

**PHILLIPS PETROLEUM COMPANY**

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

December 18, 2001

Ms Lisha Cordova
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-
PPCo D-13, NE/4 SW/4 Sec.30
T16S, R09E, 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;

COPY

CONFIDENTIAL

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. This location is being moved based on a request from Emery County.

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. Jeanette Borges, Phillips Petroleum Company
Mr. Dave Levanger, Carbon County Planning and Zoning
Mrs. Deanna Walker, Phillips Petroleum Company
Mr. Mark Jones, DOGM, Price, Utah
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: N/A Fee

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

7. Unit Agreement Name: Drunkards Wash UTU-67921X

8. Farm or Lease Name: PPCo

9. Well Number: D13

10. Field or Pool, or Wildcat: Drunkards Wash Undesignated

11. Qtr/Qtr, Section, Township, Range, Meridian: NE/4 SW/4 Section 30, T16S, R09E, SLB&M

12. County: Emery 13. State: UTAH

14. Distance in miles and direction from nearest town or post office: 4.4 Miles north of Huntington, Utah

15. Distance to nearest property or lease line (feet): 900' 16. Number of acres in lease: N/A 17. Number of acres assigned to this well: 160 acres

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): 900' 19. Proposed Depth: ~~3230~~ 7600' 20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 6177' GR 22. Approximate date work will start: March 2002

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	Conductor	40'	See attachment "D"
17-1/2"	13-3/8"	48#/ft	425'	See attachment "D"
12-1/4"	9-5/8"	36&40#/ft	3500'	See attachment "D"
8-3/4"	7"	26.29&32#/ft	7590'	See attachment "D"

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.

COPY

RECEIVED

JAN 04 2002

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

24. Name & Signature: Jean Semborski Title: Permitting Analyst Date: 12/18/01

(This space for state use only)

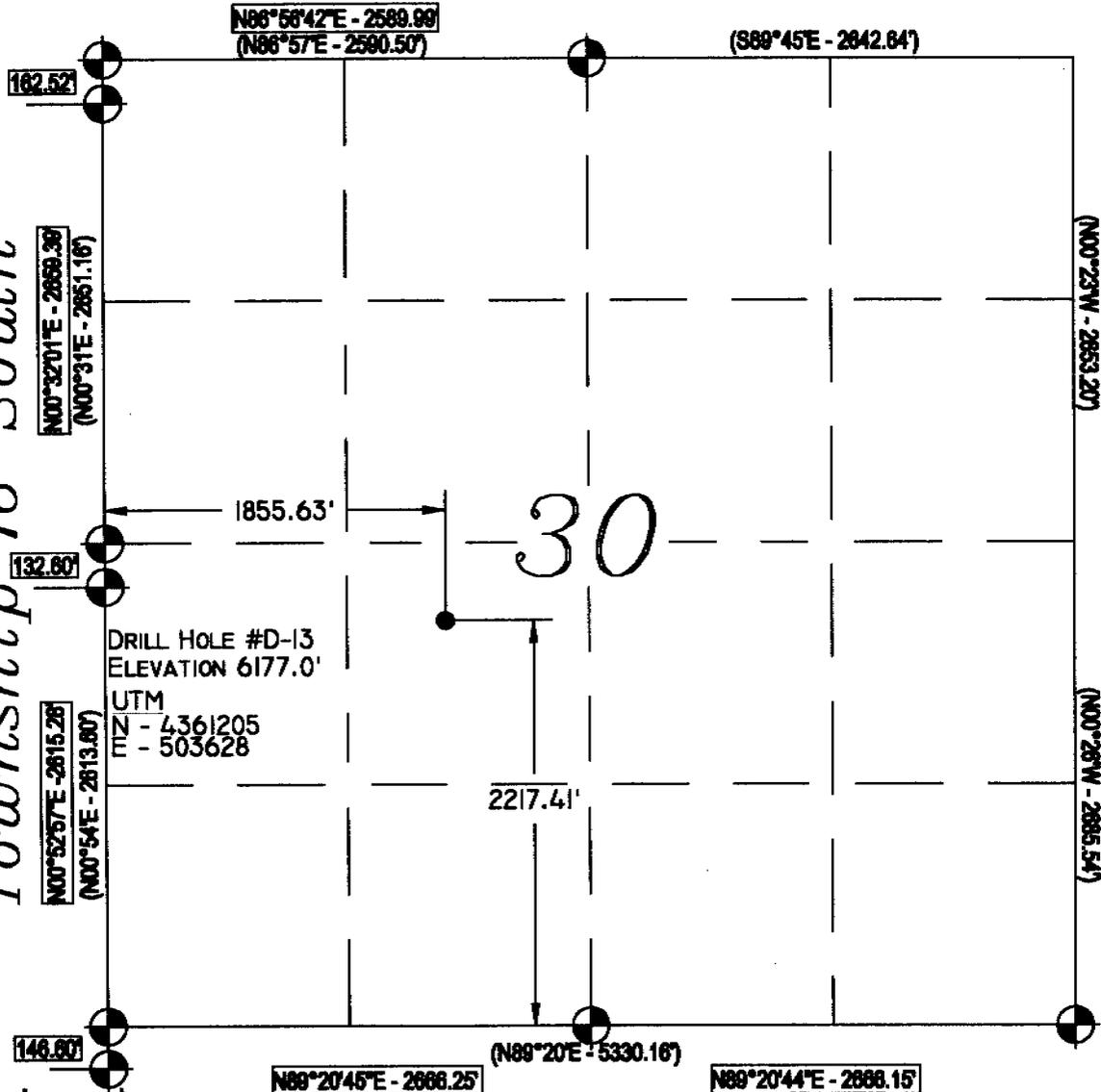
API Number Assigned: 43-015-30531

Approval:

**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3-11-02
BY: [Signature]**

Range 9 East

Township 16 South



- 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°24'08"N
 110°57'28"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.

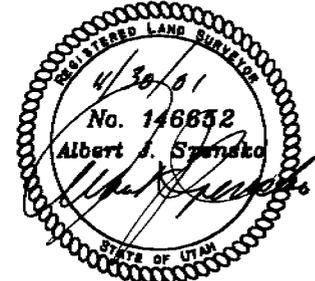
GLO Bearing:
 THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:
 BASIS OF ELEVATION OF 6183' BEING A BENCH MARK IN THE EAST 1/2 OF SECTION 30, TOWNSHIP 16 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE POISON SPRING BENCH QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
 PROPOSED DRILL HOLE LOCATED IN THE NE1/4, SW1/4 OF SECTION 30, T16S, R9E, S.L.B.&M., BEING 2217.41' NORTH AND 1855.63' EAST FROM THE SOUTHWEST CORNER OF SECTION 30, T16S, R9E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

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



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

PHILLIPS PETROLEUM
WELL #D-13
 Section 30, T16S, R9E, S.L.B.&M.
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 11/30/01
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 399

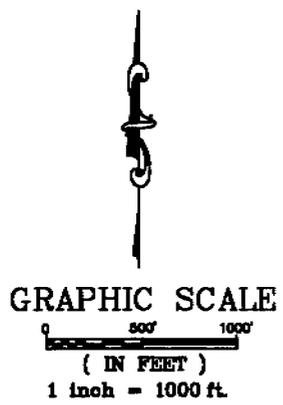
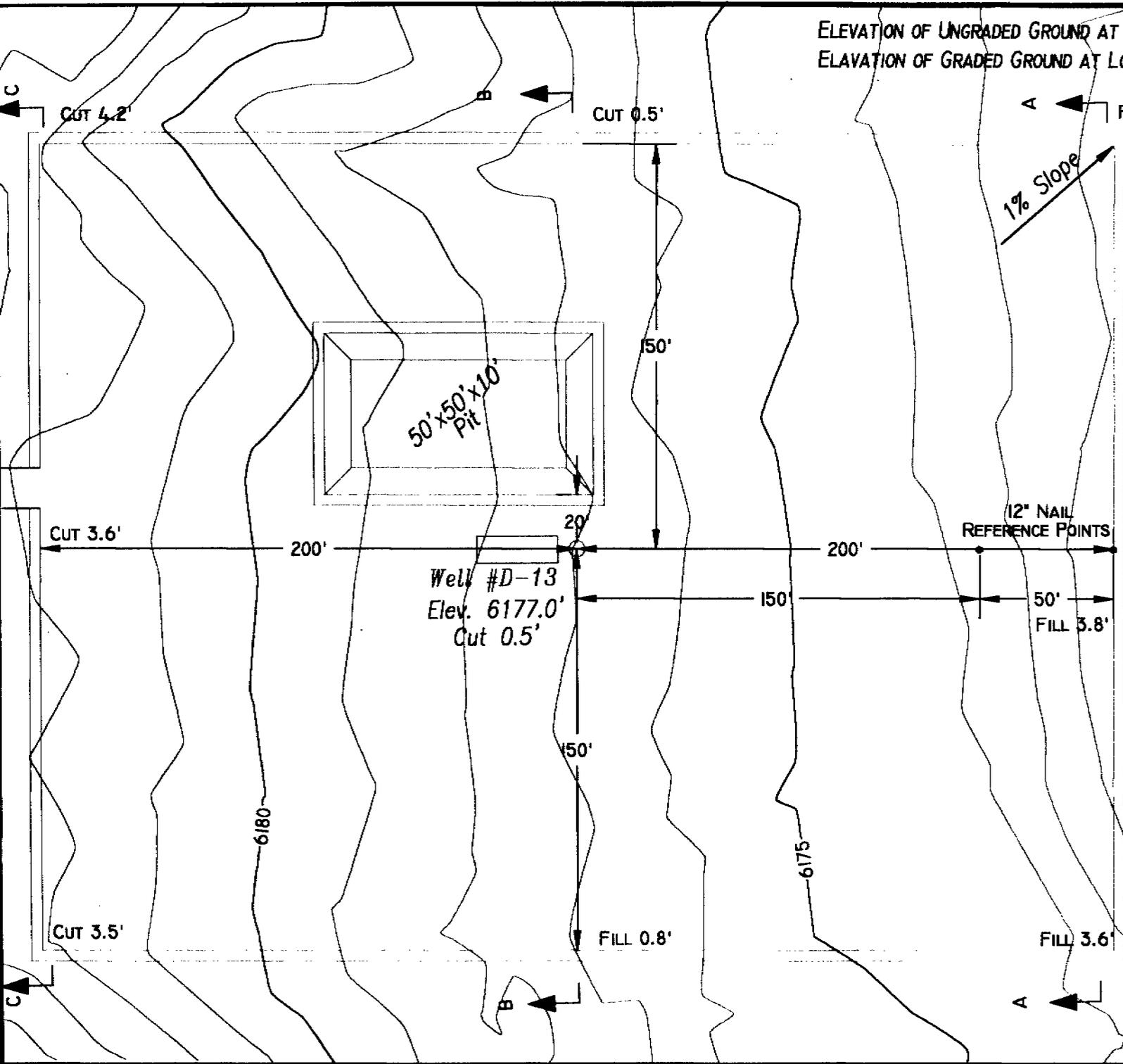


Exhibit "A" 1 of 3

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6177.0'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6176.5'

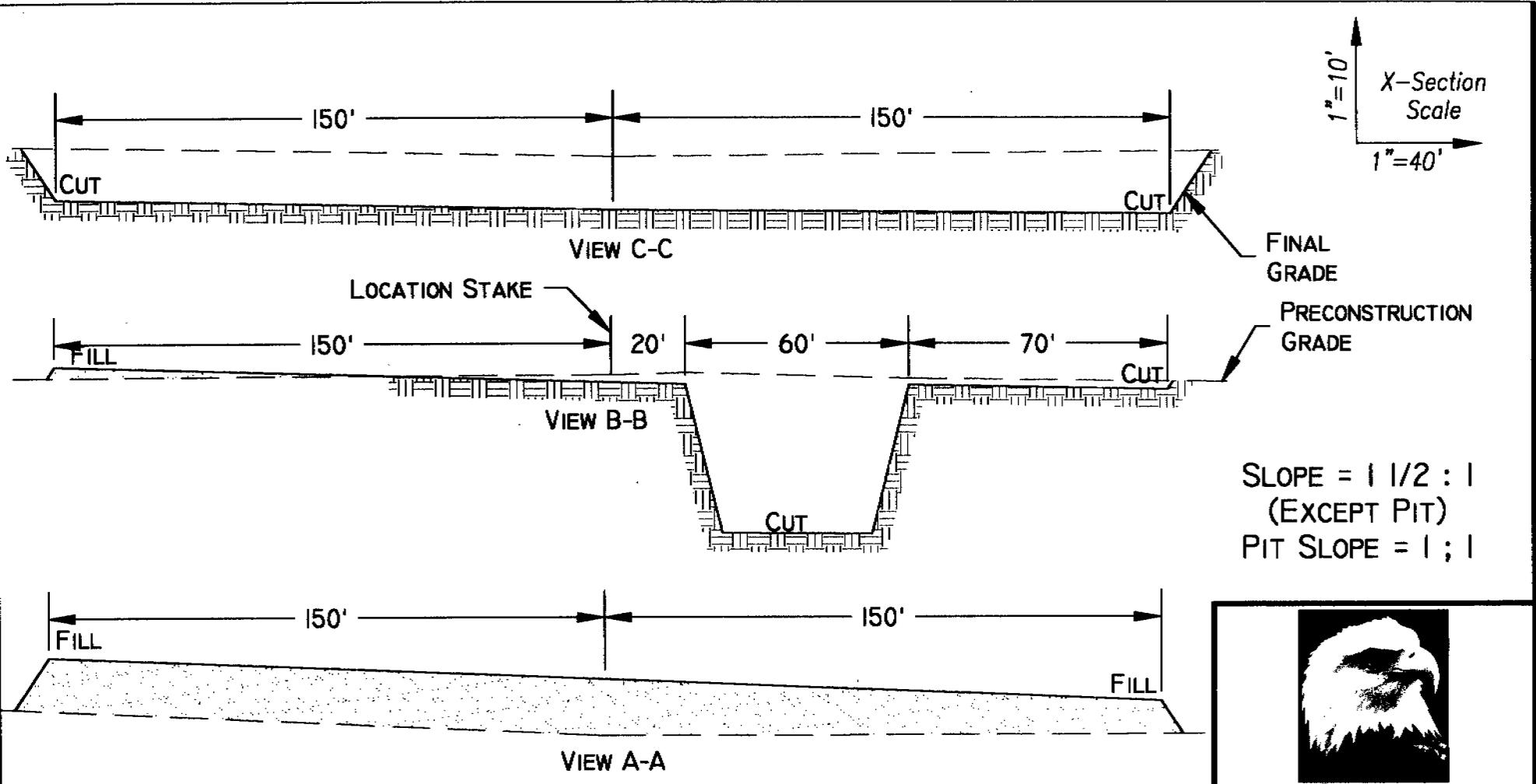




Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Pricoe, Utah 84501
 Ph: 435-657-8781
 Fax: 435-638-8803

 **PHILLIPS PETROLEUM**
LOCATION LAYOUT
 Section 30, T18S, R9E, S.L.B.&M.
WELL #D-13

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 11/21/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 399



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

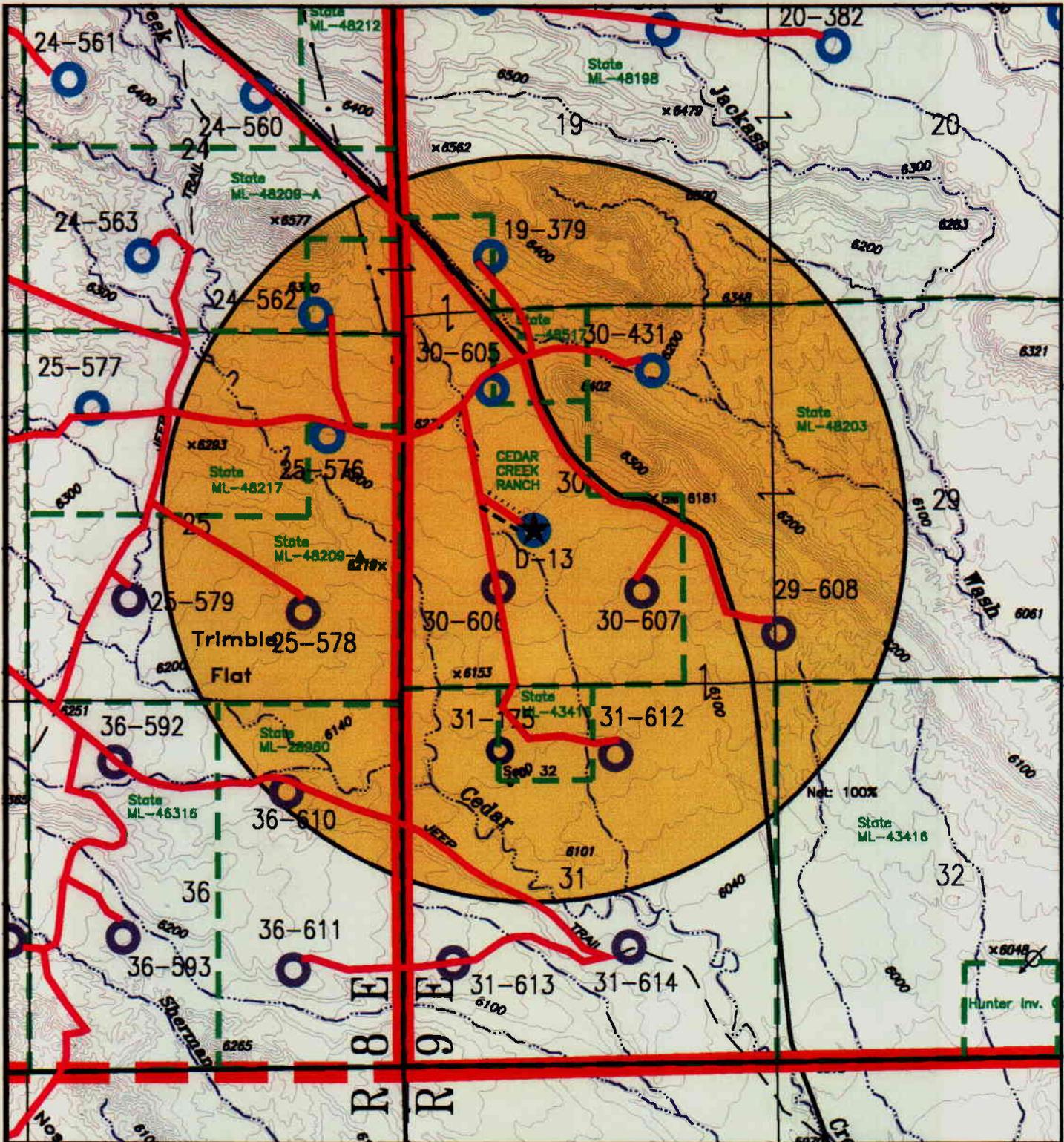


Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-837-8781
Fax: 435-836-8603

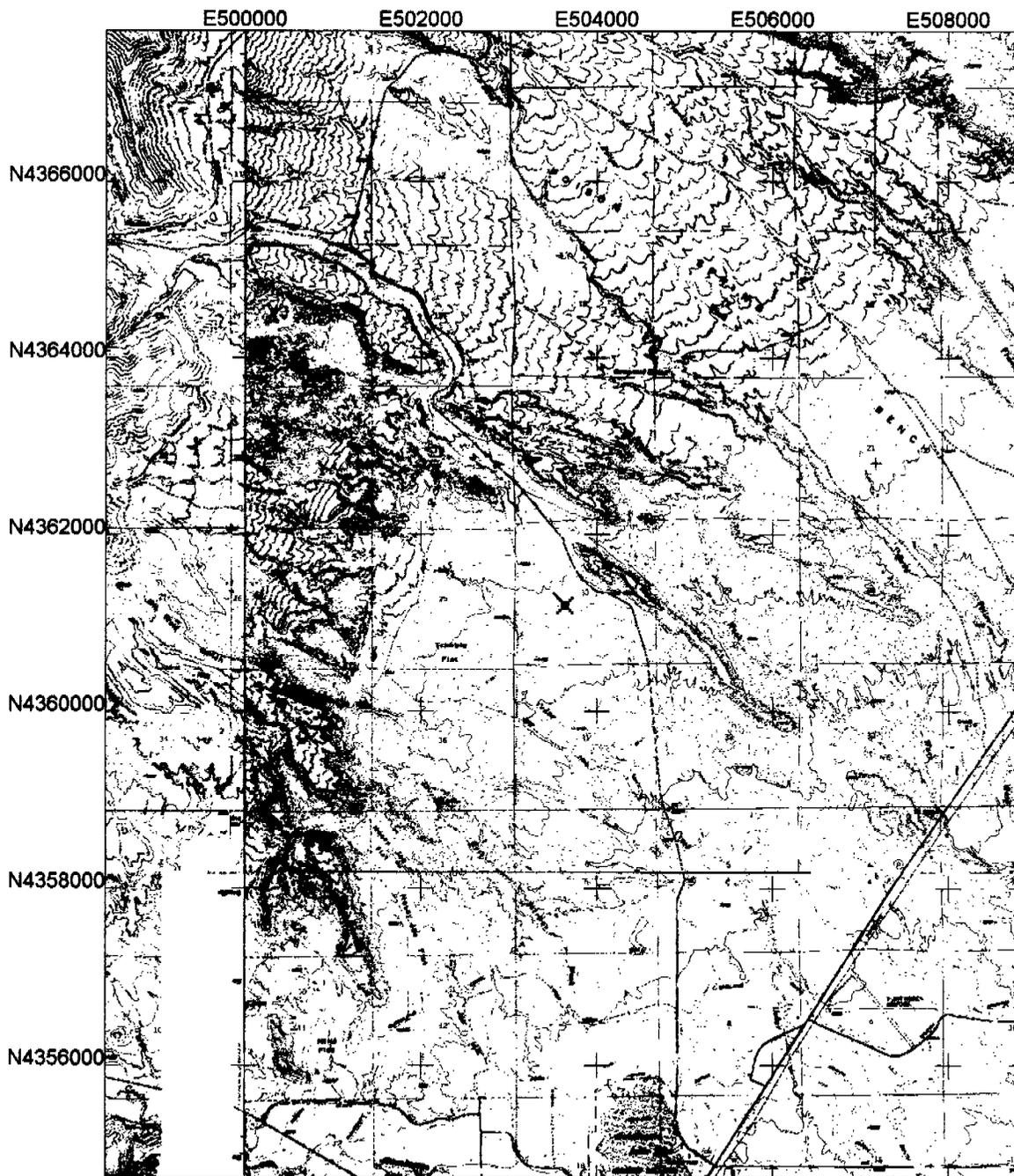
PHILLIPS PETROLEUM
TYPICAL CROSS SECTION
Section 30, T16S, R9E, S.L.B.&M.
WELL #D-13

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 11/21/01
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 399

APPROXIMATE YARDAGES
CUT
(6") TOPSOIL STRIPPING = 750 CU. YDS.
REMAINING LOCATION = 4,860 CU. YDS.
TOTAL CUT = 6,710 CU. YDS.
TOTAL FILL = 4,010 CU. YDS.



	<p>LEGEND</p> <p>Proposed Well Location: ★</p> <p>Other Proposed Well Locations: ○</p> <p>Proposed Powerline: ———</p> <p>Proposed Pipeline: - - - - -</p> <p>Proposed Roads: ———</p> <p>Lease Boundary: ———</p> <p>Existing Wells: ✱</p> <p>Scale - 1" = 2000'</p>	<p>PHILLIPS PETROLEUM COMPANY 6825 South 5300 West P.O. Box 851 Price, Utah 84501 Phone: (435) 613-9777 Fax: (435) 613-9782</p>  <p>WELL # D-13 Section 30, T16S, R9E, S.L.B.&M. Exhibit B 1 of 2</p>
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D-13

Section 30, T16S, R8E

UTM
12 North
NAD 1927 (Conus)



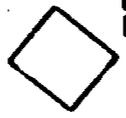
Scale 1:75,000
0 8,000
Feet

D13.ssf
12/14/2001
GPS Pathfinder[®] Office

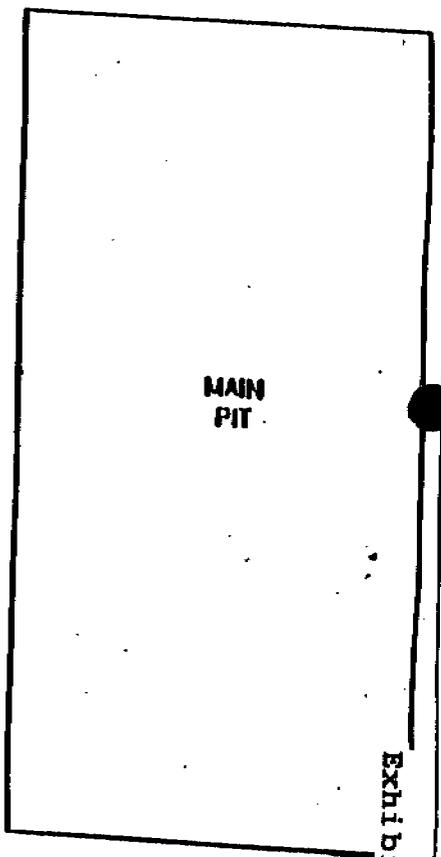
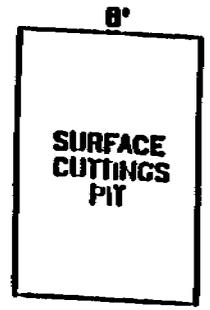
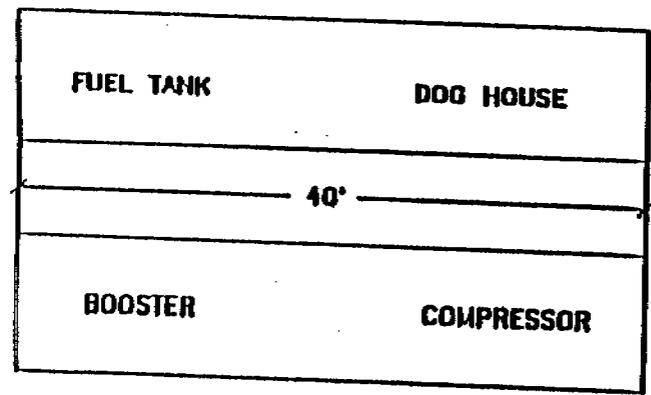
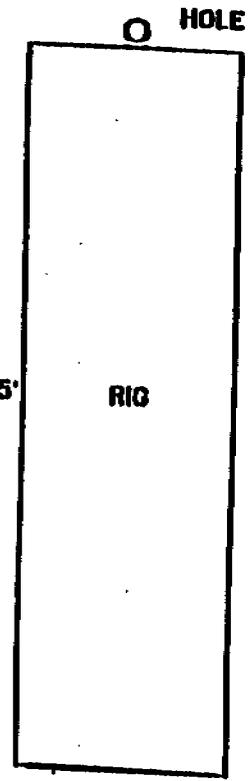
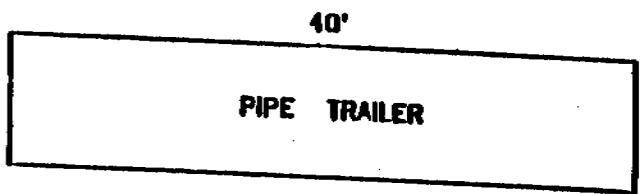

APPROXIMATE LAYOUT OF RIG & EQUIPMENT



LIGHT PLANT



LIGHT PLANT



Exhibit

EXHIBIT "D"
DRILLING INFORMATION

Phillips Petroleum Co.
PPCO D-13
NE SW Sec.30, T16S, R9E
1856' FWL, 2217' FSL
Emery County, Utah

(R615-3-4 Permitting of Wells to be Drilled, Deepened, or Plugged Back)

2.1 Telephone numbers for additional information:

Jean Semborski	(435) 613-9777 Office
Permit Analyst	(435) 820-9807 Mobile

Kenny Manzanares	(435) 613-9777 Office
Development Manager	(435) 636-9327 Mobile

Jeff Carlson	(303) 643-4359 Office
Drilling Engineer	

2.2 Lease: Private

2.3 This disposal well will be drilled approximately 15.3 miles southwest of Price, Utah.

2.4 Survey Plat: See Exhibit "A"

2.5 Water will be purchased from Price River Water Improvement District, PRWID (a local municipal water source).

2.6 Drilling Program

2.6.1 Following is a tabulation of the geologic units and the respective depths at which they are expected to be penetrated in the well.

<u>Formation/Unit</u>	<u>Estimated Depth(top)</u>
Upper Mancos Shale	Surface
Ferron Sandstone	2560'
Tunuck Shale	2860'
Dakota	3267'
Cedar Mountain	3325'
Morrison	4090'
Summerville	4580'
Curtis	4980'
Entrada	5130'
Carmel	5855'
Navajo	6560'
Kayenta	6890'
Wingate	7030'
Chinle	7380'

2.6.2 This well will be utilized strictly for the injection of produced waters from Phillips Petroleum's coalbed methane wells. Zones that have shown to be gas and water-bearing are the coals and sandstone of the Ferron Formation. The Navajo Sandstone is expected to be water-bearing, and potentially containing CO₂.

2.6.3 A rotating head with a diverter system will be used to drill the surface hole. For the remainder of the drilling (surface shoe to TD), a double gate 5000 psi BOPE will be used with a rotating head. This equipment will be tested to 70% of the minimum internal yield pressure. All tests will be recorded in a Driller's Report Book. Physical operation of the BOPE's will be checked on each trip. See Attachment "G" for the schematic of the BOPE.

2.6.4 Casing Program

Conductor-20" Structural, set @ ± 40', 26" hole

Cement: ready mix ± 8 cu. yds.

Surface-13 3/8" H-40, 48#/ft, ST&C, set @ ± 425', 17 1/2" hole.

Cement: Cement to surface, 0-425'.

530 sks Premium AG + 2 % CaCl₂ + 0.125 lb/sk Poly-E-Flake

Yield: 1.16 cu. ft/sk

Weight: 15.8 lb/gal

Total cu. ft: 614.8 cu. ft.

Excess: 100 %

Intermediate-9 5/8" J-55, 40#/ft, LT&C, set @ ± 3500', 12 3/4" hole.

Cement: Cement to surface, 0-3500'.

Lead: 580 sk Hall Light + 2 % CaCl₂ + 0.125 lb/sk + Poly-E-Flake

Yield: 1.83 cu. ft/sk
Weight: 12.7 lb/gal
Total cu. ft: 1061 cu. ft.

Tail: 180 sks Prem AG + 2 % CaCl₂ + 0.125 lb/sk Poly-E-Flake

Yield: 1.16 cu. ft/sk
Weight: 15.8 lb/gal
Total cu. ft: 209 cu. ft.
Excess: 15 %

Production-7" J-55, 26 #/ft, set @ ± 7600', 8 3/4" hole.

Cement: Cement to surface

1st Stage: 3800-7600'

Lead: 530 sks 50/50 Poz Prem + 10 % Salt + 2%
Bentonite + 0.3% Halad(R)-344

Yield: 1.27 cu. ft/sk
Weight: 14.30 lb/gal
Total cu. ft: 673 cu. ft.

The DV tool will be set at 3800' unless determined otherwise during drilling.

2nd Stage: 0-3800'

Lead: 290 sks 50/50 Poz Prem + 8% Bentonite + 8% Cal-Seal 60

Yield: 2.04 cu. ft/sk
Weight: 12.30 lb/gal
Total cu. ft: 592 cu. ft.

Tail: 50 sks Premium AG + 0.125 lb/sk Poly-E-Flake

Yield: 1.15 cu ft/sk
Weight: 15.8 lb/gal
Total cu ft: 58 cu ft

This is a recommended cement program based on ideal hole conditions. Actual hole conditions will dictate the correct cement blend and volumes to run.

2.6.5 Mud Program:

<u>Depth</u>	<u>Hole Size</u>	<u>Program</u>
0 – 425'	17 ½" hole	Air / Mist, LCM as needed
425' – 3500'	12 ¾" hole	Air / Mist, LCM as needed
3500' – 7600'	8 ¾" hole	Water based mud

2.6.6 Logging and Testing Program:

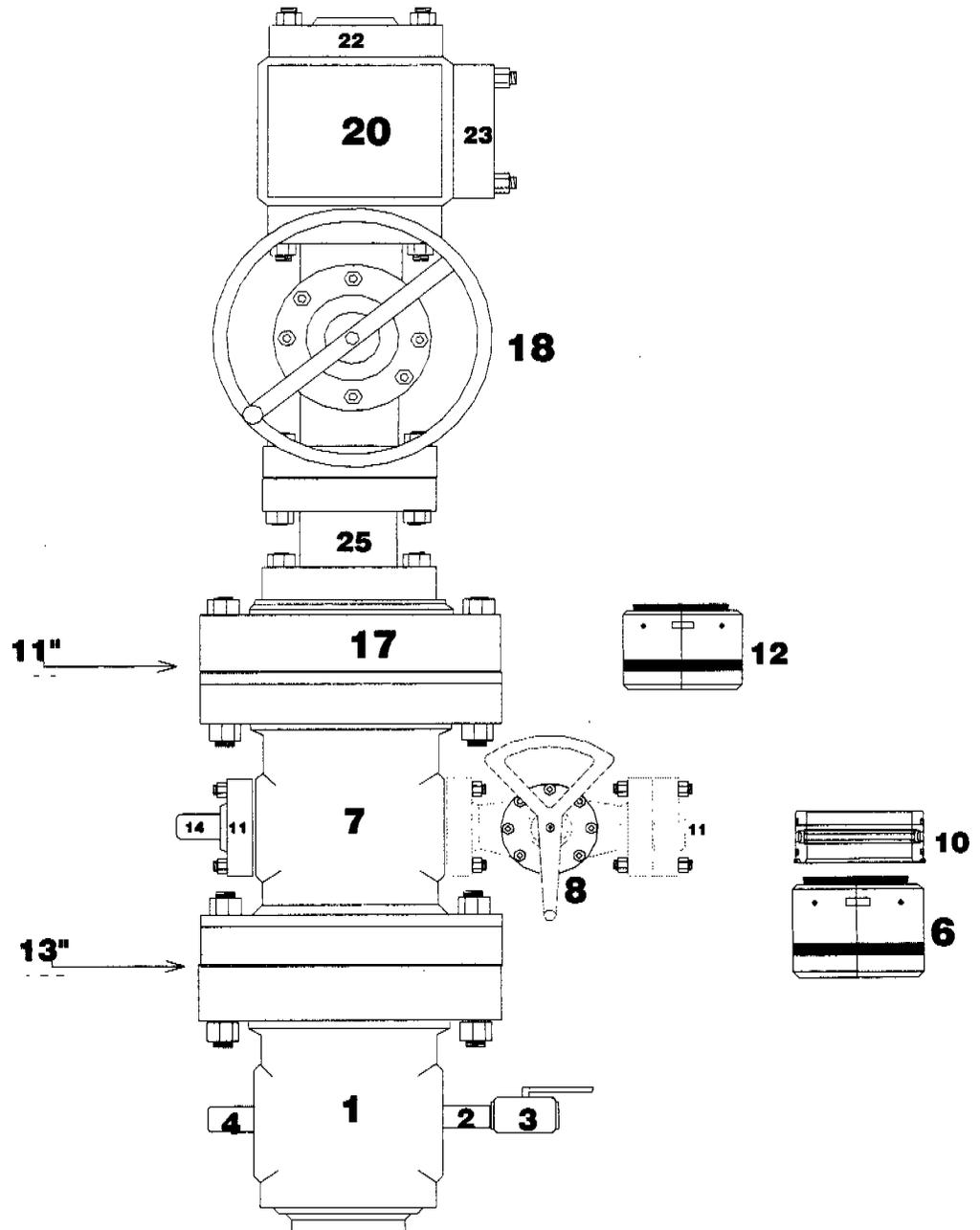
<u>Depth</u>	
425-3500'	GR, DIL, Caliper, Density/Neutron, SP
3500'-TD	GR, DIL, Caliper, Density/Neutron, SP

2.6.7 We expect a bottom hole pressure of 3000 psi. No hazards are expected.

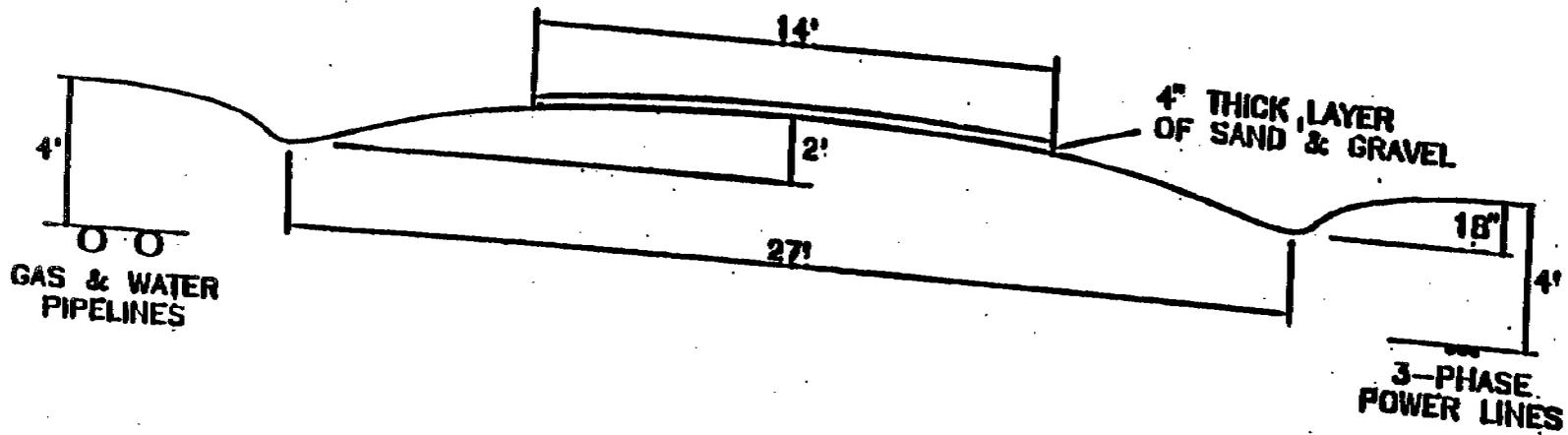
PHILLIPS

Disposal Wellhead

2002 Program/Price, UT



TYPICAL ROAD CROSS-SECTION



DIVERTER HEAD

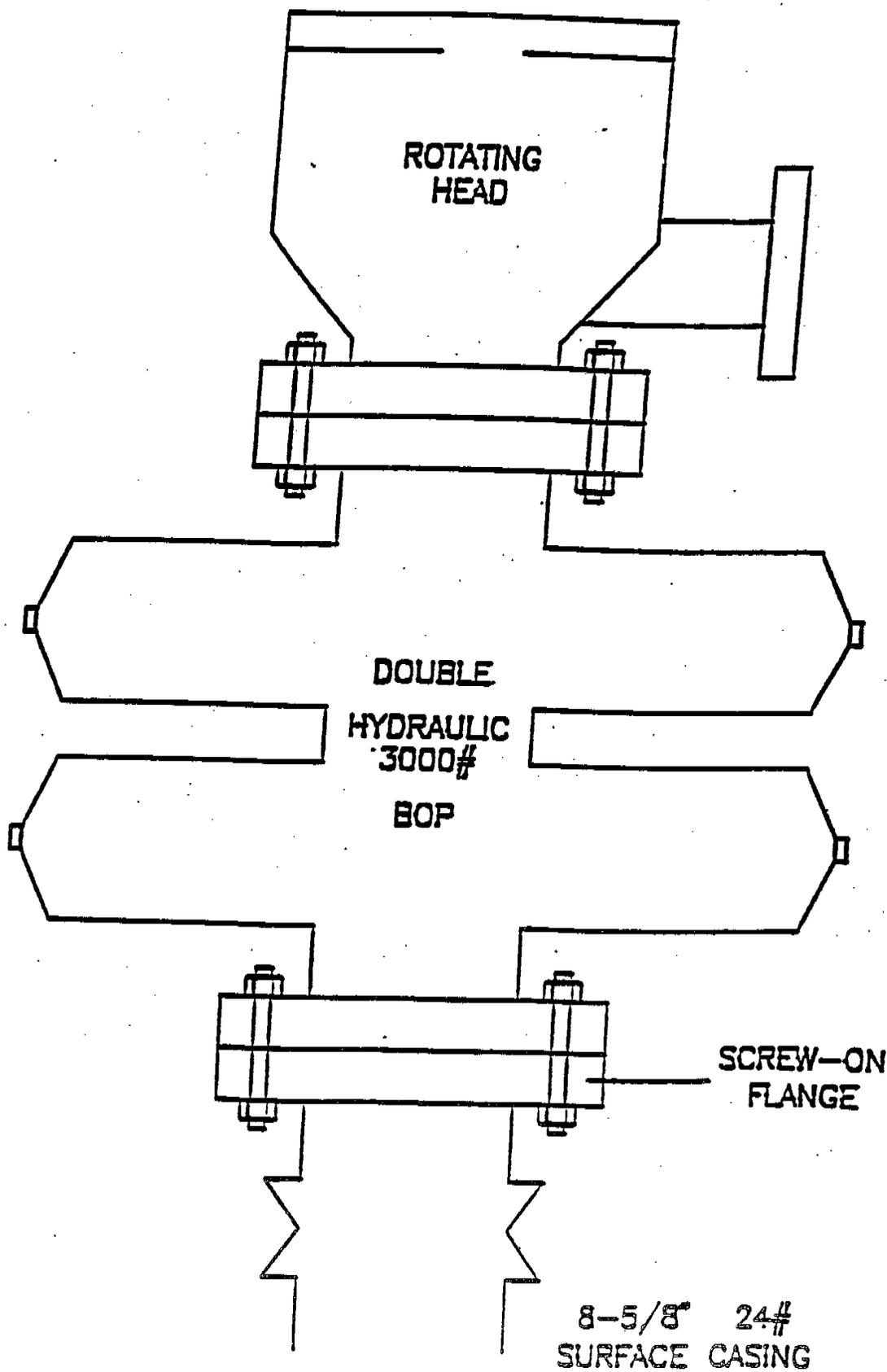


EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to Form 3
Phillips Petroleum Company
PPCo D-13
NE/4, SW/4, Sec. 30, T16S, R09E, SLB & M
2217' FSL, 1856' ~~FWL~~
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 600' of new access is required (See Exhibit "B")

Approximately 2400' of road is to be upgraded.

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 4%
- 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 11 proposed and 1 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 Phillips Petroleum Company. 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 17,900 feet Southeast.
- b. Nearest live water is Cedar Creek, located 1700' 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 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

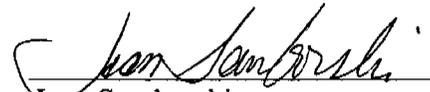
Excavation Contractor

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.

