl+1/4#per sack flocel;15.8#/gal,density, 1.15 cu.ft/sk yield. Every attempt will be made to bring cement back to surface.

Production Casing: 150 sks 50/50 poz 8%gel +2%CaCl+10%extender;12.5#/gal, density, 1.92 cu.ft/sk yield.

90 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 1402 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 2003.

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  
ConocoPhillips  
Utah 24-562  
SW/4, SE/4, Sec.24, T16S, R08E, SLB & M  
619' F~~W~~L, 1706' F~~W~~L  
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 2200' 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: 6 culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and Power lines will follow the proposed access road.

**3. Location of Existing Wells**

- a. See Exhibit "B". There are 6 proposed and 5 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 the School and Institutional Trust Lands Administration. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 28,000' northwest.
- b. Nearest live water is Cedar Creek located at 1000' west.
- 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 Supervisor  
ConocoPhillips  
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

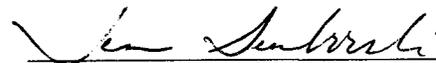
Excavation Contractor

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

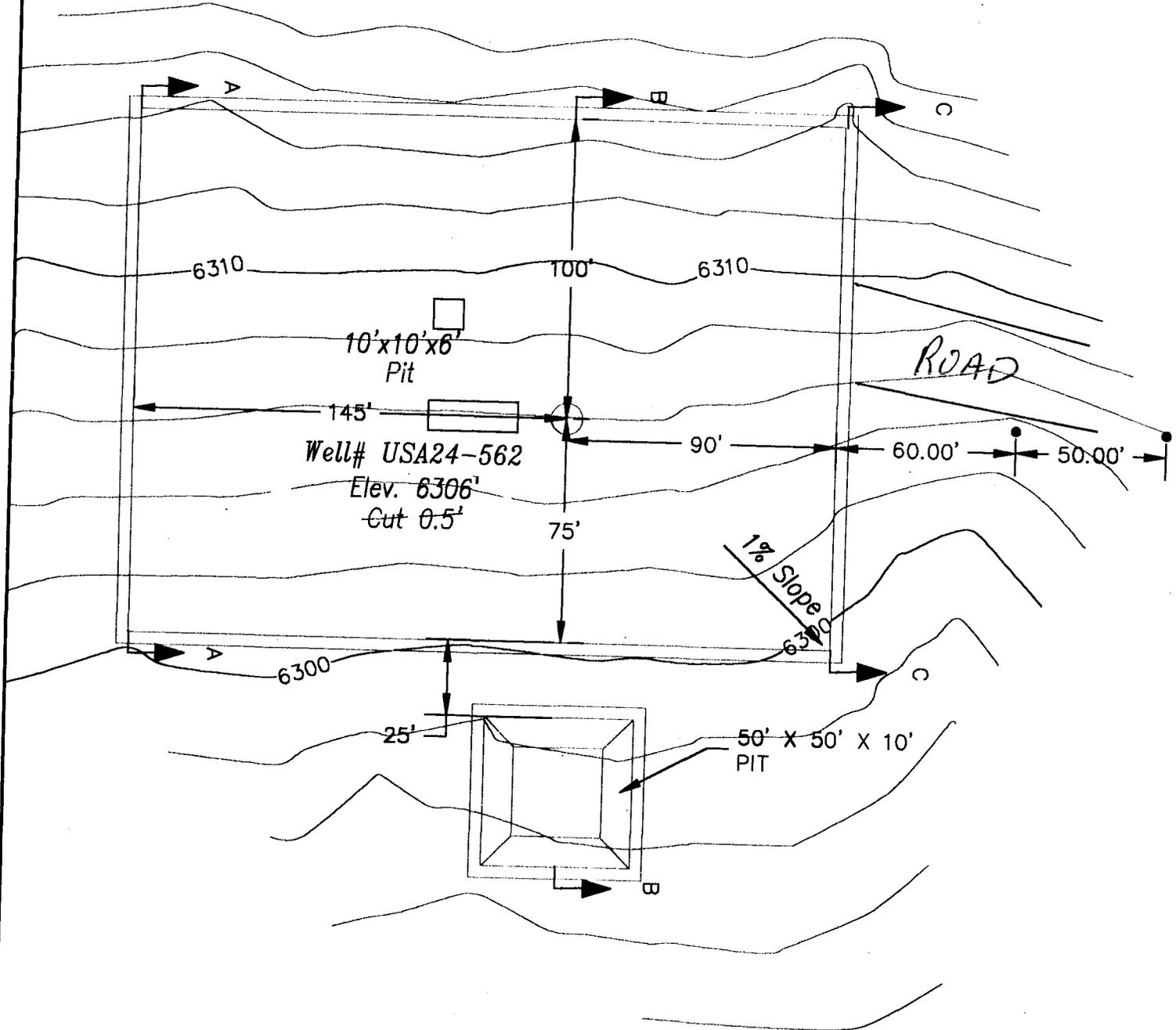
**14. Certification**

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 ConocoPhillips and its subcontractors in conformity with this plan and the terms and conditions under which it is approved.

4/4/03  
Date

  
Jean Semborski  
Permitting Supervisor  
ConocoPhillips

Elevation of Ungraded Ground at Location Stake = 6306'  
 Elevation of Graded Ground at Location Stake = 6305.5'

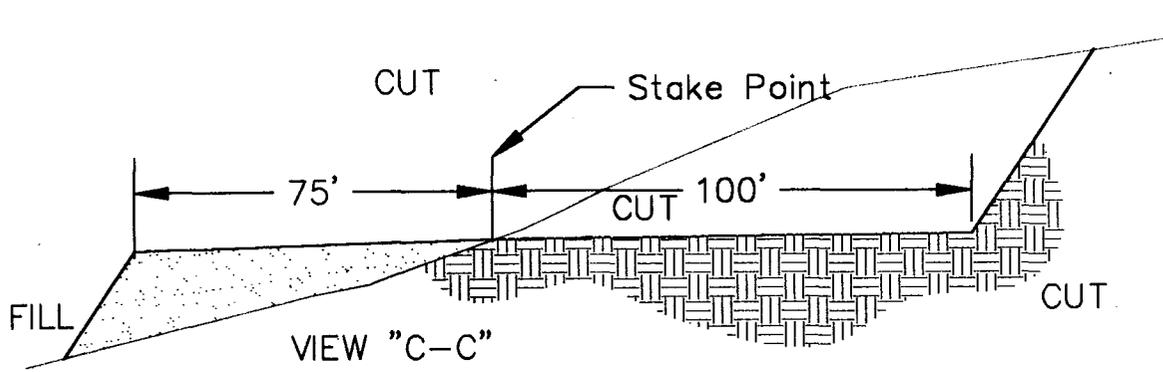


**Talon Resources, Inc.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)637-8781 Fax (435)687-5311  
 E-Mail talonwv.net

