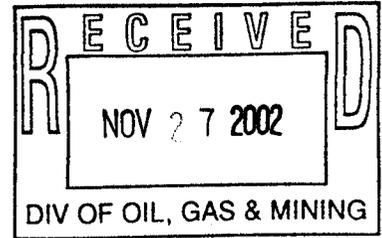


ALKER EXPLORATION L.L.C.

155 MONTGOMERY, SUITE 504
SAN FRANCISCO, CA 94104

OFFICE: (415) 981-0769
FAX: (415) 788-6544

November 21, 2002



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

RE: Application for Permit to Drill (APD)
Behling 7-1
Location: 135' FSL – 551' FEL, se/4 se/4 Sec 7 – T20S – R7E SLB&M
Emery County, Utah

To whom it may concern:

Alker Exploration L.L.C. requests approval to drill an exploratory well to test the Ferron formation. Alker Exploration requests confidential status of this well and all information pertaining to it. The attached APD includes the following:

- Application For Permit To Drill
- Telephone numbers of persons to contact
- Plat, Location Layout, Map
- Sources of water used for drilling
- Estimated Tops of important geologic markers
- Estimated depths to which the top and bottom of anticipated water, oil, gas
- Pressure control equipment specifications
- Casing program, cementing program, logging program
- Circulating system
- Thirteen Point Surface Use Plan

A surface usage agreement is in place with Mr. Clyde Behling, the owner of the land and minerals. Alker Exploration owns all of the leases surrounding this location.

If you require any additional information or have any questions concerning the approval of this APD contact Steve Lund at (435) 340-0557

Sincerely:

Steven J. Lund
Petroleum Engineer

Cc: Henry Alker
Enclosures

ALKER EXPLORATION L.L.C.

155 MONTGOMERY STREET, SUITE 504
SAN FRANCISCO, CA 94104

OFFICE: (415) 981-0769
FAX: (415) 788-6544

November 21, 2002

Ms. Lisha Cordova

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

Re: Request for location exception for the Behling 7-1

Dear Lisha:

Alker Exploration requests a location exception for the Behling 7-1 located 135' FSL – 551 FEL in Section 7 -T20S – R7E SLB&M based upon the following reasons:

- **ENVIRONMENTAL CONCERNS:** Locating this well site in the center of the SE quarter of Section 7 – T20S - R7E would put this well hazardously close to the Ferron Irrigation Canal. This location is about 300+ feet south of the Ferron Irrigation Canal. It is also well away from any residential area. Alker owns all leases surrounding this location. This is the fourth time Alker Exploration has moved this location, in an effort to accommodate the land owners and residents in the area. *THERE ARE NO OTHER LEASE OWNERS WITHIN 400 FEET.*
- **EXPLORATION JUSTIFICATION:** Alker Exploration used conventional geologic exploration techniques, a Kelsh Plotter Photogeologic interpretation and Electrotelluric Sounding Data to identify a narrow fairway running in a Northeast – Southwest direction. To accommodate the various land/mineral owners, that Alker Exploration has leased, Alker Exploration staked the Behling 7-1 in an area that is more remote and away from homes in the area. The location of the Behling 7-1 is believed to be the optimum distance east of a fault that controls the potential trap. Alker owns the leases around from the Behling 7-1. This location will test the electrotelluric technology for hydrocarbon bearing sands in the area.

The attached survey plat and topographical map showing the proposed location show the control the Ferron Creek drainage places upon this location.

Alker Exploration requests that this exception be approved due to the control of the fault, the exploration efforts, and the efforts, Alker Exploration, has made to accommodate the people living in the are.

If you have any additional questions please contact me at either of the following numbers:

Sincerely,



Steve Lund

Office: (435) 835-4248
Mobile: (435) 340-0557

CC: Henry Alker
Enclosures (3)

001

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

FORM 3

AMMENDED REPORT

APPLICATION FOR PERMIT TO DRILL

5 LEASE DESIGNATION AND SERIAL NUMBER:

FEE

1A. TYPE OF WORK: DRILL REENTER DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

B. TYPE OF WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE

7. UNIT or CA AGREEMENT NAME:

N/A

2. NAME OF OPERATOR:

ALKER EXPLORATION L.L.C.

8. WELL NAME and NUMBER:

Behling 7-1

3. ADDRESS OF OPERATOR 155 MONTGOMERY, SUITE 504
CITY SAN FRANCISCO STATE CA ZIP 94104

PHONE (415) 981-0769

9. FIELD AND POOL, OR WILDCAT:

Ferron

4. LOCATION OF WELL (FOOTAGES)
AT SURFACES: 135' FSL - 551' FEL 43263984 34.08845
AT PROPOSED PRODUCING ZONE: 485225 -111.17084

10. QTR/QTR. SECTION, TOWNSHIP, RANGE, MERIDIAN
SE/4 SE/4 Sec 7 - T20S - R7E SLB&M

13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:

APPROX. 1 MILE WEST OF FERRON, UTAH

11. COUNTY 12. STATE

EMERY UTAH

14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)

135'

15. NUMBER OF ACRES IN LEASE:

143

16. NUMBER OF ACRES ASSIGNED TO THIS WELL:

40

17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)

APPROX. 1 MILE

18. PROPOSED DEPTH:

2100.00 FEET

19. BOND DESCRIPTION:

CASH

20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):

6095'

21. APPROXIMATE DATE WORK WILL START:

12/10/2002

22. ESTIMATED DURATION:

10 DAYS

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE CASING SIZE GRADE, AND WEIGHT PER FOOT SETTING DEPTH CEMENT TYPE, QUALITY, YIELD, AND SLURRY WEIGHT

* SEE ATTACHED DRILLING PROGRAM

* ALL WATER USED TO DRILL WILL BE PURCHASD FROM THE CITY OF FERRON, UTAH OR THE LAND OWNER. IF WATER IS PURCHASED FROM LAND OWNER THE WATER RIGHTS APPROPRIATION NUMBER SHALL BE SUPPLIED

24 ATTACHMENTS

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

WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

COMPLETE DRILLING PLAN

EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE WATER

FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) Steven J. Lund

TITLE consultant / engineer

SIGNATURE

DATE

11/21/02

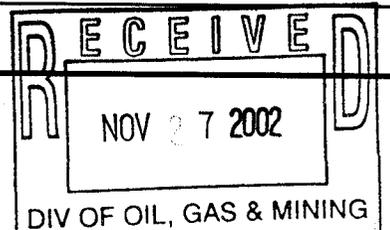
(THIS SPACE FOR STATE USE ONLY)

API NUMBER ASSIGNED

43-075-30584



Date: 12-30-02



Range 7 East

(S89°55'W - 2670.36')

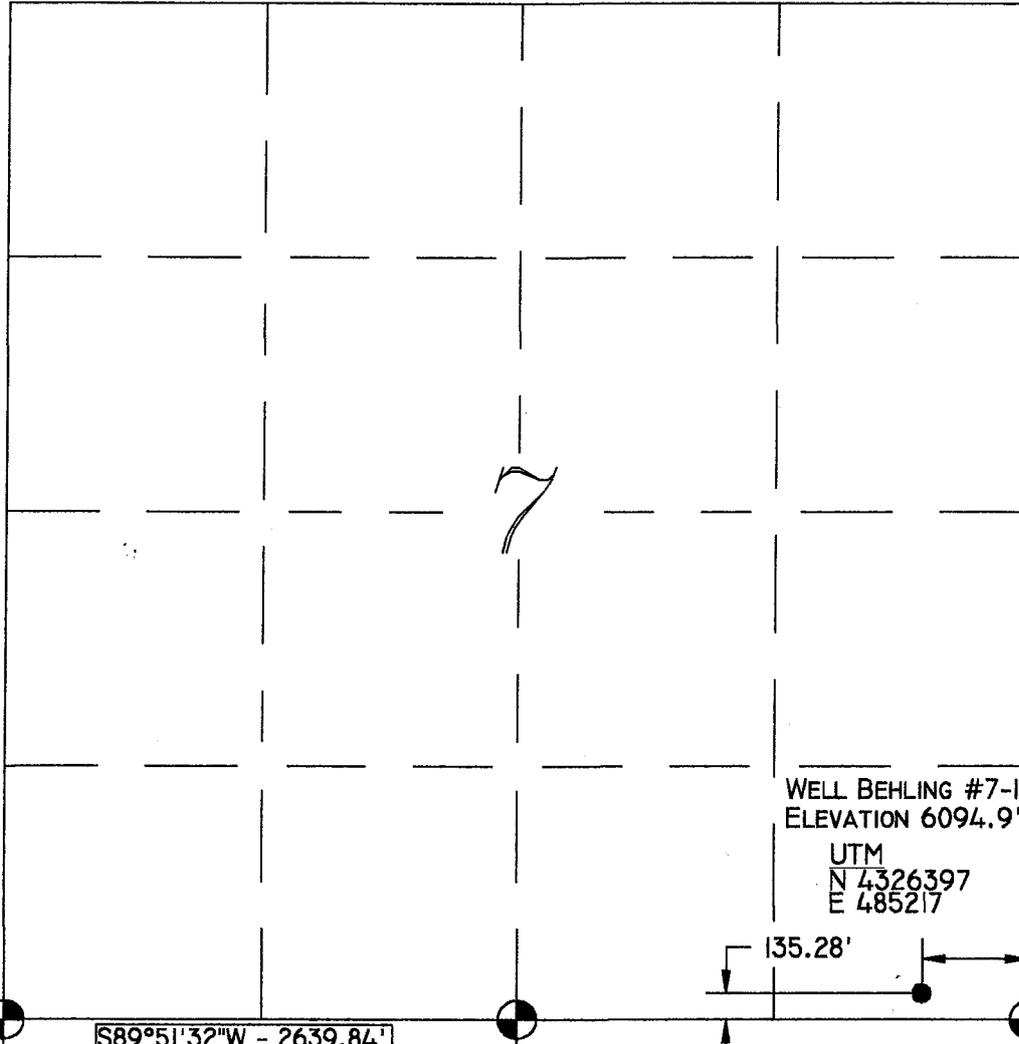
(S89°32'W - 2623.50')

Township 20 South

(N0°08'W - 5290.56')

(N0°01'W - 2626.14')

(N0°01'W - 2675.64')



WELL BEHLING #7-1
ELEVATION 6094.9'

UTM
N 4326397
E 485217

135.28'

551.63'

S89°51'32"W - 2639.84'

(S89°56'W - 2640.0')

S89°47'42"W - 2645.34

(N89°51'W - 2646.60')

NOTES:

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

LAT / LONG
39°05'18"N
111°10'15"W

LEGEND

- DRILL HOLE LOCATION
- ⊙ METAL CAP (FOUND)
- BRASS CAP (SEARCHED FOR, BUT NOT FOUND)
- △ ROCK PILE
- () GLO

GPS MEASURED

NE CORNER
SEC 13 T20S R6E
ELEV. 6330'

N01°09'09"W
762.08'

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:

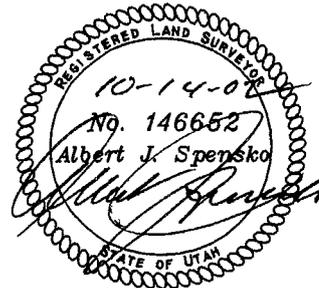
BASIS OF ELEVATION OF 6330' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 13, TOWNSHIP 20 SOUTH, RANGE 6 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PRICE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SE1/4 SE1/4 OF SECTION 7, T20S, R7E, S.L.B.&M., BEING 135.28' NORTH AND 551.63' WEST FROM THE SOUTHEAST SECTION CORNER OF SECTION 7, T20S, R7E, 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 S. Carbon Ave., Ste 101, (A-10)

Price - Huntington, Utah

Phone (435)637-8781 Fax (435)636-8603

E-Mail talon@castlenet.com

HENRY ALKER

WELL Behling #7-1

Section 7, T20S, R7E, S.L.B.&M.

Emery County, Utah

Drawn By:
T. DAVIS

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

Drawing No.

A-1

Date:
10/09/02

Scale:
1" = 1000'

Sheet 1 of 4

Job No.
788

GRAPHIC SCALE



(IN FEET)

1 inch = 1000 ft.

SURFACE DAMAGE AGREEMENT

This agreement is between John C. Behling, also known as John Clyde Behling, hereinafter referred to as "Behling", whose address is P.O. Box 203, Ferron, Utah 84523, and Alker Exploration, Inc. referred to as "Alker", whose address is 155 Montgomery Street, Suite 504, San Francisco, CA 94104.

The above parties agree to the basic understanding as follows:

1. Prior to the commencement of any drilling operation by Alker, or its assigns, on any lands on which a Behling owns surface rights ("Subject Lands") Alker shall pay Two Thousand Dollars (\$2,000.00) to Clyde L. Behling as compensation for damage to the surface for the locations, and One Thousand Dollars (\$1,000.00) to Clyde L. Behling for the right-of-way access to the well located in the SE $\frac{1}{4}$ SE $\frac{1}{4}$ of Section 7, Township 20 South, Range 7 East, Emery County, Utah. The easement granted herein shall include the access to and drilling of one well, built and maintain an access road on surface owned by Behling, and lay a pipeline next to the access road on Behling property to market the sale of oil and/or gas from the proposed location. Specific terms and conditions for this agreement are as follows:

1. Access road, site location and marketing of gas:

A. Location:

Site location, up to three acres, for the location of rig, pipeline, pits, and production facilities. The route for access roads shall be mutually agreed upon by parties herein, and Alker its successors and assigns shall diligently attempt to avoid irrigated and pasture lands owned by the Behling.

B. Road and Pipeline Rights-of-Ways:

Any and all access roads shall not exceed 30 feet in width (maximum) and shall be for the sole use of Alker to access the location and shall not be assignable without the written permission of Behling. Said consent shall not be unreasonably withheld.

In the event of gas production, Alker may lay pipeline(s) next access road(s) to market gas from the location. The right of way shall not exceed 30 feet in width. As additional consideration for pipeline right-of-way, Alker shall render to Behling, as consider, a one time payment of the amount equal to \$8.00 per rod. All pipelines shall be buried below plow depth.

C. Rental Fee:

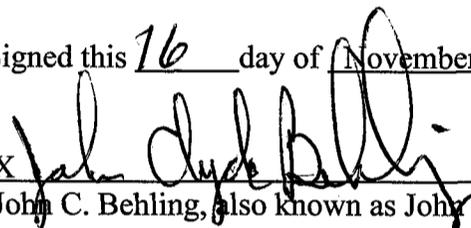
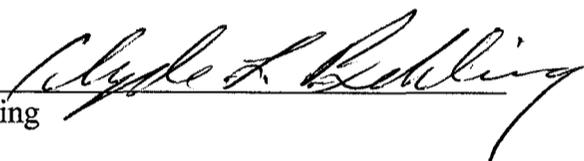
Alker shall pay Behling an annual rental fee in the amount of \$800 for continuous use of the site location, access roads and pipeline access. Annual rental shall be due on or before the anniversary date of this agreement. Failure to make timely payment shall not result in termination of this agreement, however, any late payments shall be subject to eight percent (8%) annual interest payments.

2. Firearms and liquor shall be prohibited from well location and access roads.
3. At the request of Behling, fences shall be installed around the location and gated. All gates shall remain closed during operations conducted by Alker.
4. Only Alker personnel and authorized contractors performing work for Alker will have the combination (or key) to the locked gate and will lock it each time they pass through it.
5. Unauthorized personnel, contractors, etc. will not be allowed on location or access to location.
6. Alker will make every reasonable effort to have a company representative on the location at all times during drilling/completion operations.