12/19/01
Date


Jean Semborski
Permitting Analyst
Phillips Petroleum Company

005

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 01/04/2002

API NO. ASSIGNED: 43-015-30531

WELL NAME: PPCO D13

OPERATOR: PHILLIPS PETROLEUM (N1475)

CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NESW 30 160S 090E

SURFACE: 2217 FSL 1856 FWL

BOTTOM: 2217 FSL 1856 FWL

EMERY

UNDESIGNATED (2)

LEASE TYPE: 4 - Fee

LEASE NUMBER: FEE

SURFACE OWNER: 4 - Fee

PROPOSED FORMATION: ~~PRCD~~ NAVA

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering	DKD	2/14/02
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 78317150)
- 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) *Phillips

LOCATION AND SITING:

- R649-2-3. Unit DRUNKARDS WASH
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 243-2
Eff Date: 7-13-99
Siting: 460' Unit Boundary & Uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS:

Need presite. (1-3-02)

Change 5m to 3m BOPE - Approve DKD 3/11/02

STIPULATIONS:

1- Statement of basis

02-02 Phillips PPS Co D-1

Casing Schematic

Surface

Upper Lancos shale
13-3/8"
MW 8.4
Frac 19.

TOC @ 0.
Surface
425. MD

W/20% washout

BOP

BHP
 $(0.052)(9)(7600) = 3557 \text{ psi}$
 Anticipated = 3000 psi

G_{as}
 $(0.12)(7600) = 912 \text{ psi}$
 MASP = 2645 psi

5M BOPE proposed

Adequate D&D 2/19/02

Amended to use 3M BOPE

Adequate D&D 3/11/02

2560' - Farron SS
 2860' - Tunkus
 3260' - Belpre
 3225' - 9-5/8" Cedar MW 8.4
 Frac 19.3

TOC @ 881.
TOC @ 1072'

W/10% washout
TOC @ surface w/3% washout

Intermediate
3500. MD

DVT @ 3800'

4090' - Morrison
 4580' - Sumnerville

TOC @ 4772.
TOC @ 3770' w/3% washout
DVT @ surface w/2% washout

4980' - Curtis

5130' - Estrada

W/10% washout

5855' - Carmel

6560' - Navajo

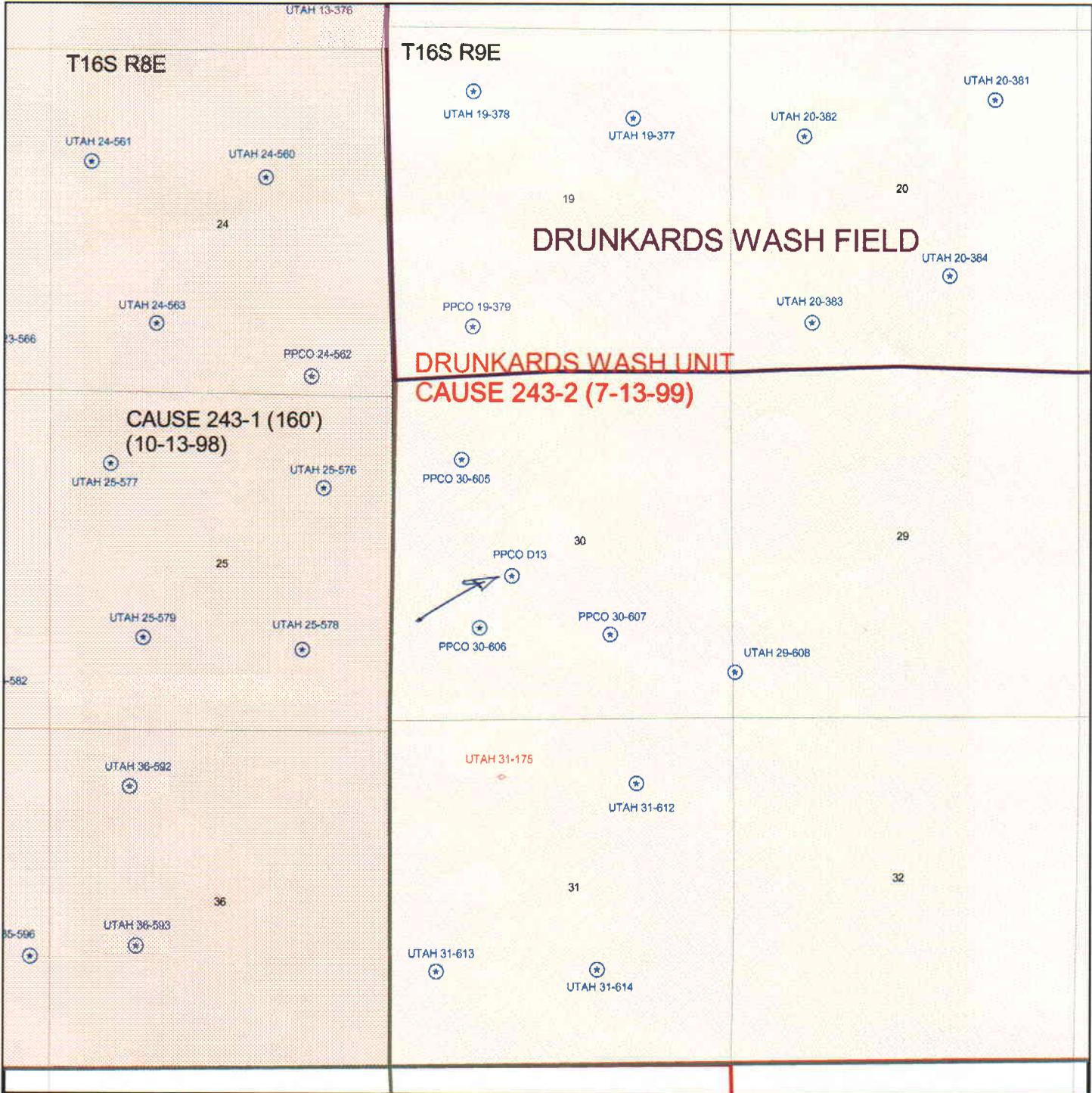
6890' - Kayenta
 7020' - Wingate
 7380' - Chale

Production
7600. MD

MW 9.



OPERATOR: PHILLIPS PETRO CO (N1475)
 SEC. 30, T16S, R9E
 FIELD: UNDESIGNATED (002)
 COUNTY: EMERY UNIT: DRUNKARDS WASH
 CAUSE: 243-2



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

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

IN REPLY REFER TO:
3180
(UT-922)

January 14, 2002

Memorandum

To: Assistant District Manager Minerals, Moab District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development Drunkards Wash Unit,
Carbon County, Utah.

Pursuant to email between Lisha Cordova, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well is planned for calendar year 2002 within the Drunkards Wash, Carbon County, Utah.

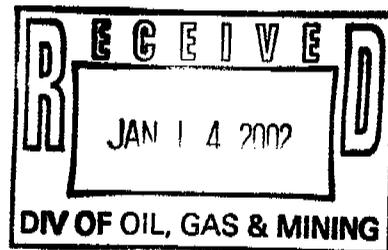
Api Number	Well	Location
(Proposed 12 Navajo)		
43-007-30531	PPCD D13	Sec. 30, T16S, R9E 2217 FSL 1856 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Drunkards Wash Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:1-14-02



DIVISION OF OIL, GAS AND MINING

**APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: Phillips
WELL NAME & NUMBER: PPCo D-13
API NUMBER: 43-015-30531
LEASE: Fee FIELD/UNIT: Drunkards Wash
LOCATION: 1/4,1/4 NESW Sec: 30 TWP: 16S RNG: 9E 2217 FSL 1856 ~~PPC~~
fwl.

Geology/Ground Water:

This location is situated on Trimble Flat on a gently sloping landscape in Quaternary Slope Wash on the southeast flank of the Huntington Anticline. Slope Wash covers the top of the Blue Gate Member, proper, 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 nearest surface waters are in Cedar Creek, which is ~1/2 mile southwest. The proposed cementing and casing program should be adequate to protect the potential groundwater resource. Five water rights exist on Cedar Creek, within a mile.

Reviewer: Christopher J. Kierst **Date:** 2/12/02

Surface:

Location and access will be on property owned by PPCo. Proposed location is ~16 miles SW of Price, Utah and ~7 miles NW of Huntington, Utah. The direct area drains to the Southeast into Cedar Creek, a year-round live water source. Cedar Creek runs in a NW to SE direction ~.5 miles South of the proposed location. Dry washes run throughout the area. The soil easily erodes when disturbed. Emery County were invited but chose not to attend.

Reviewer: Mark L. Jones **Date:** January 22, 2002

Conditions of Approval/Application for Permit to Drill:

1. Minimum 12 mil. Synthetic liner.
2. Culverts as needed where crossing drainages sufficient to handle run-off.
3. Berm the location and pit.

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

OPERATOR: Phillips
WELL NAME & NUMBER: PPCo D-13
API NUMBER: 43-015-30531
LOCATION: 1/4,1/4 NESW Sec: 30 TWP: 16S RNG: 9E 2217 FSL 1856 ~~FEE~~ FwL

Geology/Ground Water:

This location is situated on Trimble Flat on a gently sloping landscape in Quaternary Slope Wash on the southeast flank of the Huntington Anticline. The Slope Wash covers the top of the Blue Gate Member, proper, 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 nearest surface waters are in Cedar Creek, which is ~1/2 mile southwest. The proposed cementing and casing program should be adequate to protect the potential groundwater resource. Five water rights exist on Cedar Creek, within a mile.

Reviewer: Christopher J, Kierst **Date:** 2/12/02

Surface:

Proposed location is ~16 miles SW of Price, Utah and ~7 miles NW of Huntington, Utah. The direct area drains to the Southeast into Cedar Creek, a year-round live water source. Cedar Creek runs in a NW to SE direction ~.5 miles South of the proposed location. Dry washes run throughout the area. The soil easily erodes when disturbed. DWR, SITLA and Emery County were invited but chose not to attend

Reviewer: Mark L. Jones **Date:** January 22, 2002

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.
2. Culverts as needed where crossing drainages sufficient to handle run-off.
3. Berm the location and pit.

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

OPERATOR: Phillips
WELL NAME & NUMBER: PPCo D-13
API NUMBER: 43-015-30531
LEASE: Fee **FIELD/UNIT:** Drunkards Wash
LOCATION: 1/4, 1/4 NESW **Sec:** 30 **TWP:** 16S **RNG:** 9E 2217 **FSL** 1856 **FEL**
LEGAL WELL SITING: F **SEC. LINE;** F **1/4, 1/4 LINE;** F **ANOTHER WELL.**
GPS COORD (UTM): X = 503628 E; Y = 4361202 N **SURFACE OWNER:** PPCo

PARTICIPANTS

M. Jones (DOGM), J. Semborski (Phillips), L. Jensen (NELCO), C. Colt (DWR), Emery County was invited but chose not to attend the onsite.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~16 miles SW of Price, Utah and ~7 miles NW of Huntington, Utah. The direct area drains to the Southeast into Cedar Creek, a year-round live water source. Cedar Creek runs in a NW to SE direction ~.5 miles South of the proposed location. Dry washes run throughout the area. The soil easily erodes when disturbed.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife habitat and grazing.

PROPOSED SURFACE DISTURBANCE: 400' x 300' and a 50' x 50' x 10' pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 12 proposed wells 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: None.

FLORA/FAUNA: Sagebrush, grasses, Elk, deer, small game, rodents.

SOIL TYPE AND CHARACTERISTICS: Gravelly clay.

SURFACE FORMATION & CHARACTERISTICS: _____

EROSION/SEDIMENTATION/STABILITY: Erosive when disturbed.

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

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

January 3, 2002 / 10:15 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)

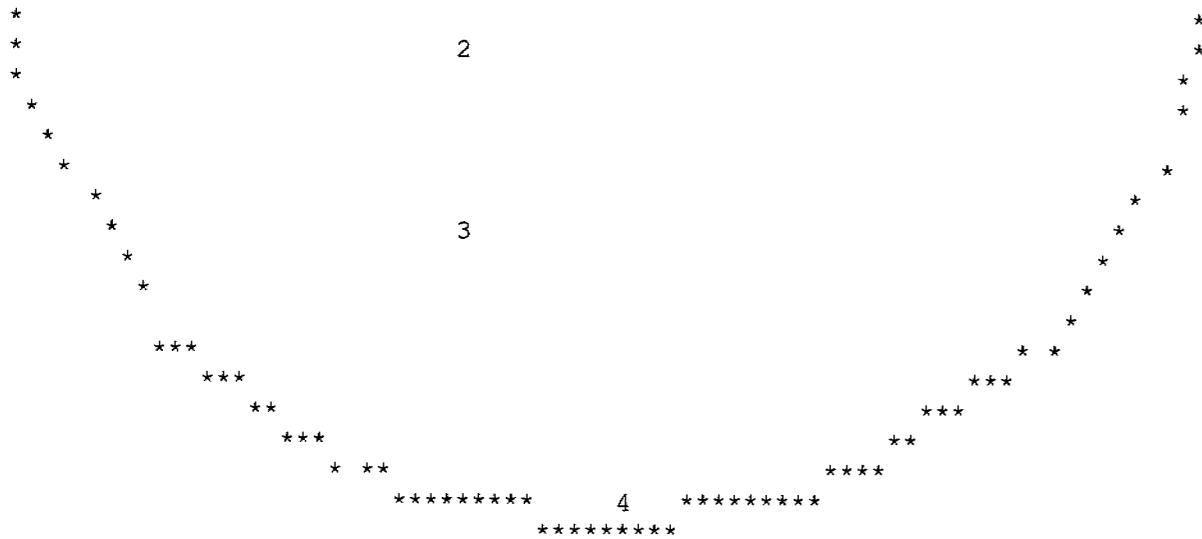
Sensitivity Level I = 20 or more; total containment is required.

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

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







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	POINT OF DIVERSION DESCRIPTION YEAR LOG NORTH EAST	CNR SEC TWN RNG B&
0	93 520	.0000	.00	Cedar Creek		
				WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1
				ANR Co Inc	3212 South State Street	Salt Lake City
1	93 1128	.0000	.00	Cedar Creek		
				WATER USE(S): STOCKWATERING		PRIORITY DATE: 00/00/1
				State of Utah School & Institutional Tru	675 East 500 South, Suite 500	Salt Lake City
2	93 520	.0000	.00	Cedar Creek		

WATER USE(S): STOCKWATERING
ANR Co Inc

3212 South State Street

PRIORITY DATE: 00/00/1
Salt Lake City

3 93 525 .0000 .00 Cedar Creek

WATER USE(S): STOCKWATERING
USA Bureau of Land Management (Price Fie 125 South 600 West

PRIORITY DATE: 00/00/1
Price

4 93 1036 2.0000 .00 Cedar Creek

WATER USE(S): IRRIGATION
Nielson, John C.

N 2450 W 3230 SE 31 16S 9E S

PRIORITY DATE: 04/09/1
Huntington

Well name:	02-02 Phillips PPG D-13	
Operator:	Phillips Petroleum Company	Project ID:
String type:	Surface	43-015-30531
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: 71 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 130 ft

Cement top:

Surface w/20' burst

Burst

• Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP 185 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: 373 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 3,500 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 1,527 psi
 Fracture mud wt: 19.000 ppg
 Fracture depth: 425 ft
 Injection pressure 419 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	425	13.375	48.00	H-40	ST&C	425	425	12.59	6708

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	185	740	3.99	185	1730	9.33	20	322	15.78 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

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

Date: February 19, 2002
 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 425 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:

02-02 Phillips PPCo D-13

Operator: **Phillips Petroleum Company**

String type: **Intermediate**

Project ID:
43-015-30531

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: 114 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top:

881 ft w/ 10% washout

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.468 psi/ft
Calculated BHP 1,636 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: 3,063 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,600 ft
Next mud weight: 9.000 ppg
Next setting BHP: 3,553 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 3,500 ft
Injection pressure 3,500 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	3500	9.625	40.00	J-55	LT&C	3500	3500	8.75	40425

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	1527	2570	1.68	1636	3950	2.41	140	520	3.71 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

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

Date: February 19, 2002
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 3500 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:

02-02 Phillips PPG Co D-13

Operator: **Phillips Petroleum Company**

String type: **Production**

Project ID:
43-015-30531

Location: **Emery County**

Design parameters:

Collapse

Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.468 psi/ft
Calculated BHP: 3,553 psi

No backup mud specified.

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: 6,568 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 171 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top:

4,772 ft w/10% washout
DVT 10,722 ft

Non-directional string.

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	7600	7	26.00	J-55	LT&C	7600	7600	6.151	57328
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	3553	4320	1.22	3553	4980	1.40	198	367	1.86 J

STC on 26" by itself not acceptable - assuming 26" 29" 732# Triaxial string
BHP AND elsewhere of (LTC min 4320)

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

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

Date: February 19, 2002
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 7600 ft, a mud weight of 9 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.

FORM 9

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

002

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: FEE
6. If Indian, Allottee or Tribe Name: N/A
7. Unit Agreement Name: Drunkards Wash UTU-67921X
8. Well Name and Number: PPCO D13
9. API Well Number:
10. Field or Pool, or Wildcat: Drunkards Wash
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> 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 Footage: QQ, Sec., T., R., M.: 2217' FSL, 1856' FWL NF/4 SW/4 SEC. 30, T16S, R09E, SLB & M
County: Emery County State: Utah

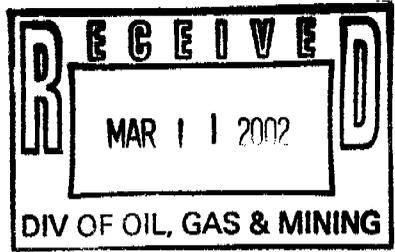
11. **CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

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>Drilling Program Amendment</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 measures and zones pertinent to this work.)

Please be advised that Phillips Petroleum Company would like to amend their drilling program to change the BOPE to 3000 PSI from the originally proposed 5000 PSI.



13
Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 3/11/02

(This space for state use only)

2.6 Drilling Program

2.6.1 Following is a tabulation of the geologic units and the respective depths at which they are expected to be penetrated in the well.

<u>Formation/Unit</u>	<u>Estimated Depth(top)</u>
Upper Mancos Shale	Surface
Ferron Sandstone	2560'
Tunuck Shale	2860'
Dakota	3267'
Cedar Mountain	3325'
Morrison	4090'
Summerville	4580'
Curtis	4980'
Entrada	5130'
Carmel	5855'
Navajo	6560'
Kayenta	6890'
Wingate	7030'
Chinle	7380'

2.6.2 This well will be utilized strictly for the injection of produced waters from Phillips Petroleum's coalbed methane wells. Zones that have shown to be gas and water-bearing are the coals and sandstone of the Ferron Formation. The Navajo Sandstone is expected to be water-bearing, and potentially containing CO₂.

2.6.3 A rotating head with a diverter system will be used to drill the surface hole. For the remainder of the drilling (surface shoe to TD), a double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 70% of the minimum internal yield pressure. All tests will be recorded in a Driller's Report Book. Physical operation of the BOPE's will be checked on each trip. See Attachment "G" for the schematic of the BOPE.

2.6.4 Casing Program

Conductor-20" Structural, set @ ± 40', 26" hole
Cement: ready mix ± 8 cu. yds.

Surface-13 3/8" H-40, 48#/ft, ST&C, set @ ± 425', 17 1/2" hole.

Cement: Cement to surface, 0-425'.

530 sks Premium AG + 2 % CaCl₂ + 0.125 lb/sk Poly-E-Flake

Yield: 1.16 cu. ft/sk

Weight: 15.8 lb/gal

Total cu. ft: 614.8 cu. ft.

Excess: 100 %



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)

March 11, 2002

Phillips Petroleum Company
PO Box 851
Price UT 84501

Re: PPCo D13 Well, 2217' FSL, 1856' FWL, NE SW, Sec. 30, T. 16 South, R. 9 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 43-015-30531.

Sincerely,

A handwritten signature in black ink, appearing to read 'John R. Baza'.

John R. Baza
Associate Director

er

Enclosures

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

Operator: Phillips Petroleum Company
Well Name & Number PPCo D13
API Number: 43-015-30531
Lease: FEE

Location: NE SW Sec. 30 T. 16 South R. 9 East

Conditions of Approval

1. General

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

2. Notification Requirements

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

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

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

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

3. Reporting Requirements

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

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

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

008

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:
2217' FSL, 1856' FWL
QQ, Sec., T., R., M.:
NE/4 SW/4 SEC. 30, T16S, R09E, SLB & M

5. Lease Designation and Serial Number:
FEE

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

7. Unit Agreement Name:
Drunkards Wash UTU-67921X

8. Well Name and Number:
PPCO D13

9. API Well Number:
43-015-30531

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)

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

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
 - Repair Casing
 - Change of Plans
 - Convert to Injection
 - Fracture Treat or Acidize
 - Other Drilling Program Amendment
- New Construction
 - Pull or Alter Casing
 - Reperforate
 - Vent or Flare
 - Water Shut-Off
- 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 Phillips Petroleum Company would like to amend their drilling program to change the BOPE to 3000 PSI from the originally proposed 5000 PSI.

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MAR 27 2002

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

COPY SENT TO OPERATOR

Date: 03-27-02
Initials: [Signature]

13.

Name & Signature: Frankie Hathaway *Frankie Hathaway*

Title: Administrative Assistant Date: 3/11/02

(This space for state use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 3/28/02
BY: *[Signature]*
(See Instructions on Reverse Side)

* Approved prior to APD approval 3/14/2002

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2.6 Drilling Program

2.6.1 Following is a tabulation of the geologic units and the respective depths at which they are expected to be penetrated in the well.

<u>Formation/Unit</u>	<u>Estimated Depth(top)</u>
Upper Mancos Shale	Surface
Ferron Sandstone	2560'
Tunuck Shale	2860'
Dakota	3267'
Cedar Mountain	3325'
Morrison	4090'
Summerville	4580'
Curtis	4980'
Entrada	5130'
Carmel	5855'
Navajo	6560'
Kayenta	6890'
Wingate	7030'
Chinle	7380'

2.6.2 This well will be utilized strictly for the injection of produced waters from Phillips Petroleum's coalbed methane wells. Zones that have shown to be gas and water-bearing are the coals and sandstone of the Ferron Formation. The Navajo Sandstone is expected to be water-bearing, and potentially containing CO₂.

2.6.3 A rotating head with a diverter system will be used to drill the surface hole. For the remainder of the drilling (surface shoe to TD), a double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 70% of the minimum internal yield pressure. All tests will be recorded in a Driller's Report Book. Physical operation of the BOPE's will be checked on each trip. See Attachment "G" for the schematic of the BOPE.

2.6.4 Casing Program

Conductor-20" Structural, set @ ± 40', 26" hole

Cement: ready mix ± 8 cu. yds.

Surface-13 3/8" H-40, 48#/ft, ST&C, set @ ± 425', 17 1/2" hole.

Cement: Cement to surface, 0-425'.

530 sks Premium AG + 2 % CaCl₂ + 0.125 lb/sk Poly-E-Flake

Yield: 1.16 cu. ft/sk

Weight: 15.8 lb/gal

Total cu. ft: 614.8 cu. ft.

Excess: 100 %

DIVISION OF OIL, GAS AND MINING

009

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:

2217' FSL, 1856' FWL

QQ, Sec., T., R., M.:

NE/4 SW/4 Section 30, T16S, R09E, SLB&M

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

Drunkards Wash UTU-67921X

8. Well Name and Number:

PPCO D13

9. API Well Number:

43-015-30531

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)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |
- Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other _____ Spud Notice | |
- 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 PPCO D13 well was spud on 3/25/02 at 11:00 a.m.
Ross Well Services
Dry Drill

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OIL, GAS AND MINING

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13.

Name & Signature: Frankie Hathaway

Frankie Hathaway

Title: Administrative Assistant

Date: 3/26/02

(This space for state use only)

010

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
ENTITY ACTION FORM - FORM 6

OPERATOR Phillips Petroleum Company
ADDRESS 6825 S. 5300 W. P.O. Box 851
Price, UT 84501

OPERATOR ACCT. NO. 1475

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	13438	43-015-30297	Utah 18-372	SWNW	18	16S	09E	Emery	3/24/02	3-27-02
WELL 1 COMMENTS: New single well,new spud outside PA but inside of Unit boundary											
A	99999	11256	43-015-30531	PPCO D13	NESW	30	16S	09E	Emery	3/25/02	4-1-02
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

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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.

(3/89)

APR 01 2002

DIVISION OF
OIL, GAS AND MINING

Frankie Hathaway *Frankie Hathaway*
Signature

Administrative Assistant 3/25/02
Title Date

Phone No. (435)613-9777

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

011

SUNDRY NOTICES AND REPORTS ON WELLS		5. Lease Designation and Serial Number: FEE
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
1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER : <input type="checkbox"/>		7. Unit Agreement Name: Drunkards Wash UTU-67921X
2. Name of Operator: Phillips Petroleum Company		8. Well Name and Number: PPCO D13
3. Address and Telephone Number: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777		9. API Well Number: 43-015-30531
4. Location of Well Footages: 2217' FSL, 1856' FWL		10. Field or Pool, or Wildcat: Drunkards Wash
QQ, Sec., T., R., M.: NE/4 SW/4 SEC. 30 T13S R09E, 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>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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DIVISION OF
OIL, GAS AND MINING

13.

Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 4/1/02

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DRUNKARDS WASH PROJECT DAILY WELL REPORT

CONFIDENTIAL

PPCO

D-13

API NO: 43-015-30531

2217' FSL, 1856' FWL

NESW SEC: TWN 16S RNG: 08E

SPUD TIME/DATE: 3/25/2002 11:00:00 AM

COUNTY:

TD TIME/DATE:

ELEVATION: 6177

TD DEPTH: 0

DRILLING CONTRACTOR: Ross Well Services

ON-LINE TIME/DATE:

Bit Information

Type	Size	In	Out	Hours	Rotating Hours
Air Hammer	17.5	0.00	65.00	6	5
Tri-cone	24in	0.00	40.00	4.5	4
Air Hammer	17.5	40.00	455.00	27.5	24

Conductor Casing

Bore Hole Size: 24in Conductor From: 0.00 To: 40.00

Casing Description: 20in pe Number of Joints: 2 Set @: 40.00

Cement: 7 bag grout Amount:

Cement Report: dumped 4 yards of ready mix down backside of conductor

Surface Casing

Bore Hole Size: 17.5 Surface Casing From: 40.00 To: 455.00

Casing Description: 13 3/8in 48# H-40 Number of Joints: 10 Set @: 449.00

Cement: G + 2%S-1 + 1/4#/sk D-29 Amount: 500.00

Cement Report: r/up cementers, safety meeting, test lines, pump 60 bbls h2o, 20 bbls gel ahead, mix & pump cement, s/down to drop plug, plug did not go, s/down & opened cap to check plug & blew plug out, went ahead w/ displacement & underdisplaced 10 bbls because csg trying to rise, closed valve @ 10:25pm 3/29/02, 20bbls good cement to surface, r/down cementers & sdfn

Production Casing

Bore Hole Size: Prod. Casing From: To:

Casing Description: Number of Joints: Length:

Lead Cement Amount:

Tail Cement: Amount:

Cement Report:

Float Equipment: Centralizers ran on:

Drilling Data

DAY 1 3/26/2002

CURRENT DEPTH 65 CURRENT OPERATIONS: reaming conductor hole ROTATING HRS: 5.00
7am-10am no activity, 10am-11am finish r/up, service equipment, 11am-5:30pm drill 65ft of 17 1/2in hole, pooh,
prep to ream out for 20in conductor, sdfn

Estimated Daily Cost: [REDACTED]

DAY 2 3/27/2002

CURRENT DEPTH 40 CURRENT OPERATIONS: woc ROTATING HRS: 4.00
7am-11am ream hole f/ 20in conductor, 11am-12:30pm rih w/ 40 ft of 20in conductor, 12:30pm-1pm wait for
cement, 1pm-2:30pm dump 4 yards cement behind conductor,(cement up to surface), sdfn & woc

Estimated Daily Cost: [REDACTED]

DAY 3 3/28/2002

CURRENT DEPTH 240 CURRENT OPERATIONS: replacing hydraulic line, ROTATING HRS: 8.00
7am-9am n/up, rih w/ 17.5in air hammer, 9am-5p:n drill 17.5in hole to 240ft, 5pm-6pm hydraulic line leaking,
shut down to replace, sdfn

Estimated Daily Cost: [REDACTED]

DAY 4 3/29/2002

CURRENT DEPTH 365 CURRENT OPERATIONS: drilling 17.5in hole ROTATING HRS: 9.00
7am-9am repair hydraulic line, 9am-6pm drill 17.5in hole to 365ft, sdfn,

Estimated Daily Cost: [REDACTED]

DAY 5 3/30/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: woc ROTATING HRS: 7.00
7am-2pm drill 17.5in hole to 455ft, 2pm-4pm pooh, laydown hammer, r/down & move off hole, 4pm-5:30pm
r/up workover rig, 5:30pm-8:30pm rih w/ 10jts of 13 3/8in 48# h-40 csg, guide shoe & float collar, land csg @
449ft, 8:30pm-10:25pm cement surface pipe, close valve @ 10:25pm 3/29/02, 20 bbls good cement to
surface, 10:25pm-11pm r/down cementers & sdfn, left 13 bbls cement above float collar

Estimated Daily Cost: [REDACTED]

Cum. Estimated Daily Cost: [REDACTED]

Frac Data

Completion Data

BOPE TESTING

006

Well Name: PPCO D-13 API Number: 43-015-30531
 Qtr/Qtr: _____ Section: 30 Township: 16 S Range: 9 E
 Company Name: Phillips
 Lease: State _____ Fee X Federal _____ Indian _____
 Inspector: M. Jones Date: 4/17/02

Drilling Contractor: Patterson Rig: #77
 Depth: _____ Last Casing: _____ Set @: _____
 Tested By: Quick Test
 Does the BOPE meet or exceed that approved in the application to drill? YES X NO _____

Date of last BOPE test noted in driller's log: 4/16/02

Did test pressures meet minimum standards? YES X NO _____

COMMENTS: BOPE tested 4/16/02 some tests did not pass. Quick Test back on 4/17/02 to re-test.

All passed OK. on 4/17/02!
↳ all tested to 3000 PSI except annular and surface casing which was tested to 1500#.



PHILLIPS PETROLEUM COMPANY

9780 MT. PYRAMID CT., SUITE 200
ENGLEWOOD, CO 80112

AMERICAS DIVISION

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MAY 01 2002

**DIVISION OF
OIL, GAS AND MINING**

April 26, 2002

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

Re: Application for Injection Well – PPCo D-13
NE SW Sec. 30, T16S-R9E SLB&M
Emery County, Utah

Dear Mr. Hunt:

Pursuant to UOGC General Rule R649-5-2, please find enclosed a completed UIC Form 1 “*Application for Injection Well*” for the recently drilled PPCo D-13. Included as attachments to this application are the following items:

- **General discussion.**
- **Aquifer Exemption**
- **Exhibit “A”:** Approved APD cover page and survey plat. Phillips Petroleum is the designated operator for all lands within the one-half mile radius surrounding the D-13 location.
- **Exhibit “B”:** (Item 2.1.) - Location Plat w/ wells and ownership information within a one-half mile radius of the PPCo D-13.
- **Exhibit “E”:** (Item 2.5.) – Description of the casing program and testing methods
- **Exhibit “I”:** (Item 2-10.) – Geological data

The following items will be submitted in support of this application when the data becomes available:

- **Exhibit “C”:** (Item 2.2.) – Copies of open-hole logs
- **Exhibit “D”:** (Item 2.3.) – Copy of cement bond log (CBL)

- **Exhibit “F”:** (Item 2.7.) – Standard laboratory analyses of the fluid to be injected, the formation fluid, and mixed fluid compatibilities.
- **Exhibit “G”:** (Item 2.8.) – Proposed average and maximum injection pressures
- **Exhibit “H”:** (Item 2.9.) – Documentation of confining interval
- **Exhibit “J”:** (Item 2.12.) – Statement of affidavit

General Discussion

Phillips Petroleum Company is drilling the PPCo D-13 as a proposed produced water disposal well to support development-drilling activity in its Drunkards Wash CBM project. Similar in design to the 12 existing disposal wells within the field, the targeted disposal zone is the Navajo Sandstone at a projected depth of 6,560 ft. In relation to the nearest existing disposal well, the D-13 is located two miles south and five miles west of the D-11, which was drilled in August, 1999. With reference to the “Updated Study of Drunkards Wash Water Injectivity”¹, dated March 11, 2001, the well is located just outside of the simulation grid used in that study’s reservoir modeling. The conclusions of the study indicated “no significant thickness or permeability discontinuities present” affecting the Navajo Sandstone in the project area. Furthermore, the study drew the conclusion that there were “no significant limitations on injectivity caused by interference between wells or the number of wells present” provided that wells were located at least two miles apart. Phillips intends to provide well test results utilizing the same format as data provided in support of previous injection well applications. Phillips believes that the data will demonstrate that the D-13 represents an extension of the study results.

Drilling and completion operations on the D-13 are in progress. As additional data becomes available from this well, those documents listed above will be submitted in support of this application. The following paragraphs provide additional supplemental information as required by R649-5-2.

Item 2.6. The fluid to be injected into the D-13 is produced water associated from the de-watering of coals within the Ferron Formation. Phillips’ 2002 Ferron development drilling program includes 30 wells being drilled in the area where the D-13 is located. It is estimated that peak water production from this set of wells will be approximately 6500 bwpd. The principal utility well planned for the disposal of this new volume of water is the D-13 SWD.

Item 2.11. As shown on Exhibit “B”, there are no existing wellbores within a one-half mile radius of the D-13 location. Phillips has selected locations for Ferron CBM development wells in this section as part of a future drilling program. Those locations are shown on Exhibit “B” as the open circles.

Item 5. As a prudent operator in the State of Utah, Phillips Petroleum Co. will abide by all regulatory requirements for maintaining bond, permitting, reporting, and eventual plugging of this well.

*UIC Form 1
Proposed 8/20/02*

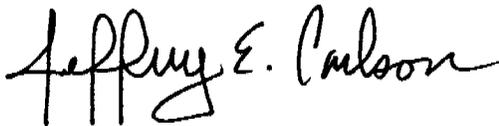
¹ An Updated Study of Drunkards Wash Water Injectivity; dated March 11, 2001, Tesseract Corporation and Stimlab Inc

Aquifer Exemption

Over the project area, it has been demonstrated that the Navajo Formation water has total dissolved solids content in excess of 100,000 mg/l and is not a candidate for consideration as a USDW.

Please contact me at (303) 643-4359 if there are any questions on the attached materials. As indicated, additional items in support of this application will be submitted as they become available.

Sincerely,



Jeffrey E. Carlson
Petroleum Engineer

jecarl@ppco.com

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

APPLICATION FOR INJECTION WELL

Name of Operator Phillips Petroleum Co.	Utah Account Number N 1475	Well Name and Number PPCo D-13
Address of Operator 9780 Mt Pyramid Ct CITY Englewood STATE CO ZIP 80112	Phone Number (303) 643-4359	API Number 4301530531
Location of Well Footage : 2217' FSL 1856' FWL County : Emery	Field or Unit Name Drunkards Wash UTU-67921X	Lease Designation and Number Fee
QQ, Section, Township, Range: NESW 30 16S 09E State : UTAH		

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

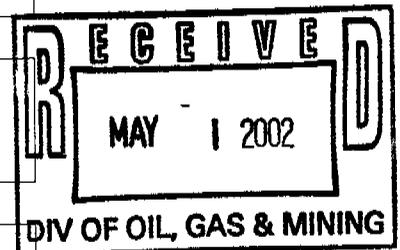
Will the proposed well be used for:

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

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

If this application is for an existing well, has a casing test been performed? Yes No

Date of test: _____



8.33 A...
463 PS / 2...

Proposed injection interval: from 6,560 to 7,130

Proposed maximum injection: rate 8,000 *assume BUDD as per BUDD w/ GH 5/1/02* pressure 2,250 *psig* **2,480 (see 7/29/02 mailing)**

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

List of attachments: See cover letter

perm...
psig...
300, 100

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

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

Name (Please Print) Jeffrey E. Carlson Title Petroleum Engineer

Signature Jeffrey E. Carlson Date 04/12/2002

jecarls@ppco.com

INSTRUCTIONS

This form shall be submitted by the well operator prior to the commencement of operations for injecting any fluid into a well for the purpose of enhanced recovery, disposal, or storage within the state of Utah, in accordance to the Utah Oil and Gas Conservation General Rules. Approvals or orders authorizing injection wells shall be valid for the life of the well, unless revoked by the board for just cause, after notice and hearing.

Send to:

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

Phone: 801-538-5340

Fax: 801-359-3940



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

801-558-9940 (Fax)

801-538-7223 (TDD)

EXHIBIT "A" 1 of 4

March 11, 2002

Phillips Petroleum Company
PO Box 851
Price UT 84501

Re: PPCo D13 Well, 2217' FSL, 1856' FWL, NE SW, Sec. 30, T. 16 South, R. 9 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 43-015-30531.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza".

John R. Baza
Associate Director

er

Enclosures

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

FORM 3

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial Number: N/A Fee

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

7. Unit Agreement Name: Drunkards Wash UTU-67921X

8. Farm or Lease Name: PPCo

9. Well Number: D13

10. Field or Pool, or Wildcat: Drunkards Wash Undesignated

11. Ctr/Qt. Section, Township, Range, Meridian: NE/4 SW/4 Section 30, T16S, R09E, SLB&M

12. County: Emery 13. State: UTAH

14. Distance in miles and direction from nearest town or post office: 4.4 Miles north of Huntington, Utah

15. Distance to nearest property or lease line (feet): 900'

16. Number of acres in lease: N/A

17. Number of acres assigned to this well: 160 acres

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet): 900'

19. Proposed Depth: ~~5250~~ 7600'

20. Rotary or cable tool: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 6177' GR

22. Approximate date work will start: March 2002

23. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
26"	20"	Conductor	40'	See attachment "D"
17-1/2"	13-3/8"	48#/ft	425'	See attachment "D"
12-1/4"	9-5/8"	36&40#/ft	3500'	See attachment "D"
8-3/4"	7"	26.29&32#/ft	7590'	See attachment "D"

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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12/18/02
DIVISION OF
OIL, GAS AND MINING

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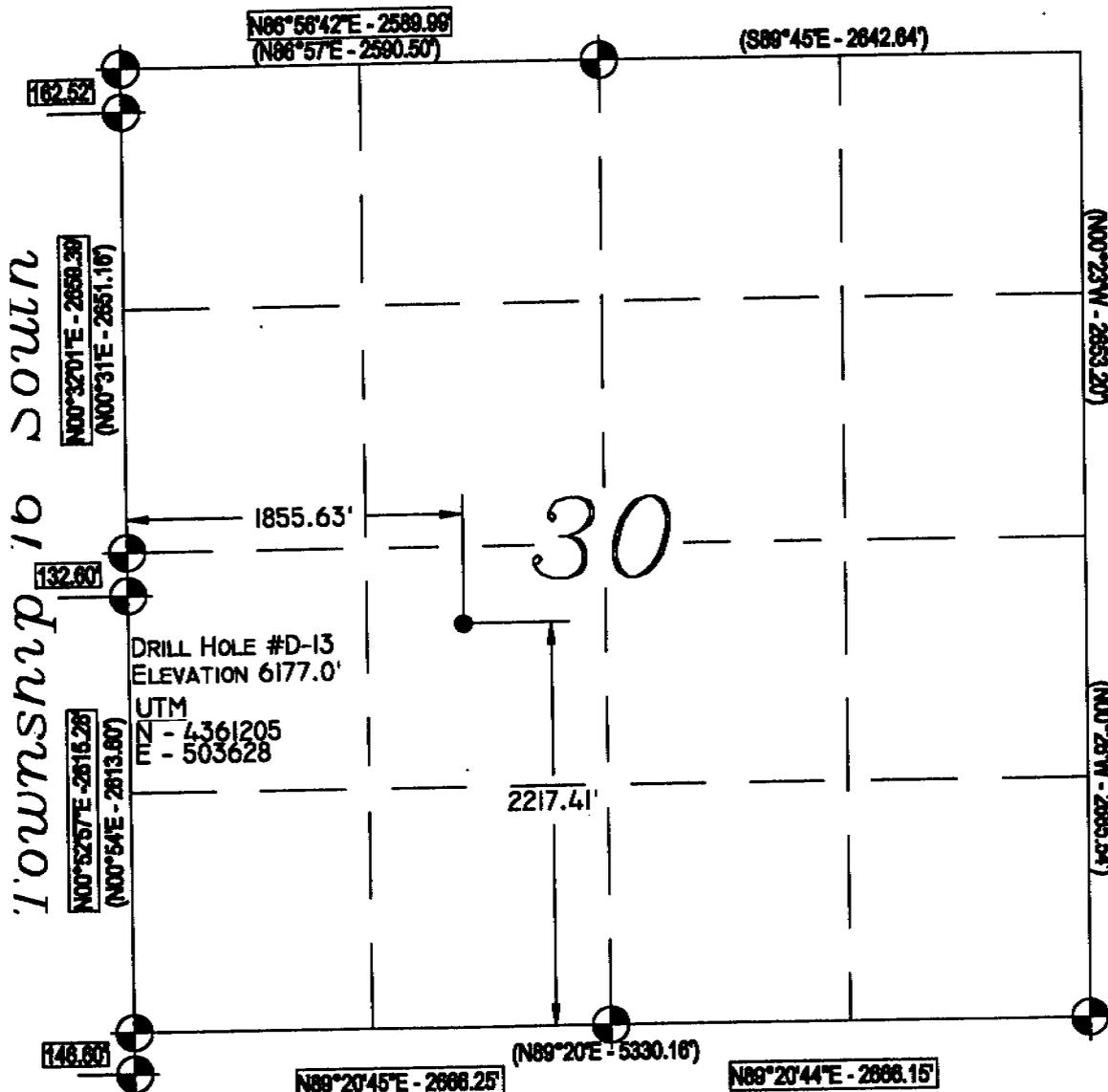
24. Name & Signature: Jean Semborski Title: Permitting Analyst Date: 12/18/02

(This space for state use only)

API Number Assigned: 43-015-30531

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 3-11-02
BY: [Signature]

Range 9 East



Township 16 South

- 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°24'08"N
 110°57'28"W

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

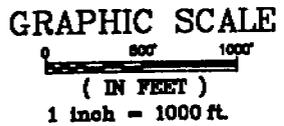
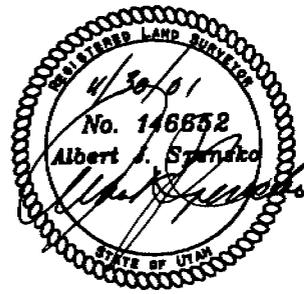
Basis of Bearing:
 THE BASIS OF BEARING IS GPS MEASURED.