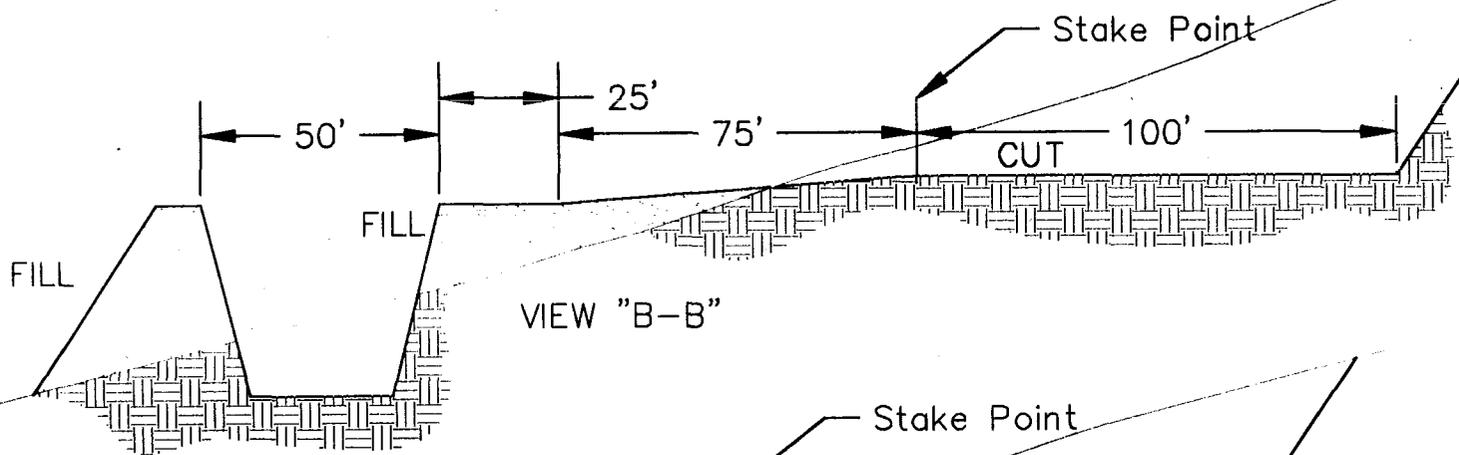
**ConocoPhillips**

**LOCATION LAYOUT**  
 Section 24, T16S, R8E, S.L.B.&M.  
 Well #24-562

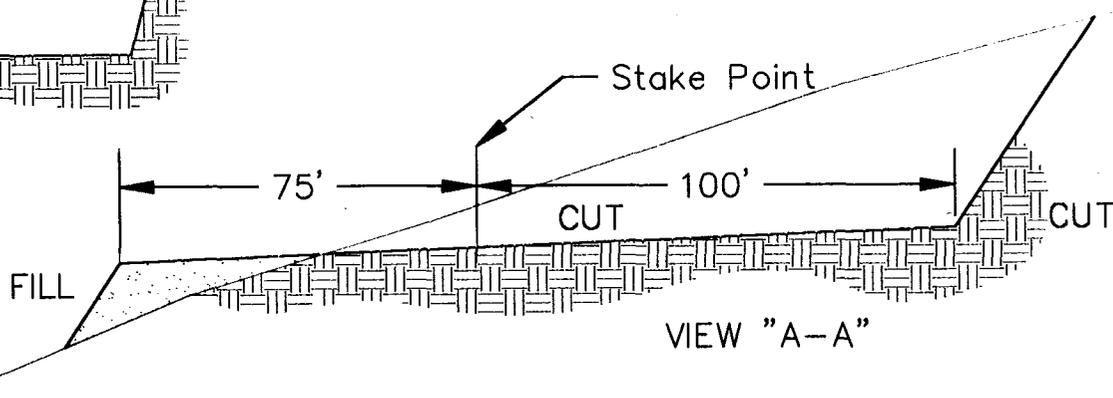
Drawn By: <b>BEN SCOTT</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>A-2</b>	Date: <b>12/11/02</b>
	Scale: <b>1" = 50'</b>
Sheet <b>2</b> of <b>4</b>	Job No. <b>848</b>



1"=10'  
X-Section  
Scale  
1"=40'



Slope = 1 1/2 : 1  
(Except Pit)  
Pit Slope = 1 ; 1



Talon Resources, Inc.  
195 North 100 West P.O. Box 1230  
Huntington, Utah 84528  
Phone (435)687-8781 Fax (435)687-5311  
E-Mail talonsectv.net