7. If the well is completed as a dry hole, Alker shall restore and reclaim the well site and access location to its original state as nearly as possible. Prior to reclamation, Alker shall offer to Behling the election to maintain any roads built under this agreement. In the event the Behling elects to maintain the roads, it will release Alker of its obligations under this agreement after the location site has been restored. If a dry hole, reclamation shall be completed no later than six (6) months following the rig release date. If the well is a producer, reclamation shall be completed no later than six (6) months after well abandonment.
8. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective executors, administrators, successors, assigns and all third party contract workers. This agreement shall be limited specifically to the area of well site and access roads and pipelines for location described above.

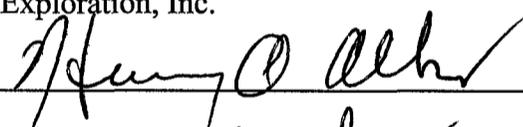
This agreement may be executed in counterparts, and shall be binding upon the parties who have executed such a counterpart, with the same force and effect as if all parties have signed the same document.

Signed this 16 day of November, 2002.

X  X 
John C. Behling, also known as John Clyde Behling

Signed this 16 day of November, 2002.

^{aka}
Alker Exploration, Inc.

By: 

Title: 

DRILLING PROGRAM

OPERATOR: ALKER EXPLORATION L.L.C.
LEASE NAME: BEHLING 7- 1
LEASE NUMBER: FEE
LOCATION: 135' FSL – 551.63'FEL SECTION 7 – T20S – R7E, SLB&M, EMERY CO., UT.

IF THE WELL IS UNPRODUCTIVE / NON-COMMERCIAL IT WILL BE PLUGGED ACCORDING TO STATE OF UTAH REQUIRMENTS, AND THE SURFACE WILL BE RESTORED ACCORDING TO LAND OWNERS REQUIRMENTS

1. ESTIMATED TOPS OF GEOLOGIC MARKER:

THE ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS ARE AS FOLLOWS:

<u>FORMATION</u>	<u>DEPTH (FT)</u>	<u>SUBSEA (FT.)</u>
BLUEGATE SHALE	50	+6095
FERRON FM.	1550	+4545
T.D.	2100	+3995

2. ESTIMATED DEPTHS OF ANTICIPATED OIL, GAS, WATER. OR OTHER MINERAL BEARING ZONES

<u>SUBSTANCE</u>	<u>FORMATION</u>	<u>DEPTH (FT.)</u>
WATER, GAS	FERRON COALS	1550
GAS	FERRON SANDSTONES	1550
OIL	N/A	
OTHER MINERALS	N/A	

ALL FRESH WATER AND PROSPECTIVLEY VALUABLE MINERALS ENCOUNTERED DURING DRILLING, WILL BE RECORDED BY DEPTH AND ADEQUATLEY PROTECTED. ALL OIL AND GAS SHOWS WILL BE TESTED TO DETERMINE COMMERCIAL POTENTIAL.

ALL WATER SHOWS AND WATER –BEARING SANDS WILL BE REPORTED TO THE STATE OF UTAH, ON FORM OGC-8-X

3. CASING PROGRAM

THE PROPOSED CASING PROGRAM WILL BE AS FOLLOWS:

<u>PROPOSE</u>	<u>DEPTH (FT.)</u>	<u>HOLE (IN.)</u>	<u>O.D. (IN.)</u>	<u>WEIGHT (#./FT.)</u>	<u>GRADE</u>
SURFACE	0-300	11	8-5/8	24	K-55
PRODUC.	0-2100	7-7/8	5-1/2	17	N-80

4. CEMENT PROGRAM

THE CEMENT PROGRAM WILL BE AS FOLLOWS:

SURFACE TYPE AND AMOUNT

0-300' CEMENT TO SURFACE WITH 145 SKS OF CLASS "G" CEMENT 1.15 yield

PRODUCTION TYPE AND AMOUNT

0-2100' CEMENT TO SURFACE WITH 135 SKS OF 50/50 POZ CEMENT. 1.27 yield
FOLLOWED WITH 175 SKS OF CLASS "G" CEMENT WITH FRICTION 1.18 yield
REDUCER AND RETARDER ADDITIVES.

5. DRILLING FLUIDS

per Steve Lund
12/30/02

ALL WATER WILL BE PURCHASED FROM THE CITY OF FERRON, UTAH OR FROM THE LAND OWNER.

THE PROPOSED CIRCULATING MEDIUMS TO BE EMPLOYED IN DRILLING ARE AS FOLLOWS:

<u>INTERVAL</u>	<u>MUD TYPE</u>	<u>MUD WT. (PPG)</u>	<u>VISC.</u>
0-1550'	AIR	---	---
1550 -1750'	AIR	---	---
1750 - 2100'	AIR	---	---

6. TESTING, LOGGING AND CORING

THE ANTICIPATED TYPE AND AMOUNT OF TESTING, LOGGING AND CORING ARE AS FOLLOWS:

A. NO DRILL STEM TEST ARE PLANNED

- B. THE LOGGING PROGRAM WILL CONSIST OF A GR-LDT-CNL LOG FROM 1000' – 2100'. AN SP-SFL-DIL LOG WILL BE RUN FROM T.D. TO 500'. A SONIC-LOG WILL BE RUN FROM T.D. TO SURFACE.
- C. NO CORES ARE PLANNED

7. SPUD DATE/DRILLING TIME

- A. DRILLING IS PLANNED TO COMMENCE UPON APPROVAL OF THE APD. THE ESTIMATED SPUD DATE IS **December 10, 2002**. DRILLING WILL CONTINUE AFTER SPUDGING UNTIL T.D. IS REACHED.
- B. IT IS ANTICIPATED THAT DRILLING WILL TAKE APPROXIMATELY 10 DAYS.

8. ROAD USE / WATER SOURCE

- A. ALL ACCESS IS LOCATED ON STATE OR PRIVATE ROADS.
- B. AT THE REQUEST OF THE SURFACE OWNER, ANY ACCESS ROADS CONSTRUCTED ON PRIVATE LANDS WILL BE LEFT AFTER THE DRILLING OF THE WELL, AND WILL NOT BE RECLAIMED IF THE WELL ECONOMICALLY PRODUCES OIL OR GAS. IF THE WELL IS NOT PRODUCTIVE, THE WELL PAD AND ACCESS ROAD WILL BE RECLAIMED TO ITS ORIGINAL CONDITION.
- C. SINCE THE WELL IS BEING DRILLED PRIMARILY BY AIR, LIMITED QUANTITIES OF WATER WILL BE NECESSARY. WATER FOR DRILLING WILL BE OBTAINED FROM A LOCAL WATER HAULER, WHO WILL OBTAIN IT FROM LOCAL SOURCES.

9. BOP EQUIPMENT

BOP MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL EQUIPMENT ARE AS FOLLOWS:

RAM TYPE: 11" HYDRAULIC DOUBLE, 2000 PSI W.P.

RAM TYPE PREVENTERS AND ASSOCIATED EQUIPMENT SHALL BE TESTED TO APPROVED STACK WORKING PRESSURE IF ISOLATED BY TEST PLUG OR 70 PERCENT OF INTERNAL YIELD PRESSURE OF CASING. PRESSURE SHALL BE MAINTAINED FOR AT LEAST 10 MINUTES OR UNTIL REQUIREMENTS OF TEST ARE MET, WHICHEVER IS LONGER. IF A TEST PLUG IS UTILIZED, NO BLEED-OFF PRESSURE IS ACCEPTABLE. FOR A TEST NOT UTILIZING A TEST PLUG, IF A DECLINE IN PRESSURE OF MORE THAN 10 PERCENT IN 30 MINUTES OCCURS, THE TEST SHALL BE CONSIDERED TO HAVE FAILED. A VALVE ON THE CASING HEAD BELOW TEST PLUG SHALL BE OPEN DURING THE BOP STACK TEST.

AS A MINIMUM, THE ABOVE TEST SHALL BE PERFORMED:

- A. WHEN INITIALLY INSTALLED
- B. WHENEVER ANY SEAL SUBJECT TO TEST PRESSURE IS BROKEN
- C. FOLLOWING RELEATED REPAIRS
- D. AT 30 DAY INTERVALS

VALVES SHALL BE TESTED FROM WORKING PRESSURE SIDE DURING BOPE TESTS WITH ALL DOWNSTREAM VALVES OPEN.

WHEN TESTING THE KILL LINE VALVE(S), THE CHECK VALVE SHALL BE HELD OPEN OR THE BALL REMOVED.

PIPE AND BLIND RAMS SHALL BE ACTIVATED EACH TRIP, HOWEVER, THIS FUNCTION NEED NOT BE PERFORMED MORE THAN ONCE A DAY.

A BOPE PIT LEVEL DRILL SHALL BE CONDUCTED WEEKLY FOR EACH DRILLING CREW.

PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

ALL OF THE ABOVE DESCRIBED TESTS AND/OR DRILLS SHALL BE RECORDED IN THE DRILLING LOG. TEST CHARTS, WITH INDIVIDUAL TEST RESULTS IDENTIFIED SHALL BE MAINTAINED ON LOCATION WHILE DRILLING AND SHALL BE MADE AVAILBALE TO A STATE OR BLM REPRESENTATIVE UPON REQUIEST. PRESSURE TESTS SHALL APPLY TO ALL RELATED WELL CONTROL EQUIPMENT.

BOP SYSTEMS SHALL BE CONSISTENT WITH API RP53. PRESSURE TESTS WILL BE CONDUCTED BEFORE DRILL ING OUT FROM UNDER CASING STRINGS WHICH HAVE BEEN SET AND CEMENTED IN PLACE. BLOWOUT PREVENTER CONTROLS WILL BE INSTALLED PRIOR TO DRILLING THE SURFACE CASING PLUG AND WILL REMAIN IN USE UNTIL THE WELL IS COMPLETED OR ABANDONED. PREVENTERS WILL BE INSPECTED AND OPERATED AT LEAST DAILY TO ENSURE GOOD MECHANICAL WORKING ORDER, AND THIS INSPECTION WILL BE RECORDED ON THE DAILY DRILLING REPORT. PEVENTERS WILL BE PRESSURE TESTED BEFORE DRILLING CASING CEMENT PLUGS.

- A. THE SIZE AND RATING OF THE BOP STACK IS SHOWN ON THE ATTACHED DIAGRAM. THE RIG CHOSEN TO DRILL THIS WELL IS EQUIPED WITH AN **11" - 2000 PSI** WORKING PRESSURE BLOWOUT PREVENTER. IF THE RIG'S BOP FAILS THE ABOVE TESTING PROCEDURES A BOP WILL BE LEASED FROM A SERVICE COMPANY THAT WILL BENCH TEST THE BOP STACK PRIOR TO SHIPPING IT TO THE DRILLING LOCATION. THE RENTED BOP WILL THEN BE SUBJECTED TO THE ABOVE TESTING PROCEDURES

- B. A CHOKE LINE AND A KILL LINE ARE TO BE PROPERLY INSTALLED. "THE KILL LINE IS NOT TO BE USED AS A FILL UP LINE."
- C. THE ACCUMULATOR SYSTEM SHALL HAVE A PRESSURE CAPACITY TO PROVIDE FOR REPEATED OPERATION OF HYDRAULIC PREVENTORS.
- D. DRILL STRING SAFETY VALVES, TO FIT ALL TOOLS IN THE DRILL STRING ARE TO BE MAINTAINED ON THE RIG FLOOR WHILE DRILLING OPERATIONS ARE IN PROGRESS.

10. **ABNORMAL PRESSURES AND H₂S GAS**

- A. NO ABNORMAL CONDITIONS ARE ANTICIPATED: FORMATION IS SLIGHTLY OVER-PRESSURED. THE ESTIMATED BOTTOM-HOLE PRESSURE IS 1000 PSI. NO ABNORMAL TEMPERATURES ARE ANTICIPATED.
- B. NO HYDROGEN SULFIDE GAS IS ANTICIPATED, HOWEVER, WIND DIRECTION FLAGGING WILL BE USED TO DETERMINE CURRENT WIND DIRECTION.

11. **SURFACE OWNERSHIP**

THE SURFACE OWNER FOR THIS DRILLSITE IS:

CLYDE L. BEHLING
P.O. BOX 203
FERRON, UT. 84523

12. **LESSEE'S OR OPERATORS REPRESENTATIVE**

PERMIT MATTERS

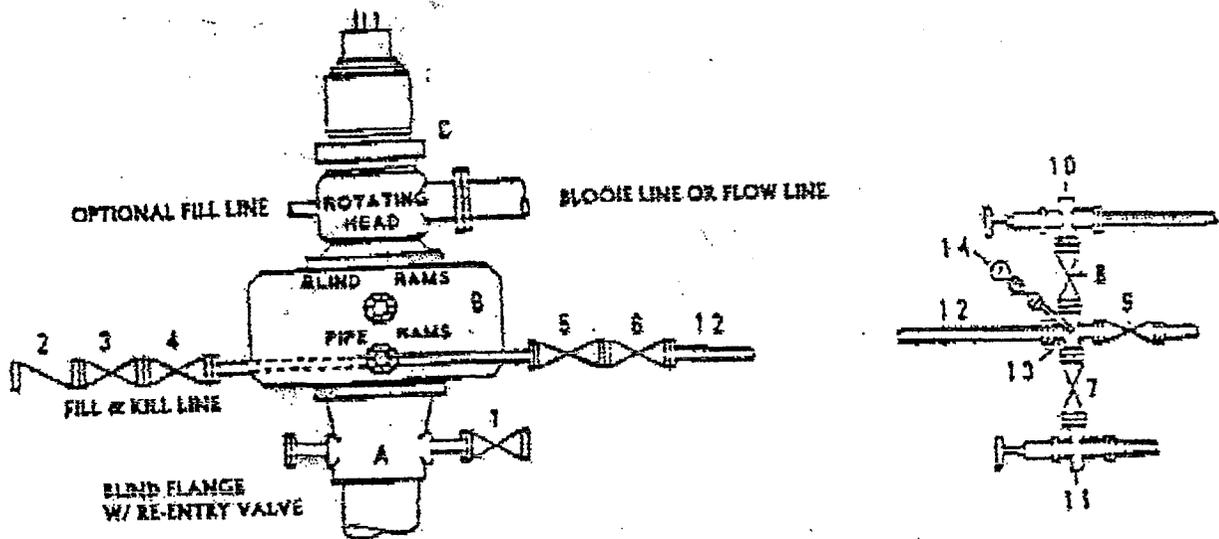
HENRY ALKER
155 MONTGOMERY STREET,
SUITE 504
SAN FRANCISCO, CA 94104
OFFICE: (415) 981 - 0769
FAX: (415) 788 - 6544

DRILLING AND COMPLETIONS MATTERS

STEVEN J. LUND
97 NORTH MAIN
MANTI, UTAH 84642
OFFICE: (435) 835 - 4248
MOBILE: (435) 340 - 0557

ALKER EXPLORATION L.L.C.