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

Basis of Elevation:
 BASIS OF ELEVATION OF 6183' BEING A BENCH MARK IN THE EAST 1/2 OF SECTION 30, TOWNSHIP 16 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE POISON SPRING BENCH QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
 PROPOSED DRILL HOLE LOCATED IN THE NE1/4, SW1/4 OF SECTION 30, T16S, R9E, S.L.B.&M., BEING 2217.41' NORTH AND 1855.63' EAST FROM THE SOUTHWEST CORNER OF SECTION 30, T16S, R9E, SALT LAKE BASE & MERIDIAN.

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

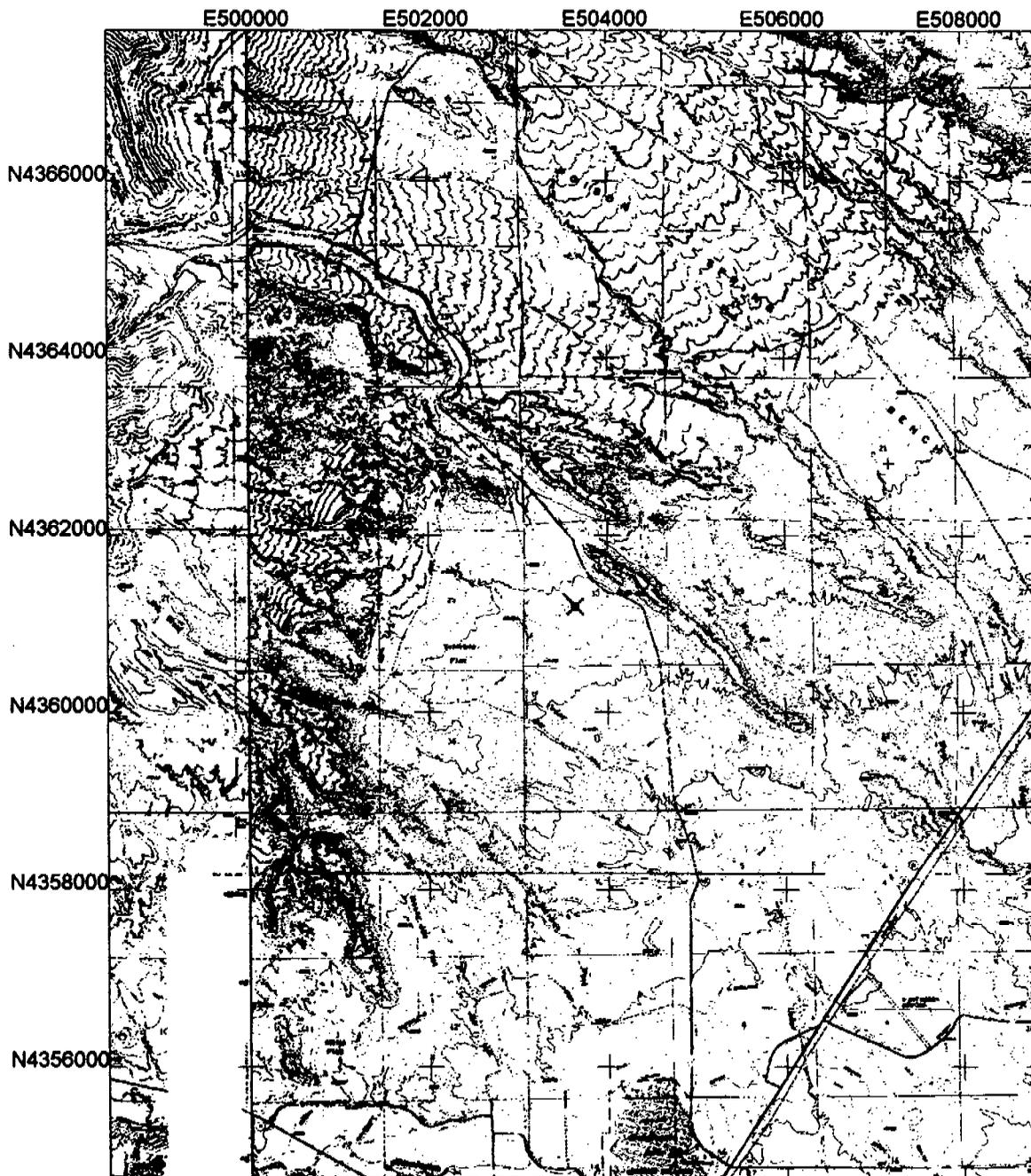


Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8803

PHILLIPS PETROLEUM
WELL #D-13
 Section 30, T16S, R9E, S.L.B.&M.
 Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 11/30/01
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 399

Exhibit "A" 3 of 4



D-13

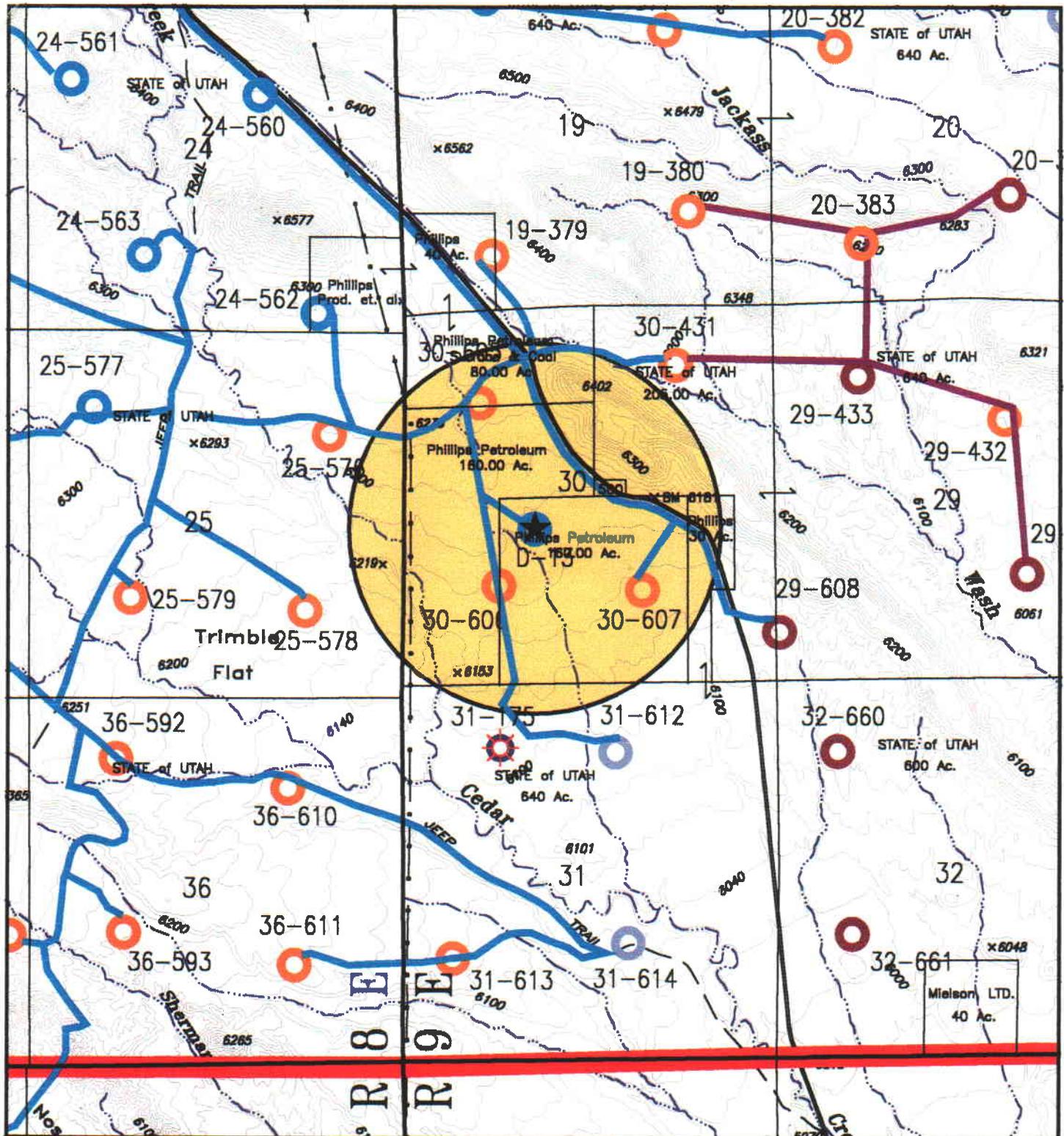
Section 30, T16S, R8E

UTM
12 North
NAD 1927 (Conus)



Scale 1:75,000
0 8,000
Feet

D13.ssf
12/14/2001
GPS Pathfinder[®] Office

LEGEND

Proposed Well Location:
 Other Proposed Well Locations:
 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



PPCO D-13 DISPOSAL WELL
 Section 30, T16S, R9E, S.L.B.&M.
 Surface Ownership - 1/2 Mile Radius

Description of the Casing Program PPCo D-13

Conductor Casing Description

20" 93# H-40 ST&C installed from 0' to 40'
landed 2 joints of casing at 40'; cemented with 7 bags of grout, dumped 4 yards of ready-mix concrete down the backside of the casing.

Surface Casing Description

13-3/8" 48# H-40 ST&C installed from 0' to 455'
landed 10 joints of casing at 449'; cemented with 500 sks of Premium "G" w/ 2% CaCl₂ and 0.25 lb/sk cellophane flake. Under displaced by 10 bbls, circulated 20 bbls cement to surface. (15.8 ppg density, 1.16 cu.ft./sk yield)

Intermediate Casing Description

9-5/8" 40# J-55 LT&C installed from 0' to 3,525'
landed 82 joints of casing at 3525'; cemented with lead slurry of 500 sks of Halco "Light" Premium w/ 2% CaCl₂ and 0.125 lb/sk cellophane flake (12.5 ppg density, 1.89 cu.ft./sk yield); pump tail slurry of 250 sks of Premium AG-300 w/ 1% CaCl₂ and 0.125 lb/sk cellophane flake (15.8 ppg density, 1.16 cu.ft./sk yield). Circulated +/- 20 bbls cement to surface.

Production Casing Description

7" 26# L-80 LT&C to be installed from 0' to +/- 7,330' (TD)
Diverter stage tool to be located at +/- 5,500'
Proposed cement - 1st Stage lead scavenger slurry of 40 sks of 50/50 Poz Premium w/ 2% salt, 0.125 lb/sk cellophane flake, and 0.4% polymer fluid-loss control (12.0 ppg density, 1.96 cu.ft./sk yield); Tail in w/ 250 sks of 50/50 Poz Premium w/ 2% salt, 0.125 lb/sk cellophane flake, and 0.4% polymer fluid-loss control (14.3 ppg density, 1.2 cu.ft./sk yield). Planned top of cement at +/- 5,100'.
Open DV tool & circ hole above prior to pumping 2nd stage.
2nd Stage lead w/ 300 sks 50/50 Poz Premium w/ 8% bentonite, 8% Cal-seal, and 0.125 lb/sk cellophane flake (12.3 ppg density, 2.04 cu.ft./sk yield); Tail in w/ 150 sks 50/50 Poz Premium w/ 2% salt, 0.125 lb/sk cellophane flake, and 0.4% polymer fluid-loss control (14.3 ppg density, 1.2 cu.ft./sk yield). Planned top of cement at +/- 1,000'.

Production Tubing Description

4-1/2" 11.6# L-80 LT&C to be run to +/- 6,500'. A 7" retrievable sealbore production packer, the ArrowPak, will be set at +/- 6,500'.

Casing Test

Following completion of the D-13, a mechanical integrity test will be conducted on the 7" X 4-1/2" annulus. Packer fluid will be circulated into the annular space. With the sealbore assembly stung into the packer, the annulus will be tested to 1000 psi.

Note - Upon completion of the D-13 and included in the submittal of the required formation and test data as noted above, a finalized summary of the casing running and testing description will be included.

Geological Data PPCo D-13

Within the Drunkards Wash Unit area, the main disposal intervals include Jurassic age rocks within the Glen Canyon Formation including in ascending order the Wingate, Kayenta, and Navajo Sandstones. These rocks are of good reservoir quality being both porous and permeable, but contain highly saline water. Limited "deep" well control in the immediate area of the D-13 indicates that the well should encounter regional structure being a west-northwest dip.

The basal Wingate Sandstone overlies the Triassic Chinle Formation and underlies the Kayenta Sandstone in the area. Sandstones of the Wingate are light red to salmon colored, very fine to fine grained, well sorted, and locally friable. These rocks range in thickness from 350 to 450 feet across the area and exhibit characteristics of aeolian deposition. In the subsurface, the Wingate sandstones exhibit porosity streaks ranging from 20 to 25% on Compensated Neutron-Density Logs in the D11 and D7 disposal wells nearby. The Wingate is expected at a depth of 7,030 in the D-13 wellbore. The Kayenta Sandstone conformably overlies the Wingate sandstone and ranges in thickness from 50-214 feet across the area. Kayenta sandstones are salmon colored, medium-coarse grained, and locally friable. They were deposited in fluvial environments of deposition with paleo-current directions indicating sediment transport to the southwest. In the subsurface, Kayenta rocks exhibit porosity streaks ranging upwards from 20-25% in the D11 and D7 disposal wells. The Kayenta is expected at a depth of 6,890' in the D-13. The Navajo Sandstone conformably overlies and inter-tongues with the Kayenta Sandstone in the area. The sandstones are pale-orange to cream colored, with translucent to frosted sand grains that are sub-rounded, very fine to coarse grained and friable. The Navajo ranges in thickness from 330 to 430 feet across the area and in outcrop, exhibits thick-bedded high-angle tabular cross stratification indicative of aeolian sand deposition. In the subsurface these rocks exhibit good aquifer characteristics with porosities ranging upwards from 24-26 % on Compensated Neutron-Density Logs in the D11 and D7 disposal wells nearby. The Navajo is expected at a depth of 6,560' in the D-13. The Navajo is the principal disposal zone through out the Drunkards Wash Area. Previous sampled formation water from the Navajo has been tested in excess of 90,000 ppm TDS.

The Carmel Formation overlies the Navajo Sandstone in the area and is an effective confining layer consisting of bedded anhydrite, argillaceous limestones and dolomites, shales and siltstones. The Carmel thickens to the west across central Utah. In the vicinity of the Drunkards Wash Unit the formation ranges in thickness from 550 to over 1,200 feet thick. These rocks exhibit very low porosity in the general range of 0-4% on Compensated Neutron-Density Logs in the D11 and D7 disposal wells. The Carmel is expected at a depth of 5,855' in the D-13.

*Perforation
D-13
6/1/82*

DIVISION OF OIL, GAS AND MINING

012

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 <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER:	5. Lease Designation and Serial Number: FEE
2. Name of Operator: Phillips Petroleum Company	6. If Indian, Allottee or Tribe Name: N/A
3. Address and Telephone Number: 6825 S. 5300 W. P.O. Box 851 Price, Utah 84501 (435) 613-9777	7. Unit Agreement Name: Drunkard Wash UTU-67921X
4. Location of Well Footages: 2217' FSL, 1856'FWL QQ, Sec., T., R., M.: NE/4 SW/4 SEC.30,T16S,R09E, SLB & M	8. Well Name and Number: PPCO D13
	9. API Well Number: 43-015-30531
	10. Field or Pool, or Wildcat: Drunkard 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:

RECEIVED

MAY 15 2002

DIVISION OF OIL, GAS AND MINING

13.

Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Administrative Assistant Date: 5/02/02

(This space for state use only)

COPY

CONFIDENTIAL

Drilling Data

DAY 1 3/26/2002

CURRENT DEPTH 65 CURRENT OPERATIONS: reaming conductor hole ROTATING HRS: 5.00
7am-10am no activity, 10am-11am finish r/up, service equipment, 11am-5:30pm drill 65ft of 17 1/2in hole, pooh, prep to ream out for 20in conductor, sdfn

Estimated Daily Cost: [REDACTED]

DAY 2 3/27/2002

CURRENT DEPTH 40 CURRENT OPERATIONS: woc ROTATING HRS: 4.00
7am-11am ream hole f/ 20in conductor, 11am-12:30pm rih w/ 40 ft of 20in conductor, 12:30pm-1pm wait for cement, 1pm-2:30pm dump 4 yards cement behind conductor,(cement up to surface), sdfn & woc

Estimated Daily Cost: [REDACTED]

DAY 3 3/28/2002

CURRENT DEPTH 240 CURRENT OPERATIONS: replacing hydraulic line, ROTATING HRS: 8.00
7am-9am n/up, rih w/ 17.5in air hammer, 9am-5pm drill 17.5in hole to 240ft, 5pm-6pm hydraulic line leaking, shut down to replace, sdfn

Estimated Daily Cost: [REDACTED]

DAY 4 3/29/2002

CURRENT DEPTH 365 CURRENT OPERATIONS: drilling 17.5in hole ROTATING HRS: 9.00
7am-9am repair hydraulic line, 9am-6pm drill 17.5in hole to 365ft, sdfn,

Estimated Daily Cost: [REDACTED]

DAY 5 3/30/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: woc ROTATING HRS: 7.00
7am-2pm drill 17.5in hole to 455ft, 2pm-4pm pooh, laydown hammer, r/down & move off hole, 4pm-5:30pm r/up workover rig, 5:30pm-8:30pm rih w/ 10jts of 13 3/8in 48# h-40 csg, guide shoe & float collar, land csg @ 449ft, 8:30pm-10:25pm cement surface pipe, close valve @ 10:25pm 3/29/02, 20 bbls good cement to surface, 10:25pm-11pm r/down cementers & sdfn, left 13 bbls cement above float collar

Estimated Daily Cost: [REDACTED]

DAY 6 4/2/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: no activity, ROTATING HRS: 0.00
7am-4pm measure & drill rathole & mousehole, r/down & move off well

Estimated Daily Cost: [REDACTED]

DAY 7 4/16/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: finish r/up ROTATING HRS: 0.00
7am-7pm r/up drill equipment, 7pm-7am no activity

Estimated Daily Cost: [REDACTED]

DAY 8 4/17/2002

CURRENT DEPTH 435 CURRENT OPERATIONS: Nipple down BOP ROTATING HRS: 0.00

0700 - 1400: Rig up Drilling equipment + Air drilling compressors and test same
1400 - 2100: Nipple up BOP
2100 - 0330: Test BOP and Surface equipment to 3000 psi - Blind and Pipe Rams rod seals leaking hydraulic fluid
into well bore
0330 - 0700: Nipple down BOP while waiting on replacement unit - GrayCo BOP (No rental during this period)

Estimated Daily Cost: [REDACTED]

DAY 9 4/18/2002

CURRENT DEPTH 410 CURRENT OPERATIONS: Drilling Shoe Track ROTATING HRS: 3.00

- 0700 - 0800: Nipple down BOP while waiting on replacement unit
- 0800 - 1130: Waiting on replacement BOP from GrayCo - Continue rigging up drilling equipment
- 1130 - 1600: N/U replacement BOP
- 1600 - 1900: Test BOP as follows: Annular @ 1500 psi - Surface Casing @ 1500 psi - Blind Ram, Kill Line, Choke
- Line & Manifold + Outside Manifold @ 3000 psi - Pipe Rams + Inside & Outside Valves @ 3000 psi -
- Upper Kelly + Lower Kelly Valves + Inside BOP + Safety Valve @ 3000 psi (Test completed OK) - Mark Jones, Utah Oil & Gas witness test.
- 1900 - 2100: Repair foot throttle on driller console.
- 2100 - 0200: Install wear bushing + M/U Bit + BHA and RIH to top of plug at 340 feet
- 0200 - 0400: Install Rotating Head
- 0400 - 0700: Drilling shoe track f/ 340' to 410 feet

Estimated Daily Cost: [REDACTED]

DAY 10 4/19/2002

CURRENT DEPTH 1100 CURRENT OPERATIONS: Air Drilling at 1100 feet ROTATING HRS: 0.00

- 7am - 9am: Drilling Shoe track f/ 410 to 453 feet
- 9am - 930am: Perform FIT - Equivalent to 1260 psi
- 930am - 10am: Survey at 453 feet = 1 degree
- 10am - 11am: Displace hole with air
- 11am - 12pm: POOH
- 12pm - 130pm: L/D 12-1/4" Tri Cone Bit - P/U 12-1/4" Air Hammer + Bit
- 130pm - 2pm: RIH to 453 feet
- 2pm - 6pm: Drilling f/ 453 to 653 feet
- 6pm - 730pm: Modify Blower down line
- 730pm - 8pm: Drilling f/ 653' to 721 feet
- 8pm - 9pm: Replace rotary chain
- 9pm - 10pm: Drilling f/ 721 to 740 feet
- 10pm - 11pm: Tighten Rotary Chain
- 11pm - 430am: Drilling f/ 740' to 962 feet
- 430am - 5am: Survey at 920 feet = 3/4 degree
- 5am - 7am: Drillingf/ 962' to 1100 feet

Estimated Daily Cost: [REDACTED]

DAY 11 4/20/2002

CURRENT DEPTH 2600 CURRENT OPERATIONS: Air Drilling at 2600 feet ROTATING HRS: 22.5

- 0700 - 1430: Drilling f/ 1100' to 1613 feet
- 1430 - 1500: Survey at 1571 feet = 1/2 degree
- 1500 - 1530: Rig Service - Lubricate Crown + Block
- 1530 - 0400: Drilling f/ 1613' to 2391 feet
- 0400 - 0430: Survey at 2349 feet= 3/4 degree
- 0430 - 0700: Drilling f/ 2391' to 2600 feet

Estimated Daily Cost: [REDACTED]

DAY 12 4/21/2002

CURRENT DEPTH 3525 CURRENT OPERATIONS: Mixing Gel Pill

ROTATING HRS: 15.0

0700 - 1000: Drilling f/ 2600 to 2756 feet
 1000 - 1030: Repair Rotary Chain
 1030 - 1230: Drilling f/ 2756 to 2856 feet
 1230 - 1300: WLS @ 2814 feet 1/4 degree
 1300 - 1330: Rig Service
 1330 - 2330: Drilling f/ 2856 to 3525 feet TD
 2330 - 2400: Clean Hole with Air
 2400 - 0200: POOH - L/D Air Hammer
 0200 - 0400: P/U 12-1/4" Tri Cone Bit - RIH to 3525 feet
 0400 - 0530: Attempt to displace with 2% KCL - No circulation
 0530 - 0600: POOH 10 stands to 2600 feet
 0600 - 0700: Attempt to establish circulation with 2% KCL water. Total volume pump at report time 700 bbls.
 No Circulation - Shut down pumping - Start Mixing 400 bbls Gel / LCM + Cedar Fiber + Coarse walnut hull pill.

Estimated Daily Cost:

DAY 13 4/22/2002

CURRENT DEPTH 3525 CURRENT OPERATIONS: POOH to run casing ROTATING HRS: 0.00

0700 - 1000: Build volume = Gel + LCM + Cedar Fiber + Course Walnut Hulls = 400 bbls
 1000 - 1030: RIH to Bottom at 3525 feet
 1030 - 1200: Pump 380 bbl sweep - No returns - Let sweep cure
 1200 - 1430: Build additional 400 bbl volume = Gel + LCM + Cedar Fiber + Course Walnut Hulls
 1430 - 1530: Pump sweep - Attempt to circulate
 1530 - 1900: Full returns at 1530 hours - Circulate and condition mud + hole to a 43 vis - Total volume to establish circulation = 1345 bbls.
 1900 - 2100: POOH to Log
 2100 - 0130: R/U Logging equipment + Log well w/ Dual Induction / Guard Log / AP Compensated Density / Neutron Gramma Ray / Caliper - Logging depth at 3495 feet - Hole in caliper = 1235 cu/ft - R/D Logging eq.
 0130 - 0300: RIH to 3495 feet
 0300 - 0330: Wash & Ream to bottom at 3525 feet
 0330 - 0500: Circulate and condition mud - lower drilling fluid to 38 vis for running casing
 0500 - 0700: POOH to run casing

Estimated Daily Cost:

DAY 14 4/23/2002

CURRENT DEPTH 3525 CURRENT OPERATIONS: Changing out rotary table ROTATING HRS: 0.00

0700 - 0800: POOH - L/D 3 x 8" DC - Retrieve Wear Bushing
 0800 - 0815: Conduct Pre-Casing Running Safety Meeting - Subject: Running Casing
 0815 - 1400: R/U and Run 82 Joints 9-5/8", 40#, J 55 Casing - Tag up at 3505 feet
 1400 - 1500: Circulate Casing contents and wash to bottom at 3525 feet - 20 feet of fill
 1500 - 1515: Conduct Pre-Cementing Safety Meeting - Subject: Halliburton High Pressure lines + Cementing Operations
 1515 - 1700: Cement 9-5/8" Casing as follows: Test lines to 3630 psi - Pump 10 bbls water + 20 bbls Gel Flush
 Lead Cement: 500 sks HLC 12.5 lb/gal, Yield 1.89, .125# sk Poly-E-Flake, 2% CACL2
 Tail Cement: 250 sks AG-300 15.8 lb/gal, Yield 1.16, .125# sk Poly Flake, 1% CACL2
 Displace w/ 268 bbls water, bump plug w/ 1617 psi - Hold pressure 15 minutes - release pressure -
 Float Held - 20 bbls cement returns to surface
 1700 - 2000: P/U BOP - Set 9-5/8" slips w/ 115,000 lbs - Rough cut 9-5/8" Casing - N/D 13-5/8" 3M Rental GrayCo BOP
 2000 - 2200: Dress cut 9-5/8" Casing - Install 13-5/8" 3M x 11" 5M Cameron Casing Spool
 2200 - 0300: N/U 11" 5M BOP
 0300 - 0700: Install Re-Built Rotary Table - Bearing failure in Previous Rotary Table

Estimated Daily Cost:

DAY 15 4/24/2002

CURRENT DEPTH 3630 CURRENT OPERATIONS: Drilling new formation ROTATING HRS: 3.00

0700 - 1130: Install Re-Built Rotary Table
 1130 - 1700: Test BOP as follows: Surface Casing = 250 psi Low - 1000 psi High (30 min)
 Annular Preventor = 250 psi Low - 1500 psi High (10 Min)
 Pipe Rams + Inside & Outside Valves = 250 psi Low - 2000 psi High (10 min)
 Blind Rams + Kill Line + ChokeLine + Outside Manifold Valves = 250 psi Low - 2000 psi High (10 min)
 Upper + Lower Kelly Valves + Inside BOP + Safety Valves= 250 psi Low - 2000 psi High (10 min)
 All test witnessed by Mark Jones - Utah Oil & Gas (Passed)
 1700 - 1800: P/U BHA
 1800 - 2000: Forgot to install Wear Bushing - POOH - Install Wear Bushing- RIH
 2000 - 2300: Continue picking up BHA + 21 Joints DP
 2300 - 2400: L/D 21 joints DP
 2400 - 0100: RIH - Tag Cement at 3469 feet
 0100 - 0230: Drill Cement f/ 3469' to 3520 feet - Test Casing to 1000 psi
 0230 - 0300: Drilling Shoe track f/ 3520' + new formation to 3536 feet
 0300 - 0400: Conduct formation integrity test - Equivalent to 1750 psi
 0400 - 0700: Drilling new formation f/ 3536' to 3630 feet
 BHA= Bit - NB Stab - 3 x 6" DC - Stab - 12 x 6" DC - XO - 9 x 6" DC - 12 x 4-1/2" HWDP = 1074.05 ft.

Estimated Daily Cost: [REDACTED]

DAY 16 4/25/2002

CURRENT DEPTH CURRENT OPERATIONS: Drilling ROTATING HRS: 0.00

0700 - 0900: Drilling f/ 3630' to 3671 feet w/ H2O - WOB - 40/45K
 0900 - 1200: Switch to Aerated LSND Fluid - Drill f/ 3671to 3816 feet - 40/45K WOB
 1200 - 1230: Rig Service
 1230 - 1330: Drill f/ 3816' to 3878 feet - WOB 40/45K
 1330 - 1400: Survey at 3833 feet - 3/4 degree
 1400 - 1900: Drill f/ 3878' to 4128 feet - WOB 40/45K
 1900 - 1930: Survey at 4087 feet - Off 8 degree Chart
 1930 - 2000: Drill f/ 4128' to 4159 feet - WOB 35K
 2000 - 2030: Survey at 4119 feet w/ 14 degree Chart - 10-1/2 degree
 2030 - 0230: Drill f/ 4159' to 4406 feet - WOB 30K
 0230 - 0300: Survey at 4365 feet - 14 degree
 0300 - 0630: Drill f/ 4406' to 4499 feet - WOB 20K
 0630 - 0700: Survey 4456 feet - 14 degree

Estimated Daily Cost: [REDACTED]

DAY 17 4/26/2002

CURRENT DEPTH 4531 CURRENT OPERATIONS:

ROTATING HRS: 0.00

0700 - 0730: Survey at 4459 feet - 14 degree
 0730 - 0930: Drill f/ 4499' to 4531 feet
 0930 - 1100: Run 2 surveys at 4490 - Each survey - 21 degree
 1100 - 1130: POOH to 4080 feet
 1130 - 1230: Repair Drawworks Brake Linkage - Replace pins
 1230 - 1300: POOH to 3869 feet - Tight spot f/ 4050 to 4000 feet - 50K Overpull
 1300 - 1330: Survey at 3869 feet - 6 degrees
 1330 - 1430: Continue POOH
 1330 - 2000: L/D Stabilizers - P/U new Bit - RIH to Shoe @ 3525 feet
 2000 - 2330: W/O Gyro Data Wireline equipment to run Mult-Shot survey - Gyro arrived at 2330 hours
 2330 - 2400: RIH to 4468 feet - Ream tight spot f/ 4000' to 4050 feet
 2400 - 0100: Circulate while rigging up Gyro - Gyro Wireline unit hydraulics fail - No spare parts to repair unit - R/D Gyro - Release Gyro Data
 0100 - 0300: POOH - Stand back Drill Collars
 0300 - 0400: RIH to shoe open ended at 3525 feet
 0400 - 0500: W/O Halliburton to set cement plug
 0500 - 0600: Continue running in hole to 4003 feet
 0600 - 0700: Circulate while rigging up Halliburton - Conduct 15 minute Safety Meeting

Estimated Daily Cost:

DAY 18 4/27/2002

CURRENT DEPTH 3690 CURRENT OPERATIONS: Dressing Cement Plug ROTATING HRS: 0.00

0700 - 0730: Set Cement Plug f/ 4000' to 3600 feet w/ 20 bbls Flush, Cement w/ 190 sks Type "G" CFR 3
 17.5 lb/gal, Yield .93 - Displace w/ 45 bbls water
 0730 - 0800: POOH to 3500 feet - Reverse circulate hole clean
 0800 - 0900: POOH
 0900 - 0930: Rig Service - Function Test BOPE
 0930 - 1130: P/U BHA and TIH to 3511 feet
 1130 - 1230: Cut 60 feet Drill Line
 1230 - 0700: WOC

Estimated Daily Cost:

DAY 19 4/28/2002

CURRENT DEPTH 3789 CURRENT OPERATIONS: Directional Time Drilling ROTATING HRS: 0.00

0700 - 0730: TIH and Tag Cement at 3690 feet
 0730 - 0930: Dress off Cement f/ 3690' to 3767 feet
 0930 - 1000: Circulate for bottom hole sample + Survey - Pump Sweep
 1000 - 1030: Attempt to POOH - Tight
 1030 - 1230: P/U Kelly - Mix and Pump High Vis Gel Sweep to Clean Hole
 1230 - 1430: POOH to change BHA
 1430 - 1800: M/U Directional Tools and RIH to 3722 feet
 1800 - 1930: Wash and Ream 45 feet f/ 3722' to 3767 feet
 1930 - 0030: Slide Drill f/ 3767 to 3782 feet
 0030 - 0700: Time Drill f/ 3782 to 3789 feet

BHA = Bit - Motor - Float Sub - UBHO - NMDC - XO - 15 x 6" DC - XO - 12 x HWDP = 853.20 feet

Estimated Daily Cost:

DAY 20 4/29/2002

CURRENT DEPTH 4063 CURRENT OPERATIONS: Circulating Bottoms Up ROTATING HRS: 7.45

0700 - 0900: Time Drill f/ 3789' - 3792' @ 5 MIN / INCH @ 330 AZM
0900 - 1215: Time Drill f/ 3792' - 3798' @ 3 MIN / INCH @ 330 AZM
1215 - 1630: Time Drill f/ 3798' - 3809' @ 2 MIN / INCH @ 330 AZM
1630 - 1745: Time Drill f/ 3809' - 3815' @ 1 MIN / INCH @ 330 AZM
1745 - 1815: Connection and Survey + Rig Service - Survey @ .90 incl - 117.10 AZM
1815 - 1915: Time Drill f/ 3815' - 3820' @ 1 MIN / INCH @ 330 AZM
1915 - 2015: Rotate Drill f/ 3820' - 3829'
2015 - 2045: Work on Pump Throttle
2045 - 2230: Rotate Drill f/ 3829' - 3831'
2230 - 2245: Connection and Survey @ .30- 58.70 AZM
2245 - 0700: Rotate Drill f/ 3831' - 4063'

Estimated Daily Cost: [REDACTED]

DAY 21 4/30/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Working Tight Hole ROTATING HRS: 0.00

0700 - 0730: Rotate Drill f/ 4056' - 4062'
0730 - 0800: Circulate Gel Sweep to Clean Hole - Rig Service
0800 - 2000: Rotate Drill f/ 4062' - 4431' - Last Survey at 4396' @ .30 Incl - 91.60 AZ
2000 - 2200: Tight Hole 20/25K Overpull - Circulate to Clean Hole - Pull 50 bbls Gel Sweep while working pipe -
No Overpull
2200 - 2230: Set back Kelly - POOH to 4369' - Work tight hole f/ 4369' - 4267' w/ 55/60 K Overpull
2230 - 0300: P/U Kelly - Attempt to circulate - Press up to 500 psi (No Circulation) - Work tighthole f/ 4277' - 4267'
w/ 55/60K Overpull
0300 - 0330: Adjust Drawworks Brakes due to working pipe
0330 - 0700: Work tight hole f/ 4267' - 4237' w/ 55/60K Overpull
Call out Weatherford Fishing Tools f/ Free Point and Fishing Tools - Continue working tight hole

Estimated Daily Cost: [REDACTED]

DAY 22 5/1/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Waiting on Drawworks Par ROTATING HRS: 0.00

0700 - 1130: Work Tight hole at 4175' w/ 60/65K Overpull while waiting on Weatherford Fishing Tools
1130 - 1530: R/U and run Weatherfore Wireline for free point - Four failed runs made with free point tools -
Found 2 sets of tools and panel failure. Ran backup free point tool and panel to 3540' -
Obstruction
found inside HWDP at 3540' preventing passage - Spud tools in an attempt to loosen obstruction
(Unable to pass obstruction)
1530 - 1600: P/U Kelly - Attempt to circulate w/ 1000 psi - Attempt working pipe to loosen obstruction - Brake
Linkage Failed - Linkage adjustment bolt stripped causing brake handle drop to floor - Traveling
block
dropped an estimated 30 feet pushing kelly outside derrick + bending top drill pipe joint.
1600 - 1630: Assess damage - Found drawworks brake linkage adjustment bolt stripped - Shut down
operations.
1630 - 0700: Wait on Drawworks parts to repair brake linkage.

Note: Convert drilling fluids to closed mud system
Release Air Drilling Equipment

Estimated Daily Cost: [REDACTED]

DAY 23 5/2/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Waiting on Drawworks Bra ROTATING HRS: 0.00

0700 - 2000: Waiting on Drawworks Brake Linkage Parts - Kenny Morris, Patterson Toolpusher, arrived with parts

at 2000 hours

2000 - 2015: Conduct Pre-Job Safety Meeting

2015 - 2100: Install Drawworks Brake Linkage Adjustment Bolt - Visually inspect Drilling Line + Brake Compenents

2100 - 2330: Set back Kelly + R/D Drawworks Brakes Bands and Linkage for Maguflux inspection

2330 - 0100: Maguflux Drawworks Brake Bands + Linkage - Cracks (1/4") found in both Brake Bands eye bolt holes

0100 - 0700: Kenny Morris, Patterson Toolpusher, telephoned his supervisor in an attempt to location new brake

brake bands - Waiting on response and parts.

Estimated Daily Cost:

Cum. Estimated Daily Cost:



Frac Data

Completion Data



PHILLIPS PETROLEUM COMPANY

9780 MT. PYRAMID CT., SUITE 200
ENGLEWOOD, CO 80112

AMERICAS DIVISION

June 4, 2002

RECEIVED

JUN 10 2002

**DIVISION OF
OIL, GAS AND MINING**

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

Re: Application for Injection Well – PPCo D-13
NE SW Sec. 30, T16S-R9E SLB&M
Emery County, Utah

Dear Mr. Hunt:

We are in receipt of the “UIC Injection Permit Analysis Form”, dated May 21, 2002, from Mr. Christopher Kierst and Ms. Lisha Cordova regarding the referenced application. In response to that document and in support of our initial submittal, dated April 26, 2002, please find enclosed two additional documents identified as follows:

- **Exhibit “B”:** (Item 2.1.) - Location Plat w/ wells and ownership information within a one-half mile radius of the PPCo D-13.

As previously submitted, the attached plat shows the location of the D-13 well and a ½-mile radius circle surrounding that location. There are no existing or abandoned wells included within this circle. Three proposed wells, to be operated by Phillips, are located within this circle, but there are no immediate plans to drill these Ferron-coal development wells. The base map for this plat correctly indicates surface ownership. Within the ½-mile radius of the D-13, the surface ownership belongs to Phillips Petroleum Company and the State of Utah School and Institutional Trust Lands Administration (SITLA). Please note Item #3 in the attached affidavit.

- **Exhibit "J":** (Item 2.12.) – Statement of affidavit

A copy of the initial submittal was provided to SITLA. Phillips, as operator, is also the surface owner of the lands on which the D-13 was drilled. An affidavit certifying that a copy of this application was provided to SITLA is attached as Exhibit J. No other surface owner or operator exists within the ½-mile radius circle.

Drilling and completion operations on the D-13 are still in progress. Other deficiency items noted on both our initial submittal and in your analysis form will be submitted in support of this application as soon as the data becomes available. We anticipate being finished with this project and submitting the remaining data within the next 30 days. Please contact me at (303) 643-4359 if there are any questions on the attached materials.

Sincerely,



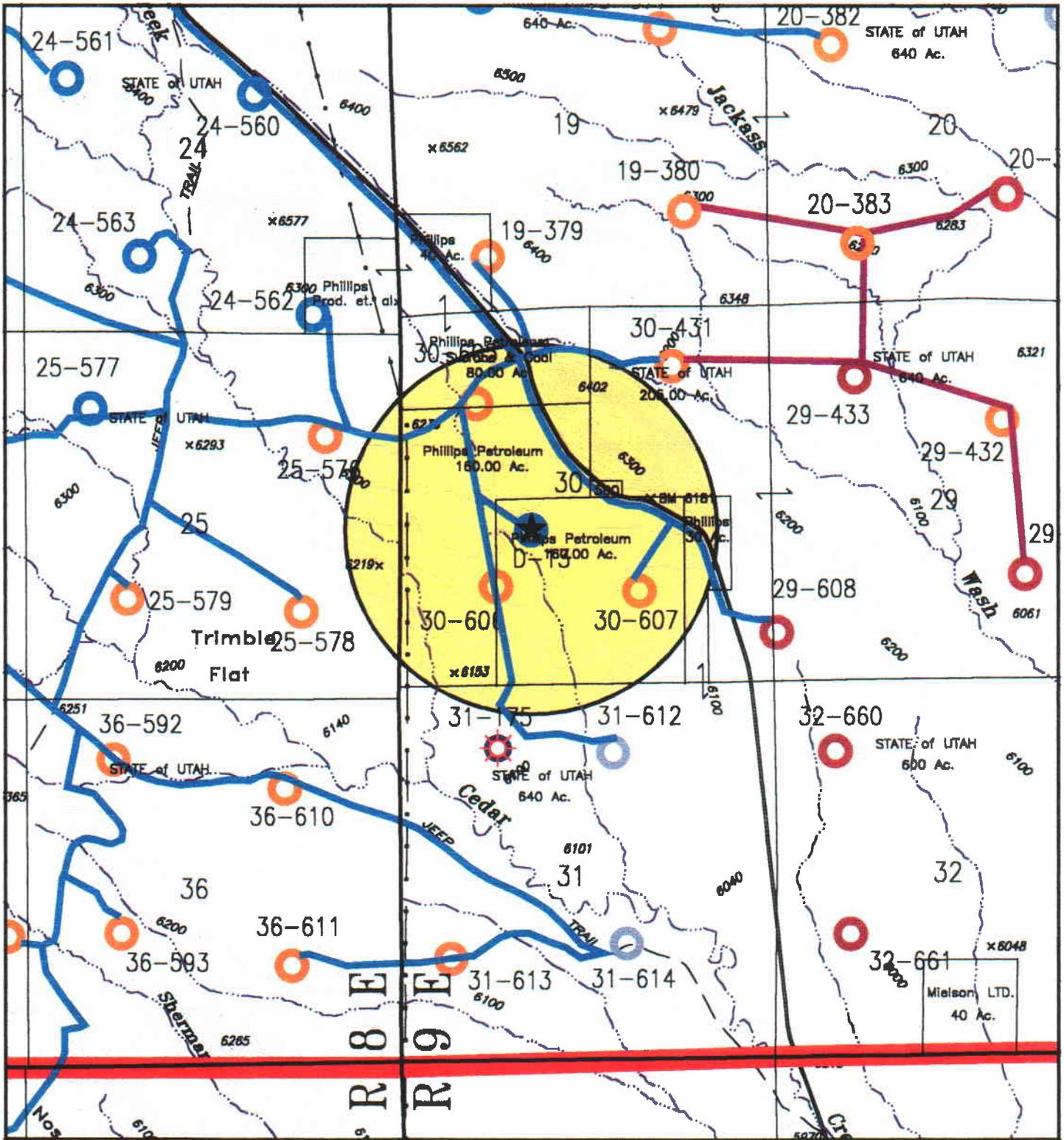
Jeffrey E. Carlson
Petroleum Engineer

RECEIVED

JUN 10 2002

**DIVISION OF
OIL, GAS AND MINING**

attachments



LEGEND

- Proposed Well Location: *
- Other Proposed Well Locations: ○
- Proposed Roads: —
- Lease Boundary: —
- Existing Wells: ●



JUN 10 2002

Scale: 1" = 2000'

DIVISION OF OIL GAS AND MINING

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



PPCO D-13 DISPOSAL WELL
 Section 30, T16S, R9E, S.L.B.&M.
 Surface Ownership - 1/2 Mile Radius

**AFFIDAVIT CONCERNING
CLASS II INJECTION WELL APPLICATION**

STATE OF COLORADO }
 }
COUNTY OF LARIMER }

DEANNA J. WALKER, being first duly sworn upon her oath, deposes and says:

1. I am a senior real estate specialist in the Insurance, Real Estate and Claims department of Phillips Petroleum Company, a Delaware corporation duly authorized to transact business in the State of Utah, ("Phillips") and am authorized to execute this Affidavit on behalf of said corporation.
2. Phillips desires to drill and operate the D-13 water injection well in the Northeast One-quarter of the Southwest One-quarter of Section 30, Township 16 South, Range 9 East, S.L.B.& M., Emery County, Utah and has prepared an application for a Class II Injection Well, as required by the Utah Division of Oil, Gas and Mining (DOG M) Oil and Gas Conservation General Rules, Rule R659-5-2.
3. Phillips Petroleum Company, et.al. and the State of Utah own the surface estate and the mineral estate of all property located within a one-half mile radius of the D-13 water injection well.
4. Phillips Petroleum Company, et.al. leases from the State of Utah the mineral estate of all property owned by the State of Utah, which is located within a one-half mile radius of the D-13 water injection well (Mineral Leases).
5. Phillips is operator of all the mineral estate, including Mineral Leases, located within a one-half mile radius of the D-13 water injection well.
6. As required by DOGM Rule R659-5-2.12, a copy of Phillips' application for a Class II Injection Well has been provided to all operators, owners, and surface owners within a one-half mile radius of the D-13 water injection well, including the State of Utah School and Institutional Trust Lands Administration as both mineral owner/lessor and surface owner within a one-half mile radius of this well.
7. I execute and record this affidavit in accordance with the requirements of DOGM Rule R659-5-2.
8. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this 24th day of May, 2002.