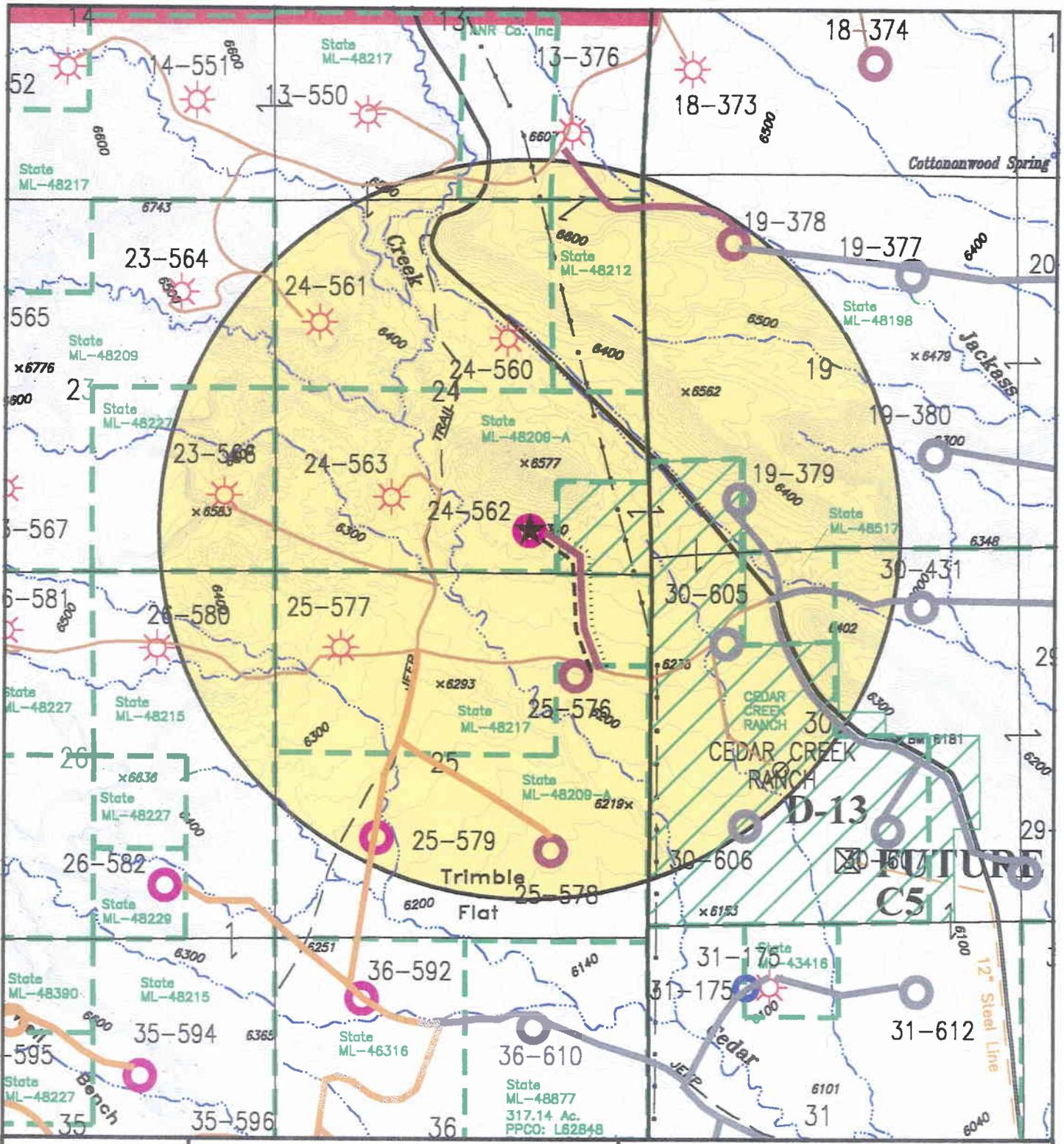
**ConocoPhillips**

TYPICAL CROSS SECTION  
Section 24, T16S, R8E, S.L.B.&M.  
Well # 24-562

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No. C-1	Date: 12/11/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 848

APPROXIMATE YARDAGES

CUT  
(6") Topsoil Stripping = 750 Cu. Yds.  
Remaining Location = 2470 Cu. Yds.  
TOTAL CUT = 2495 Cu. Yds.  
TOTAL FILL = 756 Cu. Yds.



**LEGEND**

- Proposed Well Location: ★
- Other Proposed Well Locations: ○
- Proposed Powerline: - - - -
- Proposed Pipeline: — — — —
- Proposed Roads: — — — —
- Lease Boundary: — — — —
- Existing Wells: ☀



Scale: 1" = 2000'

December 17, 2002

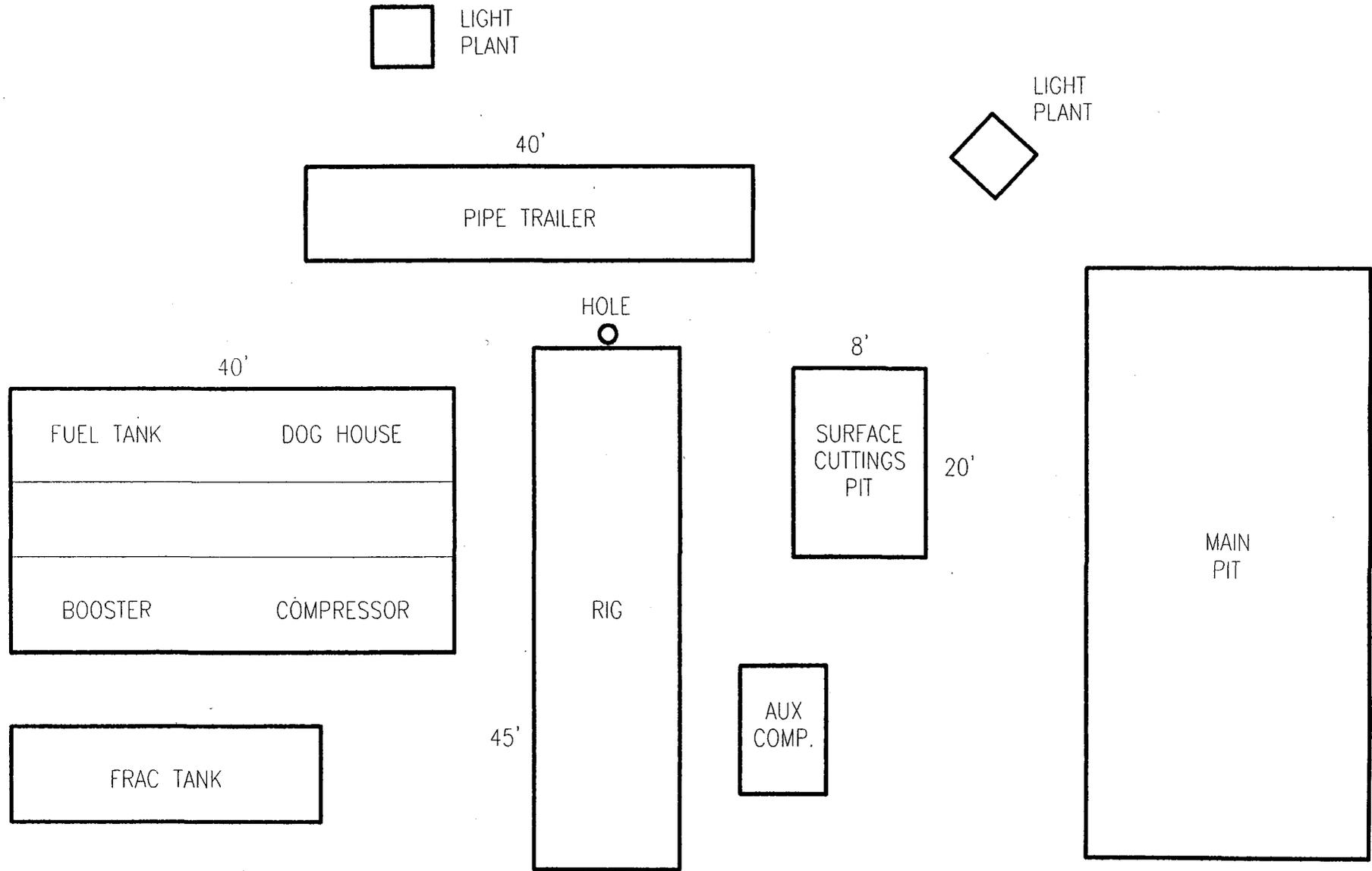
ConocoPhillips  
 6825 South 5300 West  
 P.O. Box 851  
 Price, Utah 84501  
 Phone: (435) 613-9777  
 Fax: (435) 613-9782