TYPICAL 2000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC
FOR AIR DRILLING



DRILLING CONTROL

MATERIAL LIST*

- A Texaco Wellhead.
- B 2000# W.P. Dual ram type preventer, hydraulic operated with 1" steel, 2000# W.P. control lines (where sub-structure height is adequate, 2 - 2000# W.P. single ram type preventers may be utilized).
- C Rotating head with extended bleed line (optional fill up outlet).
- 1, 3, 4 2" minimum 2000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 2 2" minimum 2000# W.P. back pressure valve.
- 5, 6, 9 2" minimum 2000# W.P. flanged full opening steel gate valve, or Halliburton Lo Torc Plug valve.
- 12 2" minimum schedule 80, Grade "B", seamless line pipe.
- 13 2" minimum x 2" minimum 2000# W.P. flanged cross.
- 10, 11 2" minimum 2000# W.P. adjustable choke bodies.
- 14 Cameron Mud Gauge or equivalent (location optional in choke line).
- 15 2" minimum 2000# W.P. flanged or threaded full opening steel gate valve, or Halliburton Lo Torc Plug valve.

*(OR EQUIVALENT)

CONFIDENTIAL

THIRTEEN POINT SURFACE USE PLAN

OPERATOR: ALKER EXPLORATION L.L.C.
LEASE NAME: BEHLING 7-1
LEASE NUMBER: FEE
LOCATION: 135' FSL – 551' FEL SECTION 7 – T20S – R7E, SLB&M, EMERY CO., UT.

1. EXISTING ROADS.

- A. THE PROPOSED WELL SITE IS LOCATED APPROXIMATELY 2.45 MILES WEST OF FERRON, UTAH
- B. DIRECTIONS FROM FERRON ARE AS FOLLOWS:
FROM MAIN STREET TURN WEST ON TO 100 SOUTH CANYON ROAD. TRAVEL 2.15 MILES. ENTER THE WELL ACCESS ROAD THROUGH THE WEST GATE. TRAVEL APPROXIMATELY 1/3 MILE TO WELL LOCATION.
- C. THE EXISTING ACCESS ROAD WILL BE MAINTAINED IN GOOD REPAIR DURING ALL DRILLING AND COMPLETION OPERATIONS ASSOCIATED WITH THIS WELL.
- D. EXISTING ROADS AND THE EXISTING ACCESS ROAD UNDER THE JURISDICTION OF ANY SURFACE MANAGING AGENCY SHALL BE MAINTAINED IN ACCORDANCE WITH THE STANDARDS OF S.M.A
- E. A SURFACE USE AGREEMENT WITH CLYDE BEHLING, SURFACE OWNER, HAS BEEN NEGOTIATED FOR RIGHT OF WAY USE OF THE EXISTING ACCESS ROAD.

2. PLANNED ACCESS ROAD

- A. APPROXIMATELY 1760 FEET OF ACCESS ROAD ON FEE GROUND IS PLANNED FOR THE SUBJECT WELL. THE ROAD WILL BE FLATBLADED WITH A RUNNING SURFACE OF APPROXIMATELY 14 FEET. IF NECESSARY APPROPRIATE WATER CONTROL CULVERTS WILL BE INSTALLED TO CONTROL EROSION. CONSTRUCTION WILL NOT CHANGE THE EXISTING DRAINAGE. 1.5 FEET OF ADDITIONAL DIRT WILL BE LAYED OVER ALL UNDER GROUND WATER SUPPLY AND GAS SUPPLY LINES CROSSING THE ACCESS ROAD. A 60 INCH CULVERT WILL BE INSTALLED IN THE IRRIGATION CANAL, ON CLYDE BEHLING'S PROPERTY, TO ALLOW ACCESS TO THE DRILLING LOCATION.
- B. THE ROAD WILL BE UPGRADED AND MAINTAINED AS REQUIRED BY THE S.M.A.
- C. MAXIMUM GRADE WILL BE 8%

- D. TURNOUTS WILL BE CONSTRUCTED AS REQUIRED BY S.M.A.
- E. LOW WATER CROSSINGS WILL BE INSTALLED ALONG THE ACCESS WHERE NEEDED
- F. SURFACING MATERIAL WILL BE DEPENDENT UPON S.M.A. REQUIREMENTS
- G. GATES WILL BE INSTALLED AS NECESSARY, AS PER SURFACE USE AGREEMENT WITH SURFACE OWNER
- H. SURFACE DISTURBANCE AND VEHICULAR TRAVEL WILL BE LIMITED TO THE APPROVED LOCATION AND APPROVED ACCESS ROUTE. ANY ADDITIONAL AREA NEEDED WILL BE APPROVED IN ADVANCE

3. **LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS OF THE PROPOSED LOCALTON**

- A. WATER WELLS: NONE
- B. INJECTION WELLS: NONE
- C. PRODUCING WELLS: 1: FERRON CREEK #2 (SOW)
- D. DRILLING WELLS: NONE

4. **LOCATION OF TANK BATTERIES AND PRODUCTIN FACILITIES**

- A. ALL PERMANENT STRUCTURES (ONSITE FOR SIX MONTHS OR LONGER) CONSTRUCTED OR INSTALLED (INCLUDING OIL WELL PUMP JACKS) WILL BE PAINTED A NEUTRAL COLOR TO BLEND WITH THE SURROUNDING ENVIRONMENT. FACILITIES REQUIRED TO COMPLY WITH THE OCCUPATIONAL SAFETY AND HEALTH ACT (OSHA) WILL BE EXCLUDED.
- B. IF STORAGE FACILITIES/TANK BATTERIES ARE CONSTRUCTED ON THIS LEASE, THE FACILITY/BATTERY OR WELLPAD SHALL BE SURROUNDED BY A CONTAINMENT DIKE. THIS CONTAINMENT DIKE WILL BE OF SUFFICIENT CAPACITY TO CONTAIN AT A MINIMUM, THE ENTIRE CONTENT OF THE LARGEST TANK WITHIN THE FACILITY/BATTERY, UNLESS MORE STRINGENT PROTECTIVE REQUIREMTNS ARE DEEMED NECESSAY AND APPROPRIATE BY THE AUTHORIZED OFFICER.
- C. ALL LOADING LINE WILL BE PLACED INSIDE THE BERM SURROUNDING THE TANK BATTERY.

- D. GAS MEASUREMENT DEVICES WILL BE LOCATED IN ACCORDANCE WITH THE REGULATORY BODY.
- E. ALL METER MEASUREMENT FACILITIES WILL CONFORM WITH ONSHORE OIL AND GAS ORDER NO. 4 FOR LIQUID HYDROCARBONS AND ONSHORE OIL AND GAS ORDER NO. 5 FOR NATURAL GAS MEASUREMENT.
- F. A SUNDRY NOTICE WILL BE SUBMITTED SHOWING PLACEMENT OF ALL PRODUCTION FACILITIES PRIOR TO CONSTRUCTION.
- G. ALL NECESSARY PITS WILL BE PROPERLY FENCED TO PREVENT ANY DOMESTIC ANIMALS OR WILDLIFE ENTRY
- H. ALL SITE SECURITY GUIDELINES IDENTIFIED IN 43 CFR 3162.7 WILL BE ADHERED TO
- I. ALL OFF-LEASE STORAGE, OFF LEASE MEASUREMENT, OR COMMINGLING ON-LEASE OR OFF LEASE WILL HAVE PRIOR WRITTEN APPROVAL FROM THE AUTHORIZED OFFICER AND LAND OWNER.
- J. ALL ACCESS ROADS WILL BE MAINTAINED AS NECESSARY TO PREVENT EROSION AND ACCOMMODATE YEAR-ROUND TRAFFIC
- K. THE ROAD WILL BE MAINTAINED IN A SAFE USEABLE CONDITION
- L. WATER PRODUCED DURING THE TEST PHASE OF THIS WELL WILL BE STORED IN STORAGE TANKS ON LOCATION AND HAULED TO AN APPROVED DISPOSAL SITE. IF THE PROJECT IS VIABLE BASED ON TEST RESULTS, A DISPOSAL METHOD WILL BE SUBMITTED.

5. **LOCATION AND TYPE OF WATER SUPPLY**

- A. ALL WATER REQUIRED FOR DRILLING PURPOSES WILL BE OBTAINED FROM A LOCAL SOURCE.
- B. WATER WILL BE HAULED TO THE LOCATION OVER THE ACCESS ROAD MARKED ON ATTACHED MAPS
- C. NO WATER WELL IS TO BE DRILLED ON THIS LEASE, WITHOUT PROPER APPROVAL OF DIVISION OF WATER RIGHTS IN PRICE, UTAH.
- D. ALL APPROPRIATE PERMITS WILL BE FILED WITH THE DIVISION OF WATER RIGHTS IN PRICE, UTAH.

6. **SOURCE OF CONSTRUCTION MATERIALS**

- A. SURFACE AND SUBSOIL MATERIALS IN THE IMMEDIATE AREA WILL BE UTILIZED.
- B. ANY GRAVEL USED WILL BE OBTAINED FROM A COMERCIAL SOURCE

7. **METHOD OF HANDLING WASTE DISPOSAL**

- A. THE PROPOSED WELL WILL BE AIR-DRILLED, THEREFORE ONLY A SMALL RESERVE PIT WILL BE NECESSARY. THE RESERVE PIT WILL BE CONSTRUCTED SO AS NOT TO LEAK, BREAK, OR ALLOW DISCHARGE. THE RESERVE PIT WILL BE LINED IF DETERMINED NECESSARY AT THE TIME OF CONSTRUCTION.
- B. IF THE PIT IS LINED, A PLASTIC NYLON REINFORCED LINER WILL BE USED. IT WILL BE A MINIMUM OF 12 MIL THICKNESS WITH SUFFICIENT BEDDING (EITHER STRAW OR DIRT) TO COVER ANY ROCKS. THE LINER WILL OVERLAP THE PIT WALLS AND BE COVERED WITH DIRT AND / OR ROCKS TO HOLD IT IN PLACE. NO TRASH, SCRAP PIPE, ETC. THAT COULD PUNCTURE THE LINER WILL BE DISPOSED OF IN THE PIT.
- C. ALL TRASH WILL BE CONTAINED IN A TRASH CAGE. ITS CONTENTS REMOVED PERIODICALLY AND AT THE END OF DRILLING OPERATIONS AND HAULED TO AN APPROVED DISPOSAL SITE.
- D. AFTER FIRST PRODUCTION, PRODUCED WATER WILL BE CONFINED TO A STORAGE TANK FOR A PERIOD NOT TO EXCEED NINETY (90) DAYS. DURING THE 90-DAY PERIOD, IN ACCORDANCE WITH ONSHORE ORDER NO. 7 AN APPLICATION FOR APPROVAL OF A PERMANENT DISPOSAL METHOD AND LOCATION, ALONG WITH THE REQUIRED WATER ANALYSIS, WILL BE SUBMITTED FOR APPROVAL
- E. IF THE WELL IS COMMERCIAL DRILL CUTTINGS ARE TO BE CONTAINED AND BURIED IN THE RESERVE PIT. IF THE WELL IS PLUGGED AND ABANDONED THE DRILL CUTTINGS WILL BE HAULED TO AN APPROVED DISPOSAL SITE.
- F. ANY SALTS AND/OR CHEMICALS WHICH ARE AN INTEGRAL PART OF THE DRILLING SYSTEM, WILL BE DISPOSED OF IN THE SAME MANNER AS THE DRILLING FLUID.
- G. SEWAGE WILL BE PLACED IN A PORTABLE CHEMICAL TOILET OR HOLDING TANK AND DISPOSED OF IN ACCORDANCE WITH STATE AND COUNTY REGULATIONS.

H. THE PRODUCED FLUIDS WILL BE PRODUCED INTO A TEST TANK UNTIL SUCH TIME AS CONSTRUCTION OF PRODUCTIN FACILITES IS COMPLETED. ANY SPILLS OF OIL, GAS, SALT- WATER OR OTHER PRODUCED FLUIDS WILL BE PROMPTLY CLEANED UP.

8. **ANCILLARY FACILITIES**

A. THERE ARE NO AIRSTRIPS, CAMPS, OR OTHER FACILITES PLANNED DURING THE DRILLING OF THE PROPOSED WELL.

9. **WELL SITE LAYOUT**

A. THE RESERVE PIT WILL BE LOCATED ON THE EAST SIDE OF THE LOCATION

B. THE STOCKPILED TOPSOIL (FIRST SIX INCHES) WILL BE STORED ALONG THE WEST AND SOUTH SIDE OT THE WELLPAD AS SHOWN ON THE RIG LAYOUT

C. SEE SURVEY LOCATION LAYOUT FOR ORIENTATION OF RIG, CUT AND FILLS.

D. THE LOCATION OF THE RESERVE PIT, TRASH CAGE, PIPE RACKS, LIVING FACILITES AND SOIL STOCKPILES ARE SHOWN ON THE LOCATION LAYOUT.

E. ALL PITS WILL BE FENCED TO PREVENT DOMESTIC ANIAML AND WILDLIFE ENTRY.

F. THE RESERVE PIT FENCING WILL BE ON THREE SIDES DURING OPERATIONS AND ON THE FOURTH SIDE WHEN THE RIG MOVES OFF LOCATION. PITS WILL BE FENCED AND MAINTAINED UNTILL CLEANUP.

10 **PLANS FOR RESTORATION OF SURFACE**

PRODUCING LOCATION

A. IMMEDIATELY UPON WILL COMPLETION, THE LOCATION AND SURROUNDING AREA WILL BE CLEARED OF ALL UNUSED TUBING, EQUIPMENT, DEBRIS, MATERIALS, TRASH AND JUNK, NOT REQUIRED FOR PRODUCTION.

B. IMMEDIATLEY UPON WELL COMPLETION, ANY HYDROCARBONS ON THE PIT SHALL BE REMOVED IN ACCORDANCE WITH 43 CFR 3162.7-1.

- C. IF THE WELL IS COMMERCIAL THE PLASTIC NYLON REINFORCED LINER SHALL BE TORN AND PERFORATED BEFORE BACKFILLING OF THE RESERVE PIT. IF THE WELL IS PLUGGED AND ABANDONED THE PLASTIC NYLON REINFORCED LINER SHALL BE REMOVED WITH THE DRILL CUTTINGS AND DISPOSED OF AT AN APPROVED DISPOSAL SITE.
- D. ONCE THE RESERVE PIT IS DRY, THE RESERVE PIT AND THAT PORTION OF THE LOCATION NOT NEEDED FOR PRODUCTION FACILITIES/OPERATIONS WILL BE RECONTOURED TO THE APPROXIMATE NATURAL CONTOURS AND MADE AVAILABLE TO THE LAND OWNER.
- E. THE LOCATION WILL BE RECLAIMED AND RESEEDDED AS REQUESTED BY THE LAND OWNER.

DRYHOLE

- F. AT SUCH TIME AS THE WELL IS PLUGGED AND ABANDONED, THE OPERATOR SHALL SUBMIT A SUBSEQUENT REPORT OF ABANDONMENT AND WILL RECLAIM LANDS AS REQUESTED BY LAND OWNER

11 **SURFACE OWNERSHIP**

- A. ACCESS ROADS: ALL EXISTING IMPROVED ROADS ARE FERRON CITY OR EMERY COUNTY MAINTAINED.
- B. WELLPAD: THE WELLPAD IS LOCATED ON LANDS OWNED BY: CLYDE BEHLING

12 **OTHER INFORMATION**

- A. ALL LEASE AND/OR UNIT OPERATIONS WILL BE CONDUCTED IN SUCH A MANNER THAT FULL COMPLIANCE IS MADE WITH ALL APPLICABLE LAWS, REGULATIONS, ONSHORE OIL AND GAS ORDERS, THE APPROVED PLAN OF OPERATIONS, AND ANY APPLICABLE NOTICE TO LESSEES. THE OPERATOR IS FULLY RESPONSIBLE FOR THE ACTIONS OF HIS SUBCONTRACTORS. A COPY OF THESE CONDITIONS WILL BE FURNISHED TO THE REPRESENTATIVE TO INSURE COMPLIANCE.