RECEIVED

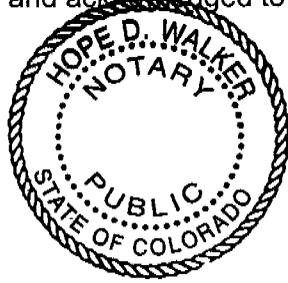
JUN 10 2002

**DIVISION OF
OIL, GAS AND MINING**



DEANNA J. WALKER

Subscribed, sworn and acknowledged to and by Deanna J. Walker before me this 24th day of May, 2002.



Hope D. Walker
NOTARY PUBLIC
For the State of Colorado

My Commission Expires:

10/15/2005

RECEIVED

JUN 10 2002

DIVISION OF
OIL, GAS AND MINING

UIC INJECTION PERMIT ANALYSIS FORM

WELL NAME: *D-23*

RG49-5-2. Requirements For Class II Injection Wells Including Water Disposal, Storage And Enhanced Recovery Wells.	Completed Items, Needed Items, & Comments
1. Injection wells shall be completed. Equipped, operated, and maintained in a manner that will prevent pollution and damage to any USDW, or other resources and will confine injected fluids to the interval approved.	1. OK
2. The application for an injection well shall include a properly completed UIC Form 1 and the following:	2. OK
2.1. A plat showing the location of the injection well, all abandoned or active wells within a one-half mile radius of the proposed well, and the surface owner and the operator of any lands or producing leases, respectively, within a one-half mile radius of the proposed injection well.	2.1. The provided plat (Exhibit "B") presents mineral ownership/administration but does not appear to identify surface ownership/administration. <i>Phillips indicates that surface owner ship is indeed indicated on the plat. c/k 6/13/02</i>
2.2. Copies of electrical or radioactive logs, including gamma ray logs, for the proposed well run prior to the installation of casing and indicating resistivity, spontaneous potential, caliper, and porosity.	2.2. As you stated in your cover letter, we have not received any copies of the log suite and will need these to complete our permit review and Statement of Basis document. <i>logs rec'd 6/28/02 c/k</i>
2.3. A copy of a cement bond or comparable log run for the proposed injection well after casing was set and cemented.	2.3. See commentary for 2.2 above. <i>log rec'd. 6/28/02 c/k</i>
2.4. Copies of logs already on file with the division should be referenced, but need not be refiled.	2.4. See commentary for 2.2 above. <i>but re-logged 7/3/02 and rec'd. 7/14/02. New CBL log analyzed 7/31/02 & found acceptable for bond. c/k 7/31/02</i>
2.5. A description of the casing or proposed casing program of the injection well and of the proposed method for testing the casing before use of the well.	2.5. Casing string info provided. A stipulation will be placed on the final permit to document the timely performance of a casing mechanical integrity test.
2.6. A statement as to the type of fluid to be used for injection. its source and estimated amounts to be injected daily.	2.6. OK
2.7. Standard laboratory analyses of (1) the fluid to be injected, (2) the fluid in the formation into which the fluid is being injected, and (3) the compatibility of the fluids.	2.7. Exhibit "F" to be tendered after it becomes available. <i>Rec'd. finally on 8/12/02 c/k</i>
2.8. The proposed average and maximum injection pressures.	2.8. Exhibit "G" to be tendered after it becomes available. <i>Rec'd 8/15/02 c/k</i>
2.9. Evidence and data to support a finding that the proposed injection well will not initiate fractures through the overlying strata or a confining interval that could enable the injected fluid or formation fluid to enter the fresh water strata.	2.9. Exhibit "H" to be tendered after it becomes available. <i>Rec'd 8/30/02 c/k (step note)</i>
2.10. Appropriate geological data on the injection interval and confining beds, and nearby Underground Sources of Drinking Water, including the geologic name, lithologic description, thickness, depth, water quality, and lateral extent; also information relative to geologic structure near the proposed well which may effect the conveyance and/or storage of the injected fluids.	2.10. Awaiting logs, step rate test and formation water analyses to assess the possible need for any additional geologic information. <i>OK</i>
2.11. A review of the mechanical condition of each well within a one-half mile radius of the proposed injection well to assure that no conduit exists that could enable fluids to migrate up or down the wellbore and enter improper intervals.	2.11. OK
2.12. An affidavit certifying that a copy of the application has been provided to all operators, owners and surface owners within a one-half mile radius of the proposed injection well.	2.12. <u>We will need this affidavit before we can proceed any further with this permit! We can't issue a public notice until the affidavit is provided!</u> <i>OK c/k 6/13/02</i>
2.13. Any other additional information that the board or division may determine is necessary to adequately review the application.	2.13. OK <i>UIC permit app. was noticed on 6/17/02 c/k</i>

OTHER COMMENTS AND OBSERVATIONS: This document is intended to summarize the Division's evaluation of the completeness of the UIC Permit documentary submission, which is provided to the Division by the operator, with the UIC application. The items specified will eventually be needed for review and file documentation before a permit can be issued. In addition, according to Division practice, the lack of the affidavit specified in Item 2.12 is a fundamental omission, which must be remedied before any further processing can take place. If you have any questions please respond by email or call (801) 538-5337.

Reviewed by: Christopher Kierst & Lisha Cordova Date: 5/21/02

This was emailed to Jeffery Carlson on 5/22/02. c/k



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)

June 18, 2002

SENT VIA FAX and Regular Mail

Emery County Progress
PO Box 589
Castle Dale, UT 84513

RE: Notice of Agency Action - Cause No. UIC 290

Gentlemen:

Enclosed is a copy of the referenced Notice of Agency Action. Please publish the Notice, once only, as soon as possible. Please send proof of publication and billing to the Division of Oil, Gas and Mining, Suite 1210, PO Box 145801, Salt Lake City, Utah 84114-5801.

Sincerely,

A handwritten signature in cursive script that reads "Earlene Russell".

Earlene Russell
Executive Secretary

encl.



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

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Division Director

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PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

June 18, 2002

SENT VIA E-MAIL AND FAX (801) 237-2776

Salt Lake Tribune
PO Box 45838
Salt Lake City, UT 84145

RE: Notice of Agency Action - Cause No. UIC 290

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Sincerely,

A handwritten signature in cursive script that reads "Earlene Russell".

Earlene Russell
Executive Secretary

encl.

TRANSACTION REPORT

P. 01

JUN-18-2002 TUE 02:22 PM

FOR: OIL, GAS & MINING

801 359 3940

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
JUN-18	02:21 PM	14353815431	50"	2	SEND	OK	088	

TOTAL : 50S PAGES: 2



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

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Sincerely,

Erubane Russell

PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
DIV OF OIL-GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114	D5385340L-07	06/22/02

ACCOUNT NAME	
DIV OF OIL-GAS & MINING	
TELEPHONE	INVOICE NUMBER
801-538-5340	TL3601MX841
SCHEDULE	
START 06/22/02 END 06/22/02	
CUST. REF. NO.	
UIC 290	
CAPTION	
BEFORE THE DIVISION OF OIL, GA	
SIZE	
56 LINES 2.00 COLUMN	
TIMES	RATE
1	1.16
MISC. CHARGES	AD CHARGES
.00	129.92
TOTAL COST	
129.92	

RECEIVED
 JUN 26 2002
 DIVISION OF
 OIL, GAS AND MINING

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

IN THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR ADMINISTRATIVE APPROVAL OF THE PPG-9-13 WELL LOCATED IN SECTION 30, TOWNSHIP 16 SOUTH, RANGE 9 EAST, EMERY COUNTY, UTAH AS A CLASS II INJECTION WELL. NOTICE OF AGENCY ACTION CAUSE NO. UIC290

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Phillips Petroleum Company for administrative approval of the PPG-9-13 well, located in Section 30, Township 16 South, Range 9 East, Emery County, Utah, for conversion to a Class II injection well. This well is located in the Drunkards Wash Unit. The adjudicative proceeding will be conducted informally according to Utah Admin. Rule R649-10, Administrative Procedures.

Selective zones in the Navajo Sandstone, Wingate Sandstone and Kayenta Formation will be used for water injection. The maximum requested injection pressure and rate will be determined based on fracture gradient information submitted by Phillips Petroleum Company.

Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is John R. Bazo, Associate Director at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5277. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or interveners should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING

/s/ John R. Bazo
Associate Director

3601MX84

AFFIDAVIT OF PUBLICATION

INCORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED BEFORE THE DIVISION OF OIL, GA FOR MINING WAS PUBLISHED BY THE NEWSPAPER AGENCY THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE COUNTY IN THE STATE OF UTAH.

START 06/22/02 END 06/22/02

[Signature]

Notary Public
MERRILYN D. DORE
824 West Big Mountain Drive
Taylorsville, Utah 84123
My Commission Expires
January 23, 2006
State of Utah

STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

a) 2827 REC 6131 NUAD2016 GED2

PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
DIV OF OIL-GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114	D5385340L-07	06/23/02

ACCOUNT NAME	
DIV OF OIL-GAS & MINING	
TELEPHONE	INVOICE NUMBER
801-538-5340	TL5801N0M51
SCHEDULE	
START 06/23/02 END 06/23/02	
CUST. REF. NO.	
CAPTION	
BEFORE THE DIVISION OF OIL, GA	
SIZE	
56 LINES 2.00 COLUMN	
TIMES	RATE
1	1.16
MISC. CHARGES	AD CHARGES
00	129.92
TOTAL COST	
129.92	

RECEIVED
JUN 26 2002
DIVISION OF
OIL, GAS AND MINING

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

IN THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR ADMINISTRATIVE APPROVAL OF THE PHILLIPS PETROLEUM COMPANY'S PROPOSED CONVERSION OF THE PHILLIPS PETROLEUM COMPANY'S EAST EMERY COUNTY, UTAH, AS A CLASS II INJECTION WELL

AFFIDAVIT OF PUBLICATION

NOTICE OF AGENCY ACTION
CAUSE NO. UIC 290

INCORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED BEFORE THE DIVISION OF OIL, GA FOR MINING WAS PUBLISHED BY THE NEWSPAPER AGENCY

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.
Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Phillips Petroleum Company for administrative approval of the PPGCo D-13 well, located in Section 30, Township 16 South, Range 9 East, Emery County, Utah, for conversion to a Class II injection well. This well is located in the Drunkards Wash Units respectively. The adjudicative proceeding will be conducted informally according to Utah Admin. Rule R649-10, Administrative Procedures.

BY THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS IN ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE COUNTY IN THE STATE OF UTAH.

Selective zones in the Navajo Sandstone, Wingate Sandstone and Kayenta Formations are being tested for water injection. The maximum recommended injection pressure and rate will be determined based on fracture gradient information submitted by Phillips Petroleum Company.

START 06/23/02 END 06/23/02

Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is John R. Boza, Associate Director at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5277. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or intervenors should be prepared to demonstrate at the hearing how this matter affects their interests.

Notary Public
MERRILYN D. DORE
824 West Big Mountain Drive
Taylorsville, Utah 84123
My Commission Expires
January 23, 2006
State of Utah

STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING

John R. Boza
Associate Director
5801N0M5

a
2827 REC 6131 NUAD2016 GEDZ

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
DIV OF OIL-GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114	D5385340L-07	06/22/02

ACCOUNT NAME	
DIV OF OIL-GAS & MINING	
TELEPHONE	INVOICE NUMBER
801-538-5340	TL3601MX841
SCHEDULE	
START 06/22/02 END 06/22/02	
CUST. REF. NO.	
UIC 290	
CAPTION	
BEFORE THE DIVISION OF OIL, GA	
SIZE	
56 LINES	2.00 COLUMN
TIMES	RATE
1	1.16
MISC. CHARGES	AD CHARGES
.00	129.92
TOTAL COST	
129.92	

RECEIVED
 JUN 26 2002
 DIVISION OF
 OIL, GAS AND MINING

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

IN THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR ADMINISTRATIVE APPROVAL OF THE PPCO D-13 WELL LOCATED IN SECTION 30, TOWNSHIP 16 SOUTH, RANGE 9 EAST, EMERY COUNTY, UTAH AS A CLASS II INJECTION WELL

NOTICE OF AGENCY ACTION
CAUSE NO. UIC290

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Phillips Petroleum Company for administrative approval of the PPCO D-13 well, located in Section 30, Township 16 South, Range 9 East, Emery County, Utah, for conversion to a Class II injection well. This well is located in the Drinkwater Wash Unit. The adjudicative proceeding will be conducted informally according to Utah Admin. Rule R649-10, Administrative Procedures.

Selective zones in the Navajo Sandstone, Wingate Sandstone and Kayenta Formation will be used for water injection. The maximum requested injection pressure and rate will be determined based on fracture gradient information submitted by Phillips Petroleum Company.

Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is John R. Baza, Associate Director, at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5277. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or interveners should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
/s/ John R. Baza
Associate Director

AFFIDAVIT OF PUBLICATION

INCORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED BEFORE THE DIVISION OF OIL, GAS AND MINING FOR DIVISION OF OIL, GAS AND MINING WAS PUBLISHED BY THE NEWSPAPER AGENCY THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE COUNTY IN THE STATE OF UTAH.

START 06/22/02 END 06/22/02

[Signature]

Notary Public
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824 West Big Mountain Drive
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January 23, 2006
State of Utah

STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

PROOF OF PUBLICATION

CUSTOMER NAME AND ADDRESS	ACCOUNT NUMBER	DATE
DIV OF OIL-GAS & MINING 1594 W NORTH TEMP #1210 P.O. BOX 145801 SALT LAKE CITY, UT 84114	D5385340L-07	06/23/02

ACCOUNT NAME	
DIV OF OIL-GAS & MINING	
TELEPHONE	INVOICE NUMBER
801-538-5340	TL5801N0M51
SCHEDULE	
START 06/23/02 END 06/23/02	
CUST. REF. NO.	
CAPTION	
BEFORE THE DIVISION OF OIL, GA	
SIZE	
56 LINES 2.00 COLUMN	
TIMES	RATE
1	1.16
MISC. CHARGES	AD CHARGES
00	129.92
TOTAL COST	
129.92	

RECEIVED
 JUN 26 2002
 DIVISION OF
 OIL, GAS AND MINING

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

IN THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR ADMINISTRATIVE APPROVAL OF THE PPCO D-13 WELL LOCATED IN SECTION 30, TOWNSHIP 16 SOUTH, RANGE 9 EAST, EMERY COUNTY, UTAH, AS A CLASS II INJECTION WELL.

AFFIDAVIT OF PUBLICATION

NOTICE OF AGENCY ACTION

CAUSE NO. UIC 290

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

Notice is hereby given that the Division of Oil, Gas and Mining (the "Division") is commencing an informal adjudicative proceeding to consider the application of Phillips Petroleum Company for administrative approval of the PPCO D-13 well, located in Section 30, Township 16 South, Range 9 East, Emery County, Utah, for conversion to a Class II injection well. This well is located in the Drunkards Wash Units respectively. The adjudicative proceeding will be conducted informally according to Utah Admin. Rule R649-10, Administrative Procedures.

Selective zones in the Navajo Sandstone, Wingate Sandstone and Kayenta Formations will be used for water injection. The maximum requested injection pressure and rate will be determined based on fracture gradient information submitted by Phillips Petroleum Company.

Any person desiring to object to the proposed application or otherwise intervene in the proceeding, must file a written protest or notice of intervention with the Division within fifteen days following publication of this notice. The Division's Presiding Officer for this proceeding is John R. Baza, Associate Director at PO Box 145801, Salt Lake City, Utah 84114-5801, phone number (801) 538-5277. If such a protest or notice of intervention is received, a hearing will be scheduled in accordance with the aforementioned administrative procedure rule. Protestants and/or interveners should be prepared to demonstrate at the hearing how this matter affects their interests.

Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING

John R. Baza
Associate Director
5801N0M5

INCORPORATION LEGAL BOOKKEEPER, I CERTIFY THAT THE ATTACHED BEFORE THE DIVISION OF OIL, GA FOR MINING WAS PUBLISHED BY THE NEWSPAPER AGENCY THE SALT LAKE TRIBUNE AND DESERET NEWS, DAILY NEWSPAPERS IN ENGLISH LANGUAGE WITH GENERAL CIRCULATION IN UTAH, AND PUBLISHED IN SALT LAKE COUNTY IN THE STATE OF UTAH.

START 06/23/02 END 06/23/02

[Signature]



Notary Public
MERRILYN D. DORE
824 West Big Mountain Drive
Taylorsville, Utah 84123
My Commission Expires
January 23, 2006
State of Utah

STATEMENT BUT A "PROOF OF PUBLICATION"
PLEASE PAY FROM BILLING STATEMENT.

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

IN THE MATTER OF THE	:	
APPLICATION OF PHILLIPS	:	NOTICE OF AGENCY ACTION
PETROLEUM COMPANY FOR	:	
ADMINISTRATIVE APPROVAL OF THE	:	CAUSE NO. UIC 290
PPCO D-13 WELL LOCATED IN	:	
SECTION 30, TOWNSHIP 16 SOUTH,	:	
RANGE 9 EAST, EMERY COUNTY,	:	
UTAH, AS A CLASS II INJECTION	:	
WELL	:	

THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

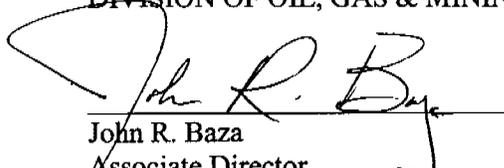
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Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING


John R. Baza
Associate Director

Phillips Petroleum Company
PPCo D-13
Cause No. UIC 290

Publication Notices were sent to the following:

Phillips Petroleum Company
PO Box 851
Price UT 84501

Emery County Progress
PO Box 589
Castle Dale, UT 84513

via E-Mail and Facsimile
Salt Lake Tribune
PO Box 45838
Salt Lake City, UT 84145

Moab District Office
Bureau of Land Management
82 East Dogwood
Moab UT 84531

Emery County Planning
95 East Main
Castle Dale UT 84513

Dan Jackson
US EPA Region VIII, Suite 5000
999 18th Street
Denver, CO 80202-2466


Earlene Russell
Executive Secretary
June 18, 2002

DIVISION OF OIL, GAS AND MINING
UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT STATEMENT OF BASIS

Applicant: Phillips Petroleum Co.

Well: PPCo D-13

Location: T16S, R9E, S30, Emery Co., UT

API: 4301530531

Ownership Issues:

The well is located on Fee surface and mineral estates. An affidavit of notification of operators, owners and surface owners within a half-mile radius has been provided?

Well Integrity:

Description of the Casings and Cement:

CASING PROGRAM

String Type	Hole Size	Depth	Feet	Casing Diameter	Weight	Grade	Connection Type
Conductor	?	40'	40'	20"	93#	H-40	ST&C
Surface	?	455'	449'	13 3/8"	48#	H-40	ST&C
Intermediate	?	3525'	3525'	9 5/8"	40#	J-55	LT&C
Production	?	+/- 7330'	+/- 7330'	7"	26#	L-80	LT&C

CEMENT PROGRAM

String Type	DV Depth	Stage Lead/Tail	Cement Bottom	Cement Top	Number Sacks	Cement Type	Cement Yield	Cement Weight
Conductor			40"	0"		7 sx. grout / 4 yds. Redi-Mix		
Surface			455'	Surface	500	G	1.16	15.8
Intermediate		Lead	?	Surface	500	Halco Light	1.89	12.5
		Tail	3525'	?	250	AG-300	1.16	15.8

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

IN THE MATTER OF THE
APPLICATION OF PHILLIPS
PETROLEUM COMPANY FOR
ADMINISTRATIVE APPROVAL OF THE
PPCO D-13 WELL LOCATED IN
SECTION 30, TOWNSHIP 16 SOUTH,
RANGE 9 EAST, EMERY COUNTY,
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WELL

:
NOTICE OF AGENCY ACTION
:
CAUSE NO. UIC 290
:
:

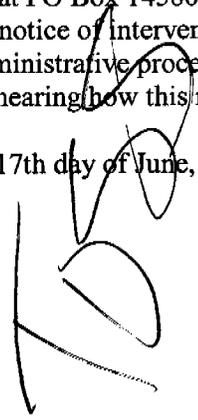
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Selective zones in the Navajo Sandstone, Kayenta and Windgate Sandstone ~~Formation~~ ^{Formation} will be used for water injection. The maximum requested injection pressure and rate will be ~~determined based on~~ ^{determined based on} fracture gradient information submitted by Phillips Petroleum Company.

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Dated this 17th day of June, 2002.



STATE OF UTAH
DIVISION OF OIL, GAS & MINING

John R. Baza
Associate Director

AFFIDAVIT OF PUBLICATION

STATE OF UTAH)

ss.

County of Emery,)

I, Ken Larson, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and that the first publication was on the 25th day of June, 2002 and that the last publication of such notice was in the issue of such newspaper dated the 25th day of June, 2002.

Ken G. Larson

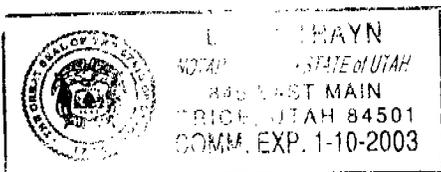
Ken G Larson - Publisher

Subscribed and sworn to before me this 25th day of June, 2002.

Linda Mayn

Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$ 78.68



**NOTICE OF AGENCY ACTION
CAUSE NO. UIC 290**

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

IN THE MATTER OF THE APPLICATION OF PHILLIPS PETROLEUM COMPANY FOR ADMINISTRATIVE APPROVAL OF THE PPCO D-13 WELL LOCATED IN SECTION 30, TOWNSHIP 16 SOUTH RANGE 9 EAST, EMERY COUNTY UTAH, AS A CLASS II INJECTION WELL. THE STATE OF UTAH TO ALL PERSONS INTERESTED IN THE ABOVE ENTITLED MATTER.

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Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
-s John R. Baza
Associate Director

Published in the Emery County Progress June 25, 2002.

RECEIVED

JUN 28 2002

DIVISION OF
OIL, GAS AND MINING

E. Russell

STATE OF UTAH)

ss.

County of Emery,)

I, Ken Larson, on oath, say that I am the Publisher of the Emery County Progress, a weekly newspaper of general circulation, published at Castle Dale, State and County aforesaid, and that a certain notice, a true copy of which is hereto attached, was published in the full issue of such newspaper for 1 (One) consecutive issues, and that the first publication was on the 25th day of June, 2002 and that the last publication of such notice was in the issue of such newspaper dated the 25th day of June, 2002.

Ken G. Larson

Ken G Larson - Publisher

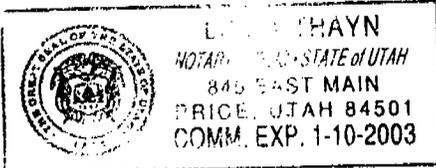
Subscribed and sworn to before me this 25th day of June, 2002.

Linda Mayn

Notary Public My commission expires January 10, 2003 Residing at Price, Utah

Publication fee, \$78.68

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD



**NOTICE OF AGENCY ACTION
CAUSE NO. UIC 290**

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

IN THE MATTER OF THE
APPLICATION OF PHILLIPS
PETROLEUM COMPANY FOR
ADMINISTRATIVE APPROVAL OF THE
PPCO D-13 WELL LOCATED IN
SECTION 30, TOWNSHIP 16 SOUTH
RANGE 9 EAST, EMERY COUNTY,
UTAH, AS A CLASS II INJECTION
WELL

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Dated this 17th day of June, 2002.

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
-s- John R. Baza
Associate Director

Published in the Emery County Progress June 25, 2002.

RECEIVED

JUN 28 2002

**DIVISION OF
OIL, GAS AND MINING**

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

013

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: FEE
6. If Indian, Allottee or Tribe Name: N/A
7. Unit Agreement Name: Drunkards Wash UTU-67921X
8. Well Name and Number: PPCO D13
9. API Well Number: 43-015-30531
10. Field or Pool, or Wildcat: Drunkards Wash

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:
2217' FSL, 1856' FWL
QQ, Sec., T., R. M.: NE/4 SW/4, Section 30, T16S, R09E, 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 _____ Well Report 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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COPY

JUL 08 2002

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

13

Name & Signature: Frankie Hathaway *Frankie Hathaway* Title: Operations Clerk Date: 7/3/02

(This space for state use only)

DRUNKARDS WASH PROJECT DAILY WELL REPORT

CONFIDENTIAL

PPCO

D-13

API NO: 43-015-30531

2217' FSL, 1856' FWL

NESW SEC: 30 TWN 16S RNG: 09E

SPUD TIME/DATE: 3/25/2002 11:00:00 AM

COUNTY: Emery

TD TIME/DATE: 6/3/2002 8:45:00 PM

ELEVATION: 6177

TD DEPTH: 7414

DRILLING CONTRACTOR: Ross Well Services

ON-LINE TIME/DATE:

Bit Information

Type	Size	In	Out	Hours	Rotating Hours
Air Hammer	17.5	0.00	65.00	6	5
Tri-cone	24in	0.00	40.00	4.5	4
Air Hammer	17.5	40.00	455.00	27.5	24
Tri-cone	12.25	340.00		3	3
Air Hammer	12.25	453.00	2600.00	50.5	50.5

Conductor Casing

Bore Hole Size: 24in Conductor From: 0.00 To: 40.00

Casing Description: 20in pe Number of Joints: 2 Set @: 40.00

Cement: 7 bag grout Amount:

Cement Report: dumped 4 yards of ready mix down backside of conductor

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JUL 08 2002

DIVISION OF
OIL, GAS AND MINING

Surface Casing

Bore Hole Size: 17.5 Surface Casing From: 40.00 To: 455.00

Casing Description: 13 3/8in 48# H-40 Number of Joints: 10 Set @: 449.00

Cement: G + 2%S-1 + 1/4#/sk D-29 Amount: 500.00

Cement Report: r/up cementers, safety meeting, test lines, pump 60 bbls h2o, 20 bbls gel ahead, mix & pump cement, s/down to drop plug, plug did not go, s/down & opened cap to check plug & blew plug out, went ahead w/ displacement & underdisplaced 10 bbls because csg trying to rise, closed valve @ 10:25pm 3/29/02, 20bbls good cement to surface, r/down cementers & sdfn

Production Casing

Bore Hole Size: 8.750 Prod.Casing From: 0.00 To: 7351.00

Casing Description: 7", 26# L-80, LT&C Number of Joints: 178 Length: 7351.00

Lead Cement 50-50 Prem + 8% Gel + 8% Cal-Seal + .125#/sk Amount: 940.00

Tail Cement 50-50 Prem + 2% Gel + .125#/sk Poly + 40% Hal Amount: 290.00

Cement Report: Stage #1: 20 bbls Fresh + 40 sks 50-50 Poly E Flake + 2% Gel + .125#/sk Poly E Flake + 4% Halad-344 Wt 12 lb/gal, Yield 1.96 + 410 sks 50-50 Poly E Flake + 4% Halad-344, Wt 14.3 lb/gal Yield 1.96 - Displace w/ 66.3 bbls Water+ 214 bbls Mud - Slow Pump Rate @ DV Tool - Shut down Plug did not land - Bleed Well Floats Hold - Drop Bomb - Open DV Tool w/ 1200 psi - Pump 5 bbls Mud - Circulate w/ Rig Pump
Stage #2: 10 bbls Fresh Water + 20 bbls Super Flush + Lead = 480 sks 50-50 Prem + 8% Gel + 8% Cal-Seal + .125#/sk Poly E Flake, Wt 12.3 lb/gal, Yield 2.04 + Tail: 290 sks 50-50 Prem + 2% Gel + .125#/sk Poly E Flake + 4 % Halad-344, Wt 14.3 lb/gal, Yield 1.20 - Drop Plug - Displace w/ 214 bbls Fresh Water - Land Plug w/ 2500 psi (1000 psi over) Bleed Well DV Tool Closed @ 0636 horus - No Cement to Surface

Float Equipment: Shoe + Float Collar + DV 100 Centralizers ran on: 25 eachx 7" Centralizers

CONFIDENTIAL

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JUL 08 2002

DIVISION OF
OIL, GAS AND MINING

Drilling Data

DAY 1 3/26/2002

CURRENT DEPTH 65 CURRENT OPERATIONS: reaming conductor hole ROTATING HRS: 5.00
7am-10am no activity, 10am-11am finish r/up, service equipment, 11am-5:30pm drill 65ft of 17 1/2in hole, pooh, prep to ream out for 20in conductor, sdfn

Estimated Daily Cost: [REDACTED]

DAY 2 3/27/2002

CURRENT DEPTH 40 CURRENT OPERATIONS: woc ROTATING HRS: 4.00
7am-11am ream hole f/ 20in conductor, 11am-12:30pm rih w/ 40 ft of 20in conductor, 12:30pm-1pm wait for cement, 1pm-2:30pm dump 4 yards cement behind conductor,(cement up to surface), sdfn & woc

Estimated Daily Cost: [REDACTED]

DAY 3 3/28/2002

CURRENT DEPTH 240 CURRENT OPERATIONS: replacing hydraulic line, ROTATING HRS: 8.00
7am-9am n/up, rih w/ 17.5in air hammer, 9am-5pm drill 17.5in hole to 240ft, 5pm-6pm hydraulic line leaking, shut down to replace, sdfn

Estimated Daily Cost: [REDACTED]

DAY 4 3/29/2002

CURRENT DEPTH 365 CURRENT OPERATIONS: drilling 17.5in hole ROTATING HRS: 9.00
7am-9am repair hydraulic line, 9am-6pm drill 17.5in hole to 365ft, sdfn,

Estimated Daily Cost: [REDACTED]

DAY 5 3/30/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: woc ROTATING HRS: 7.00
7am-2pm drill 17.5in hole to 455ft, 2pm-4pm pooh, laydown hammer, r/down & move off hole, 4pm-5:30pm r/up workover rig, 5:30pm-8:30pm rih w/ 10jts of 13 3/8in 48# h-40 csg, guide shoe & float collar, land csg @ 449ft, 8:30pm-10:25pm cement surface pipe, close valve @ 10:25pm 3/29/02, 20 bbls good cement to surface, 10:25pm-11pm r/down cementers & sdfn, left 13 bbls cement above float collar

Estimated Daily Cost: [REDACTED]

DAY 6 4/2/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: no activity, ROTATING HRS: 0.00
7am-4pm measure & drill rathole & mousehole, r/down & move off well

Estimated Daily Cost: [REDACTED]

DAY 7 4/16/2002

CURRENT DEPTH 455 CURRENT OPERATIONS: finish r/up ROTATING HRS: 0.00
7am-7pm r/up drill equipment, 7pm-7am no activity

Estimated Daily Cost: [REDACTED]

DAY 8 4/17/2002

CURRENT DEPTH 435 CURRENT OPERATIONS: Nipple down BOP ROTATING HRS: 0.00
0700 - 1400: Rig up Drilling equipment + Air drilling compressors and test same
1400 - 2100: Nipple up BOP
2100 - 0330: Test BOP and Surface equipment to 3000 psi - Blind and Pipe Rams rod seals leaking hydraulic fluid

into well bore

0330 - 0700: Nipple down BOP while waiting on replacement unit - GrayCo BOP (No rental during this period)

Estimated Daily Cost: [REDACTED]

RECEIVED

JUL 08 2002

DIVISION OF
OIL, GAS AND MINING

DAY 9 4/18/2002

CURRENT DEPTH 410 CURRENT OPERATIONS: Drilling Shoe Track ROTATING HRS: 3.00

0700 - 0800: Nipple down BOP while waiting on replacement unit

0800 - 1130: Waiting on replacement BOP from GrayCo - Continue rigging up drilling equipment

1130 - 1600: N/U replacement BOP

1600 - 1900: Test BOP as follows: Annular @ 1500 psi - Surface Casing @ 1500 psi - Blind Ram, Kill Line, Choke

psi - Line & Manifold + Outside Manifold @ 3000 psi - Pipe Rams + Inside & Outside Valves @ 3000

Upper Kelly + Lower Kelly Valves + Inside BOP + Safety Valve @ 3000 psi (Test completed OK) - Mark Jones, Utah Oil & Gas witness test.

1900 - 2100: Repair foot throttle on driller console.

2100 - 0200: Install wear bushing + M/U Bit + BHA and RIH to top of plug at 340 feet

0200 - 0400: Install Rotating Head

0400 - 0700: Drilling shoe track f/ 340' to 410 feet

Estimated Daily Cost: [REDACTED]**DAY 10 4/19/2002**

CURRENT DEPTH 1100 CURRENT OPERATIONS: Air Drilling at 1100 feet ROTATING HRS: 0.00

7am - 9am: Drilling Shoe track f/ 410 to 453 feet

9am - 930am: Perform FIT - Equivalent to 1260 psi

930am - 10am: Survey at 453 feet = 1 degree

10am - 11am: Displace hole with air

11am - 12pm: POOH

12pm - 130pm: L/D 12-1/4" Tri Cone Bit - P/U 12-1/4" Air Hammer + Bit

130pm - 2pm: RIH to 453 feet

2pm - 6pm: Drilling f/ 453 to 653 feet

6pm - 730pm: Modify Blower down line

730pm - 8pm: Drilling f/ 653' to 721 feet

8pm - 9pm: Replace rotary chain

9pm - 10pm: Drilling f/ 721 to 740 feet

10pm - 11pm: Tighten Rotary Chain

11pm - 430am: Drilling f/ 740' to 962 feet

430am - 5am: Survey at 920 feet = 3/4 degree

5am - 7am: Drillingf/ 962' to 1100 feet

Estimated Daily Cost: [REDACTED]**DAY 11 4/20/2002**

CURRENT DEPTH 2600 CURRENT OPERATIONS: Air Drilling at 2600 feet ROTATING HRS: 22.5

0700 - 1430: Drilling f/ 1100' to 1613 feet

1430 - 1500: Survey at 1571 feet = 1/2 degree

1500 - 1530: Rig Service - Lubricate Crown + Block

1530 - 0400: Drilling f/ 1613' to 2391 feet

0400 - 0430: Survey at 2349 feet= 3/4 degree

0430 - 0700: Drilling f/ 2391' to 2600 feet

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 12 4/21/2002

CURRENT DEPTH 3525 CURRENT OPERATIONS: Mixing Gel Pill

ROTATING HRS: 15.0

0700 - 1000: Drilling f/ 2600 to 2756 feet

1000 - 1030: Repair Rotary Chain

1030 - 1230: Drilling f/ 2756 to 2856 feet

1230 - 1300: WLS @ 2814 feet 1/4 degree

1300 - 1330: Rig Service

1330 - 2330: Drilling f/ 2856 to 3525 feet TD

2330 - 2400: Clean Hole with Air

2400 - 0200: POOH - L/D Air Hammer

0200 - 0400: P/U 12-1/4" Tri Cone Bit - RIH to 3525 feet

0400 - 0530: Attempt to displace with 2% KCL - No circulation

0530 - 0600: POOH 10 stands to 2600 feet

0600 - 0700: Attempt to establish circulation with 2% KCL water. Total volume pump at report time 700 bbls.
 No Circulation - Shut down pumping - Start Mixing 400 bbls Gel / LCM + Cedar Fiber + Coarse
 walnut hull pill.

Estimated Daily Cost:**DAY 13 4/22/2002**

CURRENT DEPTH 3525 CURRENT OPERATIONS: POOH to run casing ROTATING HRS: 0.00

0700 - 1000: Build volume = Gel + LCM + Cedar Fiber + Course Walnut Hulls = 400 bbls

1000 - 1030: RIH to Bottom at 3525 feet

1030 - 1200: Pump 380 bbl sweep - No returns - Let sweep cure

1200 - 1430: Build additional 400 bbl volume = Gel + LCM + Cedar Fiber + Course Walnut Hulls

1430 - 1530: Pump sweep - Attempt to circulate

1530 - 1900: Full returns at 1530 hours - Circulate and condition mud + hole to a 43 vis - Total volume to
 establish

circulation = 1345 bbls.

1900 - 2100: POOH to Log

2100 - 0130: R/U Logging equipment + Log well w/ Dual Induction / Guard Log / AP Compensated Density /
 Neutron

Gamma Ray / Caliper - Logging depth at 3495 feet - Hole in caliper = 1235 cu/ft - R/D Logging eq.

0130 - 0300: RIH to 3495 feet

0300 - 0330: Wash & Ream to bottom at 3525 feet

0330 - 0500: Circulate and condition mud - lower drilling fluid to 38 vis for running casing

0500 - 0700: POOH to run casing

Estimated Daily Cost:**DAY 14 4/23/2002**

CURRENT DEPTH 3525 CURRENT OPERATIONS: Changing out rotary table ROTATING HRS: 0.00

0700 - 0800: POOH - L/D 3 x 8" DC - Retrieve Wear Bushing

0800 - 0815: Conduct Pre-Casing Running Safety Meeting - Subject: Running Casing

0815 - 1400: R/U and Run 82 Joints 9-5/8", 40#, J 55 Casing - Tag up at 3505 feet

1400 - 1500: Circulate Casing contents and wash to bottom at 3525 feet - 20 feet of fill

1500 - 1515: Conduct Pre-Cementing Safety Meeting - Subject: Halliburton High Pressure lines + Cementing
 Operations

1515 - 1700: Cement 9-5/8" Casing as follows: Test lines to 3630 psi - Pump 10 bbls water + 20 bbls Gel Flush

Lead Cement: 500 sks HLC 12.5 lb/gal, Yield 1.89, .125# sk Poly-E-Flake, 2% CACL2

Tail Cement: 250 sks AG-300 15.8 lb/gal, Yield 1.16, .125# sk Poly Flake, 1% CACL2

Displace w/ 268 bbls water, bump plug w/ 1617 psi - Hold pressure 15 minutes - release

pressure -

Float Held - 20 bbls cement returns to surface

1700 - 2000: P/U BOP - Set 9-5/8' slips w/ 115,000 lbs - Rough cut 9-5/8" Casing - N/D 13-5/8" 3M Rental

GrayCo BOP

2000 - 2200: Dress cut 9-5/8" Casing - Install 13-5/8" 3M x 11" 5M Cameron Casing Spool

2200 - 0300: N/U 11" 5M BOP

0300 - 0700: Install Re-Built Rotary Table - Bearing failure in Previous Rotary Table

Estimated Daily Cost:**RECEIVED**

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DAY 15 4/24/2002

CURRENT DEPTH 3630 CURRENT OPERATIONS: Drilling new formation ROTATING HRS: 3.00

0700 - 1130: Install Re-Built Rotary Table
 1130 - 1700: Test BOP as follows: Surface Casing = 250 psi Low - 1000 psi High (30 min)
 Annular Preventor = 250 psi Low - 1500 psi High (10 Min)
 Pipe Rams + Inside & Outside Valves = 250 psi Low - 2000 psi High (10 min)
 Blind Rams + Kill Line + ChokeLine + Outside Manifold Valves = 250 psi Low - 2000 psi High (10 min)
 Upper + Lower Kelly Valves + Inside BOP + Safety Valves = 250 psi Low - 2000 psi High (10 min)
 All test witnessed by Mark Jones - Utah Oil & Gas (Passed)
 1700 - 1800: P/U BHA
 1800 - 2000: Forgot to install Wear Bushing - POOH - Install Wear Bushing- RIH
 2000 - 2300: Continue picking up BHA + 21 Joints DP
 2300 - 2400: L/D 21 joints DP
 2400 - 0100: RIH - Tag Cement at 3469 feet
 0100 - 0230: Drill Cement f/ 3469' to 3520 feet - Test Casing to 1000 psi
 0230 - 0300: Drilling Shoe track f/ 3520' + new formation to 3536 feet
 0300 - 0400: Conduct formation integrity test - Equivalent to 1750 psi
 0400 - 0700: Drilling new formation f/ 3536' to 3630 feet
 BHA= Bit - NB Stab - 3 x 6" DC - Stab - 12 x 6" DC - XO - 9 x 6" DC - 12 x 4-1/2" HWDP =
 1074.05 ft.