**WELL # 24-562**  
**Section 24, T16S, R8E, S.L.B.&M.**  
**Exhibit B 1 of 2**

**EXHIBIT C**

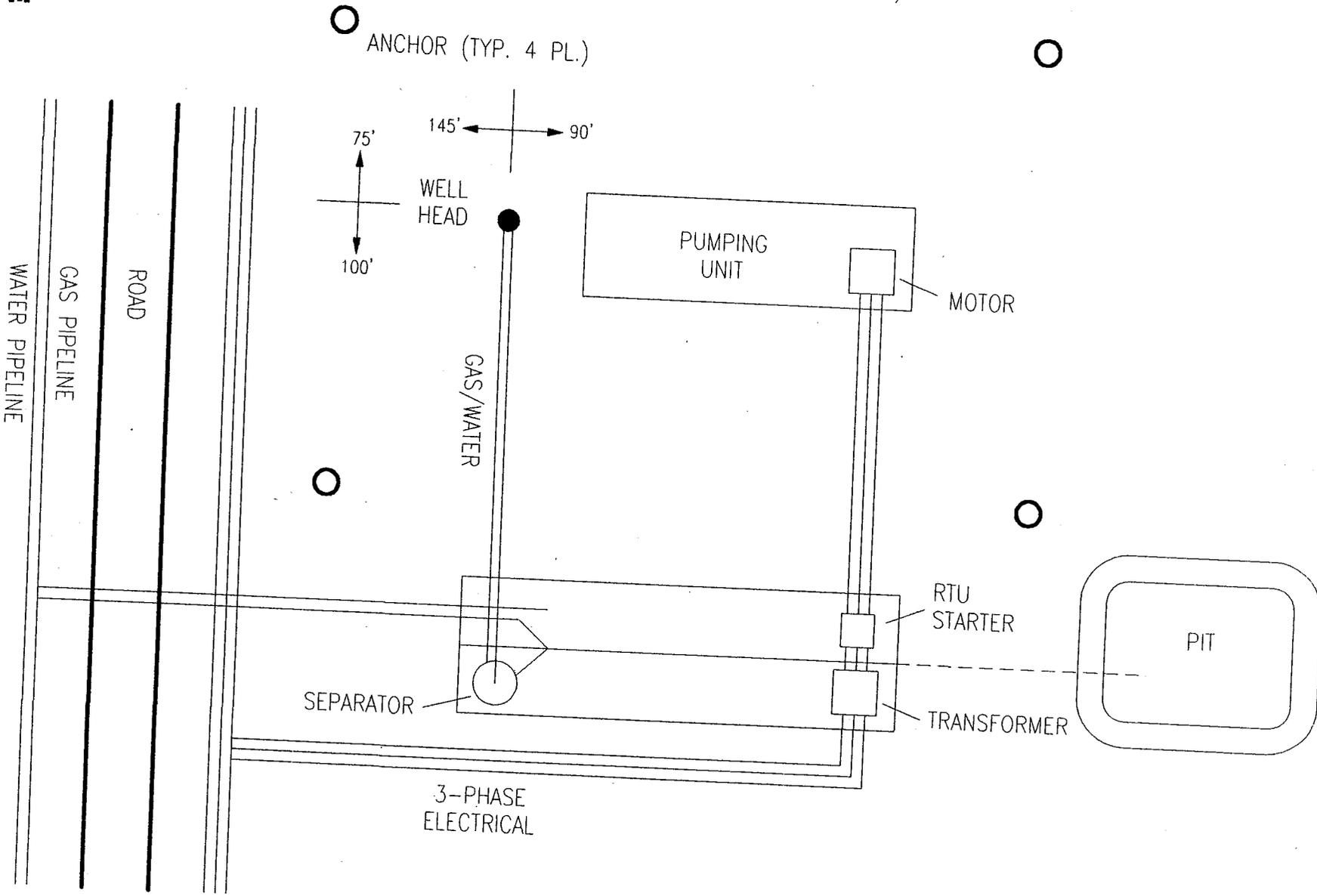
APPROXIMATE LAYOUT OF RIG & EQUIPMENT



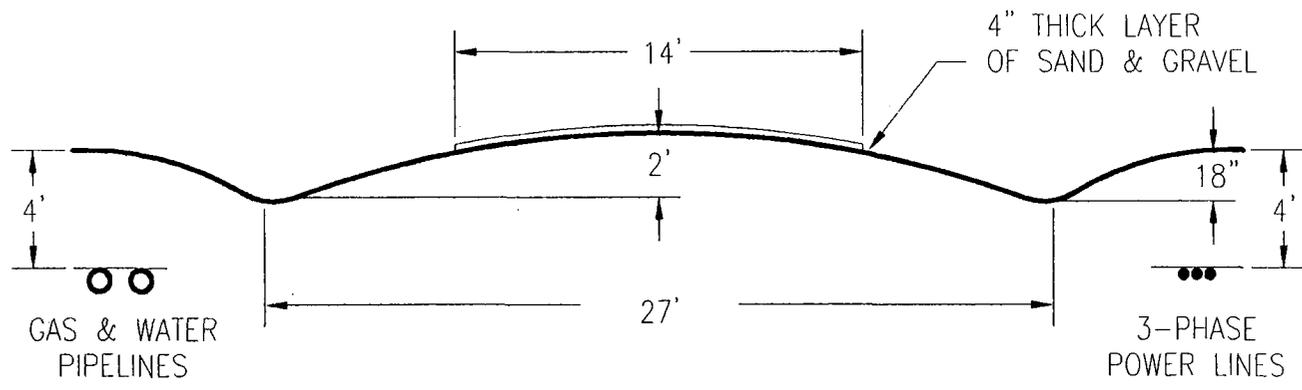
**EXHIBIT E**

# CONOCOPHILLIPS

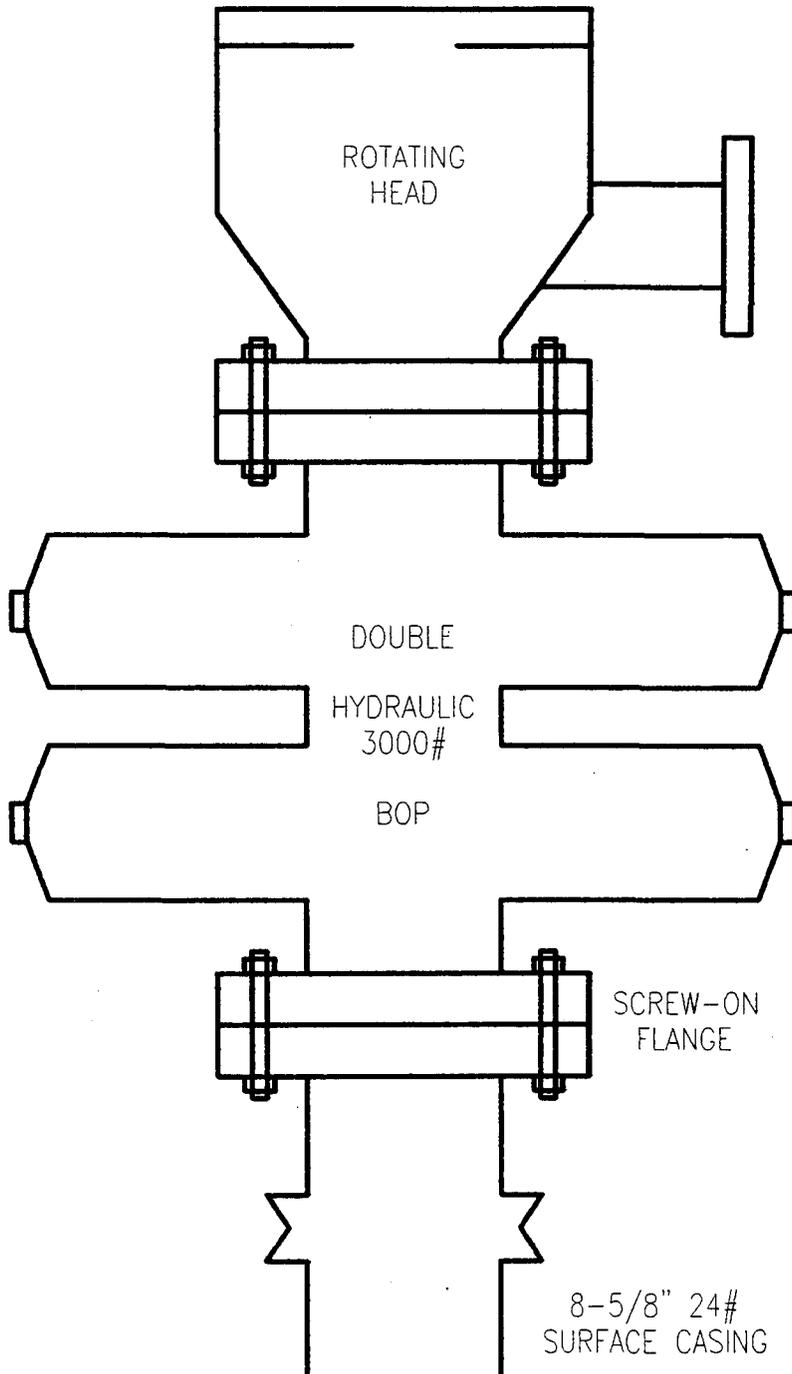
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION



DIVERTER HEAD

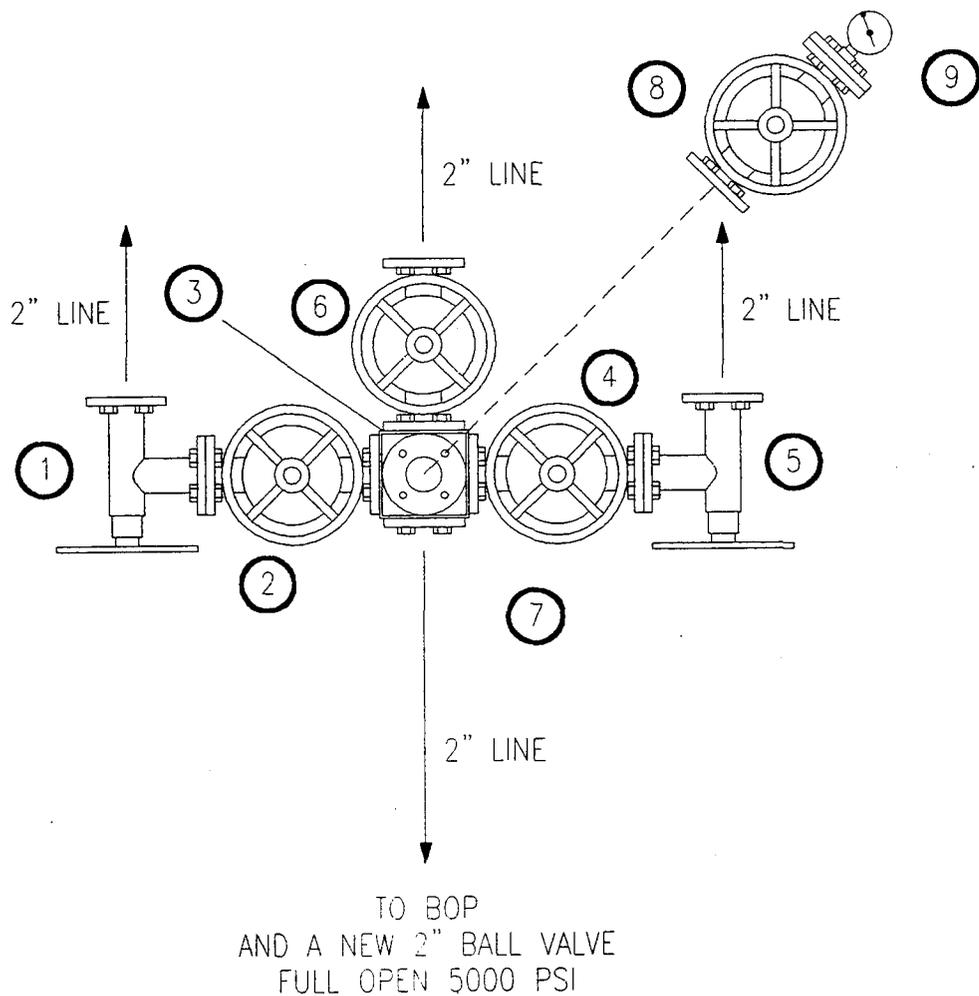


**EXHIBIT G**

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

NOTE:

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



MANIFOLD

SURETY RIDER

To be attached to and form a part of

Bond No. 5952189

Type of  
Bond: BOND OF LESSEE

dated  
effective 01/31/2001  
(MONTH-DAY-YEAR)

executed by PHILLIPS PETROLEUM COMPANY  
(PRINCIPAL)

,as Principal,

and by SAFECO INSURANCE COMPANY OF AMERICA

,as Surety,

in favor of STATE OF UTAH  
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing  
PRINCIPAL NAME IS HEREBY AMENDED FROM PHILLIPS PETROLEUM COMPANY TO CONOCOPHILLIPS  
COMPANY.