- B. A COMPLETE COPY OF THE APPROVED APD SHALL BE ON LOCATION DURING CONSTRUCTION OF THE LOCATION AND DRILLING ACTIVITIES.
- C. THERE WILL BE NO DEVIATION FROM THE PROPOSED DRILLING AND/OR WORKOVER PROGRAM WITHOUT PRIOR APPROVAL FROM THE STATE OF UTAH DOGM. SAFE DRILLING AND OPERATING PRACTICES MUST BE OBSERVED, ALL WELLS WHETHER DRILLING, PRODUCING, SUSPENDED, OR ABANDONED WILL BE EIDENTIFIED IN ACCORDANCE WITH 43 CFR 3162.3-2.H.
- D. "SUNDRY NOTICE AND REPORT ON WELLS" WILL BE FILED FOR APPROVAL FOR ALL CHANGES OF PLANS AND OTHER OPERATIONS IN ACCORDANCE WITH 43 CFR 3162.3-2.
- E. THIS PERMIT WILL BE VALID FOR A PERIOD OF ONE YEAR FROM THE DATE OF APPROVAL. AN EXTENSION PERIOD MAY BE GRANTED, IF REQUESTED, PRIOR TO THE EXPIRATION OF THE ORIGINAL APPROVAL PERIOD.

13 **LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION**

PERMIT MATTERS

HENRY ALKER
155 MONTGOMERY STREET,
SUITE 504
SAN FRANCISCO, CA 94104
OFFICE: (415) 981 - 0769
FAX: (415) 788 - 6544

DRILLING AND COMPLETIONS MATTERS

STEVEN J. LUND
97 NORTH MAIN
MANTI, UTAH 84642
OFFICE:(435) 835 - 4248
MOBILE:(435) 340 - 0557

CERTIFICATION

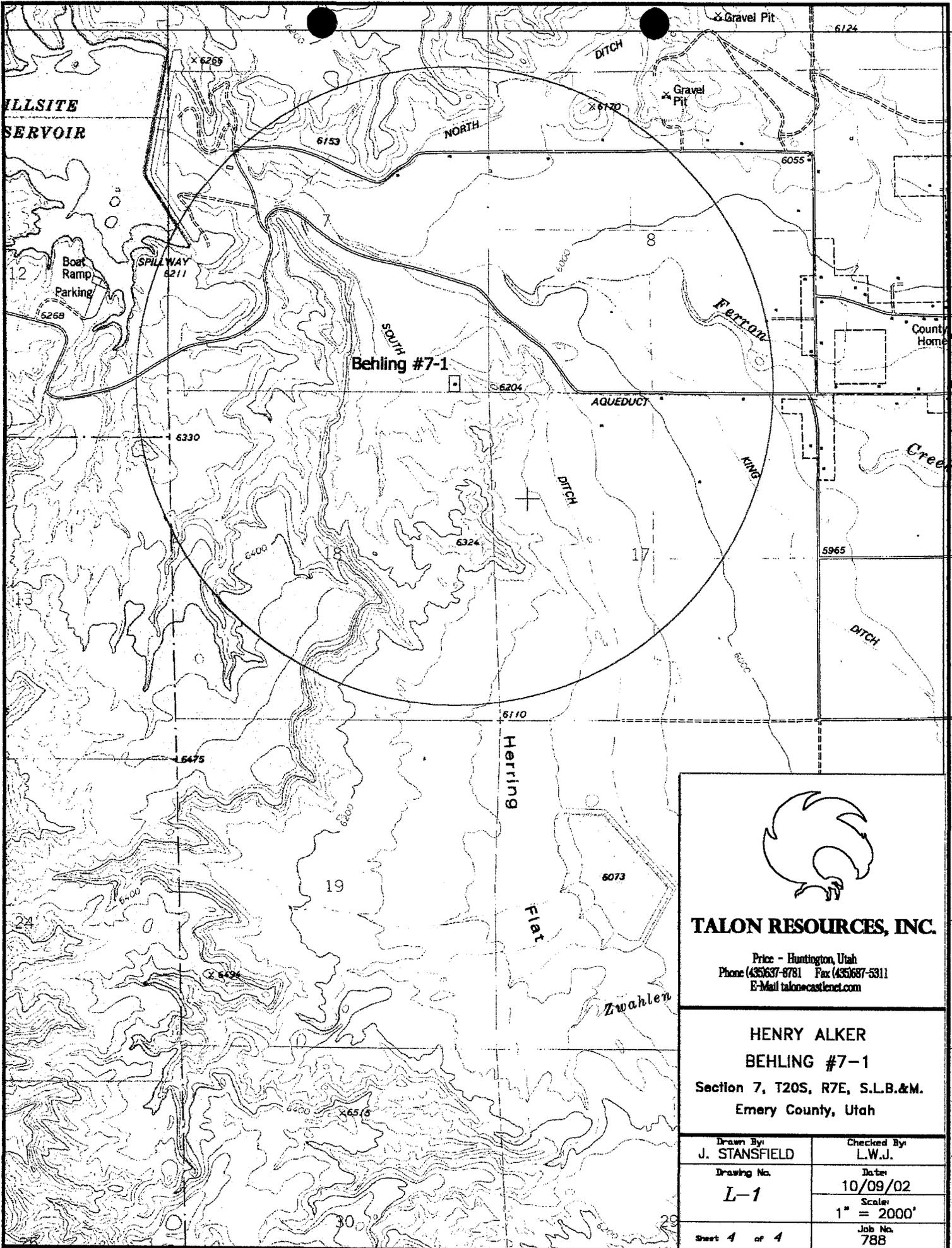
I HEREBY CERTIFY THAT I, OR PERSONS UNDER MY DIRECT SUPERVISION, HAVE INSPECTED THE PROPOSED DRILLSITE AND ACCESS ROUTE. THAT I AM FAMILIAR WITH THE CONDITIONS WHICH PRESENTLY EXIST. THAT THE STATEMENTS MADE IN THIS PLAN ARE, TO THE BEST OF MY KNOWLEDGE, TRUE AND CORRECT; AND, THAT THE WORK ASSOCIATED WITH THE OPERATIONS PROPOSED HEREIN WILL BE PERFORMED BY ALKER EXPLORATION L.L.C. AND ITS CONTRACTORS AND SUBCONTRACTRS IN CONFORMITY WITH THE

PLAN AND THE TERMS AND CONDITIONS UNDER WHICH IT IS
APPROVED.

THIS STATEMENT IS SUBJECT TO THE PROVISIONS OF U.S.C. 1001 FOR THE FILING
OF A FALSE STATEMENT.

11/27/02
DATE:


STEVEN J. LUND CONSULTANT FOR
ALKER EXPLORATION L.L.C.



TALON RESOURCES, INC.

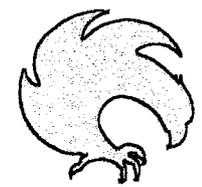
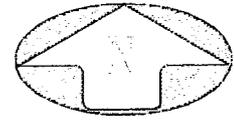
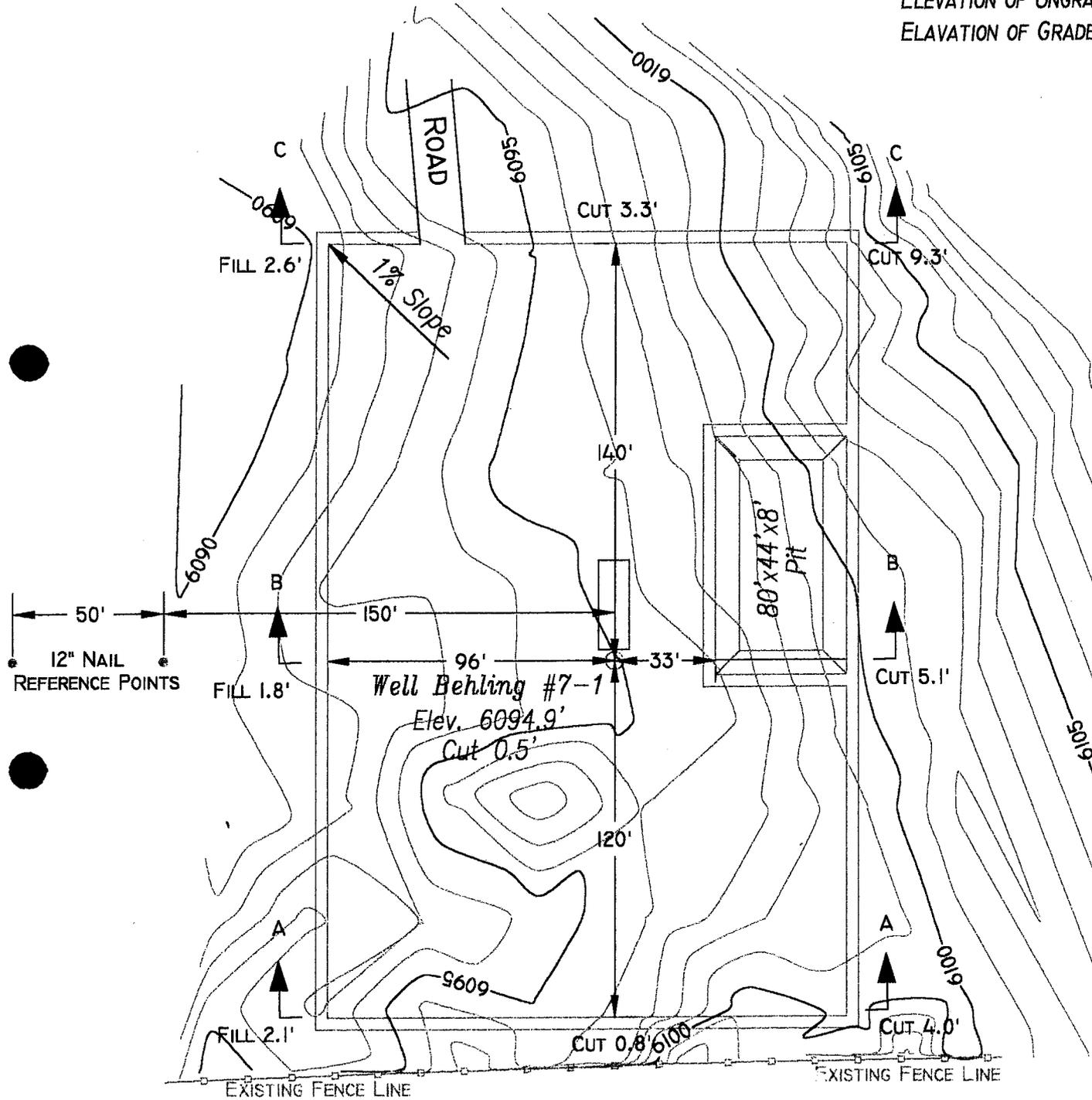
Price - Huntington, Utah
 Phone (435)637-8781 Fax (435)687-5311
 E-Mail taloncast@net.com

**HENRY ALKER
 BEHLING #7-1**

**Section 7, T20S, R7E, S.L.B.&M.
 Emery County, Utah**

Drawn By J. STANSFIELD	Checked By L.W.J.
Drawing No. L-1	Date 10/09/02
	Scale 1" = 2000'
Sheet 4 of 4	Job No. 788

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6094.9'
 ELAVATION OF GRADED GROUND AT LOCATION STAKE = 6094.4'



TALON RESOURCES, INC.
 195 North 100 West P.O. Box 1280
 Huntington, Utah 84528
 Phone (435)637-9781 Fax (435)687-5311
 E-Mail talonectv.net

HENRY ALKER
LOCATION LAYOUT
 Section 7, T20S, R7E, S.L.B.&M.
WELL BEHLING #7-1

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 10/08/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 788

ALKER EXPLORATION, INC.
Behling #7-1 well
Township 20 South, Range 7 East, SLM
Section 7: SE¹/₄SE¹/₄
Emery County, Utah

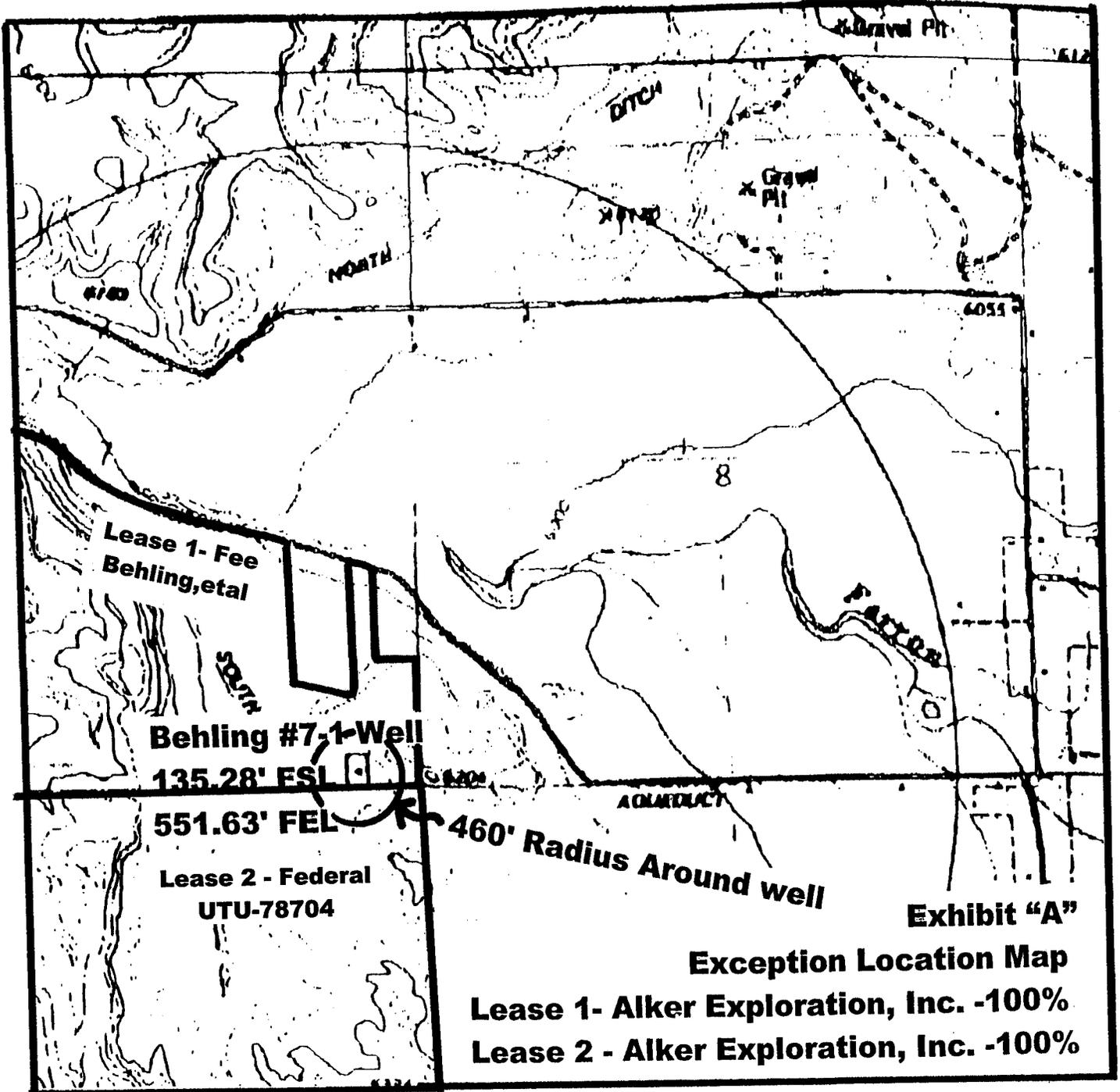


Exhibit "A"