Estimated Daily Cost: [REDACTED]

DAY 16 4/25/2002

CURRENT DEPTH CURRENT OPERATIONS: Drilling ROTATING HRS: 0.00

0700 - 0900: Drilling f/ 3630' to 3671 feet w/ H2O - WOB - 40/45K
 0900 - 1200: Switch to Aerated LSND Fluid - Drill f/ 3671 to 3816 feet - 40/45K WOB
 1200 - 1230: Rig Service
 1230 - 1330: Drill f/ 3816' to 3878 feet - WOB 40/45K
 1330 - 1400: Survey at 3833 feet - 3/4 degree
 1400 - 1900: Drill f/ 3878' to 4128 feet - WOB 40/45K
 1900 - 1930: Survey at 4087 feet - Off 8 degree Chart
 1930 - 2000: Drill f/ 4128' to 4159 feet - WOB 35K
 2000 - 2030: Survey at 4119 feet w/ 14 degree Chart - 10-1/2 degree
 2030 - 0230: Drill f/ 4159' to 4406 feet - WOB 30K
 0230 - 0300: Survey at 4365 feet - 14 degree
 0300 - 0630: Drill f/ 4406' to 4499 feet - WOB 20K
 0630 - 0700: Survey 4456 feet - 14 degree

Estimated Daily Cost: [REDACTED]

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DAY 17 4/26/2002

CURRENT DEPTH 4531 CURRENT OPERATIONS:

ROTATING HRS: 0.00

0700 - 0730: Survey at 4459 feet - 14 degree
 0730 - 0930: Drill f/ 4499' to 4531 feet
 0930 - 1100: Run 2 surveys at 4490 - Each survey - 21 degree
 1100 - 1130: POOH to 4080 feet
 1130 - 1230: Repair Drawworks Brake Linkage - Replace pins
 1230 - 1300: POOH to 3869 feet - Tight spot f/ 4050 to 4000 feet - 50K Overpull
 1300 - 1330: Survey at 3869 feet - 6 degrees
 1330 - 1430: Continue POOH
 1330 - 2000: L/D Stabilizers - P/U new Bit - RIH to Shoe @ 3525 feet
 2000 - 2330: W/O Gyro Data Wireline equipment to run Mult-Shot survey - Gyro arrived at 2330 hours
 2330 - 2400: RIH to 4468 feet - Ream tight spot f/ 4000' to 4050 feet
 2400 - 0100: Circulate while rigging up Gyro - Gyro Wireline unit hydraulics fail - No spare parts to repair unit -
 R/D Gyro - Release Gyro Data
 0100 - 0300: POOH - Stand back Drill Collars
 0300 - 0400: RIH to shoe open ended at 3525 feet
 0400 - 0500: W/O Halliburton to set cement plug
 0500 - 0600: Continue running in hole to 4003 feet
 0600 - 0700: Circulate while rigging up Halliburton - Conduct 15 minute Safety Meeting

Estimated Daily Cost: [REDACTED]

DAY 18 4/27/2002

CURRENT DEPTH 3690 CURRENT OPERATIONS: Dressing Cement Plug ROTATING HRS: 0.00

0700 - 0730: Set Cement Plug f/ 4000' to 3600 feet w/ 20 bbls Flush, Cement w/ 190 sks Type "G" CFR 3
 17.5 lb/gal, Yield .93 - Displace w/ 45 bbls water
 0730 - 0800: POOH to 3500 feet - Reverse circulate hole clean
 0800 - 0900: POOH
 0900 - 0930: Rig Service - Function Test BOPE
 0930 - 1130: P/U BHA and TIH to 3511 feet
 1130 - 1230: Cut 60 feet Drill Line
 1230 - 0700: WOC

Estimated Daily Cost: [REDACTED]

DAY 19 4/28/2002

CURRENT DEPTH 3789 CURRENT OPERATIONS: Directional Time Drilling ROTATING HRS: 0.00

0700 - 0730: TIH and Tag Cement at 3690 feet
 0730 - 0930: Dress off Cement f/ 3690' to 3767 feet
 0930 - 1000: Circulate for bottom hole sample + Survey - Pump Sweep
 1000 - 1030: Attempt to POOH - Tight
 1030 - 1230: P/U Kelly - Mix and Pump High Vis Gel Sweep to Clean Hole
 1230 - 1430: POOH to change BHA
 1430 - 1800: M/U Directional Tools and RIH to 3722 feet
 1800 - 1930: Wash and Ream 45 feet f/ 3722' to 3767 feet
 1930 - 0030: Slide Drill f/ 3767 to 3782 feet
 0030 - 0700: Time Drill f/ 3782 to 3789 feet

BHA = Bit - Motor - Float Sub - UBHO - NMDC - XO - 15 x 6" DC - XO - 12 x HWDP = 853.20 feet

Estimated Daily Cost: [REDACTED]

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DAY 20 4/29/2002

CURRENT DEPTH 4063 CURRENT OPERATIONS: Circulating Bottoms Up ROTATING HRS: 7.45

0700 - 0900: Time Drill f/ 3789' - 3792' @ 5 MIN / INCH @ 330 AZM
 0900 - 1215: Time Drill f/ 3792' - 3798' @ 3 MIN / INCH @ 330 AZM
 1215 - 1630: Time Drill f/ 3798' - 3809' @ 2 MIN / INCH @ 330 AZM
 1630 - 1745: Time Drill f/ 3809' - 3815' @ 1 MIN / INCH @ 330 AZM
 1745 - 1815: Connection and Survey + Rig Service - Survey @ .90 incl - 117.10 AZM
 1815 - 1915: Time Drill f/ 3815' - 3820' @ 1 MIN / INCH @ 330 AZM
 1915 - 2015: Rotate Drill f/ 3820' - 3829'
 2015 - 2045: Work on Pump Throttle
 2045 - 2230: Rotate Drill f/ 3829' - 3831'
 2230 - 2245: Connection and Survey - Survey @ .30- 58.70 AZM
 2245 - 0700: Rotate Drill f/ 3831' - 4063'

Estimated Daily Cost: [REDACTED]**DAY 21 4/30/2002**

CURRENT DEPTH 4431 CURRENT OPERATIONS: Working Tight Hole ROTATING HRS: 0.00

0700 - 0730: Rotate Drill f/ 4056' - 4062'
 0730 - 0800: Circulate Gel Sweep to Clean Hole - Rig Service
 0800 - 2000: Rotate Drill f/ 4062' - 4431' - Last Survey at 4396' @ .30 Incl - 91.60 AZ
 2000 - 2200: Tight Hole 20/25K Overpull - Circulate to Clean Hole - Pull 50 bbls Gel Sweep while working pipe -
 No Overpull
 2200 - 2230: Set back Kelly - POOH to 4369' - Work tight hole f/ 4369' - 4267' w/ 55/60 K Overpull
 2230 - 0300: P/U Kelly - Attempt to circulate - Press up to 500 psi (No Circulation) - Work tighthole f/ 4277' - 4267'
 w/ 55/60K Overpull
 0300 - 0330: Adjust Drawworks Brakes due to working pipe
 0330 - 0700: Work tight hole f/ 4267' - 4237' w/ 55/60K Overpull
 Call out Weatherford Fishing Tools f/ Free Point and Fishing Tools - Continue working tight hole

Estimated Daily Cost: [REDACTED]**DAY 22 5/1/2002**

CURRENT DEPTH 4431 CURRENT OPERATIONS: Waiting on Drawworks Par ROTATING HRS: 0.00

0700 - 1130: Work Tight hole at 4175' w/ 60/65K Overpull while waiting on Weatherford Fishing Tools
 1130 - 1530: R/U and run Weatherfore Wireline for free point - Four failed runs made with free point tools -
 Found 2 sets of tools and panel failure. Ran backup free point tool and panel to 3540' -
 Obstruction
 found inside HWDP at 3540' preventing passage - Spud tools in an attempt to loosen obstruction
 (Unable to pass obstruction)
 1530 - 1600: P/U Kelly - Attempt to circulate w/ 1000 psi - Attempt working pipe to loosen obstruction - Brake
 Linkage Failed - Linkage adjustment bolt stripped causing brake handle drop to floor - Traveling
 block
 dropped an estimated 30 feet pushing kelly outside derrick + bending top drill pipe joint.
 1600 - 1630: Assess damage - Found drawworks brake linkage adjustment bolt stripped - Shut down
 operations.
 1630 - 0700: Wait on Drawworks parts to repair brake linkage.

Note: Convert drilling fluids to closed mud system
 Release Air Drilling Equipment

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 23 5/2/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Waiting on Drawworks Bra ROTATING HRS: 0.00

0700 - 2000: Waiting on Drawworks Brake Linkage Parts - Kenny Morris, Patterson Toolpusher, arrived with parts

at 2000 hours

2000 - 2015: Conduct Pre-Job Safety Meeting

2015 - 2100: Install Drawworks Brake Linkage Adjustment Bolt - Visually inspect Drilling Line + Brake Compenents

2100 - 2330: Set back Kelly + R/D Drawworks Brakes Bands and Linkage for Maguflux inspection

2330 - 0100: Maguflux Drawworks Brake Bands + Linkage - Cracks (1/4") found in both Brake Bands eye bolt holes

0100 - 0700: Kenny Morris, Patterson Toolpusher, telephoned his supervisor in an attempt to location new brake

brake bands - Waiting on response and parts.

Estimated Daily Cost: [REDACTED]

DAY 24 5/3/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Installing new Brake Band ROTATING HRS: 0.00

0700 - 0830: Waiting on Drawworks Brake Bands - Brake Bands left San Angelo, Texas at 0800 hours via Hot Shot

0830 - 1130: R/U Weatherford Wireline and RIH w/ Impression block to 3904' - Obstruction moved f/ 3640' to 3904' -

POOH - P/U Spud Bars and RIH to top of obstruction at 3904' - Spud obstruction to 4119' - .9 feet above

MWDTTool - Log up to 3250 feet checking collars - While waiting on Brake Bands

1130 - 1200: Install Circulating Head and Pressure up to 500 psi for 15 minutes - Pressure dropped to 480 psi in

15 minutes.

1200 - 0600: Shut down operations - Waiting on Drawworks Brake Bands

Bands arrived Price, Utah at 0430 hours - Kenny Morris, TP, & Scott Watkins, DR, departed for Price

to pick up bands - Brake Bands and Blocks arrived on location at 0550 hours

0600 - 0700: Start installation of Drawworks Brake Bands and Blocks

Estimated Daily Cost: [REDACTED]

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DAY 25 5/4/2002

CURRENT DEPTH 4451 CURRENT OPERATIONS: POOH w/ Drill String ROTATING HRS: 0.00

0700 - 1215: Install Brake Bands and Blocks + New Make up Cathead

1215 - 1430: R/U Weatherford Wireline + P/U Joint DP& Check Drill String Weight + Run Free Point 80% Free @ 3785'

30% Free @ 3820' - POOH w/ Wireline + Kelly up and attempt to circulate while R/U Wireline

Guns

(No Circulation)

1430 - 1500: Run Perforating Guns and Perforate 6 Holes in 2nd DC up from the NMDC between 4092' - 4093.5'

POOH w/ Wireline

1500 - 1800: P/U Kelly and attempt to break circulation + Work Drill String (No Circulation) Set back Kelly

1800 - 1830: Run Perforating Guns #2 and Perforate 6 Holes in 7th DC up from NMDC between 3946' - 3947.5'

POOH w/ Wireline

1830 - 2400: P/U Kelly and Break Circulation + Work String + Circulate and condition Mud - Set Back Kelly

2400 - 0330: Run in Free Point - Unable to past 3947' - Obstruction at 3947' - POOH w/ Wireline - Change Wireline

100% Head - Run in Spud Bar and Push obstruction to 3970' - Pipe 35% Free @ 3939' w/ Torque -

Free @ 3930' w/ Stretch

0330 - 0515: Run in Back Off Tool - While putting torque in drill string - String Back Off - Re-Torque Drill String - Set Back Off Tool & Back Off at 3951' - POOH w/ Wireline

0515 - 0600: Pick up Kelly and Circulate two hole volumes to insure hole is clean around back off area

0600 - 0700: Pulling out of hole with Drill String

Estimated Daily Cost: [REDACTED]

DAY 26 5/5/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Circulating Hole above Fis ROTATING HRS: 0.00

0700- 0845: TOOH - Chain Out- (Directional Tools + 6 x 6" DC still in Hole)

0845 - 0930: L/D Perferated DC

0930 - 1030: P/U Fishing BHA #1 - (Screw in Sub + Lub Bumper Sub + Jar + 3 x 6" DC + Slinger +6 x 6" DC+ 12 x 4-1/2" HWDP

1030 - 1230: TIH - Hit Bridge at 3653'

1230 - 1330: P/U Kelly - Wash & Ream to 3680'- Very Firm - Possibility of damaging Fishing Screw in Sub)

1330 - 1400: Circulate Hole

1400 - 1600: TOOH to Pick up Drill Bit

1600 - 1645: Change out Screw in Sub for Drill Bit

1645 - 1830: TIH - Tag Bridge at 3606'

1830 - 0630: Wash & Ream f/ 3606' to top of fish at 3951' (Hole kept falling l at 3730' - Wash & Ream 40' section for

2 hours) (Increase Mud Vis to 90 for stabilize hole)

0630 - 0700: Circulate and condition Hole 6 inches above top of fish.

Estimated Daily Cost: [REDACTED]

DAY 27 5/6/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Circulate & Condition Hole ROTATING HRS: 0.00

0700 - 0830: Circulate and Condition Hole at 3950' (6 inches above top of fish at 3951')

0830 - 0900: Attempt Short Trip - Hole Tight (Unable to pull without pump on line)

0900 - 1815: Circulate and Condition Hole at 3950' - Bring KCL Mud Wt. To 9.8 lb/gal 95 Vis

1815 - 1930: Pump out of hole 13 jts of Drill Pipe to 3500' inside immediate casing

1930 - 2045: Single in Jts of Drill Pipe w/ Kelly - Tag at 3895'

2045 - 0230: Wash to top of Fish (slowly to condition hole) Hole condition tight on connections

0230 - 0700: Circulate and Condition Hole

Estimated Daily Cost: [REDACTED]

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DAY 28 5/7/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: Jar on Fish

ROTATING HRS: 0.00

0700 - 0730: Circulate & Condition Hole
 0730 - 0800: TOOH to Shoe @3525 - Pump out with Kelly 1 jt. To 3910'
 0800 - 0830: TIH to Top of Bridge @ 3897'
 0830 - 0900: Wash & Ream f/ 3897' - 3937'
 0900 - 1015: Circulate & Condition Hole
 1015 - 1030: Wash & Ream f/ 3937' - 3951' Top of Fish
 1030 - 1300: Circulate & Condition Hole - Pump two high vis Gel Sweep - High Volume of cutting over shaker
 1300 - 1330: TOOH to Shoe - Pump out with Kelly 5 jts to 3770'
 1330 - 1400: Circulate inside casing
 1400 - 1430: TIH to top of fill @ 3939'
 1430 - 1830: Wash & Ream f/ 3939' - 3951' - Top of Fish - Circulate & Condition Hole - Pump High Vis Sweep - Small amount of cuttings over shaker
 1830 - 1900: Rig Service while circulating
 1900 - 1930: Short trip to shoe - No tight spots on the way out - No fill or bridge on the way in
 1930 - 2200: Circulate & Condition Hole - Pump High Vis Sweep - Small amount of cuttings - Circulate on top of Fish
 2200 - 2400: Pump Pill & TOOH
 0000 - 0230: P/U Screw in Sub + Fishing Assembly + TIH to top of Fish
 BHA = Screw in Sub + Pump out Sub + Lub Bumber Sub + Jar + 3 x 6" xo thread DC + Slinger + 6 x 6" xo thread DC + XO + 6 x 6" H-90 thread DC + XO + 12 x 4-1/2" HWDP
 0230 - 0400: Tag Top of Fish @ 3951' - Circulate and Change out Rotating Head Rubber
 0400 - 0530: Screw in Fish and Jar Down
 0530 - 0600: Change out Kelly Saver Sub to Jar up
 0600 - 0700: Jar up on Fish

Estimated Daily Cost: [REDACTED]**DAY 29 5/8/2002**

CURRENT DEPTH 4431 CURRENT OPERATIONS: Waiting on Fishing Tools ROTATING HRS: 0.00

0700 - 08:45: Jar on Fish - Oil Slinging from Drawworks - Wait on Brakes to Cool - (Since 0400 hours: 2 hours 50 mins waiting on Brakes to cool - 1 hour 55 mins jarring operations)
 08:45 - 1930: Work on Drawworks to locate oil leak on drum brakes - Call out Mechanic - Mechanic arrived at 1330 hours - Found oil line inside drawworks leading to drawworks chain leaking - Repair Oil line
 1930 - 2015: Jar on Fish
 2015 - 2030: Check Derrick
 2030 - 2045: Jar up on Fish
 2045 - 2300: Work on Drawworks Water Cooling System
 2300 - 0115: Jar up on Fish
 0115 - 0200: Wait on Brakes to cool
 0200 - 0215: Jar up on Fish
 0215 - 0245: Wait on Brakes to Cool
 0245 - 0330: Jar up on Fish - Pipe parted w/ 120K overpull
 0330 - 0430: Remove Drive Bushing - Re-align Rotating Head - Check Derrick - L/D DP Single
 0430 - 0500: TOOH - Recovered a total of 8 joints + one parted joint - Total of 250 feet
 0500 - 0700: Wait on additional Fishing Tools - Overshot

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 30 5/9/2002

CURRENT DEPTH 4431 CURRENT OPERATIONS: TIH w/ Screw In Sub ROTATING HRS: 0.00

0700 - 0900: Waiting on Fishing Tools (Overshot)
 0900 - 1000: P/U Fishing Tools (Overshot)
 1000 - 1030: TIH 250' & Screw onto Fish
 1030 - 1200: R/U Wireline & Run spud tool to 4059' - 67' above Monel
 1200 - 1330: Run in w/ Free Point Tool - 12% Free @ Top of Fish 3951'
 1330 - 1500: Repair Wireline Drum - Back off @ 1513'
 1500 - 1530: TOOH - L/D Overshot and Fish
 1530 - 1600: TIH to 1513' - Screw into Fish (Weight Indicator Arrived - Original Indicator damaged when pipe parted)
 1600 - 1700: Install Weight Indicator and Breake Circulation
 1700 - 1930: Start Jarring Operations - Jar up 1-1/2 Hr - Jar Down 1 Hr
 1930 - 2015: Jars Quit Working - Wait on Wireline Crew
 2015 - 2145: R/U Wireline Unit + Run in Back off Tool + Back off @ 3951' Top of Fish
 2145 - 2400: Chain out of Hole
 0000 - 0100: L/D Fishing Tools (Found Jar Seals gone - Allowing Jars to stroke Freely)
 0100 - 0230: Change out LBS + Jar + Slinger & Redress Pump out Sub
 0230 - 0330: TIH w/ Fishing Tools + DC's + HWDP + 5 Stands DP
 0330 - 0430: L/D 10 jts 4-1/2" DP + 12 jts 4-1/2" HWDP (Corkscrewed due to parted Drill Pipe)
 0430 - 0530: TIH to 3272'
 0530 - 0630: Cut 80' Drill Line
 0630 - 0700: Continue TIH

Estimated Daily Cost: XXXXXXXXXX

DAY 31 5/10/2002

CURRENT DEPTH 4451 CURRENT OPERATIONS: Replacing Traveling Block ROTATING HRS: 0.00

0700 - 0830: Continue TIH - Picking Up DP to 3951'
 0830 - 0900: P/U Kelly & Screw into Fish - Pump Sub was set at 2150 psi- Broke Circulation @ 650 psi
 0900 - 1330: Jar Drill String w/ 120k overpull - Circulate w/ 31 strokes @230 psi while jarring
 Mud Engineer let Mud Vis + Wt drop to 40 Vis - 8.9 Wt while trying to build volume - Released

Eng.

New Mud Engineer will arrive 5/10

1330 - 1430: Retainer Pin broke for Traveling Block Hydro Hook & fell to floor - Check Pins in Derrick
 1430 - 1500: R/U Wireline Truck
 1500 - 1530: Run Back Off, Run #1- Attempt Back Off @ Top of Fish - Unsuccessfu - Backed Off while pulling Wireline out of hole - Re-Torque Pipe
 1530 - 1545: Circulate while preparing Back Off Shot
 1545 - 1615: Run Back Off, Run #2 - Attempt Back Off - Unsuccessfut
 1615 - 1715: Run Back Off, Run #3 - Back Off @ Top of Screw in Sub @ 3947' - (Release Wireline Unit)
 1715 - 1730: TOOH into Casing@ 3402'
 1730 - 0700: Install Circulating Head + Circulate & Condition Mud while changing Traveling Block + Items listed below

Drilling Rig Repair Items to be completed during Shut down operations as follows:

- 1) Change Traveling Block
- 2) L/D and Inspect Kelly + Swivel
- 3) Install New Drawworks Brake Blocks (Brake Blocks damaged during oil line leak in DW Drum)
- 4) Inspect and Clean Drawworks Water System
- 5) Inspect Crown Block

Estimated Daily Cost: XXXXXXXXXX

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DAY 32 5/11/2002

CURRENT DEPTH 3525 CURRENT OPERATIONS: Circulating while R/U Halc ROTATING HRS: 0.00

0700 - 1900: Repairing Rig Equipment as follows: Change out Traveling Block (LostPin in Hydro Hook) + Change out

new Brake Blocks and Adjust Bolts (Burnt New Brake Blocks when oil line broke and leaked Oil on

Kelly & Brake Blocks - Witnessed by Richard Pilgrim, Area Manager, & Jesse Blanchard, DS) + Inspect

Pins Cut Swivel + Removed Brake Water Box & Clean same - Silicon Water Box Cover - Replace Gasket & Installed (New Water Box cover should be replaced) + Visual inspect Derrick (Found 3 Safety

Rental & replaced - Air Winch Sheave Safety cable mashed and should be replaced - Found Cracked Handrails at Crown - Needs repaired) + Magflux Elevators (Found Crack - Ordered new set-

set arrived at 2000 hours) + Magflux Upper & Lower Kelly Valve (Passed inspection)

1900 - 2000: Wait on Rental Elevators

2000 - 2100: TIH to top of fish @ 3951'

2100 - 2130: Circulate Bottoms up

2130 - 0030: Chain out of hole - L/D & Load out Fishing Tools - Release Fishing Tool Supervisor

0030 - 0230: R/U and Run PSI Wireline Caliper Log - Hole Volume= 272.1 cu/ft - Caliper Hole Volume = 206.7 cu/ft

Difference = 65.4 cu/ft - Estimated Hole Size = 10"

0230 - 0515: TIH open ended to set cement plug - P/U 16 DP Singles to top of fish @ 3951'

0515 - 0630: Circulate while waiting on Halliburton Cementing to arrive

0630 - 0700: Halliburton arrived - Circulate while rigging up Halliburton Cementing Equipment

Estimated Daily Cost:

DAY 33 5/12/2002

CURRENT DEPTH 3475 CURRENT OPERATIONS: WOC ROTATING HRS: 0.00

0700 - 0745: Circulate while R/U Halliburton Cementing Equipment

0745 - 0800: Held Pre-Job Safety Meeting

0800 - 0830: Set 476' Cement Plug f/ 3951 - 3475' - 50' Inside Immediate casing w/ 20 bbls Preflush + 300 sxs Prem AG 300 Cement + .75% CFR-3 @ 17.5 lb/gal, Yield of 0.93 - Displace w/ 47.5 bbls

0830 - 0845: Pull DP up to 3475'

0845 - 0945: Circulate hole volume - 7 bbls cement returns to surface

0945 - 1100: TOOH

1100 - 1500: Arrange BHA + Trip in all DC in Derrick & P/U an additional 8 each DC

1500 - 1900: Pull out of hole 1 joint at a time inspecting each conn. = Total of 24 DC + Bit & XO Subs (Passed)

1900 - 1930: Retrieve Wear Bushing

1930 - 0000: Test BOPE as follows: Pipe Rams + Inside & Outside Choke Valves to 250 psi Low - 2000 psi High

(Held 10 mins each OK) - Blind Rams + Kill Line + Choke Line & Inside + Outside Manifold Valves

to 250 psi Low - 2000 psi High (Held 10 mins each OK) - Annular Preventor to 250 psi Low - 1500 psi High (Held 10 mins each OK) - Upper & Lower Kelly Valvesto 250 psi Low - 2000 psi High (Held

10 mins each OK) - Choke Manifold Valves to 250 psi Low - 2000 psi High (Held 10 mins each OK) Install Rotary Torque Sheave to Rotary while testing BOPE (Pason will connect torque gauge

system on 5/12/02.

0000 - 0030: Install Wear Bushing

0030 - 0330: Strap in the hole + P/U 9 each joints 4-1/2" Spiral HWDP to 3021'

0330 - 0700: Circulate & Condition Mud while waiting on cement to cure (Check Mud Pumps valves & seats - found

stick under on valve + Check Drawworks Chains while waiting on cement)

Estimated Daily Cost:

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DAY 34 5/13/2002

CURRENT DEPTH 3624 CURRENT OPERATIONS: Slide Drilling

ROTATING HRS: 1.75

0700 - 0830: Circulate & Condition Mud while WOC
 0830 - 1045: L/D DP Stands left in Derrick
 1045 - 1100: TIH
 1100 - 1130: P/U Kelly and Tag Cement @ 3567'
 1130 - 1200: Install Drive Bushing
 1200 - 1345: Dress Cement f/ 3567' - 3611'
 1345 - 1615: TOOH
 1615 - 1630: Clean Rig Floor of Mud & Tools
 1630 - 1730: P/U Directional and Surface Test - (Found Cutting in Drill Pipe Screen in 3 mins Pumping)
 1730 - 2015: TIH & L/D Bent DP to 3500" (Inspect Mud Pump Screens while tripping in hole - Found #1 Pump Suction

Screen damaged allowing cutting to pass downhole - #2 Mud Pump Discharge Screen was not installed and no spare - The Drill Crew was instructed to inspect suction lines WOC and Company

Rep

was informed they were checked)

2015 - 0515: Shut down operation - Call out Welder at 1900 hours - Call Vacuum Truck - Remove Mud f/ suction tank

& Clean same + Clean #1 & #2 Mud Pump Suction Lines - Suction Lines packed with cuttings -

Wait

on Welder - Welder arrived at 0130 hours - Fabricate Discharge Screen for #2 Mud Pump +

Fabricate

Suction Screen for #1 Mud Pump - (Suggest Patterson Drilling order proper MP Screens urgently)

0515 - 0700: Directional Slide Drill f/ 3611 - 3624'

Estimated Daily Cost: [REDACTED]

DAY 35 5/14/2002

CURRENT DEPTH 3824 CURRENT OPERATIONS: Slide Drill at 3824

ROTATING HRS: 21.7

0700 - 1015: Slide Drill f/ 3624' - 3631' @ 24 AZM
 1015 - 1300: Time Drill f/ 3631' - 3634' @ 5 min / inch
 1300 - 1630: Time Drill f/ 3634' - 3640' @ 3 min / inch
 1630 - 1700: Connection + Rig Service
 1700 - 1830: Time Drill f/ 3640' - 3645' @ 2 min / inch
 1830 - 1930: Rotate Drill f/ 3645' - 3671'
 1930 - 1945: Connection + Survey @ 3629' = 1 deg @ 53.2 AZM
 1945 - 2130: Slide + Rotate Drill every 10' f/ 3671' - 3702'
 2130 - 2145: Connection + Survey @ 3660' = 1.4 deg @ 50.8 AZM
 2145 - 2300: Slide + Rotate Drill every 10' f/ 3702' - 3733'
 2300 - 2315: Connection + Survey @ 3691' = 1.8 deg @ 47.2 AZM
 2315 - 0045: Slide + Rotate Drill every 10' f/ 3733' - 3762'
 0045 - 0100: Connection + Survey @ 3720' = 2.2 deg @ 40.6 AZM
 0100 - 0315: Slide + Rotate Drill every 10' f/ 3762' - 3793'
 0315 - 0345: Connection + Survey @ 3751' = 2.8 deg @ 26.6 AZM - Change Mud Pumps + Rig Service
 0345 - 0545: Slide + Rotate Drill every 10' f/ 3793' - 3824'
 0545 - 0600: Connection + Survey Depth 3782' = 3.4 deg @ 17.6 AZM
 0600 - 0700: Slide Drill f/ 3824' - 3834'

Note: Rig Crew dump sand trap incorrectly and dump 100 bbls drilling fluid + DeSander Cone needs replaced (No Spare Parts)

I signed the IADC report w/ 18 jts DP Bent + Corkscrewed: This problem may have occurred when DW Brakes failed and Dropped Block + Drill String

Estimated Daily Cost: [REDACTED]

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DAY 36 5/15/2002

CURRENT DEPTH 4100 CURRENT OPERATIONS: Rotate Drilling

ROTATING HRS: 16.7

0700 - 0730: Slide Drill f/ 3824' - 3834'
 0730 - 0830: Rotate Drill f/ 3834 - 3855'
 0830 - 0845: Connection + Survey Depth 3813' = 4.1 Deg @ 14.4 AZM
 0845 - 1030: Slide + Rotate Drill f/ 3855' - 3886'
 1030 - 1045: Connection + Survey Depth 3844' = 4.8 Deg @ 15.1 AZM
 1045 - 1315: Slide+ Rotate Drill f/ 3886' - 3918'
 1315 - 1330: Connection + Survey Depth 3876' = 6 Deg @ 17.9 AZM
 1330 - 1645: Rotated Drill f/ 3918' - 3949' - Mix & Pump 20 bbl Sweep while drilling last 5 feet
 1645 - 1715: Short Trip into Casing @ 3500' - Hole looked great - No drag up or down
 1715 - 1815: Connection + Survey Depth 3906' = 6.9 Deg @ 16.8 AZM - Air out Pumps
 1815 - 1900: Rotate Drill f/ 3949' - 3959'
 1900 - 2000: Lost Pump Pressur - Checked Mud Pumps (OK) - Pump a flag - Pressure increase in 3 mins - Estimate

hole in pipe @ 2100'

2000 - 2145: Chain out of hole w/ Wet Pipe to locate hole in Tubular - Found Hole in Slip Area of Joint 83 @ 2570'

2145 - 2300: L/D Joint of DP w/ Hole - P/U Kelly - Check Pump Pressure - Set Back Kelly & TIH to Btm @ 3959'

2300 - 2400: Rotate Drill f/ 3959' - 3979'

2400 - 0015: Connection + Survey Depth 3936' = 7.4 Deg @ 16.1 AZM

0015 - 0115: Rotate Drill f/ 3979' - 4009'

0115 - 0130: Connection + Survey Depth 3967' = 7.6 Deg @ 16.1 AZM

0130 - 0300: Slide + Rotate Drill f/ 4009' - 4041'

0300 - 0315: Connection + Survey Depth 3999' = 7.7 Deg @ 16.2 AZM

0315 - 0445: Rotate Drill f/ 4041' - 4072'

0445 - 0500: Connection + Survey Depth 4030' = 7.6 Deg @ 16.8 AZM

0500 - 0700: Slide + Rotate Drill f/ 4072' - 4100'

Estimated Daily Cost: [REDACTED]

DAY 37 5/16/2002

CURRENT DEPTH 4236 CURRENT OPERATIONS: TIH

ROTATING HRS: 9.00

0700 - 0715: Rotate Drill f/ 4100' - 4102' - Drill Pipe Screen 1/8 Full of Cuttings - Continue Having Problems MP Screen

0715 - 0730: Connection + Survey Depth 4060' = 7.7 Deg @ 17.7 AZM

0730 - 0915: Slide & Rotate Drill f/ 4102 - 4133' - Drill Pipe Screen 1/8 Full of Cuttings

0915 - 0930: Connection + Survey Depth 4091' = 7.6 Deg @ 18.9 AZM

0930 - 1115: Slide & Rotate Drill f/ 4133' - 4165' - Drill Pipe Screen 1/4 Full of Cuttings (New Morrison

Estimated Top

@ 4140' - 50' Lower than Prognosis)

1115 - 1130: Connection + Survey Depth 4123' = 7.7 Deg @ 17.9 AZM

1130 - 1330: Slide & Rotate Drill f/ 4165' - 4195' - Drill Pipe Screen 1/4 Full of Cuttings

1330 - 1345: Connection + Survey Depth 4153' = 7.5 Deg @ 16.5 AZM

1345 - 1630: Slide + Rotate Drill f/ 4195' - 4227' - Drill Pipe Screen 1/4 Full of Cuttings

1630 - 1645: Survey Depth 4185' = 7.6 Deg @ 17.1 AZM - (Unable at dropping angle)

1645 - 1745: Mix and Pump Sweep + Pump Pill

1745- 2015: TOO H to change Motor + Bit (No Drag)

2015 - 2145: Change Bit + Moto, and MWD Batteries

2145 - 2230: TIH w/ DC and Test MWD (Good Test)

2230 - 2430: Continue TIH to 4297' - (Hole Clean)

0030 - 0045: Fill Pipe - Wash & Ream 30' to Btm (Drill forgot to install Pipe Screen)

0045 - 0115: Pump on the MWD Trying to clean unit

0115 - 0145: Attempt Rotate Drill f/ 4227 - 4236 (MWD Not Working)

0145 - 0215: Mix and Pum Pill

0215 - 0415: TOO H To check MWD

0415 - 0600: Found Cuttings in MWD - Rebuild MWD and Surface Test (Good Test)

0600 - 0700: TIH

Estimated Daily Cost: [REDACTED]

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DAY 38 5/17/2002

CURRENT DEPTH 4465 CURRENT OPERATIONS: Slide & Rotate Drilling ROTATING HRS: 14.0

0700 - 0800: Continue TIH to Btm @ 4236' - Test MWD (Bad Test - No Pulse)
 0800 - 1030: TOOH to Check MWD
 1030 - 1215: Work on MWD - Change Pulser - Test MWD at Surface (Good Test)
 1215 - 1345: TIH to 1538' - Test MWD (Good Test)
 1345 - 1430: Continue TIH to 4213'
 1430 - 1500: Fill Pipe + Wash & Ream 23' to Bottom at 4236'
 1500 - 1615: Slide & Rotate Drill f/ 4236' - 4258'
 1615 - 1630: Connection & Survey Depth 4216' = 6.1 Deg @ 7.9 AZM (Pipe sScreen 1/2 Full of Cuttings)
 1630 - 1900: Slide & Rotate Drill f/ 4258' - 4290'
 1900 - 1930: Connection & Survey Depth 4248' = 6.3 Deg @ 6.3 AZM (Pipe Screen 1/4 Full of Cuttings)
 1930 - 2145: Slide & Rotate Drill f/ 4290' - 4322'
 2145 - 2200: Connection & Survey Depth 4280' = 5.8 Deg @ 9.9 AZM (Pipe Screen 1/8 Full of Cuttings)
 2200 - 2400: Slide & Rotate Drill f/ 4322' - 4352'
 2400 - 0015: Connection & Survey Depth 4310' = 5.2 Deg @ 9.7 AZM (Pipe Screen 1/8 Full of Cuttings)
 0015 - 0215: Slide & Rotate Drill f/ 4352' - 4384'
 0215 - 0230: Connection & Survey Depth 4342' = 4.5 Deg @ 9.9 AZM (Pipe Screen 1/4 Full of Cuttings)
 0230 - 0345: Slide & Rotate Drill f/ 4384' - 4416'
 0345 - 0400: Connection & Survey Depth 4374' = 3.7 Deg @ 14.1 AZM (Pipe Screen 1/2 Full of Cuttings)
 0400 - 0530: Rotate Drill f/ 4416' - 4447'
 0530 - 0545: Connection & Survey Depth 4405' =
 0545 - 0600: Rotate Drill f/ 4447' - 4465'

Estimated Daily Cost: [REDACTED]

DAY 39 5/18/2002

CURRENT DEPTH 4630 CURRENT OPERATIONS: TIH ROTATING HRS: 10.5

0700 - 0730: Rotate Drill f/ 4465' - 4474'
 0730 - 0745: Connection & Survey Depth 4436' = 2.5 Deg @ 6.9 AZM (Pipe Screen 1/8 Full of Cuttings)
 0745 - 0930: Rotate Drill f/ 4474' - 4509'
 0930 - 0945: Connection & Survey Depth 4467' = 2.4 Deg @ 4.6 AZM (Pipe Screen Clean of Cuttings)
 0945 - 1030: Rotate Drill f/ 4509' - 4515'
 1030 - 1100: Rig Service
 1100 - 1245: Rotate Drill f/ 4515' - 4539'
 1245 - 1300: Connection & Survey Depth 4497' = 2.3 Deg @ 9.3 AZM (Pipe Screen Clean of Cuttings)
 1300 - 1500: Rotate Drill f/ 4539' - 4570'
 1500 - 1515: Connection & Survey Depth 4528' = 2.2 Deg @ 7.3 AZM (Pipe Screen Clean of Cuttings)
 1515 - 1730: Rotate Drill f/ 4570' - 4599'
 1730 - 1745: Connection & Survey Depth 4557' = 1.8 Deg @ 8.4 AZM (Pipe Screen Clean of Cuttings)
 1745 - 1915: Rotate Drill f/ 4599' - 4630' - Pump Sweep - Survey Depth 4588' = 1.4 Deg @ 8.6 AZM
 1915 - 2030: Short Trip To Casing - Tight Spot @ 4405' w/ 40k overpull - TIH - Hit Bridge @ 4395' - Driller Quit
 &

Left Location

2030 - 2130: Ream Tight Spot @ 4395'
 2130 - 2200: Attempt TIH - Hit Bridge at 4425'
 2200 - 2330: Ream Tight Spots f/ 4425' to Btm @ 4630'
 2330 - 0415: Circulate & Condition Mud - Hole is showing slough - Build Mud Wt to 9.8 lb/gal - Hoke fill appears

to be shale & siltstone f/ middle and upper Morrison formation.

0415 - 0515: Pump & Circulate Sweep around (Hole Clean)
 0515 - 0700: Pump Pill - TIH to L/D Directional Tools - Normat 5-8K overpull (Hole Clean)

Estimated Daily Cost: [REDACTED]

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DAY 40 5/19/2002

CURRENT DEPTH 4762 CURRENT OPERATIONS: Drilling

ROTATING HRS: 16.5

0700 - 0815: TOOH to L/D Directional Tools (Smooth - No Drag)
0815 - 0900: L/D Directional Tools
0900 - 1200: M/U New BHA & TIH to 4534' - Fill Pipe at 2560'
1200 - 1230: Wash & Ream f/ 4534' - 4630' Bottom - 8' Fill
1230 - 1730: Drill f/ 4630' - 4669'
1730 - 1800: Rig Service
1800 - 2200: Drill f/ 4669' - 4700'
2200 - 2300: Attempt Survey - Mis-Run due to heavy mud and not enough time on clock

Geological Report: Summerville top estimated at 4644' (64' deeper than prognosis) Samples showing mostly sandstone and sandy-shaly siltstone.