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider  
is effective 01/01/2003  
(MONTH-DAY-YEAR)

Signed and Sealed 1/28/2003  
(MONTH-DAY-YEAR)

CONOCOPHILLIPS COMPANY  
(PRINCIPAL)

By: P. Boggins  
(PRINCIPAL) Pam Boggins, Its Agent & Attorney-in-Fact

SAFECO INSURANCE COMPANY OF AMERICA  
(SURETY)

By: [Signature]  
(ATTORNEY-IN-FACT) FRANK A. WORD, JR.

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/17/2003

API NO. ASSIGNED: 43-015-30436

WELL NAME: UTAH 24-562  
OPERATOR: CONOCOPHILLIPS COMPANY ( N2335 )  
CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

SWSE 24 160S 080E  
SURFACE: 0619 FSL 1706 FEL  
BOTTOM: 0619 FSL 1706 FEL  
EMERY  
DRUNKARDS WASH ( 48 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	5/8/03
Geology		
Surface		

LEASE TYPE: 3 - State  
LEASE NUMBER: ML-48209A  
SURFACE OWNER: 3 - State

LATITUDE: 39.41150

PROPOSED FORMATION: FRSD

LONGITUDE: 110.97038

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. MUNICIPAL )
- RDCC Review (Y/N)  
(Date: )
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit DRUNKARDS WASH
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: 243-8  
Eff Date: 4-30-2002  
Siting: 400' fr Uboundary & uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (Recd 4/22/03)

STIPULATIONS: ① Surface Casing Cement Step  
② STATEMENT OF BASIS



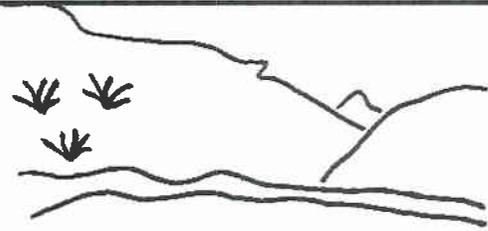
OPERATOR: CONOCOPHILLIPS CO (N2335)

SEC. 24 T16S, R8E

FIELD: DRUNKARDS WASH (48)

COUNTY: EMERY

CAUSE: 243-8 / 4-30-2002



Utah Oil Gas and Mining

**WELLS**

- ↗ GAS INJECTION
- GAS STORAGE
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- \* PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- + SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ↘ WATER DISPOSAL

**UNIT STATUS**

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

**FIELD STATUS**

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- COUNTY BOUNDARY
- SECTION LINES
- TOWNSHIP LINES



PREPARED BY: DIANA MASON  
DATE: 21-APRIL-2003

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

**OPERATOR:** ConocoPhillips Company  
**WELL NAME & NUMBER:** Utah 24-562  
**API NUMBER:** 43-015-30436  
**LOCATION:** 1/4,1/4 SWSE Sec: 24 TWP: 16S RNG: 8E 619 FSL 1706 FEL

**Geology/Ground Water:**

This location is situated on Trimble Flat on a mildly erosional landscape on Quaternary Slope Wash on the southeast flank of the Huntington Anticline. The Slope Wash covers a thin, truncated fringe of the Lower Sandstone Unit of the Emery Sandstone Member, which is atop the Blue Gate Member, proper, both 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, although there is a possibility that the Lower Sandstone Unit or the Slope Wash could be recharged by nearby Cedar Creek. The nearest surface waters are in Cedar Creek, which is nearby to the east. The proposed cementing and casing program should be adequate to protect the potential groundwater resource. Six water rights are filed on four locations along Cedar Creek or its Middle Fork, within a mile.

**Reviewer:** Christopher J. Kierst      **Date:** 5/6/03

**Surface:**

Proposed location is ~15.59 miles southwest of Price, Utah and ~5.76 miles northwest of Huntington, Utah on SITLA surface. The direct area drains to the southeast into Huntington Creek, a year-round live water source, which lies ~4.59 miles south of the location. Proposed site lies west of the Cedar Creek Ranch in Emery County, Utah. The soil is a clay loam and easily erodes upon disturbance. Proposed access will be from the south off of existing gas field roads. Dry washes are typical at the proposed site as well as the immediate surrounding area. DWR and Emery County were represented at the on-site evaluation SITLA was invited but chose not to attend the evaluation meeting.

**Reviewer:** Mark L. Jones      **Date:** April 22, 2003

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

1. Culverts sufficient to handle run-off as needed where crossing drainages.
2. Berm the location and pit.
3. Divert all existing drainages around the location.
4. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: ConocoPhillips Company  
WELL NAME & NUMBER: Utah 24-562  
API NUMBER: 43-015-30436  
LEASE: State FIELD/UNIT: \_\_\_\_\_  
LOCATION: 1/4, 1/4 SWSE Sec: 24 TWP: 16S RNG: 8E 619 FSL 1706 FEL  
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.  
GPS COORD (UTM): X = 502542 E; Y = 4362275 N SURFACE OWNER: SITLA

**PARTICIPANTS**

M. Jones (DOGM), J. Semborski (Phillips), Larry Jensen (NELCO), Ray Petersen (EMERY CO.), and Tony Wright (DWR). SITLA was invited to the on-site meeting however chose not to attend.

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

Proposed location is ~15.59 miles southwest of Price, Utah and ~5.76 miles northwest of Huntington, Utah on SITLA surface. The direct area drains to the southeast into Huntington Creek, a year-round live water source, which lies ~4.59 miles south of the location. Proposed site lies west of the Cedar Creek Ranch in Emery County, Utah. The soil is a clay loam and easily erodes upon disturbance. Proposed access will be from the south off of existing gas field roads.

**SURFACE USE PLAN**

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 235' x 175' and a 50'x50'x 10' pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 6 proposed gas wells, 5 producing wells, and 1 SWD well are within a 1 mile radius of the above proposed well.

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: The area drains to the SE into Cedar Creek and eventually into Huntington Creek. Huntington Creek is located ~4.59 miles south of the proposed location. Dry washes are typical at the proposed site as well as the immediate surrounding area.