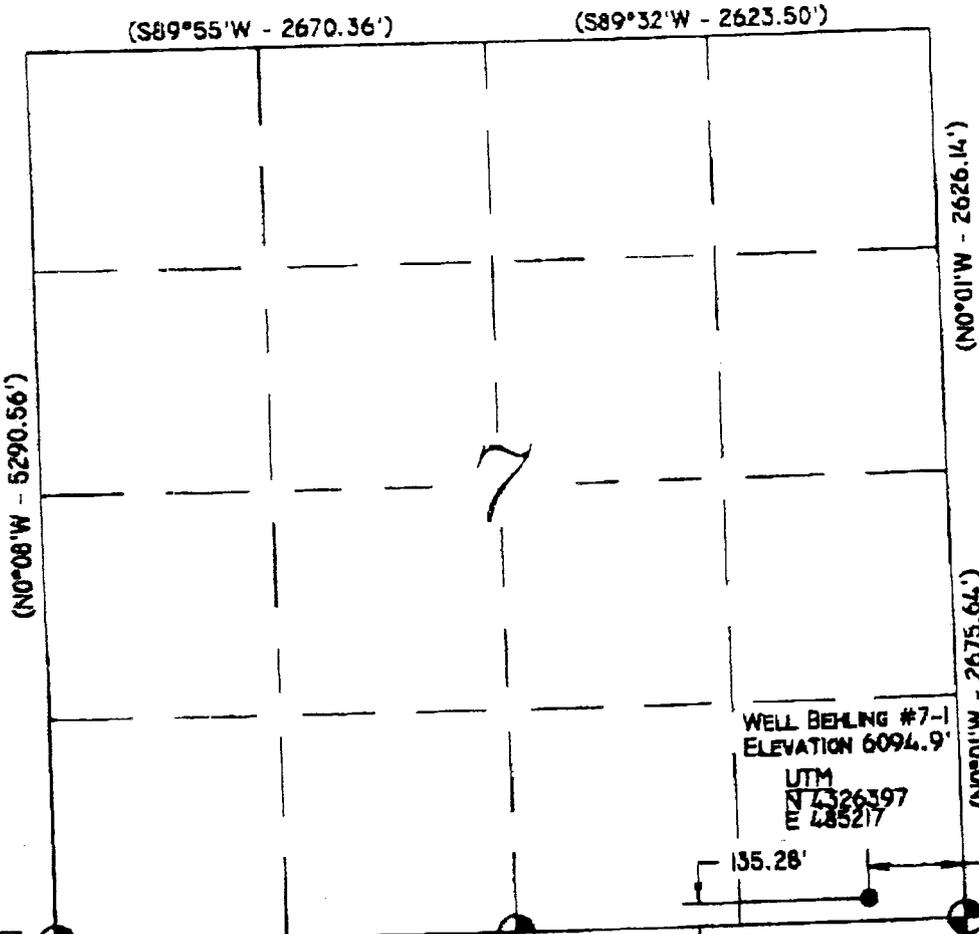
Exception Location Map

Lease 1 - Alker Exploration, Inc. -100%

Lease 2 - Alker Exploration, Inc. -100%

Range 7 East

Township 20 South



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 6330' BEING AT THE NORTHEAST SECTION CORNER OF SECTION 13, TOWNSHIP 20 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE PRICE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE SE1/4 SE1/4 OF SECTION 7, T20S, R7E, S.L.B.&M., BEING 135.28' NORTH AND 551.63' WEST FROM THE SOUTHWEST SECTION CORNER OF SECTION 7, T20S, R7E, 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 S. Carbon Ave., Ste 101, A-10
Preston - Huntington, Utah
Phone (435) 637-0781 Fax (435) 637-8823
E-Mail talon@talonres.com

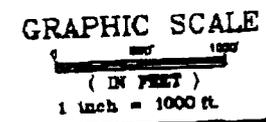
HENRY ALKER WELL Behling #7-1 Section 7, T20S, R7E, S.L.B.&M. Emery County, Utah	
Drawn By: T. DAVIS	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 10/09/02
	Scale: 1" = 1000'
	Job No. 788

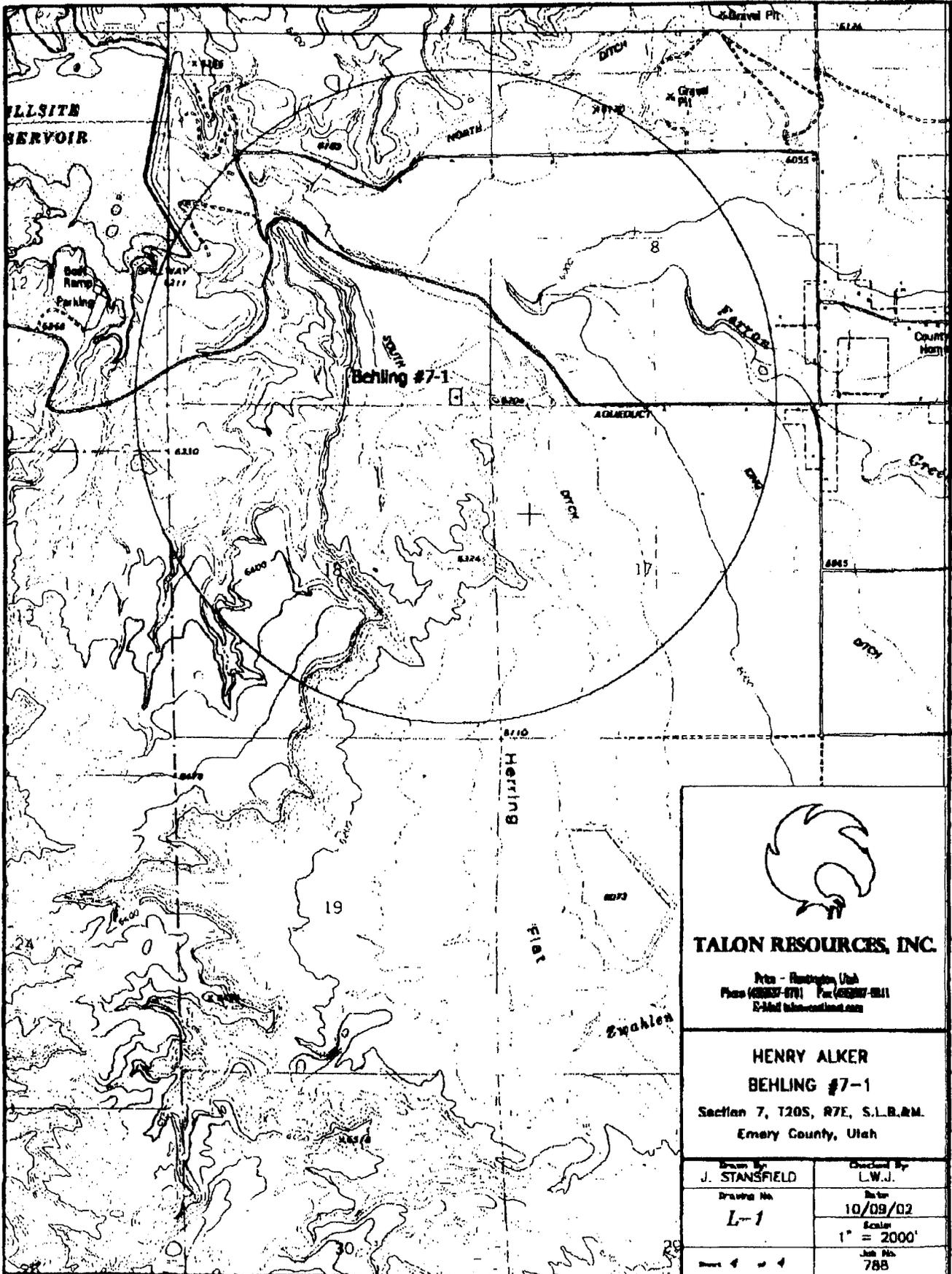
NE CORNER
SEC 13 T20S R6E
ELEV. 6330'
N01°09'09"W
762.08'

- LEGEND**
- DRILL HOLE LOCATION
 - ⊙ METAL 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 PATIFINDER AND ARE SHOWN IN NAD 83 DATUM.

LAT / LONG
39°05'18"N
111°10'15"W







TALON RESOURCES, INC.

Provo - Huntington Utah
 Phone (435)337-0701 Fax (435)337-0811
 E-Mail talon@taloninc.com

HENRY ALKER
BEHLING #7-1
 Section 7, T20S, R7E, S.L.B.&M.
 Emery County, Utah

Drawn By J. STANSFIELD	Checked By L.W.J.
Drawing No. L-1	Date 10/09/02
Scale 1" = 2000'	
Job No. 788	

ALKER EXPLORATION INC.

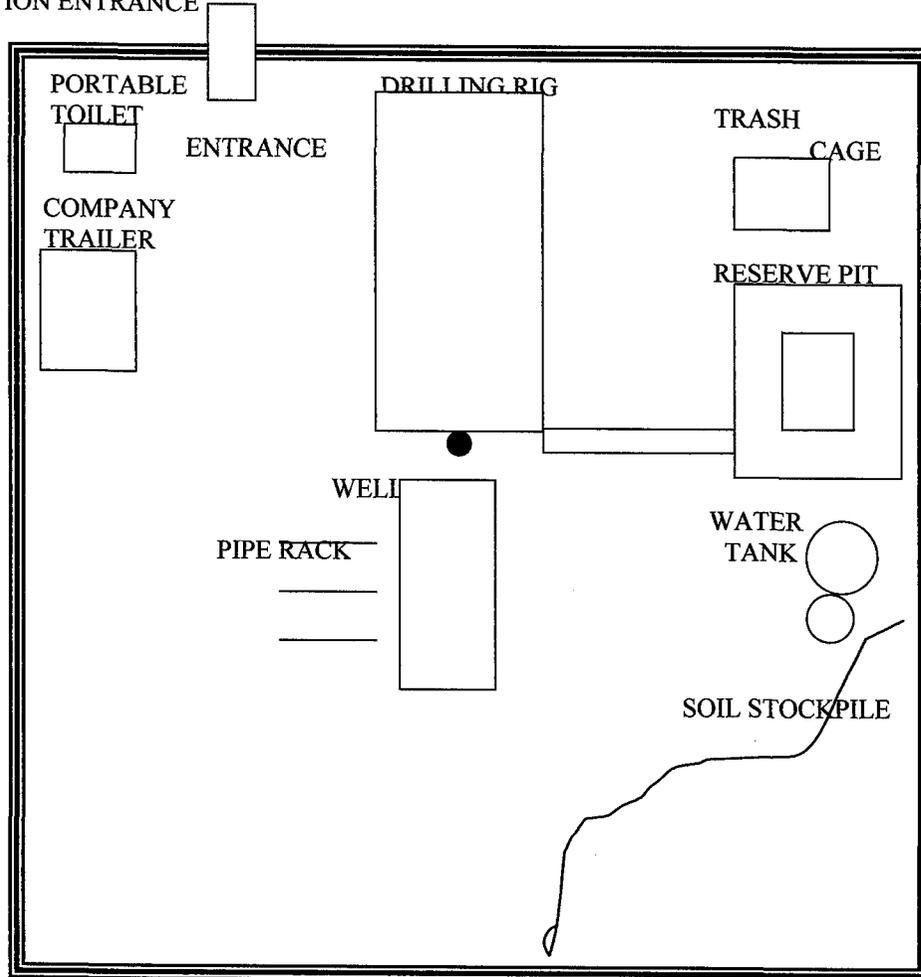
BEHLING 1-7

LOCATION LAYOUT

SE/4 SE/4 SEC. 7 - T 20 S - R 7 E SLB & M

NORTH ^

LOCATION ENTRANCE



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/27/2002

API NO. ASSIGNED: 43-015-30584

WELL NAME: BEHLING 7-1
OPERATOR: ALKER EXPLORATION LLC (N1880)
CONTACT: STEVEN LUND

PHONE NUMBER: 415-981-0769

PROPOSED LOCATION:
SESE 07 200S 070E
SURFACE: 0135 FSL 055²/₄ FEL
BOTTOM: 0135 FSL 055²/₄ FEL
EMERY
WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DKD	12/30/02
Geology		
Surface		

LEASE TYPE: 4 - Fee
LEASE NUMBER: FEE
SURFACE OWNER: 4 - Fee
PROPOSED FORMATION: FRSD

LATITUDE: 39.08845
LONGITUDE: 111.17084

RECEIVED AND/OR REVIEWED:

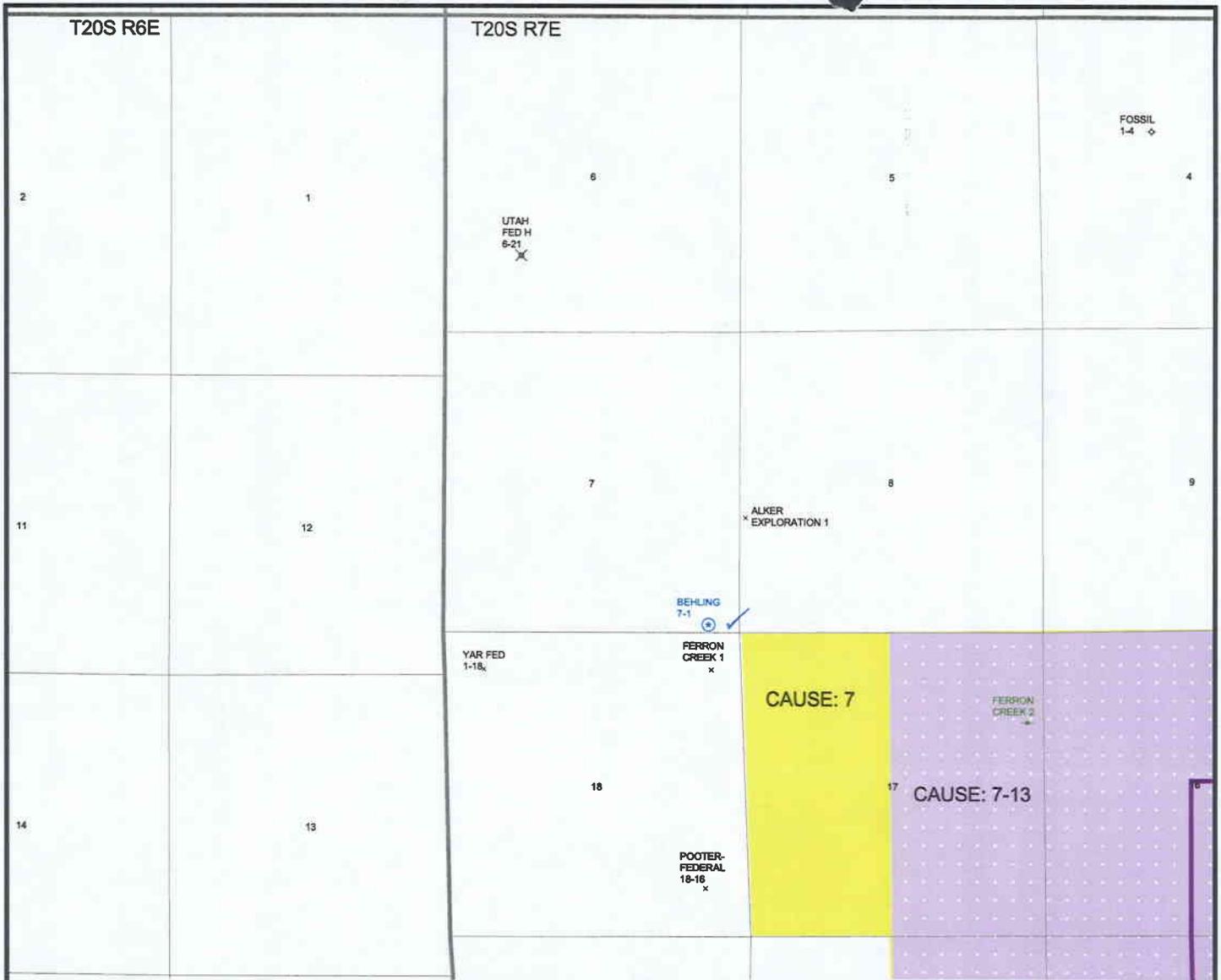
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 2014747919)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. Municipal)
- RDCC Review (Y/N)
(Date: 12/18/2002)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need Permit (Recd 12-18-02)