Present Lithology: 40% Siltstone - 25% Shale - 35% Sandstone

Gas information: Avg. Background = 32 units - High = 40 units - Low = 30 units - Trip Gas = 0 Units

Estimated Daily Cost: [REDACTED]

DAY 41 5/20/2002

CURRENT DEPTH 4905 CURRENT OPERATIONS: Drilling

ROTATING HRS: 22.0

0700 - 1130: Drilling f/ 4762' - 4793'
1130 - 1200: Rig Service
1200 - 1300: Short Trip inside Casing @ 3500' - Hole Clean- 8-10K Up Drag - 6-8K Down Drag
1300 - 1730: Drill f/ 4793' - 4825'
1730 - 1800: Survey at 4793' = 1-1/2 Deg
1800 - 0700: Drill f/ 4825' - 4905'

Geological Report:

Gas Formation: Avg. Background = 32 units - High: = 38 units - Low: = 26 units - Trip Gas: = 0 units

Lithology: 50% Siltstone - 25% Sandstone - 25% Shale

Formation Tops: Morrison @ 4140' - Summerville @ 4644' - Curtis projected @ 4890' (+/- 50 below prognosis)

Estimated Daily Cost: [REDACTED]

DAY 42 5/21/2002

CURRENT DEPTH 5115 CURRENT OPERATIONS: Drilling Curtis Formation

ROTATING HRS: 23.5

0700 - 1400: Drill f/ 4905' - 4980'
1400 - 1430: Rig Service & Survey @ 4937' = 1-1/2 Deg
1430 - 0700: Drill f/ 4980' - 5115'

Estimated Daily Cost: [REDACTED]

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DAY 43 5/22/2002

CURRENT DEPTH 5265 CURRENT OPERATIONS: Drilling Entrada Formation ROTATING HRS: 21.0

0700 - 1000: Drill f/ 5115' - 5137'

1000 - 1100: TOOH inside casing @ 3500' - 6/8K Up Drag - Hole Clean

1100 - 1130: Rig Service + Change Rotating Head Rubber

1130 - 1200: TIH to Bottom at 5137' - 2/3K Dn Drag - Hole Clean - No Fill

1200 - 2000: Drill f/ 5137' - 5199'

2000 - 2030: Survey at 5157' = 3-1/2 Deg

2030 - 0600: Drill f/ 5199' - 5260' - Increase Rotary to 70 - Decrease WOB to 35 in an attempt to control deviation -

Decrease Mud Wt slowly to 9.4 lb/gal

0600 - 0630: Survey at 5220' = 3-3/4 Deg

0630 - 0700: Drill f/ 5260' - 5265'

Geological Report: Entrada Formation top @ 5163' (33' Deeper than prognosis)

Formation Tops: Morrison @ 4140' - Summerville @ 4644' - Curtis @ 5010' - Entrada @ 5163' - Carmel projected

@ 5855'

Gas Information: Avg Background: = 30 units - High: = 36 units - Low = 24 units

Mud Report: Decrease Mud Wt. Slowly to 9.4 lb/gal - DeSander should be on line today

Estimated Daily Cost: [REDACTED]**DAY 44 5/23/2002**

CURRENT DEPTH 5448 CURRENT OPERATIONS: Trip for Bit ROTATING HRS: 18.0

0700 - 1200: Drill f/ 5265' - 5325'

1200 - 1230: Survey @ 5281' = 3-1/4 Deg

1230 - 1300: Rig Service

1300 - 1900: Drill f/ 5325' - 5385' - DeSander on line and operational at 1745 hours

1900 - 1930: Survey @ 5344' = 3-1/2 Deg

1930 - 0230: Drill f/ 5385' - 5448'

0230 - 0300: Survey @ 5406' = 3-1/2 Deg

0300 - 0430: Mix & Pump Sweep - Circulate & Condition Hole for Trip - Pump Pill

0430 - 0530: TOOH for Bit inside Casing - Rotary Chain Broke

0530 - 0630: Repair Rotary Chain

0630 - 0700: Continue TOOH for Bit

Geological Report: Entrada Formation Top @ 5163' (33' deeper than prognosis)

Formation Tops: Morrison @ 4140' - Summerville @ 4644' - Curtis @ 5010' - Entrada @ 5163' - Carmel projected

at 5855'

Present Lithology: Sandstone = 35% - Shale = 35% - Siltstone = 30%

Gas Information: Avg. Background = 28 units - High = 38 units - Low = 26 units

Mud Report: Reduce Mud Wt. Slowly to 9.4 lb/gal - DeSander online and operational at 1745 hours

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 45 5/24/2002

CURRENT DEPTH 5710 CURRENT OPERATIONS: Drilling Entrada Formation ROTATING HRS: 18.5

0700 - 0830: Continue TOOH for Bit
 0830 - 0900: Rig Service + Change Bit
 0900 - 1100: TIH to 5418' - Hole Clean - No Drag
 1100 - 1130: Wash & Ream 30' to Bottom at 5448' - No Fill
 1130 - 2030: Drill f/ 5448' - 5573'
 2030 - 2100: Survey at 5531 = 3 Deg
 2100 - 0330: Drill f/ 5573' - 5668'
 0330 - 0400: Survey at 5626' = 3-1/4 Deg
 0400 - 0700: Drill f/ 5668' - 5710'

Geological Report:

Present Lithology: Sandstone = 65% - Shale = 10% - Siltstone = 25%

Gas Information: Avg. Background = 24 units - High = 30 units - Low = 22 units - No Gas Shows

Mud Report: Reduced Mud Wt to 9.4 lb/gal

Note: R/U H2S Equipment and conducted H2S Training

Estimated Daily Cost: [REDACTED]**DAY 46 5/25/2002**

CURRENT DEPTH 5980 CURRENT OPERATIONS: Drilling Carmel Formation ROTATING HRS: 22.5

0700 - 1500: Drill f/ 5710' - 5823'
 1500 - 1530: Survey + Rig Service at 5780' = 3 Deg
 1530 - 1800: Drill f/ 5823' - 5854'
 1800 - 1900: Short trip to 5448' - Hole Clean - Drag UP = 8k - Drag DN = 3k - No Fill
 1900 - 0700: Drill f/ 5854' - 5980'

Geological Report:

Carmel top drilled at approx 5914' (= 69' deeper than prognosis) Drill Rate slowed to 4-8 ft/hr and very erratic.
 Samples are showing increasing amounts of anhydrite and decreasing amounts of sandstone. No change in background gas. Navajo formation projected @ 6560' (+/- 60')

Present Lithology:

Sandstone = 30% - Shale = 20% - Siltstone = 50% - Limest = Tr% - Anhy = T%

Mud Report:

Reducing Mud Wt. Slowly to 9.2 lb/gal

Estimated Daily Cost: [REDACTED]**DAY 47 5/26/2002**

CURRENT DEPTH 6130 CURRENT OPERATIONS: Drilling Carmel Formation ROTATING HRS: 16.0

0700 - 0730: Rig Service + Survey @ 5936' = 3 Deg
 0730 - 1730: Drill f/ 5980' - 6034'
 1730 - 1800: Circulate & Pump Pill
 1800 - 2045: TOOH for new Bit
 2045 - 2100: Change Bit
 2100 - 2330: TIH to 5944'
 2330 - 0100: Wash & Ream f/ 5944' - 6034' Bottom
 0100 - 0700: Drill f/ 6034' - 6130'

Geological Report:

Present Lithology:

Shale = 35% - Dol = 30% - Siltstone = 10% - Limest = 10% - Anhy = Tr%

No Gas Shows

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 48 5/28/2002

CURRENT DEPTH 6312 CURRENT OPERATIONS: M/U Fishing Tool Assembl ROTATING HRS: 0.00

0700 - 0730: Drill f/ 6130 - 6134'
 0730 - 0800: Survey @ 6086' = 2-1/2 Deg
 0800 - 1200: Drill f/ 6134' - 6197'
 1200 - 1230: Rig Service + Adjust Brakes
 1230 - 2100: Drill f/ 6197' - 6290'
 2100 - 2130: Circulate Bottoms up
 2130 - 2200: Survey at 6248' = 3 Deg
 2200 - 2330: Drill f/ 6290' - 6312' - Los 22,000 lbs String Wt. + 450 psi Pump Pressure
 2330 - 0300: Chain out of Hole - Drill Collar twisted off 6" below box - Fish left in hole = Bit + Bit Sub + XO +
 10 each H-90 Thread DC + XO + 4 XO Thread DC = 406' Fish - Top of Fish Depth 5906'
 0300 - 0530: Wait on Fishing Tools - Fishing Supervisor arrived at 0330 hours - Fishing Tools arrived at 0520
 hours
 0530 - 0700: Unload, Measure, and M/U Fishing Tool Assembly

Geological Report:

Present Lithology:

Shale = 15% - Dol = 30% - Siltstone = 20% - Limest = 30% - Anhy = 5%

Samples from last 100' contained mostly dolomite and limestone with varying amounts of shale and sandstone

Estimated Daily Cost:

DAY 49 5/28/2002

CURRENT DEPTH 6312 CURRENT OPERATIONS: Inspecting BHA while TIH ROTATING HRS: 0.00

0700 - 0800: Measuer, and M/U Fishing Tool Assembly
 0800 - 1130: TIH slowly w/ Fishing Overshot to Top of Fish at 5906'
 1130 - 1200: Latch Fish w/ Overshot
 1200 - 1600: Chain out of hole w/ Fish - 25K Overpull off bottom - Hole clean afterwards
 1600 - 1700: L/D Fishing Tools - Overshot + One damaged DC
 1700 - 1800: Continue out of hole w/ Fish
 1800 - 1830: Retrieve Wear Bushing
 1830 - 2100: Test BOPE as follows: Annular Preventer = 250 psi Low - 2000 psi High (10 min test - Passed) -
 Blind Rams + Choke & Kill Line Manifold Valves = 250 psi Low - 2000 psi High (10 min Test -
 Passed)
 Pipe Rams + Inside & Outside Valves = 250 psi Low - 2000 psi High (10 min Test- Passed)
 2100 - 2130: Install Wear Bushing
 2130 - 2300: TIH w/ DC while waiting on Tubular Inspectors
 2300 - 0700: P/U New Bit and Inspect DC's while running in the hole - 12 Patterson DC's have failed inspection
 at report time - Picked up 6 each Weatherford Rental DC's - No additional Patterson Drilling DC's
 available at rig or in their yard. Order additional DC's from Weatherford Rental

Note: Rental Swaco Centrifuge installed - Generator unit installed to accomodate Centrifuge

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DAY 50 5/29/2002

CURRENT DEPTH 6495 CURRENT OPERATIONS: Drilling Carmel Formation ROTATING HRS: 12.0

0700 - 0830: Inspecting DC's while TIH - Total of 23 each Patterson Drill Collars inspected - 18 each DC's failed inspection - Rented 19 each DC's from Weatherford Rental

0830 - 0900: Measure, Caliper and P/U 4 each DC's (Weatherford Rental)

0900 - 1030: Slip & Cut 120' Drill Line

1030 - 1100: Rig Service

1100 - 1130: WO Additional Rental DC's

1130 - 1300: Measure, Caliper, and P/U 8 DC's (Weatherford Rental)

1300 - 1430: WO Additional Rental DC's - Clean Mud Pits + Shaker Pit while waiting on DC's - Test Centrifuge (OK)

1430 - 1530: Measure, Caliper, and P/U 5 DC's (Weatherford Rental)

1530 - 1800: TIH to 6253'

1800 - 1830: P/U Kelly and Break Circulation

1830 - 1900: Wash & Ream 60' to Bottom @ 6312' - No Fill

1900 - 0700: Drill f/ 6312' - 6495'

Estimated Daily Cost: [REDACTED]**DAY 51 5/30/2002**

CURRENT DEPTH 6679 CURRENT OPERATIONS: Drilling Navajo Formation ROTATING HRS: 12.0

0700 - 0830: Drill f/ 6495' - 6522'

0830 - 0900: Survey @ 6480' = 1-3/4 Deg

0900 - 1630: Drill f/ 6522' - 6647'

1630 - 1700: Rig Service

1700 - 2000: Drill f/ 6647' - 6679' - Lost 200 psi Pump Pressure

2000 - 2030: Check Mud Pumps and Surface Equipment - Pump Flag - Pressured up at 114 stroke or 946'

2030 - 2130: Chain out of hole checking for washout to 5315' - No Washout found

2130 - 2200: P/U Kelly - Check Pump Pressure - 200 psi pressure lost

2200 - 2300: Chain out of hole checking for washout to 3362' - No Washout found

2300 - 2330: P/U Kelly - Check Pump Pressure - 200 psi pressure lost

2330 - 0200: Chain out of hole checking for washout - No Washout found

0200 - 0330: TIH to 1650'

0330 - 0400: P/U Kelly - Check Pump Press - #1 Pump = 810 psi @ 66 spm - #2 Pump = 740 psi @ 64 spm

0400 - 0500: Continue in the hole to 4021'

0500 - 0530: P/U Kelly - Check Pump Press - #1 Pump = 990 psi @ 66 spm - #2 Pump = 920 psi @ 64 spm

0530 - 0630: Continue in the hole to 6649'

0630 - 0700: Wash & Ream 30' to Bottom at 6679'

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 52 5/31/2002

CURRENT DEPTH 7080 CURRENT OPERATIONS: Drilling Kayenta Formation ROTATING HRS: 20.5

0700 - 0900: Drill Navajo Formation f/ 6679' - 6740'
0900 - 0930: Survey @ 6700' = 2-3/4 Deg
0930 - 1630: Drill Navajo Formation f/ 6740' - 6860'
1630 - 1700: Rig Service
1700 - 2000: Drill f/ 6860' - 6957' - Kayenta Formation @ 6924'
2000 - 2030: Survey @ 6915' = 3/4 Deg
2030 - 0200: Drill f/ 6957' - 7016' - Lost 300 psi Pump Pressure - Check Mud Pumps + Surface Equipment (No Leaks)
0200 - 0230: Pump Flag for Washout - Pressure increase after 86 strokes - Estimated at 700' below surface
0230 - 0300: Chain out of hole - Checking for Washout - Washout located 1' above pin end of #169 joint or 640' below rotary - L/D washout joint
0300 - 0330: TIH to 6978'
0330 - 0400: Wash & Ream f/ 6978' - 7016' Bottom - No Fill
0400 - 0700: Drill f/ 7016' - 7080'

Geological Report:

Large sand at the bottom of the Navajo (6794' - 6924') drilling at a rate of 80-110 ft/hr with samples containing 100% unconsolidated sand with fair porosity. Kayenta formation top drilled at 6924' - 34' deeper than prognosis/
Average Background Gas = 60 units - High = 110 units - Low = 44 units
Present Lithology:
Sandstone = 80% - Shale = 20% - Siltstone = Tr%

Estimated Daily Cost: [REDACTED]

DAY 53 6/1/2002

CURRENT DEPTH 7285 CURRENT OPERATIONS: Drilling Wingate Formation ROTATING HRS: 12.5

0700 - 1030: Drill f/ 7080' - 7159' - Lost 150 psi Pump Pressure - Wingate Formation top at 7076'
1030 - 1100: Check Mud Pumps + Service Equipment (No Leaks) - Pump Flag - Check for Washout - No Press Increase
1100 - 1330: Drill f/ 7159' - 7214' - Lost 220 psi Pump Pressure
1330 - 1400: Check Mud Pumps + Service Equipment + Pump Flag for washout (No Pressure increase)
1400 - 1830: Chain out of hole for washout - Washout found in Drill Pipe at 5958' - Continue out of hole to Bit checking for additional washouts.
1830 - 1900: Bit Cones locked - P/U RR Bit
1900 - 2400: TIH to 7163' - Breaking Circulation and Checking Pump Pressure at 1576' + 3065' + 5576' (Press Good)
2400 - 2430: Wash & Ream f/ 7613' - 7214' Bottom - No Fill
2430 - 0700: Drill Wingate Formation f/ 7214 - 7285'

Estimated Daily Cost: [REDACTED]

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DAY 54 6/2/2002

CURRENT DEPTH 7350 CURRENT OPERATIONS: Logging

ROTATING HRS: 5.00

0700 - 1030: Drill f/ 7285' - 7328'

1030 - 1100: Rig Service

1100 - 1230: Drill f/ 7328' - 7350' TD

1230 - 1330: Circulate Bottoms up to catch last sample for Mud Logger

1330 - 1430: Short trip of 10 Stands at 6380' - 20K Up Drag - 10K Down Drag - 2' Fill

1430 - 1630: Circulate and Condition Mud for Logging - Release Mud Logger at 1400 hours

1630 - 1700: Drop Survey + Pump Pill

1700 - 2030: TOOH + SLM for Logging - Pipe Strap = 7352.2 (High Winds) - Survey at 7317 = 2-1/2 Deg

2030 - 2100: Retrieve Wear Bushing

2100 - 0700: R/U Halliburton Logging Equipment and Log Well as follows:

1st Run = High Resolution + Gamma Ray + Spectral Density + Dual Spaced Neutron - Mis-run SDL

2nd Run = Re-run 1st Set of logs

3rd Run = Low Freq. Dipole + RWP + OH Compressional DT - Logging at report time

Estimated time completing Logging operations 0900 hours

Logging Depth 7347'

Estimated Daily Cost: [REDACTED]

DAY 55 6/3/2002

CURRENT DEPTH 7414 CURRENT OPERATIONS: Circulate & Condition Hole ROTATING HRS: 3.75

0700 - 1130: Continue Logging Program + R/D Logging Equipment - 3rd Run: Low Freq Dipole + RWP + OH
Compressional DT - According to E-Logs Top of Wingate 200' +/- deeper than Pason Mud Logger

report

1130 - 1200: Install Wear Bushing

1200 - 1600: M/U RR Bit - TIH to 7350' Btm to Drill an additional 200' - Establish Circulation at 4500'

1600 - 1945: Drill f/ 7350' - 7414' - Lost 100% Returns

1945 - 2015: Spot High Vis Pill consisting of BDF 306 Acid Solvable + KCL + Zeogel

2015 - 2100: TOOH 10 Stands to 6440' - 40 K Overpull off Bottom

2100 - 2130: Spot High Vis Pill Consisting of BDF 306 + KCL + Zeogel

2130 - 2230: Build Mud Pit Volume - Attempt circulation - No Returns

2230 - 2300: Establish Circulation - Circulate - Lost Returns

2300 - 0230: Build Mud Pit Volume - Attempt circulation - No Returns

0230 - 0330: Establish Circulation - Circulate & Condition Hole

0330 - 0400: TIH 5 Stands to 6911'

0400 - 0500: Circulate and Condition Hole

0500 - 0530: TIH 5 Stands to Bottom at 7414'

0530 - 0700: Circulate and Condition Hole - Start Circulation w/ 30 stroke for 15 mins - Increase to 40 strokes
for

15 mins - Increase to 50 strokes for 15 mins - Increase to 63 strokes with full returns

Call out Tubular Lay Down machine crew at 0600 hours

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 56 6/4/2002

CURRENT DEPTH 7414 CURRENT OPERATIONS: TOO H

ROTATING HRS: 0.00

0700 - 0730: TOO H 5 stands to 6911 +/-
 0730 - 0830: Attempt Circulation - No Returns
 0830 - 1130: Establish Circulation at 96% Returns - Circulate and Condition Mud
 1130 - 1200: TIH to 7384' - Hole Tight 50K Overpull - No moment downward or upward
 1200 - 1230: Circulate adding diesel while working potential differential stuck pipe
 1230 - 2030: Drawworks low drum chain broke shutting down working pipe operations - Circulate adding diesel with 45 strokes 223 gal/min while waiting on new drawworks chain - Call out Weatherford Fishing tool services at 1400 hours -
 Drawworks chain arrived at 1700 hours - Install new chain
 2030 - 2130: Circulate and Jar Pipe
 2130 - 2230: R/U Weatherford Fishing Equipment - Air Compressor - Conduct 15 min Pre-Job Safety Meeting
 2230 - 2300: Pump Air Downhole to 980 psi
 2300 - 0100: Circulate Air with Mud at 40 spm 300 psi while working pipe - Pipe Free at 1245 hours - Work Pipe No Drag
 0100 - 0145: TOO H 12 Stands to 6267'
 0145 - 0600: Circulate and Condition Mud
 0600 - 0700: TOO H to Stand Back BHA

Estimated Daily Cost: [REDACTED]

DAY 57 6/5/2002

CURRENT DEPTH 7350 CURRENT OPERATIONS: Circulate & Condition Hole ROTATING HRS: 0.00

0700 - 0930: TOO H and Stand Back BHA
 0930 - 1130: L/D Jars & P/U 26 joints DP
 1130 - 1200: Rig Service
 1200 - 1430: TIH to 7369' - Tag Slush
 1430 - 1530: P/U Kelly - Circulate and Wash f/ 7369' - 7409' while rigging up Halliburton Cementing Equipment
 1530 - 1600: Set Cement Plug as follows: 75 sks AG-300 Cement, 10% Cal-Seal, 15#/sk Gilsonite, 13.8 lb/gal, 1.76 Yield - Displace w/ 95 bbl Mud
 1600 - 1615: TOO H to 7193'
 1615 - 1715: Circulate Hole clean of cement - No Cement Returns
 1715 - 2230: TOO H w/ Drill Pipe
 2230 - 0300: P/U BHA and TIH to top of cement at 7174'
 0300 - 0600: Dress Cement f/ 7174'- 7350'
 0600 - 0700: Circulate and Condition Hole for Casing

Estimated Daily Cost: [REDACTED]

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DAY 58 6/6/2002

CURRENT DEPTH 7350 CURRENT OPERATIONS: Displace Cement

ROTATING HRS: 0.00

0700 - 0830: Circulate & Condition Hole for Casing
0830 - 0900: R/U Lay Down Machine - Conduct Pre-Job Safety Meeting (Subject: Laying Down Tubulars - Cautious

of other workers)
0900 - 1530: L/D DP + DC + Break Kelly & Retrieve Wear Bushing
1530 - 1630: R/U Casing Running Equipment - Conduct Pre-Job Safety Meeting (Subject: Running Casing - Pinch

Marks)
1630 - 1830: Run 7" Casing - Driller Back Lashed Drill Line on Drawworks Drum
1830 - 2100: Hang off Traveling Block - Repair Drill Line & Air Hoist Block in Derrick
2100 - 2400: Continue Running 179 Joints 7", 26#, L-80, LT&C Casing set at 7351' - Marker Joint @ 6346' - DV Tool

at 5615'
2400 - 0200: Circulate Casing Contents: Conduct 15 Minute Pre-Job Safety Meeting (Subject: Cementing Operations

- High Pressure Lines)
0200 - 0400: Cement 7" Casing 1st Stage as follows: 20 bbls Fresh Water + 40 sks 50-50 Prem + 2% Gel + .125#/sk

Poly E Flake + 4% Halad-344, Wt 12 lb/gal, Yield 1.96 + 410 sks 50-50 Prem + 2% Gel + .125#/sk
Poly E Flake + 4% Halad-344, Wt 14.3 lb/gal, Yield 1.96 - Displace w/ 66.3 bbls Water + 214 bbls

Mud - Slow Pump Rate @ DV Tool - Shut down Plug did not land - Bleed Well Floats Hold - Drop

Bomb - Open DV Tool w/ 1200 psi - Pump 5 bbls Mud

0400 - 0500: Circulate between Cement Stages
0500 - 0600: Cement 7" Casing 2nd Stage as follows: 10bbls Fresh Water+ 20 bbls Super Flush + Lead = 480 sks

50-50 Prem + 8% Gel + 8% Cal-Seal + .125#/sk Poly E Flake, Wt 12.3 lb/gal, Yield 2.04 Tail = 290 sks
50-50 Prem + 2% Gel + .125#/sk Poly E Flake + 40% Hala-344, Wt 14.3 lb/gal, Yield 1.20
Drop Plug - Displae w/ 214 bbls Fresh Water - Land Plug w/ 2500 psi (1000 psi over) Bleed Well
DV Tool Closed @ 0636 hours - No Cement to Surface

Estimated Daily Cost: [REDACTED]

DAY 59 6/7/2002

CURRENT DEPTH 7350 CURRENT OPERATIONS: Prepare for Rig Move

ROTATING HRS: 0.00

0700 - 0900: Clean BOP Cellar Pit of Solids
0900 - 1330: P/U BOP - Install 7" Casing Slips w/ 25,000 string wt + Well Cap w/ valve
1330 - 2000: Salvage Mud w/ Vac Truck and Clean Mud Pits
2000 - 0700: R/D Drilling Equipment and Prepare for Rig Move

Estimated Daily Cost: [REDACTED]

DAY 60 6/8/2002

CURRENT DEPTH 7350 CURRENT OPERATIONS: Prepare for Rig Move

ROTATING HRS: 0.00

0700 - 0700: Rig Down Drilling Equipment and Prepare for Rig Move
Rig Move Trucks scheduled to arrive at 0700 hours

Estimated Daily Cost: [REDACTED]

DAY 61 6/12/2002

CURRENT DEPTH 7350 CURRENT OPERATIONS: SDON

ROTATING HRS: 0.00

12:00 - 15:00 MIRU Ross Rig #22. Install and test casing flange. Spot pump and tanks and lay lines.
15:00 - 20:30 TIH w/ 6 1/8" bit and sub. Tally and pickup 167 jts 2 7/8" 6.5# SUC. Plug. at 4747' Tie back drill line to single. SDON.

Estimated Daily Cost: [REDACTED]

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DAY 66 6/20/2002

CURRENT DEPTH 7300 CURRENT OPERATIONS: Perforating

ROTATING HRS: 0.00

0700 - 0900: Wait on Halliburton Perforating Equipment

0900 - 0930: Prepare to Rig Up Halliburton Perforating Equipment - 4" Perforating Guns Non- Compatible w/ 4-1/16"

Tubing Head Valve

0930 - 1000: Conduct 30 minuted Safety Meeting while waiting on BOP (Safety Topics: Hot Weather - Radio/ Telephone Silence - H2S)

1000 - 1100: Wait on 7", 5M BOP

1100 - 1130: Install 7", 5M BOP

1130 - 1830: R/U Halliburton Wireline Lubricator and Run 4" HSC ported Perforating Guns (loaded w/ 19.5 gm wt

"Millennium" charges), 4 jspf, 90 degree phasing, 0.51" entry hole diameter, 24' of penetration

7132' - 7152' = 20 feet @ 4 holes / ft. - 80 holes - (All Guns Fired)

7189' - 7199' = 10 feet @ 4 holes / ft. - 40 holes - (All Guns Fired)

7156' - 7166' = 10 feet @ 4 holes / ft. - 40 holes - (All Guns Fired)

7173' - 7189' = 16 feet @ 4 holes / ft. - 64 holes - (All Guns Fired)

7114' - 7124' = 10 feet @ 4 holes / ft. - 40 holes - (All Guns Fired)

7209' - 7215' = 6 feet @ 4 holes / ft. - 24 holes - (All Guns Fired)

7094' - 7114' = 20 feet @ 4 holes / ft. - 80 holes - (All Guns Fired)

7032' - 7048' = 16 feet @ 4 holes / ft. - 64 holes - (All Guns Fired)

7005' - 7011' = 6 feet @ 4 holes / ft. - 24 holes - (All Guns Fired)

7022' - 7032' = 10 feet @ 4 holes / ft. - 40 holes - (All Guns Fired)

1830 - 1900: R/D - Shut down operations for night

1900 - 0700: Shut down for the night

Estimated Daily Cost: [REDACTED]

DAY 67 6/21/2002

CURRENT DEPTH 7300 CURRENT OPERATIONS: Waiting on Completion Rig ROTATING HRS: 0.00

0600 - 0645: R/U Halliburton Wireline Additional Lubricator

0645 - 0700: Conduct 15 minute Safety Meeting (Safety Topic: Hot Weather - Radio/Telephone Silence - H2S)

0700 - 0800: Run Perforating Gun # 8 w/ 4" HSC ported Perforating Guns (Loaded w/ 19.5 gm wt Charges)

6912' - 6922' = 10 feet @ 4 shots / ft. - 40 holes - (All Guns Fired)

6942' - 6945' = 3 feet @ 4 shots / ft. - 12 holes - (All Guns Fired)

6981' - 6991' = 10 feet @ 4 shots / ft. - 40 holes - (All Guns Fired)

0800 - 0845: Re-Head Wireline

0845 - 0945: Run Perforating Gun # 9 w/ 4" HSC ported Perforating Guns (Loaded w/ 19.5 gm wt charges)

6882' - 6012' = 30 feet @ 4 shots / ft. - 120 holes - (All Guns Fired)

0945 - 1045: Run Perforating Gun # 10 w/ 4" HSC ported Perforating Guns (Loaded w/ 19.5 gm wt charges)

6852' - 6882' = 30 feet @ 4 shots / ft. - 120 holes - (All Guns Fired)

1045 - 1130: Run Perforating Gun # 11 w/ 4" HSC ported Perforating Guns (Loaded w/ 19.5 gm wt charges)

6822' - 6852' = 30 feet @ 4 shots / ft. - 120 holes - (All Guns Fired)

1130 - 1230: Run Perforating Gun # 12 w/ 4" HSC ported Perforating Guns (Loaded w/ 19.5 gm wt charges)

6792' - 6822' = 30 feet @ 4 shots / ft. - 120 holes - (All Guns Fired)

1230 - 1400: R/D Halliburton Wireline Equipment

1400 - 1430: Close BOP Blind Rams - Shut down operations until Monday Morning

Note: No H2S detected during complete operations

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 68 6/24/2002

CURRENT DEPTH 7300 CURRENT OPERATIONS: Prepare to Swab ROTATING HRS: 0.00

0700 - 0800: R/U Completion Rig Equipment

0800 - 0815: Conduct 15 minute pre-job Safety Meeting (Topics: Safety Awareness - H2S - Hot Weather)

0815 - 1430: P/U Packer - TIH picking up Tubing to 6977'

1430 - 1530: Space out Packer - Set Bottom Plug at 6877' - Packer set at 6781'

1530 - 1900: R/U Swabbing Lubricator + Swabbing Cups and Swab Navajo Formation a total of 136.5 bbls with final

PH = 7

1900 - 0700: Close BOP Blind Rams - Shut down operations for the night

Estimated Daily Cost: [REDACTED]**DAY 69 6/25/2002**

CURRENT DEPTH 7300 CURRENT OPERATIONS: Prepare to TIH w/ Packer ROTATING HRS: 0.00

0700 - 0830: R/U and Swab 43.75 bbls - PH= 7

0830 - 0900: Recover three sets of Navajo Formation Water Samples + two sets of Production Water Samples and delivery to Commercial Testing

0900 - 0930: Reposition bottom plug at 7242' and Packer at 7080'

0930 - 1400: R/U and Swab 153 bbls Kayenta formation water - Water and sand recovered in a pink color after 110 bbls - Water level at 2850'

1400 - 1430: Recover three sets of Kayenta formation water samples and delivery to Commercial Testing

1430 - 1500: Release packer and TIH to retrieve bottom plug - 6' sand on top of plug

1500 - 1530: R/U and Circulate conventional - Wash sand off plug and release bottom plug

1530 - 1830: TOOH with packer

1830 - 1900: Lay down Plug and inspect packer - Seals and Packer OK

1900 - 0700: Shut in well for the night

Note: Acid operations scheduled for Thursday June 27, 2002

Estimated Daily Cost: [REDACTED]**DAY 70 6/26/2002**

CURRENT DEPTH 7300 CURRENT OPERATIONS: Waiting on Acid Operation ROTATING HRS: 0.00

0700 - 0800: Shut down for the night

0800 - 1030: TIH w/ 2-7/8" Tubing to 6700'

1030 - 1100: Set Packer w/ 30,000 lbs compression - Fill Annulus w/ 2% KCL and Pressure test Packer to 1500 psi

(Packer Held OK)

1100 - 0700: Shut in well for the day and night while waiting on Acid operations.

Note: Acid Operations scheduled for Friday June 28, 2002

Will relocate Packer to 6528' Thursday June 27, 2002

Estimated Daily Cost: [REDACTED]**DAY 71 6/27/2002**

CURRENT DEPTH 7300 CURRENT OPERATIONS: Waiting on Acid Operation ROTATING HRS: 0.00

0700 - 0800: Shut down for the night

0800 - 0830: Un-Set Packer - Move Packer up to 6528' - Re-Set Packer

0830 - 0900: Pressure test Packer to 1500 psi for 30 minutes (Held OK)

0900 - 0700: Shut down operations - Wait on Acid operations

Note: Acid operations scheduled for Friday June 28, 2002

Estimated Daily Cost: [REDACTED]**RECEIVED**

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DAY 72 6/28/2002

CURRENT DEPTH 7300 CURRENT OPERATIONS: Pump Test ROTATING HRS: 0.00

- 0700 - 0730: R/U Halliburton Acid Equipment
- 0730 - 0745: Conduct Safety Meeting
- 0745 - 0800: Check displacement figures
- 0800 - 0845: Start pumping water for Breakdown pressure at 10 bbls/min - 1350 psi breakdown pressure
Start Acid - 10 bbls/min at 3150 psi - Displace w/ 46 bbls KCL - Spot 50' above perforations
ISIP = 475 psi - 5 min SIP = 206 psi - 10 min SIP = 70 psi - 15 min SIP = 2 psi - 500 balls left
- 0845 - 0900: TIH w/ 2-7/8" Tubing w/ Packer to 7300' - Knock off remaining balls
- 0900 - 1400: TOOH laying down tubing and Packer - R/D Oilind H2S Equipment while TOOH
- 1400 - 1530: R/D Completion Rig and Move off location
- 1530 - 1630: R/U Production Testers to run Traser Log
- 1630 - 1815: Run Tracer Log
- 1815 - 1830: Down load Tracer Log
- 1830 - 1915: Run BHP Gauges to 4000'
- 1915 - 0700: Shut down for the night

Estimated Daily Cost: [REDACTED]

DAY 73 6/30/2002

CURRENT DEPTH 0 CURRENT OPERATIONS: WO 7 day pressure bomb ROTATING HRS: 0.00

- 05:30 - 06:15 MIRU pumping equipment
- 06:15 - 06:30 Hold pre job safety meeting w/ all contractors on location.
- 06:30 - 06:50 Prime and pressure test pumps and lines. All fluid pumped on this test 2% KCl water.
- 06:54 - 07:41 Load hole at 10 BPM. Pressure up at 60 bbl pumped (Static FL 1570') Reduced rate to 1/2 BPM for 30 min. Well on vacuum. Choked pump discharge valve to achieve desired rate. Pressure 6# to 31#. Shut In well for 30 min to observe pressure fall-off. Pressure 31# to 43#
- 07:41 - 08:48 Load hole w/ 53 bbl (FL at 1385'). Pump 350 bbl at 10 BPM. Pressure 129# to 657#. SI well for pressure fall-off test. Pressure 456# to 43# in 15 min.
- 09:16 - 10:16 Pump at 1 BPM for 1 hour. Pressure 46# to 59#.
- 10:16 - 11:16 Pump at 2 BPM for 1 hour. Pressure 61# to 114#.
- 11:16 - 12:16 Pump at 3 BPM for 1 hour. Pressure 170# to 317#.
- 12:16 - 13:16 Pump at 4 BPM for 1 hour. Pressure 354# to 432#.
- 13:16 - 14:16 Pump at 5 BPM for 1 hour. Pressure 470# to 494#.
- 14:16 - 15:16 Pump at 6 BPM for 1 hour. Pressure 500# to 506#.
- 15:16 - 15:46 Pump at 8 BPM for 30 minutes. Pressure 547# to 574#.
- 15:46 - 16:16 Pump at 10 BPM for 30 minutes. Pressure 590# to 595#.
- 16:16 - 16:31 Pump at 12 BPM for 15 minutes. Pressure 662# to 672#.
- 16:31 - 16:46 Pump at 14 BPM for 15 minutes. Pressure 739# to 754#
- 16:46 - 17:01 Pump at 16 BPM for 15 minutes. Pressure 832# to 840#
- 17:01 - 17:31 Shut down for 30 minute fall-off test. ISDP - 513#, 5 min - 382#, 10 min - 317#, 15 min - 268#, 20 min - 226#, 25 min - 195#, 30 min - 165#.
- 17:31 - 18:00 RDMO pumping equipment.

Estimated Daily Cost: [REDACTED]

Cum. Estimated Daily Cost: [REDACTED]

Frac Data

Completion Data

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DIVISION OF OIL, GAS AND MINING



INJECTION WELL - PRESSURE TEST

Well Name: <u>PRCO D-13</u>	API Number: <u>43 015 30531</u>
Qtr/Qtr: <u>NESW</u> Section: <u>30</u>	Township: <u>16S</u> Range: <u>9E</u>
Company Name: <u>Phillips</u>	
Lease: State _____ Fee <u>X</u>	Federal _____ Indian _____
Inspector: <u>M. Jones</u>	Date: <u>7/11/82</u>

Initial Conditions:

Tubing - Rate: 0 Pressure: 0 psi
 Casing/Tubing Annulus - Pressure: 0 psi

Conditions During Test:

Time (Minutes)	Annulus Pressure	Tubing Pressure
0	<u>1000 #</u>	<u>N/A 0#</u>
5	_____	_____
10	_____	_____
15	<u>1000 #</u>	<u>N/A 0#</u>
20	_____	_____
25	_____	_____
30	<u>1600 #</u>	<u>N/A 0#</u>

Results: Pass/Fail

Conditions After Test:

Tubing Pressure: 0 psi
 Casing/Tubing Annulus Pressure: 0 psi

COMMENTS: Packer set @ 6641.5'

Treatolite CRW 132 loaded on backside 110 g & 160 bbls
in 2 1/2 KCL

[Signature]
 Operator Representative

* Tested @ 1000 # for 1 Hr.

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

UIC FORM 1

021

APPLICATION FOR INJECTION WELL

Name of Operator Phillips Petroleum Co.	Utah Account Number N 1475	Well Name and Number PPCo D-13
Address of Operator 9780 Mt Pyramid Ct CITY Denver STATE CO ZIP 80112	Phone Number (303) 643-4359	API Number 4301530531
Location of Well Footage : 2217' FSL 1856' FWL County : Emery QQ, Section, Township, Range: NESW 30 16S 09E State : UTAH		Field or Unit Name Drunkards Wash UTU-67921X Lease Designation and Number Fee

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

Will the proposed well be used for:

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

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

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

Proposed injection interval: from 6,792 to 7,215
Proposed maximum injection: rate 8,000 bpd pressure 2,250 psig
Proposed injection zone contains oil , gas , and / or fresh water within 1/2 mile of the well.

Max 2480 psig to be requested for initial operations on 4th page of the attached cover letter. CK 8/8/02

List of attachments: See Cover Letter

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

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

Name (Please Print) Jeffery E. Carlson
Signature *Jeffery E. Carlson*

Title Petroleum Engineer
Date 7/1/2002

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DIVISION OF OIL, GAS AND MINING

INSTRUCTIONS

This form shall be submitted by the well operator prior to the commencement of operations for injecting any fluid into a well for the purpose of enhanced recovery, disposal, or storage within the state of Utah, in accordance to the Utah Oil and Gas Conservation General Rules. Approvals or orders authorizing injection wells shall be valid for the life of the well, unless revoked by the board for just cause, after notice and hearing.

Send to:

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

Phone: 801-538-5340

Fax: 801-359-3940

Open Hole Log Copies

PPCo D-13

RG49-5-2.2 (& 2.4)

Two sets of open hole logs were run in the PPCo D-13, both at the intermediate casing depth and at TD. Summary details of both logging runs are shown below. Copies of these logs have previously been submitted to the DOGM as part of the routine distribution of logs following the individual logging runs. In accordance with Item 2.4, duplicate sets of logs will not be submitted with this application.

*We don't
show copies
the logs are
under the final
log run.
8/8/02*

Intermediate Run

Logging Company: Phoenix Surveys Inc. (PSI)

Date: 4/21/02

Driller's TD: 3,525'

Logger's TD: 3,490'

Logs Run: Compensated Density Compensated Neutron- GR
Dual Induction Guard Log - GR

Max Temp Recorded: 101 degrees F

KB: 6,192.5'

GL: 6,177'

Final Run

Logging Company: Halliburton

Date: 6/2/02

Driller's TD: 7,350'

Logger's TD: 7,346'

Logs Run: Spectral Density - Dual Spaced Neutron
High Resolution Induction Log
Dipole Sonic

Max Temp Recorded: 150 degrees F

KB: 9,193'

GL: 6,177'

Cement Bond Log Copies
PPCo D-13
RG49-5-2.3 (& 2.4)

Two sets of cement bond logs were run in the 7" casing on the PPCo D-13. The original run was made by Phoenix Surveys Inc (PSI) on June 15, 2002 following the initial clean out of the wellbore. The logging run was to be conducted with the well pressured to 1,000 psi at surface. PSI's lubricator was leaking and unable to hold pressure, so the log was run without pressure. The log showed good bond across the proposed injection interval and up to the DV tool at 5,615'; the top of cement in the second stage was picked at 2,600'. Final prints of this run were submitted to DOGM without a quality control check. Upon inspection of the prints, it was discovered that there was an error in the display of the travel time (scale: 270-170 msec). A revised version of the final print was published and distributed to DOGM with a re-scaled travel time curve (scale: 300-200 msec).

*W. L. Johnson
a copy of the
8/8/02*

Following the retrieval of the pressure gauges used during the steprate injection / leak off test, a retrievable bridge plug was set above the Navajo perforations at 6,782 ft and a second CBL was run by PSI on July 9, 2002. With the well pressured to 1,000 psi at surface, this log showed noticeably reduced bond across much of the interval from above the RBP to the DV tool. It is theorized that the maximum pressure of 2,217 psi observed during the steprate injection test may have ballooned the casing enough to create a micro-annulus that is not effected by the 1,000 psi pressure used during the logging run. The repeat section of this 2nd log was not run under pressure and comparison of this section with the same interval on the pressurized run shows some bond improvement.

Copies of both logs have been submitted to the DOGM by PSI as part of the routine distribution of logs. In accordance with Item 2.4, duplicate sets of logs will not be submitted with this application.

Description of the Casing Program PPCo D-13

Conductor Casing Description

20" 93# H-40 ST&C installed from 0' to 40'
landed 2 joints of casing at 40'; cemented with 7 bags of grout, dumped 4 yards of ready-mix concrete down the backside of the casing.

Surface Casing Description

13-3/8" 48# H-40 ST&C installed from 0' to 455'
landed 10 joints of casing at 449'; cemented with 500 sks of Premium "G" w/ 2% CaCl₂ and 0.25 lb/sk cellophane flake. Under displaced by 10 bbls, circulated 20 bbls cement to surface. (15.8 ppg density, 1.16 cu.ft./sk yield)

Intermediate Casing Description

9-5/8" 40# J-55 LT&C installed from 0' to 3,525'
landed 82 joints of casing at 3525'; cemented with lead slurry of 500 sks of Halco "Light" Premium w/ 2% CaCl₂ and 0.125 lb/sk cellophane flake (12.5 ppg density, 1.89 cu.ft./sk yield); pump tail slurry of 250 sks of Premium AG-300 w/ 1% CaCl₂ and 0.125 lb/sk cellophane flake (15.8 ppg density, 1.16 cu.ft./sk yield). Circulated +/- 20 bbls cement to surface.

Production Casing Description

7" 26# L-80 LT&C installed from 0' to 7,351' (TD)
Diverter stage tool located at 5,615'
Cement - 1st Stage lead scavenger slurry of 40 sks of 50/50 Poz Premium w/ 2% Gel, 0.125 lb/sk Poly E Flake, and 4% Halad-344 (12.0 ppg density, 1.96 cu.ft./sk yield); Tail in w/ 410 sks of 50/50 Poz Premium w/ 2% Gel, 0.125 lb/sk Poly E Flake, and 4% Halad-344 (14.3 ppg density, 1.96 cu.ft./sk yield). Top of cement at 5,615'.
Opened DV tool & circ hole above prior to pumping 2nd stage.
2nd Stage lead w/ 480 sks 50/50 Poz Premium w/ 8% Gel, 8% Cal-seal, and 0.125 lb/sk Poly E Flake (12.3 ppg density, 2.04 cu.ft./sk yield); Tail in w/ 290 sks 50/50 Poz Premium w/ 2% Gel, 0.124 lb/sk Poly E Flake, and 4% Halad-344 (14.3 ppg density, 1.2 cu.ft./sk yield). Top of cement: No cement to surface.

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Production Tubing Description

4-1/2" 11.6# L-80 LT&C run to 6,676.29'. A 7" 'PLS' retrievable casing packer was set at 6,656.71'. See attached schematic.

Casing Test

Following completion of the D-13, a mechanical integrity test was conducted on the 7" X 4-1/2" annulus. Packer fluid was circulated into the annular space. With the packer set, the annulus was tested to 1000 psi and held for one hour. The Utah DOGM inspector, Mark Jones, witnessed the test.

PHILLIPS PETROLEUM

Drunkards Wash

D-13

Emery, UT

11-Jul-02

Prepared For:

John Benoit

Prepared By:

Ron Foos

Well Type: Slr Wtr Displ

AFE:

Hib SO: 1936240

Max
O.D.

Min
I.D.

Depth	Length	Size & Description	Max O.D.	Min I.D.
- 0 -	15.00	17ft GL-KB Adjusted <2.00ft to Tbg Spool		
15.00	0.65	7-1/16" x 4-1/2" CXS Extended Neck Tubing Hanger		
15.65	6640.94	153 Juts 4-1/2 NU8rd 11.6# L-80 Tbg **(Tubing Landed w/40,000# (2.80ft) Steel Compression)**	5.000	4.000
<div style="border: 1px solid black; padding: 5px; display: inline-block;">Casing 7" 26#</div>				
6653.79	0.79	4-1/2 NU8rd 11.6# Box x 3-1/2 EU8rd 9.3# Pin L-80 Tbg X-Ovr	5.063	2.970
6654.58	2.13	7" x 3-1/2" x Blank Hib 10K "XL" On/Off Tbg Conn w/3Bnd Sls (Gudgeon= 1.83, Skirt= 1.91)	5.750	2.990
6656.71	3.80	7" 20-29# x 3-1/2" Hib 10K "PLS" Retrievable Casing Packer-NI (10 pins for 50,000# Shear Release) 1000psi/15min Annular Pressure Test	6.020	2.970
6660.51	4.00	4ft 3-1/2 EU8rd 9.3# L-80 Box x Pin Tbg Sub	4.500	2.992
6664.51	2.38	2ft 3-1/2 EU8rd 9.3# L-80 Box x Pin Tbg Sub	4.500	2.992
6666.89	1.42	2.750 "X" Selective Landing Nipple	4.500	2.750
6668.31	6.02	6ft 3-1/2 EU8rd 9.3# L-80 Box x Pin Tbg Sub	4.500	2.992
6674.33	1.46	2.750 "XN" No-Go Landing Nipple w/2.635 Btn NG	4.500	2.635
6675.79	0.50	3-1/2 EU8rd 9.3# L-80 Wireline Entry Guide	4.500	2.970
6676.29		END OF TAILPIPE ASSEMBLY		

HALLIBURTON

Completion Systems

1709 Elk St

Rock Springs, WY 82901

Standard Laboratory Analyses of Fluid Samples

PPCo D-13

RG49-5-2.7

The following is a list of the water samples analyzed by the Commercial Testing and Engineering (CTE) laboratory in Huntington, Utah. The date, well name, source of the water, and interval tested are summarized below. Samples of connate water were obtained from each of the two perforated formations that are open for injection. In addition, produced water samples were obtained from two Ferron coal bed methane (CBM) wells. The water from the two wells is representative of the Ferron produced water that will be injected into the D-13 upon regulatory approval. A copy of each of the analyses is attached to this exhibit.