FLORA/FAUNA: Sagebrush, 4-winged salt bush, pinion juniper, various grasses, deer, elk, small-game, rodents, raptors and other fowl.

SOIL TYPE AND CHARACTERISTICS: Gravelly sandy clay.

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

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: As per SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed, on-file, and is clear. (Will submit to DOGM.)

**OTHER OBSERVATIONS/COMMENTS**

**ATTACHMENTS**

Photos of this location were taken and placed on file.

Mark L. Jones  
DOGM REPRESENTATIVE

April 7, 2003 / 11:00 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	<u>5</u>
>20	10	
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**      25      (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

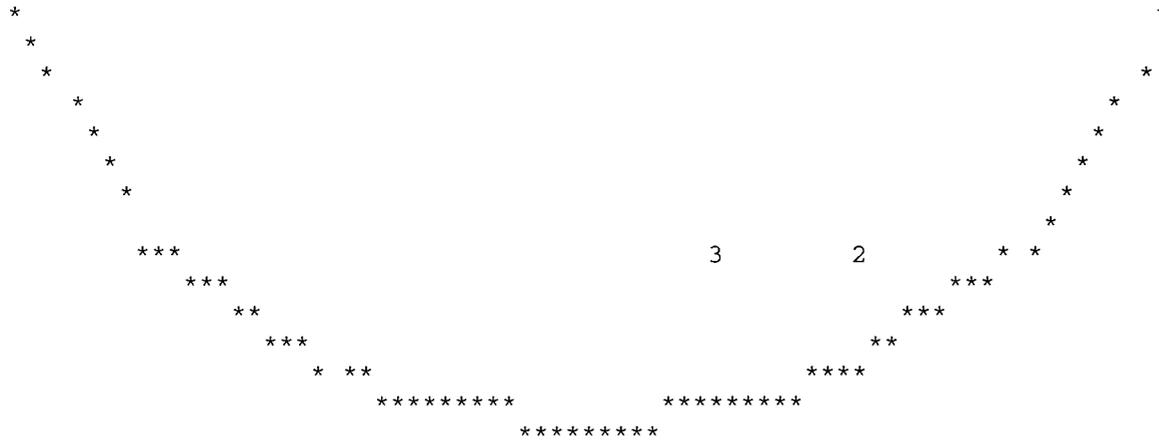
Sensitivity Level II = 15-19; lining is discretionary.

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









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 N P
0	93 904	.0000	.00	Cedar Creek		S 60 W 280	N4 24	16S	8E SL	UT 8
		WATER USE(S): IRRIGATION								
				ANR Co Inc	3212 South State Street					
										PRIORITY DATE: 06/04/1907
										Salt Lake City
0	93 267	3.8000	.00	Cedar Creek		S 60 W 280	N4 24	16S	8E SL	UT 8
		WATER USE(S): IRRIGATION STOCKWATERING								
				ANR Co Inc	3212 South State Street					
										PRIORITY DATE: 00/00/1902
										Salt Lake City
0	93 3680	2.5000	.00	Cedar Creek		S 60 W 280	N4 24	16S	8E SL	UT 8
		WATER USE(S): IRRIGATION								
				ANR Co Inc	3212 South State Street					
										PRIORITY DATE: 03/01/1882
										Salt Lake City
1	93 3145	.0000	.00	Middle Fork Cedar Creek						UT 8
		WATER USE(S): STOCKWATERING								
				State of Utah School & Institutional Tru	675 East 500 South, Suite 500					
										PRIORITY DATE: 00/00/1860
										Salt Lake City

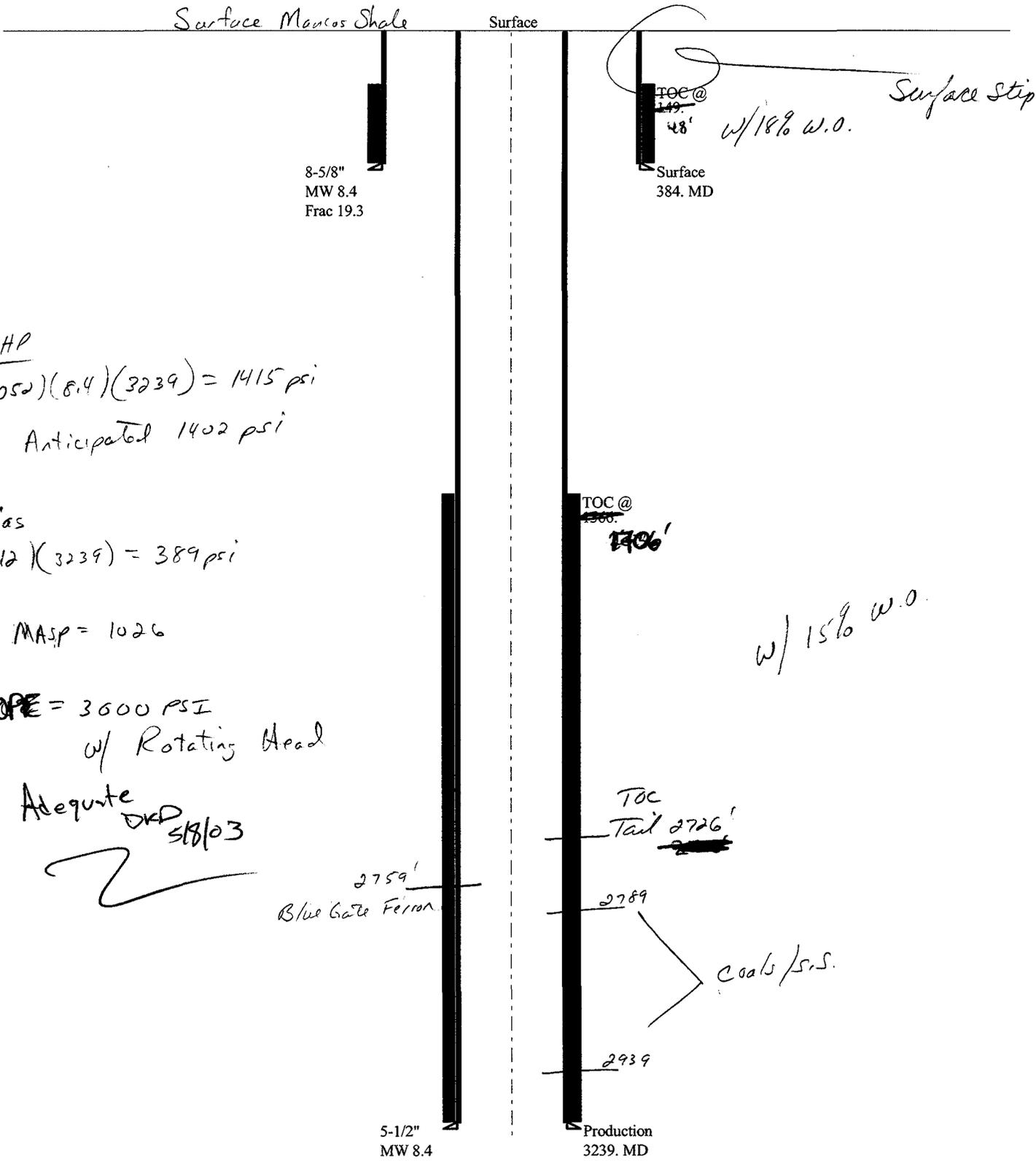
2 93 520 .0000 .00 Cedar Creek  
WATER USE(S): STOCKWATERING  
ANR Co Inc 3212 South State Street