STIPULATIONS: 1- Spacing Strip
2- STATEMENT OF BASIS
3. RDCC



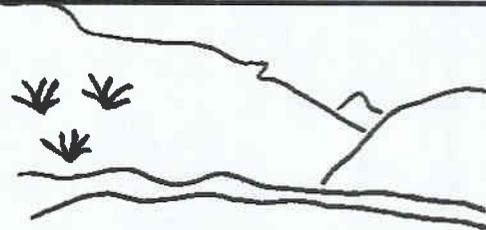
OPERATOR: ALKER EXPLORATION (N1880)

SEC. 7 T20S, R7E,

FIELD: WILDCAT (001)

COUNTY: EMERY

SPACING: R649-3-3 / EX LOCATION



Utah Oil Gas and Mining

WELLS

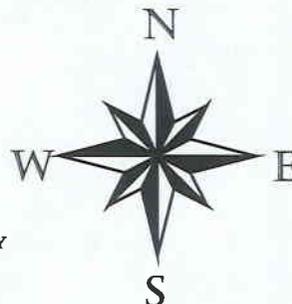
- ⚡ GAS INJECTION
- GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◊ PLUGGED & ABANDONED
- ★ PRODUCING GAS
- PRODUCING OIL
- ◊ SHUT-IN GAS
- SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ⚡ WATER DISPOSAL

UNIT STATUS

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

FIELD STATUS

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



PREPARED BY: DIANA MASON
DATE: 3-DECEMBER-2002

12-02 Alker Exploration Well 7-1

Casing Schematic

Surface

50' -
Bluegate Steel
8-5/8"
MW 8.3
Frac 19.

TOC @
0.
Surface
300. MD

w/20% washout

BOP
RHP
 $(0.052)(8.4)(2100) = 917 \text{ psi}$
Anticipated = 1000 psi

2m BOP proposed

Adequate Dreg 12/24/02

12/26/02 Need verification of
Cement yields
✓ steel bond 12/30/02

Surface	1.15	G
Prod lead	1.27	50/50
Trail	2.19	G

1550'
Farron

5-1/2"
MW 8.4

TOC @
761.

Production
2100. MD

w/15% washout

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

FORM 3
AMMENDED REPORT

APPLICATION FOR PERMIT TO DRILL

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

1A. TYPE OF WORK: DRILL REENTER DEEPEN

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

B. TYPE OF WELL: OIL GAS OTHER SINGLE ZONE MULTIPLE ZONE

7. UNIT or CA AGREEMENT NAME:

N/A

2. NAME OF OPERATOR:

ALKER EXPLORATION L.L.C.

8. WELL NAME and NUMBER:

Behling 7-1

3. ADDRESS OF OPERATOR 155 MONTGOMERY, SUITE 504
CITY SAN FRANCISCO STATE CA ZIP 94104

PHONE (415) 981-0769

9. FIELD AND POOL OR WILDCAT:

Ferron

4. LOCATION OF WELL (FOOTAGES)
AT SURFACES: 135' FSL - 551' FEL 4326398Y 39.08845
AT PROPOSED PRODUCING ZONE: 485225 -111.17084

10. QTR/QTR. SECTION, TOWNSHIP, RANGE, MERIDIAN
SE/4 SE/4 Sec 7 - T20S - R7E SLB&M

13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
APPROX. 1 MILE WEST OF FERRON, UTAH

11. COUNTY EMERY 12. STATE UTAH

14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET)
135'

15. NUMBER OF ACRES IN LEASE:
143

16. NUMBER OF ACRES ASSIGNED TO THIS WELL:
40

17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET)
APPROX. 1 MILE

18. PROPOSED DEPTH:
2100.00 FEET

19. BOND DESCRIPTION:
CASH

20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.):
6095'

21. APPROXIMATE DATE WORK WILL START:
12/10/2002

22. ESTIMATED DURATION:
10 DAYS

23 PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE	GRADE AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE	QUALITY, YIELD, AND SLURRY WEIGHT
<p>* SEE ATTACHED DRILLING PROGRAM</p> <p>* ALL WATER USED TO DRILL WILL BE PURCHASED FROM THE CITY OF FERRON, UTAH OR THE LAND OWNER. IF WATER IS PURCHASED FROM LAND OWNER THE WATER RIGHTS APPROPRIATION NUMBER SHALL BE SUPPLIED</p>					

24 ATTACHMENTS

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

WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

COMPLETE DRILLING PLAN

EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE WATER

FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

CONFIDENTIAL

NAME (PLEASE PRINT) Steven J. Lund

TITLE consultant / engineer

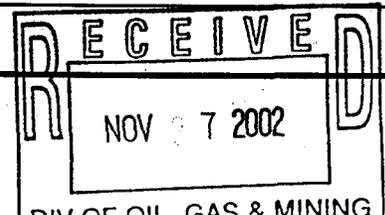
SIGNATURE *Steven J. Lund*

DATE 11/21/02

(THIS SPACE FOR STATE USE ONLY)

API NUMBER ASSIGNED 43-095-30584

APPROVAL: _____



Range 7 East

(S89°55'W - 2670.36')

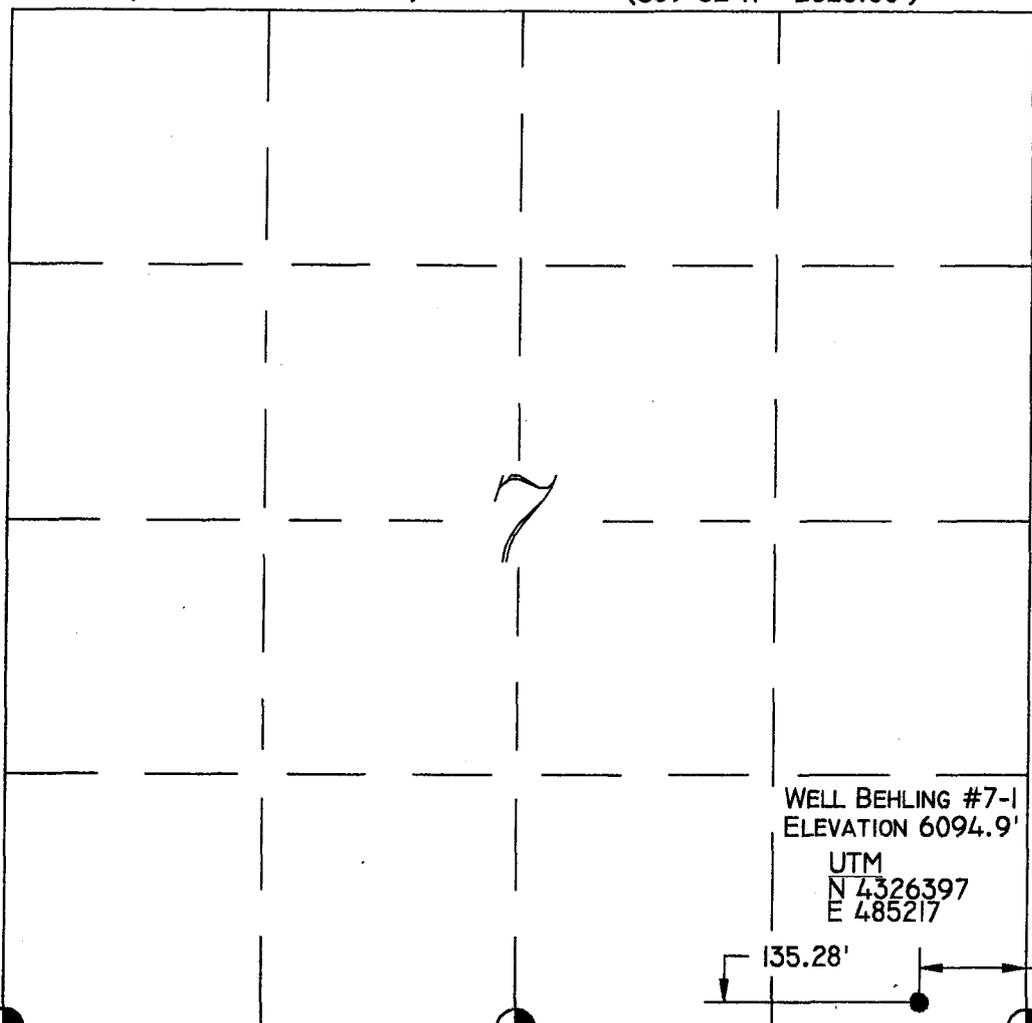
(S89°32'W - 2623.50')

Township 20 South

(N0°08'W - 5290.56')

(N0°01'W - 2626.14')

(N0°01'W - 2675.64')



WELL BEHLING #7-1
ELEVATION 6094.9'

UTM
N 4326397
E 485217

135.28'

551.63'

S89°51'32"W - 2639.84'
(S89°56'W - 2640.0')

S89°47'42"W - 2645.34'
(N89°51'W - 2646.60')

N01°09'09"W
762.08'

NE CORNER
SEC 13 T20S R6E
ELEV. 6330'

- LEGEND**
- DRILL HOLE LOCATION
 - ◐ METAL CAP (FOUND)
 - BRASS CAP (SEARCHED FOR, BUT NOT FOUND)
 - △ ROCK FILE
 - () 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°05'18"N
111°10'15"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 6330' BEING AT THE NORTHEAST SECTION CORNER
OF SECTION 13, TOWNSHIP 20 SOUTH, RANGE 6 EAST, SALT LAKE BASE
AND MERIDIAN, AS SHOWN ON THE PRICE QUADRANGLE 7.5 MINUTE
SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE SE1/4 SE1/4 OF SECTION 7,
T20S, R7E, S.L.B.&M., BEING 135.28' NORTH AND 551.63' WEST
FROM THE SOUTHEAST SECTION CORNER OF SECTION 7, T20S, R7E,
SALT LAKE BASE & MERIDIAN.

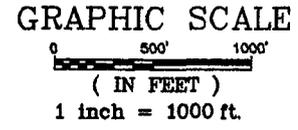
Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional
Land Surveyor, holding Certificate 146652
State of Utah, do hereby certify that the
information on this drawing is a true and
accurate survey based on data of record and
was conducted under my personal direction
and supervision as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



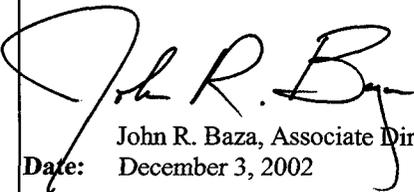
TALON RESOURCES, INC.
375 S. Carbon Ave., Ste 101, (A-10)
Price - Huntington, Utah
Phone (435)637-8781 Fax (435)636-8603
E-Mail talon@castlernet.com

HENRY ALKER
WELL Behling #7-1
Section 7, T20S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: T. DAVIS	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 10/09/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 788



STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse)
3. Approximate date project will start: Upon Approval or December 10, 2002	
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Southeastern Utah Association of Governments	
5. Type of action: // Lease / <input checked="" type="checkbox"/> / Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: Alker Exploration LLC proposes to drill the Behling 7-1 well (wildcat) on Fee lease, Emery County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
8. Land affected (site location map required) (indicate county) SE/4, SE/4, Section 7, Township 20 South, Range 7 East, Emery County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable:	
12. For further information, contact: Diana Mason Phone: (801) 538-5312	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: December 3, 2002

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

OPERATOR: Alker Exploration L.L.C.
WELL NAME & NUMBER: Behling 7-1
API NUMBER: 43-015-30584
LEASE: Fee **FIELD/UNIT:** _____
LOCATION: 1/4,1/4 SESE **Sec:** 7 **TWP:** 20S **RNG:** 7E 135 **FSL** 551 **FEL**
LEGAL WELL SITING: _____ **F SEC. LINE;** _____ **F 1/4,1/4 LINE;** _____ **F ANOTHER WELL.**
GPS COORD (UTM): X=485,225 E; Y=4,326,398 N **SURFACE OWNER:** Clyde Behling.

PARTICIPANTS

M. Jones (DOGM), S. Lund (Alker), R. Peterson (Emery County), Len Anderson (Canal Company), Clyde Behling (surface).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

The proposed location lies approximately 1 mile West of Ferron, UT. Ferron Creek lies North of the proposed location ~1 mile. Terrain is sloping to the Northwest directly at the location site. Proposed access will come from the North across fee surface from existing county road. Access will cross the local irrigation canal along the route to the location. Agreements were made between S. Lund (Alker) and L. Anderson (Canal Co.) for a suitable crossing over the canal, 72 minimum culvert with concrete wings to funnel water into culvert and avoid erosion of the bank. No residences are nearby the location. Property boundary between fee and BLM surface lies South of the proposed location ~50'. Alker apparently has the Federal Lease to the south of the proposed location as well.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and farming activities.

PROPOSED SURFACE DISTURBANCE: 200' X 200' pad. Approximately 1760' of new access road will be build on fee land extending South from existing county maintained road.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 1 Shut-in oil well is located within a 1 mile radius of the proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities will remain on location.

SOURCE OF CONSTRUCTION MATERIAL: Any necessary construction materials will be obtained locally from a private source.

ANCILLARY FACILITIES: N/A.

WASTE MANAGEMENT PLAN:

Portable chemical toilets, which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into dumpsters and eventually emptied in approved landfill. Drilling fluid, completion/frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Used oil from drilling and support operations will be hauled to a used oil recycler. Produced water will be stored on location in tanks and hauled to approved water

disposal facility.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Ferron Creek runs North of the proposed location ~1 mile. Ferron Creek usually runs in the spring seasonally. Ferron Creek dumps into the San Rafael River and then the Green River.

FLORA/FAUNA: Sagebrush, native grasses, 4-winged salt bush, deer, small game, various fowl.

SOIL TYPE AND CHARACTERISTICS: Low permeable clay shale.

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): None required.

SURFACE RESTORATION/RECLAMATION PLAN

As per landowners stipulations.

SURFACE AGREEMENT: Yes.

CULTURAL RESOURCES/ARCHAEOLOGY: None required by landowner.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

December 18, 2002 / 5:00 pm
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>0</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>5</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 5 (Level III Sensitivity)

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

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

OPERATOR: Alker Exploration L.L.C.