<u>Date</u>	<u>Well</u>	<u>Test #</u>	<u>Formation</u>	<u>Interval Tested (ft)</u>	<u>TDS (mg/l)</u>
07/11/2002	UT-31-175	1	Ferron		34,609
07/11/2002	UT-14-551	1	Ferron		28,051
07/11/2002	D-13	1	Navajo	6792'-6945'	112,517
07/11/2002	D-13	1	KCL		26,915
07/24/2002	D-13	1	Kayenta	7094'-7215'	165,313

**Proposed Injection Pressures
PPCo D-13
RG49-5-2.8**

Listed below for reference is a summary of the 12 existing disposal wells in the Drunkards Wash Project and their current operating pressure.

<u>Well</u>	<u>Max Approved Pressure</u>	<u>Avg Operating Pressure</u>	<u>Avg Inj Vol</u>
D-1	1350 psi	1320 psi	5500 bpd
D-2	1350 psi	500 psi	5300 bpd
D-3	1700 psi	1675 psi	4400 bpd
D-4	1350 psi	1345 psi	7300 bpd
D-5	1350 psi	850 psi	6900 bpd
D-6	1350 psi	580 psi	9300 bpd
D-7	1700 psi	1680 psi	4200 bpd
D-8	1700 psi	1200 psi	3300 bpd
D-9	1350 psi	500 psi	5600 bpd
D-10	1350 psi	1330 psi	7650 bpd
D-11	2250 psi	2200 psi	4750 bpd
D-14	2000 psi	1400 psi	3400 bpd

Step-Rate Test

A traditional rate-pressure plot of the step rate test data is presented in Exhibit H. Analysis of the plotted data indicates the following formation measurements:

- Initial Pore Pressure Gradient: 0.369 psi/ft
- Fracture Parting Pressure (fracture extension pressure): 3,491 psi
- Equivalent Surface Pressure: 400 psi

The step rate data was collected during injection down 7" casing. For operating conditions, 4-1/2" tubing will be utilized. At the typical operating injection rates of 5-6 bpm, the difference in friction pressure as observed at surface between tubing injection and casing injection will be an additional 80-100 psi. The following calculated friction pressures illustrate that difference:

<u>Rate</u>	<u>P_{friction - tbg}</u>	<u>P_{friction - csg}</u>
5 bpm	79.5 psi	8.2 psi
6 bpm	111.1 psi	11.5 psi

(303)
9132920

The pore pressure and fracture extension data appears consistent with previously published studies of water injectivity in the Drunkards Wash Project. Analysis of the anhydrite barriers as presented in Exhibit H also supports the conclusion that the anhydrite cap will isolate injection fluids within the Navajo/Kayenta interval.

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Based on the analysis presented in Exhibit H, the following surface operating pressure conditions have been recommended:

For the initial operation of the PPCo D-13 disposal well,
Maximum Injection Pressure: 2,480 psi
Average Injection Pressure: 2,480 psi

**ANALYSIS OF THE STEP
RATE TEST IN WELL D-13
AT DRUNKARD'S WASH**

PREPARED FOR:

PHILLIPS PETROLEUM CO.
9780 MT. PYRAMID COURT., SUITE 200
ENGLEWOOD, COLORADO 80112

PREPARED BY:

MICHAEL W. CONWAY
STIM-LAB, INC.
7406 NORTH HWY 81
DUNCAN, OKLAHOMA 73534

P.O. NUMBER: VERBAL/JEFFREY E. CARLSON/TOM CLOUD
FILE NUMBER: SL-6441

JULY 23, 2002

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ALL INTERPRETATIONS ARE OPINIONS BASED ON INFERENCES FROM SAMPLES AND LOGS WHICH WERE SUPPLIED. WE CANNOT, AND DO NOT, GUARANTEE THE ACCURACY OR CORRECTNESS OF ANY INTERPRETATIONS, AND WE SHALL NOT, EXCEPT IN THE CASE OF GROSS OR WILLFUL NEGLIGENCE ON OUR PART, BE LIABLE OR RESPONSIBLE FOR ANY LOSS, COSTS, DAMAGES OR EXPENSES INCURRED OR SUSTAINED BY ANYONE RESULTING FROM ANY INTERPRETATION MADE BY ANY OF OUR OFFICERS, AGENTS OR EMPLOYEES. THESE INTERPRETATIONS ARE ALSO SUBJECT TO OUR GENERAL TERMS AND CONDITIONS AS SET OUT IN OUR CURRENT PRICE SCHEDULE.



ANALYSIS OF THE STEP RATE INJECTION TEST CONDUCTED IN WELL D-13 AT DRUNKARD'S WASH

Well D-13 was completed in June 2002 and a step rate test was conducted on June 30, 2002 to determine the fracture parting pressure in the Navajo sandstone. The Navajo, Kayenta and Wingate sandstones were opened through perforations at the depths shown in Table 1.

Table 1 - Perforation Placement in Well D-13

Perforation Location (ft)
6792' - 6922'
6942' - 6945'
6981' - 6991'
7005' - 7011'
7022' - 7048'
7094' - 7124'
7132' - 7152'
7156' - 7166'
7173' - 7199'
7209' - 7215'

Tubing (2 7/8") was run with a packer set at 6528' and 15% HCl and 2% KCl water were pumped at rates up to 10 BPM with ball sealers. The balls were knocked off and the tubing removed.

A total of about 2550 barrels of water was then injected in a short, high rate breakdown and a step rate test. After the short injection at 10 BPM and shut-in, the step rate test was started at 1 BPM and continued up to the maximum rate of 16 BPM. The surface and bottom hole recorded data during the injection phase is shown in Figure 1. The rates were varied from about 1 to a maximum of 16 BPM. The initial pressure was 2571 psi at a gauge depth of 6972'. This is an initial pore pressure gradient of 0.369, which is somewhat lower than the 0.388 psi/ft gradient seen in D-3. The analysis of the pressure data from the downhole gauge shows an ultimate fracture extension pressure of 3491 psi which is a gradient of 0.5 psi/ft. The traditional rate-pressure plot is given in Figure 2.

Step Rate Test for Well D-13

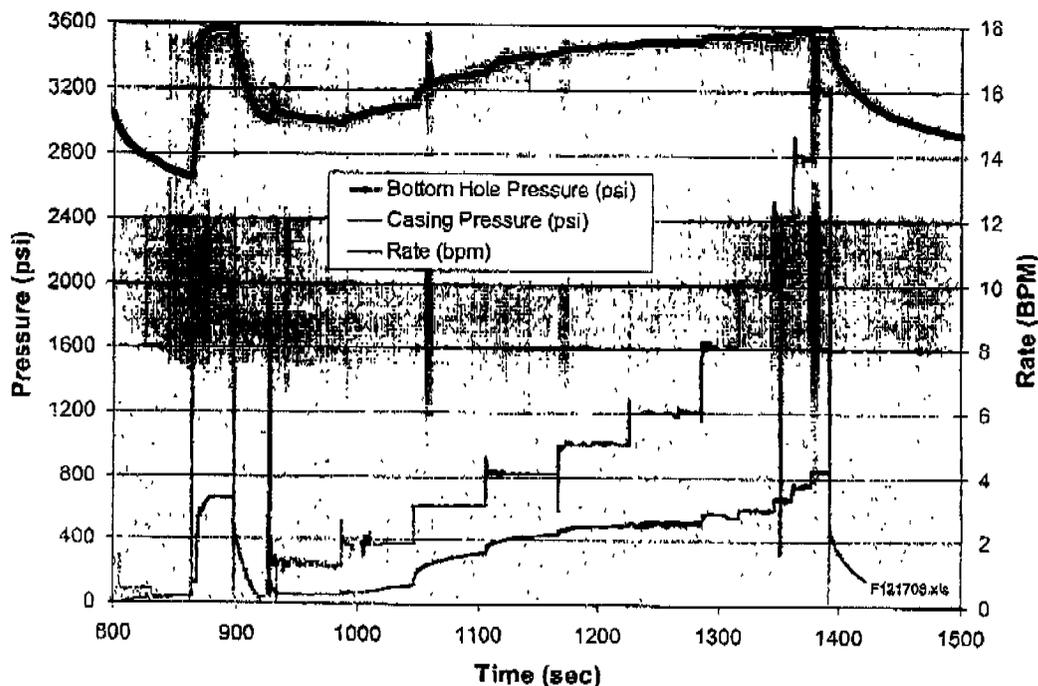


Figure 1 - Step Rate data for test performed on Well D-13.

D-13 Step Rate Injection Test Step Rate

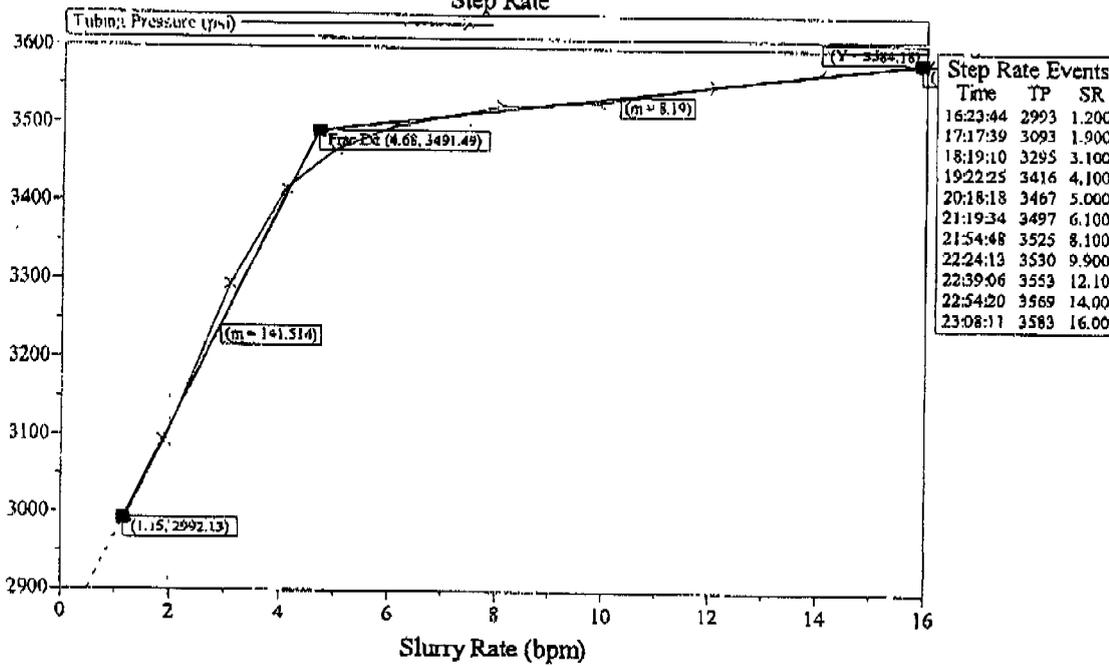


Figure 2 - Analysis of BHP in Well D-13 to obtain Fracture Extension Pressure

D-13 Step Rate Injection Test Surface Pressure During Step Rate Test

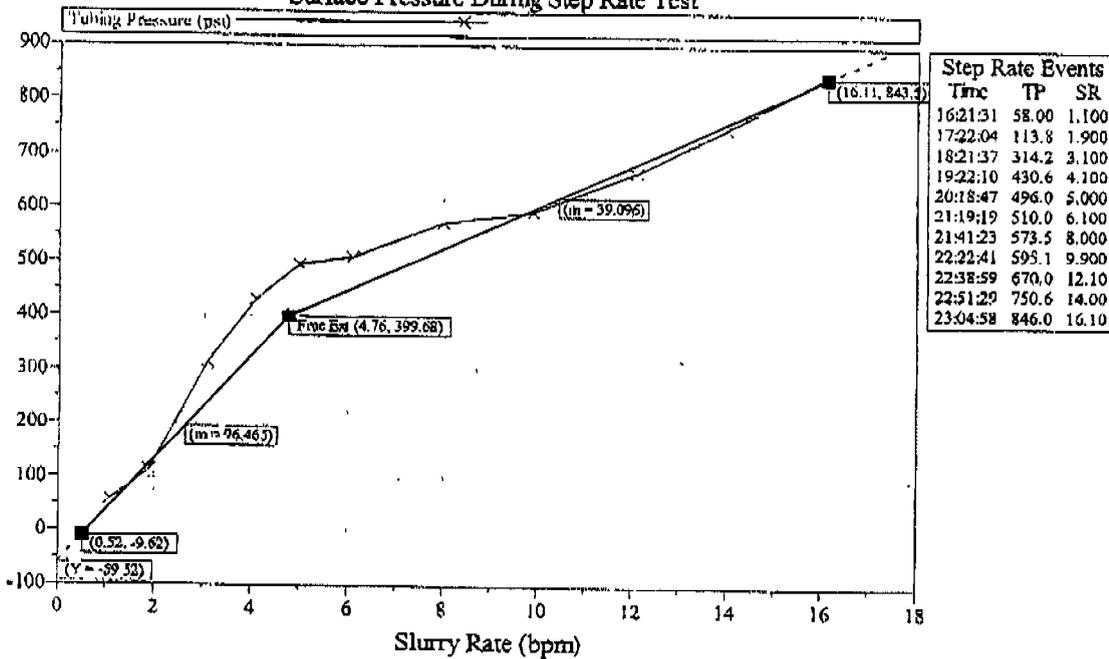


Figure 3 - Analysis of surface pressure in Well D-13. The opening of new zones at higher rates is highlighted.

DISCUSSION

The analysis of the surface pressure confirms that there is excess near wellbore friction at the intermediate rates and therefore the expected surface pressure after the higher rate breakdown would be approximately 400 psi at a rate of 4.68 bpm.

CONCLUSION

A comparison of the log characteristics to Well D-3 is shown for comparison in Figure 4. D-13 is significantly deeper than D-3 and in order to make a direct comparison of the anhydrite cap and the sandstone, 1195 ft was been added to the log depth of D-3. This comparison clearly shows the similarities especially in the three anhydrite layers which serve as the cap to the section

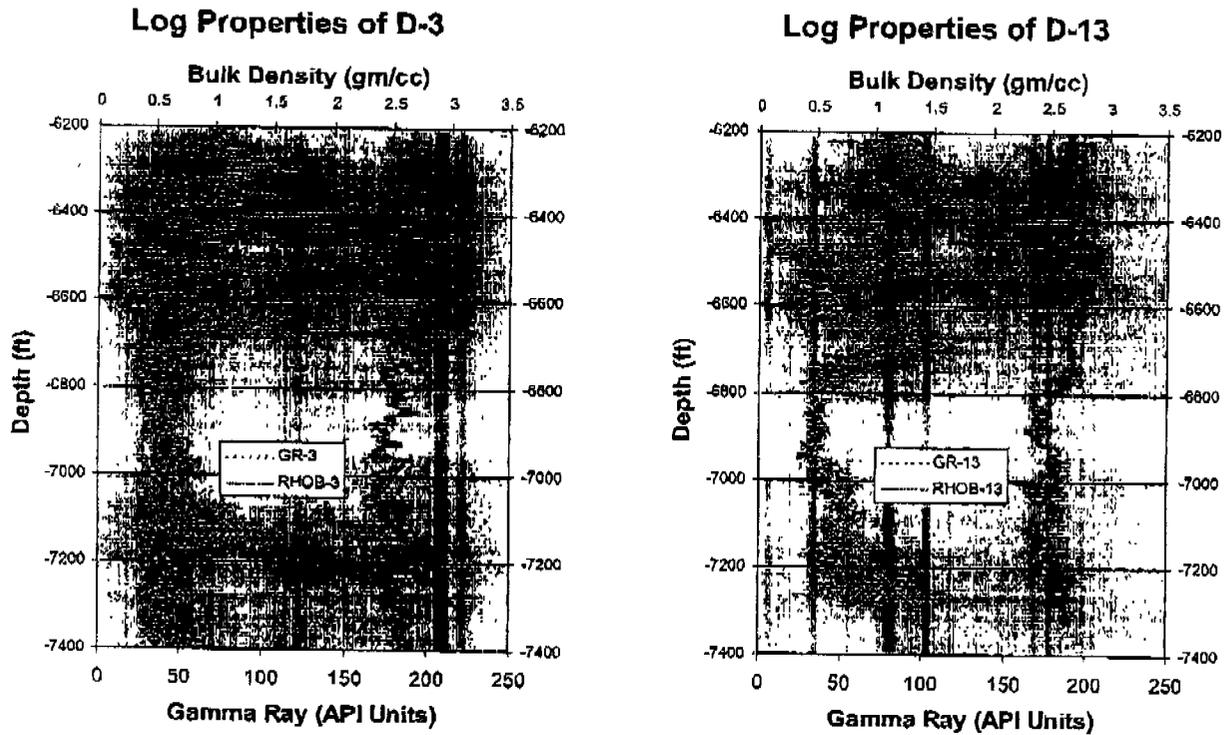


Figure 4 - Comparison of Log Properties for D-3 and D-13. The three Anhydrite zones are clearly recognized by their density which is approximately 3

The reservoir pressure and stress state in all the Navajo Disposal Wells in Drunkard's Wash is summarized in Table 2. D-13 is one of the deeper wells and with very similar stress in the Anhydrite cap compared to the other deeper wells. With this many wells in place, the original explanation of the source of the stresses still remains valid and gives good confidence that the Navajo Sandstone is well isolated

from all zones above the anhydrite cap at the injection pressures being used. We recommend that a maximum wellhead limit of 2480 psi be established for this well which is 500 psi less than the closure pressure in the lower anhydrite.

Table 2: Summary of Reservoir Stresses in Navajo Disposal Wells in Drunkards Wash

Well Name	Lower Plate Anhydrite	Reservoir Pressure Gradient	Closure Pressure in Anhydrite in Lower Plate ⁽¹⁾		
	(ft)		(psi/ft)	BHP	Surface (psi)
D-1	5410	0.394	4780	2437	0.884
D-2	6884	0.350	6150	3169	0.893
D-3	5285	0.388	6675	4387	1.263
D-4	5762	0.412	4800	2305	0.833
D-5	6707	0.351	5525	2621	0.824
D-6	6799	0.347	5600	2656	0.824
D-7	5412	0.439	4900	2557	0.905
D-8	5750	0.443	5000	2510	0.870
D-10	6550	0.375	5180	2344	0.791
D-11	4823	0.393	6900	4812	1.431
D-13	6488	0.369	5790	2980	0.892
D-14	4290	0.415	6245	4387	1.456

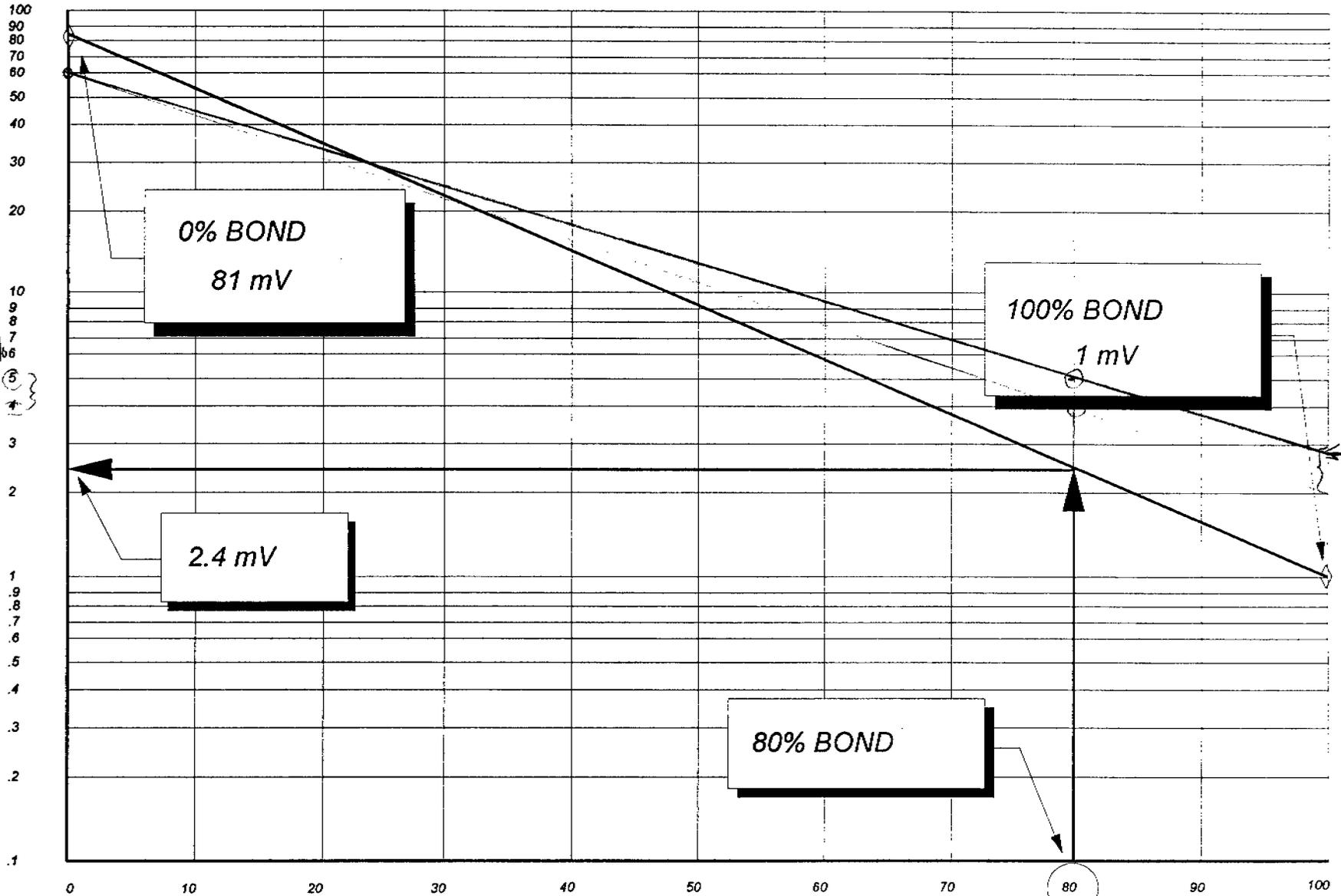
⁽¹⁾Lower Plate stress calculated by assuming closure pressure in Navajo is 250-350 psi lower than the fracture extension pressure.

Michael W. Conway, Ph.D.

July 23, 2002

D-13 CBL 6/28/02 R and 7/31/02 CF

AMPLITUDE (mV)



0% BOND
81 mV

100% BOND
1 mV

2.4 mV

80% BOND

100% Bond @
~ 2.7 mV

% BOND

July 29, 2002

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

Re: Application for Injection Well – PPCo D-13
 NE SW Sec. 30, T16S-R9E SLB&M
 Emery County, Utah
 API Number: 43-015-30531

Dear Mr. Hunt:

The following data is being submitted in support of the referenced application, dated April 26, 2002. An attached Stim-Lab Inc. report entitled "Analysis of the Step Rate Test in the Well D-13 at Drunkards Wash", dated July 23, 2002, written by Mr. Michael Conway provides analysis of the testing of the referenced well. Also attached to this cover letter you will find the following:

- ✓ • Revised **UIC Form 1** showing corrected completion interval
- ✓ • **Exhibit "C"**: (Item 2.2. & 2.4.) – Copies of open-hole logs (Not all logs rec'd - see notes)
- ✓ • **Exhibit "D"**: (Item 2.3. & 2.4.) – Copies of cement bond log (CBL)
- Revised **Exhibit "E"**: (Item 2.5.) – Description of actual casing program
- **Exhibit "F"**: (Item 2.7.) – Standard laboratory analysis of fluid samples
- **Exhibit "G"**: (Item 2.8.) – Proposed injection pressures; average and maximum
- **Exhibit "H"**: (Item 2.9.) – Stim-Lab report including documentation of confining pressure
- **Misc. Attachments**
 - Halliburton Job Log f/ step rate injection test, dated 6/29/02
 - Halliburton Job Log f/ acid breakdown, dated 6/28/02
 - ✓ ○ Radioactive tracer scan log from acid breakdown, dated 7/1/02

Summary of Events

On June 12, 2002, a workover rig was rigged up on the PPCo D-13 well to initiate completion operations. A 6-1/8" bit and sub were run in the wellbore on the 2-7/8" tubing to drill out cement and the DV tool. The bit tagged cement at 5599'. The cement was cleaned out to the top of the DV tool at 5615'. The DV tool was drilled out and the bit and tubing were pulled from the hole. The bit and a 6-1/8" casing scraper were run in the hole and operations were shut down while a larger workover rig was brought in. The 6-1/8" bit was run in the hole until it tagged cement at 7068'. Cement was drilled to 7299'. The hole was circulated clean with clean 2% KCL water and biocide.

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On June 16, 2002, the tubing and BHA were tripped out and laid down. Phoenix Services Incorporated (PSI) ran a Cement Bond Log and identified an indicated top of cement at 2600'. Good cement bond was indicated across the injection interval. An attempt was made to run the log under 1000-psi surface pressure, but the operation had to shutdown because of a leaking swedge on PSI's lubricator.

On June 20, 2002, Halliburton wireline services rigged up and shot the following perforations (4" HSC ported perforating gun, 4 spf, 90 deg. Phased, EH-.51", Pen.- 24') through the 7" 26 # L-80 production casing:

6792'-6922'	130 ft.
6942'-6945'	3 ft.
6981'-6991'	10 ft.
7005'-7011'	6 ft.
7022'-7048'	26 ft.
7094'-7124'	30 ft.
7132'-7152'	20 ft.
7156'-7166'	10 ft.
7173'-7199'	26 ft.
7209'-7215'	6 ft.

267 ft. x 4spf = 1068 holes

On June 24, 2002, a packer and bridge plug were run in the hole and set at 6781' and 6877' respectively to isolate the main Navajo porosity interval. A total of 21 swab runs were made recovering 180.25 barrels of formation fluid. On the last run, three Navajo water samples were retrieved and sent to CTE Labs in Huntington, UT for compositional analysis. Also on the 24th, two produced water samples were taken from the #14-551 and #31-175 development wells. The two wells should be representative of the group of Ferron producing wells that will inject water into this D-13. The two produced water samples were also delivered to CTE for analysis.

On June 25, 2002, the packer and bridge plug were moved down hole and set at 7080' and 7242' respectively to isolate the main Kayenta porosity interval. A total of 20 swab runs were made recovering 153 barrels of formation fluid. On the last run, three Kayenta water samples were recovered and sent for compositional analysis at CTE Labs in Huntington, UT. The packer and bridge plug were pulled from the well and seals were inspected prior to shutting down. The packer was re-run to a depth of 6,528' and set. The annulus was loaded with water and the packer and annulus were tested to a pressure of 1500 psi for 30 minutes without any leak-off.

On June 28, 2002, Halliburton pumped the following acid breakdown treatment: The hole was loaded with 2% KCL water followed with 6,000 gallons of 7-1/2% HCl and 2,000 ball sealers. Initial breakdown pressure was 1,353 psi at 4 bpm. Acid was pumped down 2-7/8" tubing at 10 bpm at a maximum treating pressure of 3,160 psi. A single radioactive isotope, iridium, was included in the acid for the purposes of tracing the acid injection. The acid was displaced with 46 barrels of KCL water. On shut down, the following data was recorded: ISIP-475 psi, 5 min SIP-206 psi, 10 min SIP-70 psi, 15 min SIP-2 psi. A copy of the Halliburton Job Log for the acid job is attached. The packer was released and run in the hole to 7,300' to knock any remaining ball sealers from the perforations. The tubing and packer were pulled out of the hole, and a tracer log was run by ProTechnics, Int. across the perforated intervals. The log results showed good

injection in all perforations. A copy of the tracer log is attached to this report. Tefteller, Inc. was rigged up to run tandem quartz memory gauges to a depth of 4,000' and operations were shut down overnight.

On June 29, 2002, the BHP gauges were run to a final depth of 6,972 ft. Halliburton was rigged up to perform the step-rate injection test. A total of 2,550 barrels of 2% KCL water was pumped during 12 timed injection intervals of increasing rates ranging from 1/2 to 16 bpm. The final injection pressure was 840 psi at 16 bpm. A copy of the Halliburton Job Log for this injection test is attached to this report. Upon completion of the test, the well was shut-in for 8 days with the BHP gauges remaining in the well to record the formation leak-off pressure. The attached Stim-Lab report details the results of the step-rate test.

On July 8, 2002, the BHP gauges were pulled from the well. PSI rigged up to run a CBL log with the wellbore pressurized. A 7" retrievable bridge plug (RBP) was run in the well on 2-7/8" tubing and set at 6,782 ft. The hole was loaded with water and pressured to 1,000 psi. PSI logged the well from 6,755' to surface. PSI rigged down. Tubing was re-run and the RBP released and pulled from the well. The 7" PLS packer and 4-1/2" 11.6# L-80 LT&C "tubing" string was run in the well. A total of 153 joints were run with the packer was set @ 6,657 ft. The annulus was circulated with packer fluid prior to setting the packer with 40,000 lbs of compression. The annulus was pressure tested to 1,000 psi for one hour as witnessed by a State of Utah representative, Mark Jones. The wellhead was nipped up and the wellbore was shut in ready for injection on July 11, 2002.

UIC Requirements

Step-Rate Test

Stim-Lab Inc., a Core Laboratories Company, reviewed the data gathered during the June 29, 2002 step-rate test conducted on the PPCo D-13. The results of their findings determined the fracture parting pressure to be 3,491 psi (400 psi. surface) at 4.68 bpm. This corresponds to a pressure gradient of 0.5 psi/ft.

A comparison of log characteristics of the D-13 relative to the nearest offsetting D-7 and D-11 was performed. The anhydrite barriers located above the Navajo in the D-7 and D-11 correlate across to the anhydrite observed in the D-13. This suggests that the D-13 well has the same sealing mechanism noticed in the other twelve disposal wells active in the Drunkards Wash Project.

Water Analysis of the Navajo – Kayenta & Fluids Compatibility Testing

Attached as Exhibit F are results of compositional water analyses by Commercial Testing and Engineering Co. (CTE) laboratory of Huntington, Utah. Separate samples from both the Navajo and the Kayenta formations were analyzed by CTE. As the analyses show, the Navajo connate water had a TDS level of 112,500 mg/l; the Kayenta connate water had a TDS level of 165,300 mg/l.

Water samples from two Ferron coal bed methane (CBM) producing wells were also obtained. The two wells are considered to be representative of the CBM produced water that will be injected into the D-13. As shown, the Ferron connate water had an average TDS level of 31,300 mg/l.

Zonal Isolation / Fluid Containment

As noted in Exhibit D, a cement bond log was run on two different occasions during the completion of the D-13. The initial log was run prior to perforating the targeted injection zones. The log was run without pressure on the casing and appears to show good cement across the targeted injection intervals. An attempt to run the log under pressure was unsuccessful. A second cement bond log was run following the step rate injection test. This log was run while holding 1,000 psi on the casing by setting a retrievable bridge plug above the perforations. The apparent cement bond is not as high as the earlier run. The maximum surface pressure applied to the casing during the step rate test was 2,217 psi. Apparently, the higher treating pressure applied during the injection testing created a micro-annulus that the 1000 psi failed to eliminate.

Despite the results of the second bond log, Phillips believes that there is adequate cement bonding to ensure containment of all injected fluids within the perforated interval. As evidence of this, a review of the attached tracer log run following the acid breakdown job clearly illustrates containment of the radioactive-traced acid within the perforations. The maximum treating pressure observed during the acid job was 3,150 psi.

Casing Pressure Test

As noted in Exhibit E and the above stated Summary of Events, the 7" casing in the D-13 was tested on three different occasions to a minimum surface test pressure of 1,000 psi. On June 25, the casing above 6,528 ft (setting depth of the pre-acid breakdown packer) was filled with water and tested to 1,500 psi for 30 minutes as witnessed by Halliburton and Phillips personnel. On July 8, during the running of the second cement bond log (CBL) under pressure, the casing above 6,782 ft, (setting depth of the RBP above perforations) was filled with water and pressurized to 1,000 psi for the duration of the logging run. PSI and Phillips personnel witnessed this test. The final testing of the 7" casing occurred on July 11 following the setting of the injection packer. The 7" X 4-1/2" annular space above the packer setting depth of 6,657 ft. was filled with water-based packer fluid and tested to a surface pressure of 1,000 psi for 60 mins. Phillips personnel and Mr. Mark Jones of the State of Utah DOGM witnessed this final test.

Requested Average and Maximum Injection Pressures

Based upon the analysis presented by Mr. Mike Conway in his report (see Exhibit H) and by current operating pressures of the twelve existing disposal wells in the Drunkards Wash Project, Phillips Petroleum Co. requests the following surface operating pressure conditions:

For the initial operation of the PPCo D-13 disposal well,
Maximum Injection Pressure: 2,480 psi)
Average Injection Pressure: 2,480 psi)

The requested injection pressures are 500 psi less than the closure pressure of the lower anhydrite (Exhibit H). The average injection pressure is equal to the maximum injection pressure because it is standard practice to inject close to the maximum allowable

pressure. Consistent with previous UIC applications within the Drunkards Wash Project, the anhydrite barriers present in the D-13 should safely provide containment of the injected fluids. See Exhibit G for a summary of existing disposal well operating pressures and a summary of the data collected from the step rate injection test.

Conclusion

Based on the data included in this and previous submittals in support of our application, Phillips Petroleum Co. requests UIC approval to begin produced water injection into the PPCo. D-13. Please contact me at (303) 643-4350 should you have any questions regarding the submitted data.

Sincerely,



Billy Stacy
Uinta Asset Manager
Phillips Petroleum Co.

Billy Stacy Cell # (303) 643 2920

Attachments



PHILLIPS PETROLEUM COMPANY
ROCKY MOUNTAIN REGION

FACSIMILE TRANSMITTAL SHEET

TO: <i>Geil Hunt</i>	FROM: <i>Tom Cloud</i>
COMPANY: <i>Phillips Petroleum Company</i>	DATE: <i>8/12/02</i>
FAX NUMBER: <i>801-359-3940</i>	TOTAL NO. OF PAGES INCLUDING COVER: <i>9</i>
PHONE NUMBER: <i>303-643-4353</i>	SENDER'S REFERENCE NUMBER:
RE: <i>APPLICATION FOR INTERSECTION WELL D-13 EMERY, CO.</i>	YOUR REFERENCE NUMBER:

URGENT FOR REVIEW PLEASE COMMENT PLEASE REPLY PLEASE RECYCLE

NOTES/COMMENTS:

ATTACHED ARE THE WATER ANALYSIS REPORTS YOU REQUESTED. A REVISED WIC FORM 1 IS IN THE MAIL WITH A MAX PRESSURE OF 2480 PSI WHICH AGREES WITH THE SUPPORTING EXHIBITS. THAT WAS A TYPO ON OUR PART.

Regards,
Tom Cloud

RECEIVED

AUG 12 2002

DIVISION OF
OIL, GAS AND MINING

5780 MT PYRAMID COURT • SUITE 200 • ENGLEWOOD, CO 80112

FAX: (303) 643-4378



COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 1919 SOUTH HIGHLAND AVE., SUITE 210-B, LOMBARD, ILLINOIS 60148 • TEL: 630-953-9300 FAX: 630-953-9306

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HUNTINGTON, UT 84528

TEL: (435) 653-2311

FAX: (435) 653-2436

www.comteco.com

July 11, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Sample identification by
PHILLIPS PETROLEUM

ID: PW-UT-31-175

RECEIVED 0830

SAMPLED 0720

FIELD MEASUREMENTS

TEMP

Kind of sample Water
reported to us

Sample taken at PW-UT-31-175

Sample taken by PHILLIPS PETROLEUM

Date sampled June 25, 2002

Date received June 25, 2002

NOTES:

RESISTIVITY 18.5 ohms-cm

Page 1 of 1

Analysis report no. 59-24204

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time	Analyst
Alkalinity, Bicarbonate	1165	5	mg/l as HCO ₃	EPA 310.1	06-27-2000 1132	SC
Alkalinity, Carbonate	<5	5	mg/l as CO ₃	EPA 310.1	06-27-2002 1132	SC
Alkalinity, Hydroxide	<5	5	mg/l as OH	EPA 310.1	06-27-2002 1132	SC
Alkalinity, Total	955	5	mg/l as CaCO ₃	EPA 310.1	06-27-2000 1132	SC
Calcium, Total	180	1	mg/l	EPA 215.1	07-08-2002 0924	MK
Chloride	17427	0.5	mg/l	EPA 300.0	07-03-2002 1119	SC
Conductivity	53900		umhos/cm	SM2510-B	07-01-2002 1400	SC
Density	1.02		mg/l		06-27-2002 0830	DI
Iron, Total	35.0	0.1	mg/l	EPA 236.1	07-08-2002 1300	MK
Magnesium, Total	87	1	mg/l	EPA 242.1	07-08-2002 1011	MK
pH	7.19		pH units	EPA 150.1	06-25-2002 1330	DI
Sodium, Total	14800	1	mg/l	EPA 273.1	07-08-2002 1206	MK
Solids, Total Dissolved	34609	10	mg/l	EPA 160.1	06-27-2002 0800	DI
Solids, Total Suspended	8	5	mg/l	EPA 160.2	06-27-2002 0800	DI
Sulfate	<1	0.5	mg/l	EPA 300.0	06-28-2002 1128	SC

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory

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July 11, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Sample identification by
PHILLIPS PETROLEUM

ID: PW-UT-14-551

Kind of sample Water
reported to us

RECEIVED 0830

SAMPLED 0720

Sample taken at PW-UT-14-551

FIELD MEASUREMENTS

TEMP 18

Sample taken by PHILLIPS PETROLEUM

Date sampled June 25, 2002

NOTES:

Date received June 25, 2002

RESISTIVITY 23.1 ohms-cm

Page 1 of 1

Analysis report no. 59-24205

Parameter	Result	MRL	Units	Method	Analyzed		
					Date/Time	Analyst	
Alkalinity, Bicarbonate	4270	5	mg/l as	HCO ₃ EPA 310.1	06-27-2000	1132	SC
Alkalinity, Carbonate	<5	5	mg/l as	CO ₃ EPA 310.1	06-27-2002	1132	SC
Alkalinity, Hydroxide	<5	5	mg/l as	OH EPA 310.1	06-27-2002	1132	SC
Alkalinity, Total	3500	5	mg/l as	CaCO ₃ EPA 310.1	06-27-2000	1132	SC
Calcium, Total	152	1	mg/l	EPA 215.1	07-08-2002	0924	MK
Chloride	14081	0.5	mg/l	EPA 300.0	07-03-2002	1119	SC
Conductivity	43200		umhos/cm	SM2510-B	07-01-2002	1400	SC
Density	1.02		mg/l		06-27-2002	0830	DI
Iron, Total	19.8	0.1	mg/l	EPA 236.1	07-08-2002	1300	MK
Magnesium, Total	74	1	mg/l	EPA 242.1	07-08-2002	1011	MK
pH	7.35		pH units	EPA 150.1	06-25-2002	1330	DI
Sodium, Total	11750	1	mg/l	EPA 273.1	07-08-2002	1206	MK
Solids, Total Dissolved	28051	10	mg/l	EPA 160.1	06-27-2002	0800	DI
Solids, Total Suspended	236	5	mg/l	EPA 160.2	06-27-2002	0800	DI
Sulfate	<1	0.5	mg/l	EPA 300.0	06-28-2002	1128	SC

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory

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July 11, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Sample identification by
PHILLIPS PETROLEUM

ID:PPCO D-13 NAVAJO 6792-6945

Kind of sample Water
reported to us

RECEIVED 0830

SAMPLED 0800

Sample taken at PPCO D-13 NAVAJO 6792-6945

Sample taken by PHILLIPS PETROLEUM

Date sampled June 25, 2002

NOTES:

Date received June 25, 2002

RESISTIVITY 7.0 ohms-cm

Page 1 of 1

Analysis report no. 59-24206

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time	Analyst
Alkalinity, Bicarbonate	665	5	mg/l as HCO ₃	EPA 310.1	06-27-2000 1132	SC
Alkalinity, Carbonate	<5	5	mg/l as CO ₃	EPA 310.1	06-27-2002 1132	SC
Alkalinity, Hydroxide	<5	5	mg/l as OH	EPA 310.1	06-27-2002 1132	SC
Alkalinity, Total	545	5	mg/l as CaCO ₃	EPA 310.1	06-27-2000 1132	SC
Calcium, Total	1152	1	mg/l	EPA 215.1	07-08-2002 0924	MK
Chloride	60075	0.5	mg/l	EPA 300.0	07-03-2002 1119	SC
Conductivity	141400		umhos/cm	SM2510-B	07-01-2002 1400	SC
Density	1.07		mg/l		06-27-2002 0830	DI
Iron, Total	95.3	0.1	mg/l	EPA 236.1	07-08-2002 1300	MK
Magnesium, Total	333	1	mg/l	EPA 242.1	07-08-2002 1011	MK
pH	6.41		pH units	EPA 150.1	06-25-2002 1330	DI
Sodium, Total	45000	1	mg/l	EPA 273.1	07-08-2002 1206	MK
Solids, Total Dissolved	112517	10	mg/l	EPA 160.1	06-27-2002 0800	DI
Solids, Total Suspended	124	5	mg/l	EPA 160.2	06-27-2002 0800	DI
Sulfate	4309	0.5	mg/l	EPA 300.0	07-03-2002 1119	SC

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory

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COMMERCIAL TESTING & ENGINEERING CO.