3 93 1128 .0000 .00 Cedar Creek  
WATER USE(S): STOCKWATERING  
State of Utah School & Institutional Tru 675 East 500 South, Suite 500

PRIORITY DATE: 00/00/1902  
Salt Lake City UT 8

PRIORITY DATE: 00/00/1875  
Salt Lake City UT 8

05-03 ConocoPhillips Utah 24-562  
Casing Schematic



8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
149'  
48'  
Surface  
384. MD

Surface Strip  
w/18% w.o.

BHP  
 $(.052)(8.4)(3239) = 1415 \text{ psi}$   
Anticipated 1402 psi

Gas  
 $(.12)(3239) = 389 \text{ psi}$

MASP = 1026

**BOPE = 3600 PSI**  
w/ Rotating Head

Adequite  
DWD  
5/8/03

TOC @  
2360'  
1706'

w/15% w.o.

TOC  
Tail 2726'

2789

coals/s.s.

2939

Production  
3239. MD

5-1/2"  
MW 8.4

2759'  
Blue Gate Ferron

Well name: **05-03 ConocoPhillips Utah 24-562**  
 Operator: **PhillipsConoco Company**  
 String type: **Surface**  
 Location: **Emery Co.**  
 Project ID: **43-047-30436**  
*DNB*

**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

**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: 336 ft

**Environment:**  
 H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 70 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 185 ft

Cement top: 149 ft  
*Surface 200*

Non-directional string.

**Re subsequent strings:**  
 Next setting depth: 5,000 ft  
 Next mud weight: 8.600 ppg  
 Next setting BHP: 2,234 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 650 ft  
 Injection pressure: 650 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	384	8.625	24.00	J-55	ST&C	384	384	7.972	18.5

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	168	1370	8.176	172	2950	17.20	9	244	26.48 J

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

Date: May 7, 2003  
 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 384 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

Well name: **05-03 ConocoPhillips Utah 24-562**  
 Operator: **PhillipsConoco Company**  
 String type: **Production**  
 Location: **Emery Co.**  
 Project ID: **43-017-30436**

**Design parameters:**

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

**Minimum design factors:**

**Collapse:**  
 Design factor 1.125

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 110 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft

**Burst:**  
 Design factor 1.00

Cement top: **1,366 ft**

**Burst**

Max anticipated surface pressure: -34 psi  
 Internal gradient: 0.447 psi/ft  
 Calculated BHP 1,413 psi

**Tension:**

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

Non-directional string.

Tension is based on air weight.  
 Neutral point: 2,826 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	3239	5.5	17.00	N-80	LT&C	3239	3239	4.767	111.6
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1413	6290	4.450	1413	7740	5.48	55	348	6.32 J

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

Date: May 7, 2003  
 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 3239 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.

**From:** Ed Bonner  
**To:** Mason, Diana  
**Date:** 4/24/03 9:22AM  
**Subject:** Well Clearance

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

Inland Production Company  
Ashley State 1-2-9-15  
Ashley State 8-2-9-15  
Ashley State 9-2-9-15  
Ashley State 16-2-9-15

ConocoPhillips Company  
Utah 24-562

If you have any questions please give me a call.

**CC:** Baza, John; Garrison, LaVonne



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

1594 West North Temple, Suite 1210  
 PO Box 145801  
 Salt Lake City, Utah 84114-5801  
 (801) 538-5340 telephone  
 (801) 359-3940 fax  
 (801) 538-7223 TTY  
 www.nr.utah.gov

Michael O. Leavitt  
 Governor

Robert L. Morgan  
 Executive Director

Lowell P. Braxton  
 Division Director

May 15, 2003

ConocoPhillips Company  
 P O Box 851  
 Price, UT 84501

Re: Utah 24-562 Well, 619' FSL, 1706' FEL, SW SE, Sec. 24, 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 43-015-30436.

Sincerely,

*for* John R. Baza  
 Associate Director

pab  
 Enclosures

cc: Emery County Assessor  
 SITLA  
 Bureau of Land Management, Moab District Office

Operator: ConocoPhillips Company  
Well Name & Number Utah 24-562  
API Number: 43-015-30436  
Lease: ML-48209A

Location: SW SE                      Sec. 24                      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)

6. Surface casing shall be cemented to the surface.

005

**From:** "Semborski, Jean" <Jean.Semborski@conocophillips.com>  
**To:** "Diana Whitney" <dianawhitney@utah.gov>  
**Date:** 5/19/2004 7:06:12 AM  
**Subject:** RE: Expired APDs

Diana,

Please rescind those APDs. Thanks.

-----Original Message-----

From: Diana Whitney [mailto:dianawhitney@utah.gov]  
Sent: Tuesday, May 18, 2004 9:44 AM  
To: Semborski, Jean  
Subject: Expired APDs

Hi Jean,

UTAH 35-508  
UTAH 35-509  
UTAH 24-562  
UTAH 26-582  
UTAH 33-604

These APDs have expired. Will you let me know if you would like me to rescind them or if you would like to send in a sundry notice.

Thank you,  
Diana



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

May 24, 2004

Jean Semborski  
ConocoPhillips Company  
P O Box 851  
Price, UT 84501

Re: APD Rescinded – UTAH 24-562 Sec. 24, T. 16S, R. 8E  
Emery County, Utah API No. 43-015-30436

Dear Ms. Semborski:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on May 15, 2003. On May 19, 2004 you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective May 19, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

  
Diana Whitney  
Engineering Technician

cc: Well File  
SITLA, Ed Bonner