WELL NAME & NUMBER: Behling 7-1

API NUMBER: 43-015-30584

LEASE: Fee **FIELD/UNIT:** Wildcat

LOCATION: 1/4, 1/4 SESE **Sec:** 7 **TWP:** 20S **RNG:** 7E 135 FSL 551 FEL

Geology/Ground Water:

There are no known aquifers with high quality ground water expected to be encountered and there are only 5 known culinary water wells in all of Emery County. A search of the Division of Water Rights records revealed that there are 75 points of diversion or water supply nearby. A moderately permeable soil is developed on the Middle Member of the Blue Gate Shale, which is a Member of the Mancos Shale. The proposed surface casing and cementing program should be sufficient to ensure the protection of any unknown ground water resources and 300' of surface casing and cement will protect the water table in Ferron Creek. This creek is 1/2 mile to the north and is active all year long, however flow is controlled by Millsite Reservoir. It is also the major source for agricultural water in this part of the Emery County. There are no known Active Faults or Volcanic Dikes in this area that might compromise the well, although at depth these factors may exist, the well appears to be in a favorable location.

Reviewer: K. Michael Hebertson

Date: 27/December/2002

Surface:

The proposed location lies approximately 1 mile West of Ferron, UT. Ferron Creek lies North of the proposed location ~1 mile. Terrain is sloping to the Northwest directly at the location site. Proposed access will come from the North across fee surface from existing county road. Access will cross the local irrigation canal along en-route to the location. Agreements were made between S. Lund (Alker) and L. Anderson (Canal Co.) for a suitable crossing over the canal, 72" minimum culvert with concrete wings to funnel water into culvert and avoid erosion of the bank. There are no residences located near the proposed location. Property boundary between fee and BLM surface lies South of the proposed location ~50'. Alker apparently has the Federal Lease to the south of the proposed location as well. The nearest running surface waters are ~ 1 mile North in Ferron Creek, which runs seasonally in the spring, and the local canal which lies ~ .25 miles North and runs water during the growing season. There are no nearby culinary or irrigation water supply wells. Precipitation will be deflected around the location with berms and culverts. The site was characterized and photographed on 12/18/2002. Provisions were made to ensure site rehabilitation, litter and waste control, preservation of drainage patterns and the integrity of local infrastructure, groundwater and other resources.

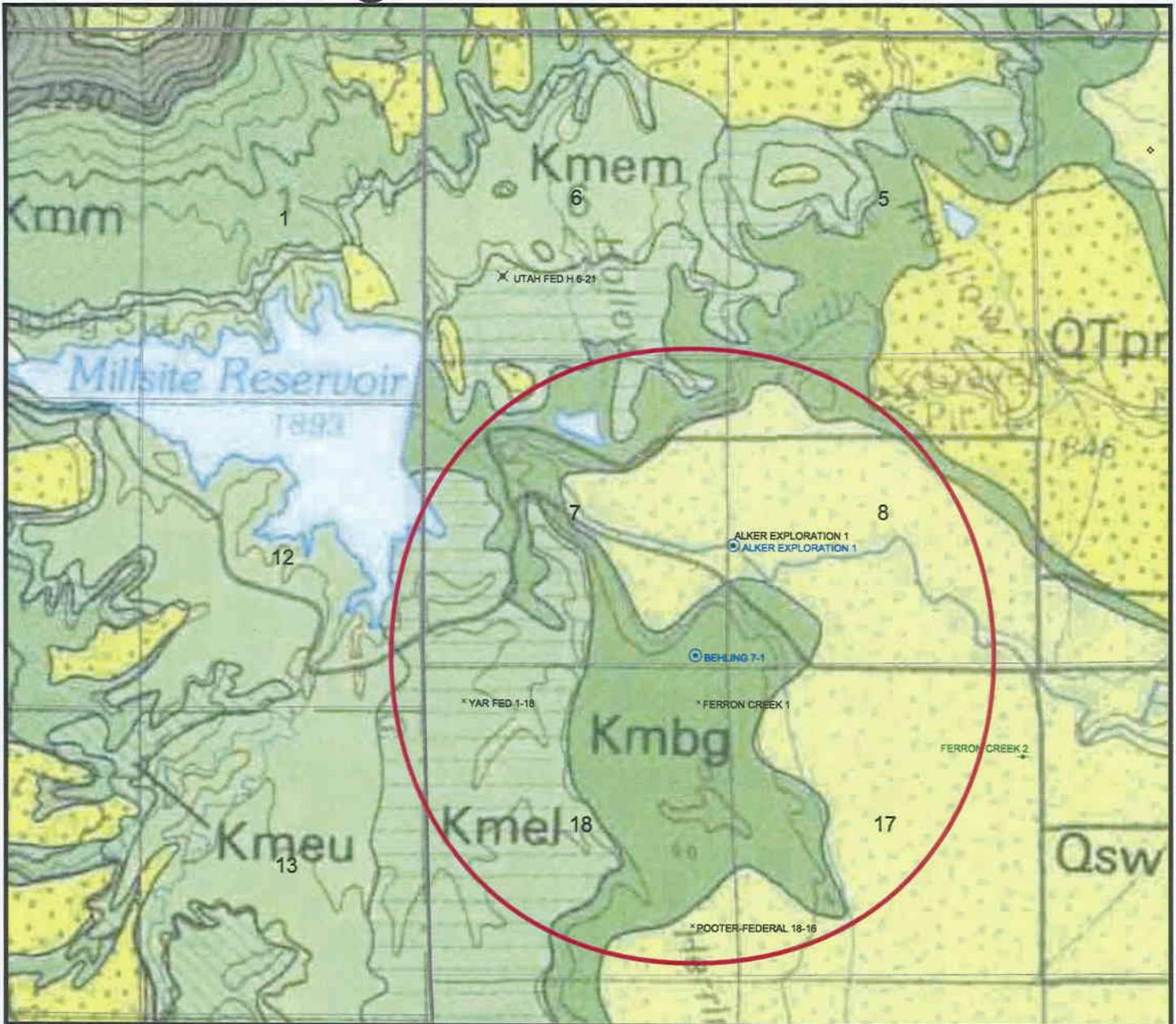
Reviewer: Mark L. Jones **Date:** December 19, 2002

Conditions of Approval/Application for Permit to Drill:

1. Culverts sufficient to manage expected runoff, standing and surface water in crossed drainages.
2. Berm location and pit.
3. Fence the reserve pit.
4. Meet all other agreements discussed during on-site meeting (canal crossing, county road encroachment, run-off drainage and control around location, landowner fences and gates).







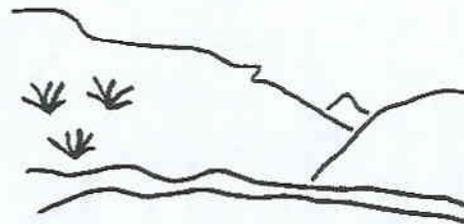
LEGEND

Well Status

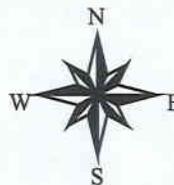
- GAS INJECTION
- GAS STORAGE WELL
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL

Land Ownership

- Private Not Classed
- Forest Service
- BLM
- State Lands
- Native American
- Private
- Military
- National Parks
- State Parks
- State Wilderness
- National Recreation
- US Wildlife
- Wilderness
- Bankhead Jones
- Sovereign Lands
- Water
- Intermittent Water



Utah Oil Gas and Mining



UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED FRI, DEC 27, 2002, 12:24 PM
PLOT SHOWS LOCATION OF 75 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 135 FEET, W 551 FEET OF THE NW CORNER,
SECTION 7 TOWNSHIP 20S RANGE 7E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H

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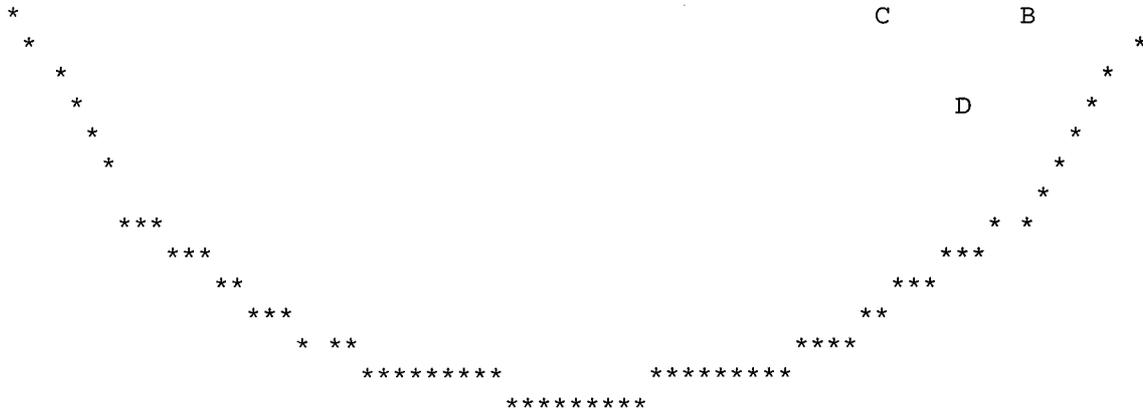
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UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M	U A P T S N P E E U N P R R R
0	93 3429	.0000 .00	Unnamed Tributary to Ferron Cr		X X
			WATER USE(S): STOCKWATERING	PRIORITY DATE: 00/00/1875	
			USA Bureau of Land Management (Price Fie 125 South 600 West	Price	UT 84501
1	93 3429	.0000 .00	Unnamed Tributary to Ferron Cr		X X
			WATER USE(S): STOCKWATERING	PRIORITY DATE: 00/00/1875	
			USA Bureau of Land Management (Price Fie 125 South 600 West	Price	UT 84501
2	93 3205	500.0000 .00	Millsite Reservior	S 100 W 100 NE 12 20S 6E SL X	X
			WATER USE(S): POWER	PRIORITY DATE: 06/15/1981	
			Western Hydro Electric Incorporated P. O. Box 1517	Vernal	UT 84078
2	93 273	.0000 30.00	Ferron Creek	S 215 W 120 NE 12 20S 6E SL	X X
			WATER USE(S):	PRIORITY DATE: 00/00/1900	
			Ferron Canal and Reservoir Company Attn: Ellis Wild	Ferron	UT 84523
2	93 256	.0000 15.00	Ferron Creek	S 215 W 120 NE 12 20S 6E SL	X X

Priority	Year	Diversion ID	Volume	Location	Agency	Contact	Priority Date	UT	NE	20S	6E	SL	X	X
					WATER USE(S): Ferron Canal and Reservoir Company	c/o Ellis Wild	00/00/1900	UT 84523						
2	93	984	.0000	954.05 Ferron Creek	Ferron Canal and Reservoir Company		12/15/1933	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	288	.0000	55.00 Ferron Creek	Ferron Canal and Reservoir Company	Attn: Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	251	.0000	20.00 Ferron Creek	Ferron Canal and Reservoir Company	c/o Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	982	.0000	227.90 Ferron Creek	Ferron Canal and Reservoir Company		05/11/1937	UT 84523	X					
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	908	53.0000	.00 Ferron Creek	State of Utah Board of Water Resources	1594 West North Temple, Ste 310	00/00/1900	UT 84114-6	X	X				
					WATER USE(S): State of Utah Board of Water Resources		00/00/1900	UT 84114-6						
2	93	284	.0000	25.00 Ferron Creek	Ferron Canal and Reservoir Company	Attn: Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	249	.0000	95.00 Ferron Creek	Ferron Canal and Reservoir Company	Attn: Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	282	.0000	70.00 Ferron Creek	Ferron Canal and Reservoir Company	Attn: Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	247	.0000	115.00 Ferron Creek	Ferron Canal and Reservoir Company	c/o Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): Ferron Canal and Reservoir Company		00/00/1900	UT 84523						
2	93	903	100.0000	.00 Ferron Creek	State of Utah Board of Water Resources	1594 West North Temple, Ste 310	00/00/1890	UT 84114-6	X	X				
					WATER USE(S): State of Utah Board of Water Resources		00/00/1890	UT 84114-6						
2	93	28	.0000	575.00 Ferron Creek	Ferron Canal and Reservoir Company	C/O Ellis Wild	00/00/1900	UT 84523	X	X				
					WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING MUNICIPAL POWER OTHER		00/00/1900	UT 84523						
2	93	901	225.0000	.00 Ferron Creek	Ferron Canal and Reservoir Company		00/00/1900	UT 84523	X	X				

	WATER USE(S):									PRIORITY DATE: 00/00/1877		
	State of Utah Board of Water Resources	1594 West North Temple, Ste 310								Salt Lake City	UT 84114-6	
2	<u>93 1066</u>	.0000	15124.00 Ferron Creek	S	215	W	120	NE 12	20S	6E SL	X	X
	WATER USE(S):									PRIORITY DATE: 10/16/1963		
	State of Utah Board of Water Resources	1594 West North Temple, Ste 310								Salt Lake City	UT 84114-6	
2	<u>93 245</u>	.0000	250.00 Tributary to Little Horse Cree	S	215	W	120	NE 12	20S	6E SL	X	X
	WATER USE(S):									PRIORITY DATE: 00/00/1900		
	Ferron Canal and Reservoir Company	C/O Ellis Wild								Ferron	UT 84523	
2	<u>93 920</u>	.0000	182.10 Ferron Creek	S	215	W	120	NE 12	20S	6E SL	X	X
	WATER USE(S):									PRIORITY DATE: 11/23/1911		
	Ferron Canal and Reservoir Company									Ferron	UT 84523	
	State of Utah Division of Wildlife Resou	1594 West North Temple, Ste 2110								Salt Lake City	UT 84114-6	
2	<u>93 1026</u>	.0000	300.00 Ferron Creek	S	215	W	120	NE 12	20S	6E SL	X	X
	WATER USE(S):									PRIORITY DATE: 09/29/1951		
	State of Utah Board of Water Resources	1594 West North Temple, Ste 310								Salt Lake City	UT 84114-6	
2	<u>93 1023</u>	.0000	2876.00 Ferron Creek	S	215	W	120	NE 12	20S	6E SL	X	X
	WATER USE(S):									PRIORITY DATE: 06/21/1948		
	State of Utah Board of Water Resources	1594 West North Temple, Ste 310								Salt Lake City	UT 84114-6	
2	<u>93 3726</u>	152.0000	.00 Ferron Creek	S	215	W	120	NE 12	20S	6E SL	X	X
	WATER USE(S): POWER									PRIORITY DATE: 06/22/1998		
	Ferron Canal and Reservoir Company	P.O. Box 256								Ferron	UT 84523	
2	<u>93 837</u>	.0000	266.38 Wrigley Spring Fork of Slide C	S	215	W	120	NE 12	20S	6E SL	X	
	WATER USE(S):									PRIORITY DATE: 07/25/1956		
	Ferron Canal and Reservoir Company	C/O Gardell Snow, President								Ferron	UT 84523	
3	<u>93 818</u>	.0000	2000.00 Ferron Creek and Cottonwood Cr	S	900	E	100	NW 7	20S	7E SL	X	
	WATER USE(S): POWER									PRIORITY DATE: 03/30/1978		
	Pacificorp dba Utah Power & Light Compan	1407 West North Temple								Salt Lake City	UT 84140	
4	<u>93 1153</u>	.0000	30000.00 Ferron Creek	S	1400	E	500	NW 7	20S	7E SL	X	X
	WATER USE(S): POWER									PRIORITY DATE: 09/04/1972		
	Pacificorp dba Utah Power & Light Compan	1407 West North Temple								Salt Lake City	UT 84140	
4	<u>93 1173</u>	.0000	7000.00 Ferron Creek	S	1400	E	500	NW 7	20S	7E SL	X	X
	WATER USE(S): POWER									PRIORITY DATE: 06/08/1977		
	Ferron Canal and Reservoir Company	c/o Ellis Wild, Box 56								Ferron	UT 84523	
4	<u>93 1122</u>	.0000	280000.00 Ferron Creek	S	1400	E	500	NW 7	20S	7E SL	X	X
	WATER USE(S): POWER OTHER									PRIORITY DATE: 09/12/1969		
	Pittsburg & Midway Coal Mining Company,	6400 South Fiddler's Green Circle								Englewood	CO 80111	