GENERAL OFFICES: 1919 SOUTH HIGHLAND AVE., SUITE 210-B, LOMBARD, ILLINOIS 60149 • TEL: 630-953-9900 FAX: 630-953-9906

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P.O. BOX 1020
HUNTINGTON, UT 84828
TEL: (435) 653-2311
FAX: (435) 653-2436
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July 24, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Sample identification by
PHILLIPS PETROLEUM

ID:PPCO D-13 KAYENTA FORM
7094-7215
RECEIVED 1425
SAMPLED 1400

Kind of sample Water
reported to us

Sample taken at PPCO D-13 KAYENTA FORM

Sample taken by BILLY RUSHING

Date sampled June 25, 2002

Date received June 25, 2002

NOTES:

RISISTIVITY 946.9 ohms-cm
Page 1 of 1

Analysis report no. 59-24223

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time/Analyst	
Alkalinity, Bicarbonate	1143	5	mg/l as	HCO ₃ EPA 310.1	06-28-2002 0900	DI
Alkalinity, Carbonate	<5	5	mg/l as	CO ₃ EPA 310.1	06-27-2002 1132	SC
Alkalinity, Hydroxide	<5	5	mg/l as	OH EPA 310.1	06-27-2002 1132	SC
Alkalinity, Total	937	5	mg/l as	CaCO ₃ EPA 310.1	06-28-2002 0900	DI
Calcium, Total	874	1	mg/l	EPA 215.1	07-08-2002 0924	MK
Chloride	83468	0.5	mg/l	EPA 300.0	07-12-2002 0810	DI
Conductivity	184500		umhos/cm	SM2510-B	07-01-2002 1400	SC
Density	1.10		mg/l		06-27-2002 0830	DI
Iron, Total	132.5	0.1	mg/l	EPA 236.1	07-08-2002 1300	MK
Magnesium, Total	331	1	mg/l	EPA 242.1	07-08-2002 1011	MK
pH	6.26		pH units	EPA 150.1	06-25-2002 1330	DI
Sodium, Total	58950	1	mg/l	EPA 273.1	07-08-2002 1206	MK
Solids, Total Dissolved	165313	10	mg/l	EPA 160.1	06-27-2002 0800	DI
Solids, Total Suspended	1034	5	mg/l	EPA 160.2	06-27-2002 0800	DI
Sulfate	4367	0.5	mg/l	EPA 300.0	06-28-2002 1128	SC

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

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www.comteco.com

July 11, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Sample identification by
PHILLIPS PETROLEUM

ID: PPCO D-13 KCL

Kind of sample Water
reported to us

RECEIVED 1520
SAMPLED 1505

Sample taken at PPCO D-13 KCL

Sample taken by BILLY RUSHING

Date sampled June 27, 2002

Date received June 27, 2002

NOTES:

RESISTIVITY 22.6 ohms-cm
Page 1 of 1

Analysis report no. 59-24227

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time	Analyst
Alkalinity, Bicarbonate	300	5	mg/l as HCO ₃	EPA 310.1	07-02-2002 0955	SC
Alkalinity, Carbonate	<5	5	mg/l as CO ₃	EPA 310.1	06-27-2002 1132	SC
Alkalinity, Hydroxide	<5	5	mg/l as OH	EPA 310.1	06-27-2002 1132	SC
Alkalinity, Total	246	5	mg/l as CaCO ₃	EPA 310.1	07-02-2002 0955	SC
Calcium, Total	112	1	mg/l	EPA 215.1	07-08-2002 0924	MK
Chloride	13297	0.5	mg/l	EPA 300.0	07-03-2002 1119	SC
Conductivity	44100		umhos/cm	SM2510-B	07-01-2002 1400	SC
Density	1.01		mg/l		06-27-2002 0830	DI
Iron, Total	2.1	0.1	mg/l	EPA 236.1	07-08-2002 1300	MK
Magnesium, Total	38	1	mg/l	EPA 242.1	07-08-2002 1011	MK
pH	7.66		pH units	EPA 150.1	06-25-2002 1330	DI
Sodium, Total	330	1	mg/l	EPA 273.1	07-08-2002 1206	MK
Solids, Total Dissolved	26915	10	mg/l	EPA 160.1	07-02-2002 0800	DI
Solids, Total Suspended	8	5	mg/l	EPA 160.2	07-02-2002 0800	DI
Sulfate	157	0.5	mg/l	EPA 300.0	07-03-2002 1119	SC

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory

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July 26, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112

Sample identification by
PHILLIPS PETROLEUM

ID:PW-UT-14-551
PPCOD13Navajo 6792-6945
RECEIVED 0830
SAMPLED
FIELD MEASUREMENTS

Kind of sample Water
reported to us

Sample taken at

Sample taken by PHILLIPS PETROLEUM

Date sampled June 25, 2002

Date received June 25, 2002

NOTES:

LAB #242105,24206 75 to 25 MIX
Page 1 of 1

Analysis report no. 59-24233

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time	Analyst
Solids, Total Dissolved	47962	10	mg/l	EPA 160.1	07-02-2002 0800	BP

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory

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July 26, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Sample identification by
PHILLIPS PETROLEUM

ID: PW-UT-14-551
PPCOD13Navajo 6792-6945
RECEIVED 0830
SAMPLED
FIELD MEASUREMENTS

Kind of sample Water
reported to us

Sample taken at

Sample taken by PHILLIPS PETROLEUM

Date sampled June 25, 2002

Date received June 25, 2002

NOTES:

24205, 24206 50 to 50 MIX
Page 1 of 1

Analysis report no. 59-24234

Parameter	Result	MRL	Units	Method	Analyzed	
					Date/Time	Analyst
Solids, Total Dissolved	72403	10	mg/l	EPA 160.1	07-02-2002 0800	BP

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

Huntington Laboratory

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▶ July 26, 2002

Phillips Petroleum Company
9780 Mt. Pyramid Court
Suite 200
Englewood Colorado 80112
Jeff Carlson

Kind of sample Water
reported to us

Sample taken at

Sample taken by PHILLIPS PETROLEUM

Date sampled June 25, 2002

Date received June 25, 2002

Sample identification by
PHILLIPS PETROLEUM

ID:PW-UT-14-551
PPCOD13Navajo 6792-6945
RECEIVED 0830
SAMPLED
FIELD MEASUREMENTS

NOTES:

24205, 24206 25 to 75 MIX
Page 1 of 1

Analysis report no. 59-24235

Parameter	Result	MRL	Units	Method	Analysed
					Date/Time/Analyst
Solids, Total Dissolved	89162	10	mg/l	EPA 160.1	07-02-2002 0800 BP

Respectfully submitted,
COMMERCIAL TESTING & ENGINEERING CO.

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TOTAL P.09

**PHILLIPS PETROLEUM COMPANY**

9780 MT. PYRAMID CT., SUITE 200
ENGLEWOOD, CO 80112

AMERICAS DIVISION

August 12, 2002

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

Re: Application for infection Well – PPS Co D-13
NE SW Sec. 30, T16S-R9E SLB&M
Emery County, Utah
API Number: 43-015-30531

Dear Mr. Hunt:

Enclosed is a revised UIC Form One (1), superseding the previous UIC Form dated 7/01/2002.

Sincerely,

A handwritten signature in black ink, appearing to read "Kurt Hirschinger".

Kurt Hirschinger
Petroleum Engineer

RECEIVED

AUG 15 2002

DIVISION OF
OIL, GAS AND MINING

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

UIC FORM 1

APPLICATION FOR INJECTION WELL

Name of Operator Phillips Petroleum Company	Utah Account Number N 1475	Well Name and Number PPCo D-13
Address of Operator 9780 Mt Pyramid Ct CITY Englewood STATE CO ZIP 80012	Phone Number (303) 643-4355	API Number 4301530531
Location of Well Footage : 2217' FSL 1856' FWL County : Emery QQ, Section, Township, Range: NESW 30 16S 09E State : UTAH		Field or Unit Name Drunkards Wash UTU-67921X Lease Designation and Number Fee

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

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

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

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

Proposed injection interval: from 6,792 to 7,215

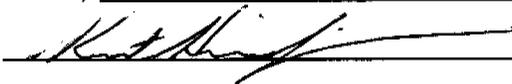
Proposed maximum injection: rate 8,000 bpd pressure 2,480 psig

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

List of attachments: See Cover Letter

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

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

Name (Please Print) Kurt Hirschinger
Signature 

Title Petroleum Engineer
Date 8/12/2002

RECEIVED
AUG 15 2002
DIVISION OF
OIL, GAS AND MINING

INSTRUCTIONS

This form shall be submitted by the well operator prior to the commencement of operations for injecting any fluid into a well for the purpose of enhanced recovery, disposal, or storage within the state of Utah, in accordance to the Utah Oil and Gas Conservation General Rules. Approvals or orders authorizing injection wells shall be valid for the life of the well, unless revoked by the board for just cause, after notice and hearing.

Send to:

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

Phone: 801-538-5340

Fax: 801-359-3940

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MAY 15 2002
DIVISION OF
OIL, GAS AND MINING



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

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(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

August 21, 2002

Phillips Petroleum Company
9780 Mount Pyramid Court
Denver, Colorado 80112

Re: PPCo D-13 Well, Section 30, Township 16 South, Range 9 East (SLBM),
Emery County, Utah

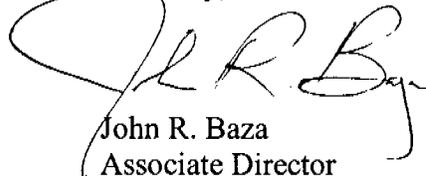
Gentlemen:

Pursuant to Utah Admin. Code R649-5-3-3, the Division of Oil, Gas and Mining (the "Division") issues its administrative approval for conversion of the referenced well to a Class II injection well. Accordingly, the following stipulations shall apply for full compliance with this approval:

1. Compliance with all applicable requirements for the operation, maintenance and reporting for Underground Injection Control ("UIC") Class II injection wells pursuant to Utah Admin. Code R649-1 et seq.
2. Conformance with all conditions and requirements of the complete application submitted by Phillips Petroleum Company.

If you have any questions regarding this approval or the necessary requirements, please contact Christopher Kierst at (801) 538-5337.

Sincerely,



John R. Baza
Associate Director

er

cc: Dan Jackson, Environmental Protection Agency
Eric Jones, Bureau of Land Management, Moab Field Office

DIVISION OF OIL, GAS AND MINING
UNDERGROUND INJECTION CONTROL PROGRAM

PERMIT STATEMENT OF BASIS

Applicant: Phillips Petroleum Co.

Well: PPCo D-13

Location: T16S, R9E, S30, Emery Co., UT

API: 4301530531

Ownership Issues:

The well is located on Fee surface and mineral estates. An affidavit of notification of operators, owners and surface owners within a half-mile radius has been provided and a Notice of Agency Action for this application was issued on June 17, 2002.

Well Integrity:

Description of the Casings and Cement:

CASING PROGRAM

<u>String Type</u>	<u>Hole Size</u>	<u>Depth</u>	<u>Feet</u>	<u>Casing Diameter</u>	<u>Weight</u>	<u>Grade</u>	<u>Connection Type</u>
Conductor	?	40'	40'	20"	93#	H-40	ST&C
Surface	?	455'	449'	13 3/8"	48#	H-40	ST&C
Intermediate	?	3525'	3525'	9 5/8"	40#	J-55	LT&C
Production	?	7351'	7351'	7"	26#	L-80	LT&C

CEMENT PROGRAM

<u>String Type</u>	<u>DV Depth</u>	<u>Stage Lead/Tail</u>	<u>Cement Bottom</u>	<u>Cement Top</u>	<u>Number Sacks</u>	<u>Cement Type</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Conductor			40"	0"		7 sx. grout / 4 yds. Redi-Mix		
Surface			455'	Surface	500	G	1.16	15.8
Intermediate		Lead	?	Surface	500	Halco Light	1.89	12.5
		Tail	3525'	?	250	AG-300	1.16	15.8

Production	+/-5500'	2 nd Stg. Lead	?	+/-1000'	480	50/50POZ	2.041	12.3
		2 nd Stg. Tail	?	?	290	50/50POZ	1.2	14.3
		1 st Stg. Lead	?	+/-5100'	40	50/50POZ	1.96	12.0
		1 st Stg. Tail	+/-7330'	?	410	50/50POZ	1.96	14.3

A Cement Bond Log was run under a pressure of 1,000 psia. An examination of the referenced log provided evidence that the production casing in the well had been adequately cemented in the upper confining layer to prevent leakage of the injectate to superjacent strata.

The 7-inch production casing was perforated in the Navajo Sandstone and Kayenta Formation, in a gross interval from 6,792 feet to 7,215 feet. The formations were individually isolated, swabbed and representative water samples were gathered for analysis. The well was acidized, including an iridium tracer, and then logged for the tracer. There was no evidence of leakage above the perforated interval. Next, the well was given a step-rate injection test, the results of which were analyzed by Stim-Lab, Inc.

Ground Water Protection:

No high quality ground water is likely to be encountered anywhere in the stratigraphic column at this location. The surface sediments are a thin and unconsolidated, but relatively impermeable, Quaternary Slope Wash. Below this is the thick Blue Gate Shale Member, proper, of the Mancos Shale. There are no permeable strata in the column above the Ferron CBM pay zone. All permeable strata encountered contain poor quality water and are cased and cemented off until the level of the injection interval perforations. The conductor, surface, intermediate and production casings have all been set from surface to depth and cemented in place. They will adequately protect the shallow, thin alluvium. Cement was circulated back to surface for the surface and intermediate casing strings. The 7-inch production casing was cemented in two stages (above and below 5,615 feet, TD). In nearby production wells, The Cretaceous-age Ferron Sandstone Member of

the Mancos Shale, including the associated coal seams, produces the water to be injected. Commercial Testing and Engineering (CTE) of Huntington, Utah, analyzed representative samples of produced injectate water from 2 cited nearby potential source wells. Total Dissolved Solids in the produced waters of these wells were measured at 34,609 milligrams per liter and 28,051 milligrams per liter.

The Navajo Sandstone and Kayenta Formation injection interval connate waters in the D-13 well tested at 112,517 milligrams/liter and 165,313 milligrams per liter , Total Dissolved Solids, respectively. Analyses for scaling tendencies were made of various mixture samples of injection zone connate waters from the D-13 and representative production zone produced waters.

The Navajo Sandstone is a known fresh water aquifer at many locations in the state. In the San Rafael Swell area, the quality of Navajo Sandstone ground water is generally best near the outcrop and recharge areas, becoming poorer with increased depth and distance from recharge [Utah State Department of Natural Resources (DNR) Technical Publication # 78]. This premise has been supported by test results on samples taken from the subject well and other disposal wells in the field. Injection of produced water from the Ferron Sandstone will result in the dilution of the more saline Navajo Sandstone and Kayenta Formation connate waters. These saline waters predominate in the Huntington area, owing to the distance from outcrop, depth of burial and a location situated on the steeply dipping flank of the northwest side of the San Rafael Swell.

The proposed operation is expected to have little effect on the overall hydrology of the aquifer because of its great extent in comparison with the volume of fluid that will likely be injected over time. According to DNR Technical Publication #78, the Navajo Sandstone alone contains approximately 94,000,000 acre-feet of water in transient storage. Injection at a rate of 14,400 barrels per day for 10 years would result in the injection of approximately 6,775 acre-feet of produced water. This

equates to about 0.007% of the water already in storage in the Navajo Sandstone.

Halliburton conducted a step-rate injection test on the D-13 well on June 29, 2002. This resultant data was reviewed by Stim-Lab. They determined the fracture extension pressure to be 3,491 psi (400 psi at the surface), which corresponds to a pressure gradient of 0.5 psi per foot of depth. This was measured while injecting at a rate of 4.68 barrels per minute. The operator's original UIC Form 1 proposal was amended to a new proposed maximum injection pressure of 2,480 psig. The new proposed maximum injection pressure is 500 psi below the closure pressure of the lower sealing anhydrite.

Several reports, which have been prepared by Tesseract Corporation and Stim-Lab document that fracture propagation occurs downward or laterally in the proposed injection zones. This is largely controlled by impermeable, high stress lithologies, which overlie the Navajo Sandstone. Anhydrites make up a structurally plastic seal, which attenuates the upward propagation of fractures, forming the upper, ultimate, confining beds of the injection zone. Updated in-situ stress profile analyses of the confining and target strata were commissioned by some coalbed methane operators and performed by the referenced subcontractors. These indicate that the operators could inject the target zones at pressures, which exceed the formation parting pressure in this well, without breaching the anhydrite and limestone confining strata.

The Cement Bond Log offers support that the cement coverage through these zones is adequate to ensure that injected waters are unlikely to have an escape conduit up the annulus.

After reviewing the application and documentation submitted by Phillips Petroleum Company, I find that the injection of Ferron Sandstone produced waters into the proposed zones at the D-13 location is likely to result in slight dilution of the more saline waters present in the target injection zones. After injection ceases, increased

pressure about the wellbore will abate over time. It is therefore to be concluded that no long term negative surficial or ground water impacts are anticipated resultant of the proposed injection operation. Saline Ferron Sandstone produced waters will be safely sequestered in deeply buried, extensive and geologically-sealed aquifers containing ground water which is already inferior to that being injected.

Oil/Gas & Other Mineral Resources Protection:

The Ferron coal/gas zone is protected by casings and cements, which have already been reviewed in the Well Integrity portion of this report. No other known potentially producible mineral or hydrocarbon zones were observed in the well. The injection zone is isolated several thousand feet below the productive interval of the Ferron Sandstone and adequate cement bond covers a sufficient length of hole to protect the shallower producing strata.

The well records of the Division of Oil, Gas and Mining document no existing wells within the half-mile area of review of the proposed disposal well. Phillips Petroleum Company proposes three shallower Ferron Sandstone coalbed methane production locations within the Area of Review.

Bonding:

Phillips Petroleum Company has an \$80,000 surety performance bond in place, which ensures plugging of this well.

Actions Taken and Further Approvals Needed:

Notice of this application was published in the Salt Lake Tribune and the Emery

County Progress (Castledale, UT). In addition, copies of the notice were provided to the EPA, BLM (Moab,UT), Emery County Planning, and Phillips Petroleum Company. The Notice named the lately amended, proposed interval for injection to be selective zones in the Navajo Sandstone, Kayenta Formation, and Wingate Sandstone.

On July 8, 2002 an internal Mechanical Integrity Test was conducted under 1000 psi for one hour and witnessed by Mr. Mark Jones of the Division 's staff. A properly designed and constructed injection well, combined with periodic mechanical integrity tests, poses no threat to fresh or useable groundwater supplies. The Division staff recommends approval of this application contingent upon no additional or unforeseen information being presented which is relevant to this analysis or modifies the data presented herein.

Reviewer(s): Christopher J. Kierst

Date: August 16, 2002



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

UNDERGROUND INJECTION CONTROL PERMIT

Cause No. UIC-290.1

Operator: Phillips Petroleum Company

Wells: PPCo D-13

Location: Section 30, Township 16 South, Range 9 East
(SLBM), Emery County, Utah

API No.: 43-015-30531

Well Type: Salt Water Disposal Well

Stipulations of Permit Approval

1. Approval for conversion to Injection Well issued on August 21, 2002.
2. Maximum Allowable Injection Pressure: 2,480 psig
3. Maximum Allowable Injection Rate: Limited by pressure.
4. Injection Interval: 6,792 feet to 7,215 feet
(Navajo Sandstone and Kayenta Formation).

Approved by:


John R. Baza
Associate Director

8/22/02
Date

er

cc: Dan Jackson, Environmental Protection Agency
Eric Jones, Bureau of Land Management, Moab Field Office



Re: Notice of Address Change, Merger and Name Change
Address Change effective **December 2, 2002**
Merger and Name Change effective **December 31, 2002**

Divisions of Oil, Gas, and Mining
Attn: Mr. John Baza
1594 West North Temple,
Suite 1210, P. O. Box 145801
Salt Lake City, UT 84114-5801

Gentlemen:

1. Effective December 2, 2002, Phillips Petroleum Company will close its Englewood, Colorado Rocky Mountain Region office. After that time, all correspondence, notices and invoice for Land related matters should be directed to the address(es) noted below. Note that until December 31, 2002, all properties in which Phillips held an interest will continue to be operated by Phillips Petroleum Company, a wholly-owned subsidiary of ConocoPhillips.

2. On December 31, 2002, Phillips Petroleum Company and Conoco Inc. will merge, and the surviving corporation will be renamed "ConocoPhillips Company".

In accordance with the notice provisions of the Operating Agreements and other agreements, if any, between our companies, please adjust your company/organization records, effective for address purposes as of December 2, 2002, and for company name purposes, as of January 1, 2003, to reflect the following information for addressing and delivery of notices, invoicing and payment, and communications with ConocoPhillips Company. This will also apply to Lease Sale notices and other lease-related correspondence and notifications.

U.S. Mail Address:

ConocoPhillips Company
P.O. Box 2197
Houston, Texas 77252
Attn: Chief Landman,
San Juan/Rockies

Physical Address & Overnight Delivery:

ConocoPhillips Company
550 Westlake Park Blvd.
Three Westlake Park
3WL, Room WL 9000
Houston, Texas 77079
Attn: Chief Landman,
San Juan/Rockies

All ballots and official notices/responses sent by facsimile transmission should be sent to the following contact:

Attn: Chief Landman,
San Juan/Rockies

Fax No.: 832-486-2688 or
832-486-2687

Please contact the undersigned immediately if you have any questions. This notice does not apply to royalty inquiries, joint interest billings, or revenue remittances. Please continue to use the same addresses you are currently using for these matters

Sincerely,

William Rainbat

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DEC 02 2002

DIVISION OF
OIL, GAS AND MINING

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

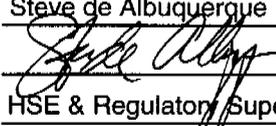
UIC FORM 5

TRANSFER OF AUTHORITY TO INJECT

Well Name and Number See Attached List	API Number See List
Location of Well Footage : See Attached List County : QQ, Section, Township, Range:	Field or Unit Name Lease Designation and Number
State : UTAH	

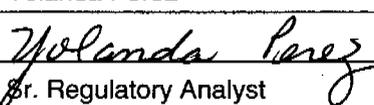
EFFECTIVE DATE OF TRANSFER: 1/1/2003

CURRENT OPERATOR

Company: <u>Phillips Petroleum Company</u>	Name: <u>Steve de Albuquerque</u>
Address: <u>980 Plaza Office</u>	Signature: 
city <u>Bartlesville</u> state <u>OK</u> zip <u>74004</u>	Title: <u>HSE & Regulatory Supervisor</u>
Phone: <u>(918) 661-4415</u>	Date: <u>12/30/2002</u>

Comments: Conoco Inc. and Phillips Petroleum Company merged to form ConocoPhillips Company. Please see attached list of wells effected by name change.

NEW OPERATOR

Company: <u>ConocoPhillips Company</u>	Name: <u>Yolanda Perez</u>
Address: <u>P. O. Box 2197, WL3 4066</u>	Signature: 
city <u>Houston</u> state <u>TX</u> zip <u>77252</u>	Title: <u>Sr. Regulatory Analyst</u>
Phone: <u>(832) 486-2329</u>	Date: <u>12/30/2002</u>

Comments: Conoco Inc. and Phillips Petroleum Company merged to form ConocoPhillips Company. Please see attached list of wells effected by name change.

(This space for State use only)

Transfer approved by: 
Title: Tech. Services Manager

Approval Date: 2-3-03

Comments: D5, D2 + D3 are due for MIT.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER All

2. NAME OF OPERATOR:
Phillips Petroleum Company

3. ADDRESS OF OPERATOR: 980 Plaza Office CITY Bartlesville STATE OK ZIP 74004 PHONE NUMBER: (918) 661-4415

4. LOCATION OF WELL
FOOTAGES AT SURFACE: See Attached List

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH

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

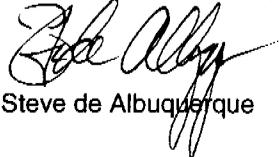
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input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

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

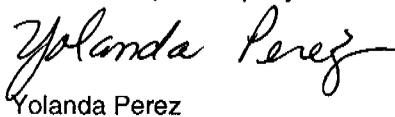
Conoco Inc. was merged into Phillips Petroleum Company, the surviving corporation, on December 31, 2002. In connection with this merger and effective on the same date, the name of the surviving corporation was changed to "ConocoPhillips Company". We are requesting that a new Operator Number be assigned to ConocoPhillips Company.

Please send production reporting forms to Herb Henderson at ConocoPhillips Company, 315 S. Johnstone, 980 Plaza Office, Bartlesville, OK 74004. Herb's phone number is 918-661-4415.

Current Operator
Phillips Petroleum Company


Steve de Albuquerque

New Operator
ConocoPhillips Company

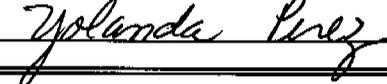

Yolanda Perez

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DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Yolanda Perez TITLE Sr. Regulatory Analyst

SIGNATURE  DATE 12/30/2002

(This space for State use only)



SECRETARY'S CERTIFICATE

I, the undersigned, Jennifer M. Garcia, Assistant Secretary of ConocoPhillips Company, formerly Phillips Petroleum Company, organized and existing under and by virtue of the laws of the State of Delaware (the "Corporation"), hereby certify that:

1. As Assistant Secretary I am authorized to execute this certificate on behalf of the Corporation.
2. The attached photocopy of the Certificate of Amendment to the Restated Certificate of Incorporation of Phillips Petroleum Company (to be renamed ConocoPhillips Company) is a true and correct copy as filed in the office of the Secretary of State of Delaware on the 12th day of December 2002, with an effective date of January 1, 2003 and such Certificate of Amendment has not been modified, amended, rescinded or revoked and is in full force and effect as of the date hereof.
3. The attached photocopy of the Certificate of Merger of Conoco Inc. with and into ConocoPhillips Company is a true and correct copy as filed in the office of the Secretary of State of Delaware on the 12th day of December 2002, with an effective date of December 31, 2002 and such Certificate of Merger has not been modified, amended, rescinded or revoked and is in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand as Assistant Secretary and affixed the corporate seal of the Corporation this 7th day of January 2003.


 Assistant Secretary
 ConocoPhillips Company

STATE OF TEXAS

§
§
§

COUNTY OF HARRIS

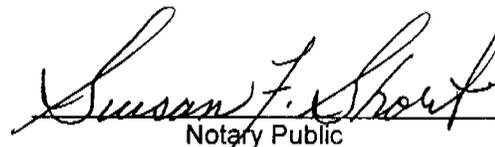
This instrument was acknowledged before me on January 7, 2003, by Jennifer M. Garcia, Assistant Secretary of ConocoPhillips Company, a Delaware corporation, on behalf of said Corporation.



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 Notary Public

Delaware

PAGE 1

The First State

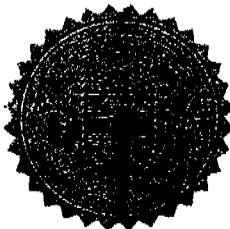
I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF AMENDMENT OF "PHILLIPS PETROLEUM COMPANY", CHANGING ITS NAME FROM "PHILLIPS PETROLEUM COMPANY" TO "CONOCOPHILLIPS COMPANY", FILED IN THIS OFFICE ON THE TWELFTH DAY OF DECEMBER, A.D. 2002, AT 1:41 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF AMENDMENT IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2002, AT 11 O'CLOCK P.M.

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DIV. OF OIL, GAS & MINING



Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 2183360

0064324 8100

030002793

DATE: 01-02-03

CERTIFICATE OF AMENDMENT

to the

RESTATED CERTIFICATE OF INCORPORATION

of

**PHILLIPS PETROLEUM COMPANY
(to be renamed ConocoPhillips Company)**

Phillips Petroleum Company ("Phillips"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies that:

1. The amendments to Phillips' Restated Certificate of Incorporation set forth below were duly adopted in accordance with the provisions of Section 242 of the DGCL and have been consented to in writing by the sole stockholder of Phillips in accordance with Section 228 of the DGCL.

2. Phillips' Restated Certificate of Incorporation is hereby amended by deleting Article I thereof and replacing in lieu thereof a new Article I reading in its entirety as follows:

"The name of the corporation (which is hereinafter referred to as the "Corporation") is ConocoPhillips Company."

3. Phillips' Restated Certificate of Incorporation is hereby amended by deleting Section 1 of Article IV thereof and replacing in lieu thereof a new Section 1 reading in its entirety as follows:

"Section 1. The Corporation shall be authorized to issue 2,100 shares of capital stock, of which 2,100 shares shall be shares of Common Stock, \$.01 par value ("Common Stock")."

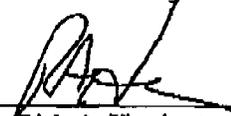
4. Pursuant to Section 103(d) of the DGCL, this amendment will become effective at 11:00 p.m., Eastern time, on December 31, 2002.

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JAN 08 2003
DIV. OF OIL, GAS & MINING

IN WITNESS WHEREOF, Phillips has caused this certificate to be executed this 12th day of December, 2002.

PHILLIPS PETROLEUM COMPANY

WJ

By: 
Name: Rick A. Harrington
Title: Senior Vice President, Legal,
and General Counsel

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Delaware

PAGE 1

The First State

I, HARRIET SMITH WINDSOR, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF MERGER, WHICH MERGES:

"CONOCO INC.", A DELAWARE CORPORATION,

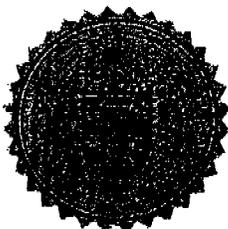
WITH AND INTO "CONOCOPHILLIPS COMPANY" UNDER THE NAME OF "CONOCOPHILLIPS COMPANY", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE THE TWELFTH DAY OF DECEMBER, A.D. 2002, AT 1:44 O'CLOCK P.M.

AND I DO HEREBY FURTHER CERTIFY THAT THE EFFECTIVE DATE OF THE AFORESAID CERTIFICATE OF MERGER IS THE THIRTY-FIRST DAY OF DECEMBER, A.D. 2002, AT 11:59 O'CLOCK P.M.

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0064324 8100M

030002793

Harriet Smith Windsor

Harriet Smith Windsor, Secretary of State

AUTHENTICATION: 2183370

DATE: 01-02-03

CERTIFICATE OF MERGER

of

Conoco Inc.
(a Delaware corporation)

with and into

ConocoPhillips Company
(a Delaware corporation)

Phillips Petroleum Company, a Delaware corporation to be renamed ConocoPhillips Company prior to the effective time of this certificate of merger (the "Surviving Corporation"), in compliance with the requirements of the General Corporation Law of the State of Delaware (the "DGCL") and desiring to effect a merger of Conoco Inc., a Delaware corporation formerly incorporated under the name Du Pont Holdings, Inc. (the "Merging Corporation," and together with the Surviving Corporation, the "Constituent Corporations"), with and into the Surviving Corporation, and acting by its duly authorized officer, DOES HEREBY CERTIFY that:

First: As of the date hereof, the name and state of incorporation of each of the Constituent Corporations of the merger are as follows:

<u>NAME</u>	<u>STATE OF INCORPORATION</u>
PHILLIPS PETROLEUM COMPANY	Delaware
CONOCO INC.	Delaware

Second: An agreement and plan of merger has been approved, adopted, certified, executed and acknowledged by each of the Constituent Corporations in accordance with the requirements of Section 251 of the DGCL;

Third: The name of the Surviving Corporation will be ConocoPhillips Company;

Fourth: The Certificate of Incorporation of ConocoPhillips Company immediately prior to the merger shall be the Certificate of Incorporation of the Surviving Corporation until such time as it may be amended in accordance with applicable law and the provisions thereof;

Fifth: The executed agreement and plan of merger is on file at an office of the Surviving Corporation, the address of which is 600 North Dairy Ashford, Houston, Texas 77079;

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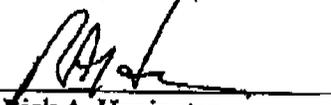
DIV. OF OIL, GAS & MINING

Sixth: A copy of the agreement and plan of merger will be furnished by the Surviving Corporation, on request and without cost, to any stockholder of any Constituent Corporation; and

Seventh: Pursuant to Section 103(d) of the DGCL, this certificate of merger will become effective at 11:59 p.m., Eastern time, on December 31, 2002.

Dated: December 12, 2002

PHILLIPS PETROLEUM COMPANY
(a Delaware corporation)

By: 
Name: Rick A. Harrington
Title: Senior Vice President, Legal,
and General Counsel

STATE OF UTAH
DEPARTMENT OF COMMERCE
REGISTRATION

CONOCOPHILLIPS COMPANY

REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)

Corporation - Foreign - Profit
562960-0143

EFFECTIVE
06/14/1946

EXPIRATION
*RENEWAL

UNITED STATES CORP CO
CONOCOPHILLIPS COMPANY
GATEWAY TOWER EAST STE 900
10 EAST SOUTH TEMPLE
SLC UT 84133

RECEIVED

JAN 08 2003

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF CORPORATIONS & COMMERCIAL CODE
REGISTRATION

EFFECTIVE DATE: 06/14/1946

EXPIRATION DATE: *RENEWAL

ISSUED TO: CONOCOPHILLIPS COMPANY



REFERENCE NUMBER(S), CLASSIFICATION(S) & DETAIL(S)

562960-0143 Corporation - Foreign - Profit

*RENEWAL

You will need to renew your registration each anniversary date of the effective date.

Exceptions: DBAs and Business Trusts renew every three (3) years from the effective date.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Eastern States Office
7450 Boston Boulevard
Springfield, Virginia 22153

IN REPLY REFER TO
3106.8(932.34)WF

January 16, 2003

NOTICE

ConocoPhillips Company : Oil & Gas Leases
P.O. Box 7500 :
Bartlesville, Oklahoma 74005 :

Merger/Name Change Recognized

Acceptable evidence was received in this office on January 14, 2003, concerning the change of name of Phillips Petroleum Company to **ConocoPhillips Company** and the merger of **Conoco Incorporated** into **ConocoPhillips Company** on Federal oil and gas leases, with **ConocoPhillips Company** being the surviving entity.

The Secretary of the State of Delaware certified the effective date of this merger effective December 31, 2002.

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

If you identify other leases in which the merging entity maintain an interest, please contact this office and we will appropriately document those files with a copy of this Notice.

By Operation of law the name of the principal on Nationwide Oil and Gas Bond held by Conoco Incorporated (ES0085) has been changed to ConocoPhillips Company.

If you have any questions, please contact Bill Forbes at 703-440-1536.

S/ Wilbert B. Forbes

Wilbert B. Forbes
Land Law Examiner
Branch of Use Authorization
Division of Resources Planning, Use
and Protection

bc: JFO, BLM State Offices, MMS, ES RF, 930 RF, ES-932;
Bforbes:wbf:01/16/03:440-1536/ConocoPhillips Co

DIVISION OF OIL, GAS AND MINING

024

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: ConocoPhillips

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

4. Location of Well Footages: 2217' FSL, 1856' FWL QQ, Sec., T., R., M. NE/SW SEC. 30, T16S, R09E, SLB & M

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

Drunkards Wash UTU-67921X

8. Well Name and Number:

PPCo D13

9. API Well Number:

43-015-30531

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)

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

- Abandon *, Repair Casing, Change of Plans, Convert to Injection, Fracture Treat or Acidize, Other Injection Notice, 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 Date of First Injection on the PPCo D13 well was on 1/16/03. Injected Amount: 350 bbl

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JAN 23 2003

DIV. OF OIL, GAS & MINING

ORIGINAL

CONFIDENTIAL

13

Name & Signature: Frankie Hathaway Title: Operations Clerk/Development Date: 1/17/03

(This space for state use only)

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FORM 8
FEB 04 2003

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

DIV. OF OIL, GAS & MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL OIL WELL GAS WELL DRY Other SWD

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

014

2 NAME OF OPERATOR
ConocoPhillips 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 2217' FSL & 1856' FWL

At top prod. interval reported below

At total depth

14. API NO. 43-015-30531

DATE ISSUED 8/21/02

5. LEASE DESIGNATION AND SERIAL NO.
FEE

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

7. UNIT AGREEMENT NAME
Drunkards Wash UTU-67921X

8. FARM OR LEASE NAME
PPCo

9. WELL NO.
D13

10. FIELD AND POOL, OR WILDCAT
Drunkards Wash

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
NE/SW, Sec 30, T16S, R09E, S1B&M

15. DATE SPUNDED 3/25/02

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

17. DATE COMPL. (Ready to prod) 11/02 or (Plug & Abd.)

18. ELEVATIONS (DF, REB, RT, GR, ETC.) GR 6177'

19. ELEV. CASINGHEAD N/A

20. TOTAL DEPTH, MD & TVD 7414'

21. PLUG BACK T.D., MD & TVD 7298'

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) Navajo Sandstone - Top 6912'-7124', Kayenta 7132'-7215'

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN SPECTRA SCAN IMAGE - 7-30-02, SP105N - 8-13-02, TRAL - 8-13-02

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

28. CBL 16A/CCL-7-18-02 CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT	DEPTH SET (MD)	HOLE SIZE	CEMENT RECORD	AMOUNT PULLED
20"		40'	24"	4 yards ready mix	
13 3/8"	H40 48#	449'	17 1/2"	500 sks Class G, 2% S1 + 1/4#/sk D29	
9 5/8"	36#	3525'	12 1/4"	3610 sks 50/50 POZ, 8% D-20, 10% D-44, 2% S01	
7"	H80 26#	7351'	8 3/4"	940 sks 50/50 POZ + 290 sks 10-1 RFC (Thixotropic)	

29. LINER RECORD				30. TUBING RECORD			
SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET
							N/A

31. PERFORATION RECORD (Interval, size and number)

Navajo Sandstone: 6912'-6922', 6942'-6945', 6981'-6991', 7005'-7011', 7022'-7048', 7094'-7124'

Kayenta Formation: 7132'-7152', 7156'-7166', 7173'-7199', 7209'-7215'

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

DATE FIRST PRODUCTION

PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump) WAITING FOR 1ST INJECTION

DATE OF TEST

HOURS TESTED

CHOKE SIZE

PROD'N FOR TEST PERIOD

OIL--BBL.

GAS--MCF

WATER--BBL.

GAS-OIL RATIO

FLOW TUBING PRESS.

CASING PRESSURE

CALCULATED 24-HOUR RATE

OIL--BBL.

GAS--MCF.

WATER--BBL.

OIL GRAVITY - API (CORR.)

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

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

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

SIGNED Kevin Snow *Kevin E. Snow* TITLE Operations Superintendent DATE 1/29/03

ORIGINAL

CONFIDENTIAL

See Spaces for Additional Data on Reverse Side

WELL NUMBER: Utah D-13

37 SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof: cored intervals; and all drill-stem, tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures; and recoveries):		38, GEOLOGIC MARKERS	
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Navajo	6912	6922	Perforation
Navajo	6942	6945	Perforation
Navajo	6981	6991	Perforation
Navajo	7005	7011	Perforation
Navajo	7022	7048	Perforation
Navajo	7094	7124	Perforation
Kayenta	7132	7152	Perforation
Kayenta	7156	7166	Perforation
Kayenta	7173	7199	Perforation
Kayenta	7209	7215	Perforation

NAME	TOP MEAS DEPTH	TRUE VERT. DEPTH
Ferron	2670	
Tuntink	3020	
Dakota	3455	
Morrison	4116	
Summerville	4733	
Curtis	5190	
Entrada	5354	
Carmel	6092	
Navajo	6788	
Kayenta	7124	
Wingate	7342	

OPERATOR CHANGE WORKSHEET

1. GLH	<input checked="" type="checkbox"/>
2. CDW	<input type="checkbox"/>
3. FILE	<input type="checkbox"/>

016

Change of Operator (Well Sold)

Designation of Agent/Operator

Operator Name Change

X Merger

The operator of the well(s) listed below has changed, effective: **12-31-02**

FROM: (Old Operator):	TO: (New Operator):
PHILLIPS PETROLEUM COMPANY	CONOCOPHILLIPS COMPANY
Address: 980 Plaza Office	Address: P O BOX 2197, WL3 4066
Bartlesville, OK 74004	HOUSTON, TX 77252
Phone: 1-(918)-661-4415	Phone: 1-(832)-486-2329
Account No. N1475	Account No. N2335

CA No.

Unit:

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
UTAH D-15	34-13S-09E	43-007-30819	99999	STATE	SWD	APD
FAUSETT D-5	16-14S-09E	43-007-30351	12165	FEE	SWD	A
ARCADIA-TELONIS 1 (D-2)	19-14S-09E	43-007-30093	99990	FEE	SWD	A
UTAH D-4	24-14S-09E	43-007-30314	11256	STATE	SWD	A
UTAH M-1	26-14S-09E	43-007-30199	11256	STATE	TW	A
UTAH D-9	32-14S-09E	43-007-30438	12771	STATE	SWD	A
USA D-6	34-14S-09E	43-007-30100	12466	FEDERAL	SWD	A
UTAH D-8	12-15S-09E	43-007-30431	11256	STATE	SWD	A
RGC D-10	28-15S-09E	43-007-30520	12545	FEE	SWD	A
UTAH M-2	34-15S-09E	43-007-30066	2889	FEDERAL	TW	A
DRUNKARDS WASH 31-1 (D-1)	31-14S-10E	43-007-30040	11256	STATE	SWD	A
SAMPINOS D-14	16-15S-10E	43-007-30567	12729	FEE	SWD	A
UTAH D-3	18-15S-10E	43-007-30290	11256	STATE	SWD	A
UTAH D-7	02-16S-09E	43-015-30338	12404	STATE	SWD	A
D-11	13-16S-09E	43-015-30356	12572	FEDERAL	SWD	A
PPCO D13	30-16S-09E	43-015-30531	99999	FEE	SWD	DRL

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 01/08/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 01/08/2003
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 02/03/2003
- Is the new operator registered in the State of Utah: YES Business Number: 562960-0143
- If **NO**, the operator was contacted on: _____

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 01/14/2003

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: 01/14/2003

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: 01/14/2003

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: 02/04/2003

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 02/03/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 02/03/2003

3. Bond information entered in RBDMS on: N/A

4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 8140-60-24

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 8015-16-69

INDIAN WELL(S) BOND VERIFICATION:

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

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 6196922

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

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

COMMENTS:

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 type="checkbox"/> OTHER <u>SWD</u>		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: ConocoPhillips Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: P.O. Box 51810 CITY Midland STATE TX ZIP 79710-1810		7. UNIT or CA AGREEMENT NAME: Drunkards Wash
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2217' FSL and 1856' FWL QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 30 16S 9E		8. WELL NAME and NUMBER: PPCo D-13 9. API NUMBER: 4301530531 10. FIELD AND POOL, OR WILDCAT: Drunkards Wash COUNTY: Emery STATE: UTAH
PHONE NUMBER: (432) 688-6943		

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: <u>7/2/2007</u>	<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>MIT</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.
The PPCo D-13 had a successful MIT on July 2, 2007. The test was witnessed by Mark L. Jones, Utah DOGM.

**Accepted by the
Utah Division of
Oil, Gas and Mining**
Date: 07-11-07
By: [Signature]

COPY SENT TO OPERATOR
Date: 7/11/07
Initials: [Signature]

NAME (PLEASE PRINT) <u>Donna Williams</u>	TITLE <u>Sr. Regulatory Specialist</u>
SIGNATURE <u>[Signature]</u>	DATE <u>7/3/2007</u>

(This space for State use only)

RECEIVED
JUL 06 2007
DIV. OF OIL, GAS & MINING

INJECTION WELL - PRESSURE TEST

Well Name: PPCO ~~D-13~~ API Number: 4301530531
 Qtr/Qtr: NE SW Section: 30 Township: 16 S Range: 9 E
 Company Name: ConocoPhillips
 Lease: State _____ Fee X Federal _____ Indian _____
 Inspector: Mark Jones Date: 7/2/2009

Initial Conditions:

Tubing - Rate: 0 Pressure: 0 psi
 Casing/Tubing Annulus - Pressure: 200 psi

Conditions During Test:

Time (Minutes)	Annulus Pressure	Tubing Pressure
0 12:56	<u>1000 #</u>	<u>0 #</u> <i>pumps on but not running</i>
5	_____	_____
10	_____	_____
15	<u>1000 #</u>	<u>0 #</u>
20	_____	_____
25	_____	_____
30	<u>1000 #</u>	<u>0 #</u>

Results: Pass/Fail

Conditions After Test:

Tubing Pressure: 0 psi
 Casing/Tubing Annulus Pressure: _____ psi

COMMENTS: pumps on but not running during MIT.

took 4.5 BBLs

[Signature]

Operator Representative