5	<u>93 3447</u>	21.5000	.00 Diversion Hollow	S	1400	E	10	N4	7	20S	7E	SL	X	X
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING MUNICIPAL OTHER													
	Ferron Canal and Reservoir Company											Ferron	UT 84523	
6	<u>93 251</u>	.0000	20.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company c/o Ellis Wild											Ferron	UT 84523	
6	<u>93 901</u>	225.0000	.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	State of Utah Board of Water Resources 1594 West North Temple, Ste 310											Salt Lake City	UT 84114-6	
6	<u>93 247</u>	.0000	115.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company c/o Ellis Wild											Ferron	UT 84523	
6	<u>93 908</u>	53.0000	.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	State of Utah Board of Water Resources 1594 West North Temple, Ste 310											Salt Lake City	UT 84114-6	
6	<u>93 28</u>	.0000	575.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING MUNICIPAL POWER OTHER													
	Ferron Canal and Reservoir Company C/O Ellis Wild											Ferron	UT 84523	
6	<u>93 249</u>	.0000	95.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company Attn: Ellis Wild											Ferron	UT 84523	
6	<u>93 984</u>	.0000	954.05 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company											Ferron	UT 84523	
6	<u>93 982</u>	.0000	227.90 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company											Ferron	UT 84523	
6	<u>93 284</u>	.0000	25.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company Attn: Ellis Wild											Ferron	UT 84523	
6	<u>93 273</u>	.0000	30.00 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company Attn: Ellis Wild											Ferron	UT 84523	
6	<u>93 920</u>	.0000	182.10 Ferron Creek	S	1400	E	1200	NW	7	20S	7E	SL	X	
	WATER USE(S):													
	Ferron Canal and Reservoir Company											Ferron	UT 84523	
	State of Utah Division of Wildlife Resou 1594 West North Temple, Ste 2110											Salt Lake City	UT 84114-6	

6	<u>93 282</u>	.0000	70.00 Ferron Creek	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild		Ferron		PRIORITY DATE: 00/00/1900 UT 84523	
6	<u>93 903</u>	100.0000	.00 Ferron Creek	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310		Salt Lake City		PRIORITY DATE: 00/00/1890 UT 84114-6	
6	<u>93 837</u>	.0000	266.38 Wrigley Spring Fork of Slide C	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	C/O Gardell Snow, President		Ferron		PRIORITY DATE: 07/25/1956 UT 84523	
6	<u>93 1066</u>	.0000	15124.00 Ferron Creek	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310		Salt Lake City		PRIORITY DATE: 10/16/1963 UT 84114-6	
6	<u>93 256</u>	.0000	15.00 Ferron Creek	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	c/o Ellis Wild		Ferron		PRIORITY DATE: 00/00/1900 UT 84523	
6	<u>93 245</u>	.0000	250.00 Tributary to Little Horse Cree	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	C/O Ellis Wild		Ferron		PRIORITY DATE: 00/00/1900 UT 84523	
6	<u>93 1026</u>	.0000	300.00 Ferron Creek	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310		Salt Lake City		PRIORITY DATE: 09/29/1951 UT 84114-6	
6	<u>93 1023</u>	.0000	2876.00 Ferron Creek	S	1400	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310		Salt Lake City		PRIORITY DATE: 06/21/1948 UT 84114-6	
7	<u>93 288</u>	.0000	55.00 Ferron Creek	S	1440	E	1200	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild		Ferron		PRIORITY DATE: 00/00/1900 UT 84523	
8	<u>93 282</u>	.0000	70.00 Ferron Creek	S	1440	E	1370	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild		Ferron		PRIORITY DATE: 00/00/1900 UT 84523	
8	<u>93 908</u>	53.0000	.00 Ferron Creek	S	1440	E	1370	NW 7 20S 7E SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310		Salt Lake City		PRIORITY DATE: 00/00/1900 UT 84114-6	
8	<u>93 28</u>	.0000	575.00 Ferron Creek	S	1440	E	1370	NW 7 20S 7E SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	C/O Ellis Wild		Ferron		IRRIGATION DOMESTIC STOCKWATERING MUNICIPAL POWER OTHER PRIORITY DATE: 00/00/1900 UT 84523	

8	<u>93 249</u>	.0000	95.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild									
													PRIORITY DATE: 00/00/1900 Ferron UT 84523
8	<u>93 288</u>	.0000	55.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild									
													PRIORITY DATE: 00/00/1900 Ferron UT 84523
8	<u>93 273</u>	.0000	30.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild									
													PRIORITY DATE: 00/00/1900 Ferron UT 84523
8	<u>93 903</u>	100.0000	.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310									
													PRIORITY DATE: 00/00/1890 Salt Lake City UT 8411
8	<u>93 251</u>	.0000	20.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	c/o Ellis Wild									
													PRIORITY DATE: 00/00/1900 Ferron UT 84523
8	<u>93 984</u>	.0000	954.05 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company										
													PRIORITY DATE: 12/15/1933 Ferron UT 84523
8	<u>93 982</u>	.0000	227.90 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company										
													PRIORITY DATE: 05/11/1937 Ferron UT 84523
8	<u>93 284</u>	.0000	25.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	Attn: Ellis Wild									
													PRIORITY DATE: 00/00/1900 Ferron UT 84523
8	<u>93 247</u>	.0000	115.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company	c/o Ellis Wild									
													PRIORITY DATE: 00/00/1900 Ferron UT 84523
8	<u>93 901</u>	225.0000	.00 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		State of Utah Board of Water Resources	1594 West North Temple, Ste 310									
													PRIORITY DATE: 00/00/1877 Salt Lake City UT 84114-6
8	<u>93 920</u>	.0000	182.10 Ferron Creek	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):		Ferron Canal and Reservoir Company										
			State of Utah Division of Wildlife Resou	1594 West North Temple, Ste 2110									PRIORITY DATE: 11/23/1911 Ferron UT 84523 Salt Lake City UT 84114-6
8	<u>93 837</u>	.0000	266.38 Wrigley Spring Fork of Slide C	S	1440	E	1370	NW	7	20S	7E	SL	X
	WATER USE(S):												
													PRIORITY DATE: 07/25/1956

	Ferron Canal and Reservoir Company	C/O Gardell Snow, President	Ferron	UT 84523
8	<u>93 1066</u>	.0000 15124.00 Ferron Creek	S 1440 E 1370 NW 7 20S 7E SL	X
	WATER USE(S): State of Utah Board of Water Resources 1594 West North Temple, Ste 310		PRIORITY DATE: 10/16/1963 Salt Lake City	UT 84114-6
8	<u>93 256</u>	.0000 15.00 Ferron Creek	S 1440 E 1370 NW 7 20S 7E SL	X
	WATER USE(S): Ferron Canal and Reservoir Company c/o Ellis Wild		PRIORITY DATE: 00/00/1900 Ferron	UT 84523
8	<u>93 245</u>	.0000 250.00 Tributary to Little Horse Cree	S 1440 E 1370 NW 7 20S 7E SL	X
	WATER USE(S): Ferron Canal and Reservoir Company C/O Ellis Wild		PRIORITY DATE: 00/00/1900 Ferron	UT 84523
8	<u>93 1026</u>	.0000 300.00 Ferron Creek	S 1440 E 1370 NW 7 20S 7E SL	X
	WATER USE(S): State of Utah Board of Water Resources 1594 West North Temple, Ste 310		PRIORITY DATE: 09/29/1951 Salt Lake City	UT 84114-6
8	<u>93 1023</u>	.0000 2876.00 Ferron Creek	S 1440 E 1370 NW 7 20S 7E SL	X
	WATER USE(S): State of Utah Board of Water Resources 1594 West North Temple, Ste 310		PRIORITY DATE: 06/21/1948 Salt Lake City	UT 84114-6
9	<u>93 3447</u>	21.5000 .00 Diversion Hollow	S 1640 W 180 N4 7 20S 7E SL	X
	WATER USE(S): IRRIGATION DOMESTIC STOCKWATERING MUNICIPAL OTHER Ferron Canal and Reservoir Company		PRIORITY DATE: 00/00/1900 Ferron	UT 84523
A	<u>93 3455</u>	.0000 .00 Ferron Creek		X X
	WATER USE(S): STOCKWATERING Nelson, Roxie W. P.O. Box 176		PRIORITY DATE: 00/00/1875 Ferron	UT 84523
B	<u>93 3456</u>	.0000 .00 Ferron Creek		X X
	WATER USE(S): STOCKWATERING Conover, Eva W. P. O. Box 258		PRIORITY DATE: 00/00/1875 Ferron	UT 84523
C	<u>93 3455</u>	.0000 .00 Ferron Creek		X X
	WATER USE(S): STOCKWATERING Nelson, Roxie W. P.O. Box 176		PRIORITY DATE: 00/00/1875 Ferron	UT 84523
D	<u>93 3456</u>	.0000 .00 Ferron Creek		X X
	WATER USE(S): STOCKWATERING Conover, Eva W. P. O. Box 258		PRIORITY DATE: 00/00/1875 Ferron	UT 84523
D	<u>93 3457</u>	.0000 .00 Ferron Creek		X X
	WATER USE(S): STOCKWATERING Behling, Clyde P.O. Box 203		PRIORITY DATE: 00/00/1875 Ferron	UT 84523

Well name:	12-02 Alker Exploration Behling 7-1	
Operator:	Alker Exploration, LLC	
String type:	Surface	Project ID: 43-015-30584
Location:	Carbon County	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.457 psi/ft
Calculated BHP: 137 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: 262 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 69 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 2,100 ft
Next mud weight: 8.800 ppg
Next setting BHP: 960 psi
Fracture mud wt: 19.000 ppg
Fracture depth: 350 ft
Injection pressure: 345 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	300	8.625	24.00	K-55	ST&C	300	300	7.972	2514

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	130	1370	10.56	137	2950	21.52	7	263	36.54 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

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

Date: December 26, 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 300 ft, a mud weight of 8.33 ppg The casing is considered to be evacuated for collapse purposes.
Burst strength is not adjusted for tension.

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

Well name:	12-02 Alker Exploration Behling 7-1		
Operator:	Alker Exploration, LLC		
String type:	Production	Project ID:	43-015-30584
Location:	Carbon County		

Design parameters:

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

Minimum design factors:

Collapse:
Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 94 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 250 ft

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.436 psi/ft
Calculated BHP: 916 psi

Burst:

Design factor 1.00

Cement top:

761 ft

Tension:

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

Non-directional string.

Tension is based on air weight.
Neutral point: 1,832 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Est. Cost ()
1	2100	5.5	17.00	N-80	LT&C	2100	2100	4.767	15062

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	916	6290	6.87	916	7740	8.45	36	348	9.75 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

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

Date: December 26, 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 2100 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.

002



DOLAR ENERGY L.L.C.

Phone: (801) 561-3121
Fax: (801) 561-3133

935 East South Union Avenue
Suite D-202
Midvale, UT 84047-2393

December 27, 2002

Diana Mason
Utah Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, UT 84114-5801

Re: Surface Use Agreement
Behling #7-1- well

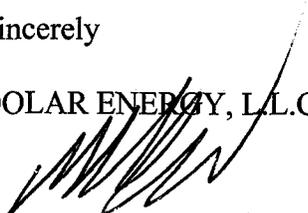
Dear Diana:

Enclosed please find a Surface Use Agreement. With original signatures, by and between John C. Behling and Alker Exploration, Inc. for the above referenced well.

Alker Exploration plans the commencement of the well as soon as the permit is approved so it is imperative the process the permit as soon as possible. If further data is needed from this office, please advise at your earliest convenience.

Sincerely

DOLAR ENERGY, L.L.C


Mark S. Dolar, CPL/ESA

RECEIVED

DEC 30 2002

DIV. OF OIL, GAS & MINING



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

December 30, 2002

Alker Exploration LLC
 155 Montgomery, Suite 504
 San Francisco, CA 94104

Re: Behling 7-1 Well, 135' FSL, 552' FEL, SE SE, Sec. 7, T. 20 South, R. 7 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-015-30584.

Sincerely,

John R. Baza
 Associate Director

pb
 Enclosures
 cc: Emery County Assessor

Operator: Alker Exploration LLC
Well Name & Number Behling 7-1
API Number: 43-015-30584
Lease: Fee

Location: SE SE Sec. 7 T. 20 South R. 7 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)

5. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. No Statements have been received as of permit date.

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATIONName of Company: ALKER EXPLORATION LLCWell Name: BEHLING 7-1Api No: 43-015-30584 Lease Type: FEESection 07 Township 20S Range 07E County EMERYDrilling Contractor ROSS WELL SERVICE RIG# AIR**SPUDDED:**Date 01/14/03Time 3:30 PMHow ROTARY**Drilling will commence:** _____Reported by STEVE LUNDTelephone # 1-415-981-0769Date 02/05/2003 Signed: CHD

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS PROGRAM

PHONE CONVERSATION DOCUMENTATION FORM

Copy?

Conversation Pertains to:

WELL BEHLING 7-1

OTHER

Section 7 Township 20S Range 07E

API Number 43-015-30584

Topic of Conversation: NEED WELL COMPLETION REPORT (FORM 8) SENT IN

Date of Phone Call: 12/3/2003

Time: 9:45 am

DOGMA Employee (name): CAROL DANIELS

Initiated Call?

Spoke with:

Name: LEFT MESSAGE ON VOICE MAIL

Initiated Call?

Of (company/organization): ALKER EXPLORATION LLC Phone: (435) 981-0769

Highlights of Conversation:

MESSAGE LEFT ON VOICE MAIL: NEED WELL COMPLETION REPORT (FORM 8) FOR THIS WELL SINCE IT HAS BEEN PLUGGED. I LEFT MY TELEPHONE NUMBER FOR A CALL BACK.

MRS ALKER RETURNED THE CALL AND SAID KEN ALLEN SHOULD BE THE CONTACT PERSON TO SEND IN THIS REPORT. I THEN CALLED KEN ALLEN OF COCHRANE RESOURCES AND I WAS TOLD HE WAS NOT THE PERSON TO SEND THIS IN.

I THEN CALLED STEVE LUND WHO IS THE APD CONTACT FOR ALKER EXPLORATION LLC. HIS CELL # (435-340-0557). LEFT A VOICE MESSAGE ASKING HIM IF HE COULD FILL OUT THE WELL COMPLETION REPORT. MR LUND RETURNED MY CALL AT 3:58 PM ON 12/03/2003 AND HE SAID HE WOULD DO THE WCR AND SEND IT OUT ON MONDAY, 12/08/2003. NEVER RECEIVED THE WCR.

CALLED MR LUND AGAIN ON 12/17/2003 AT 3:44 PM AND ASKED HIM ABOUT THE WCR. HE SAID HE WOULD GET IT FINISHED UP THIS WEEK. NEVER RECEIVED THE WCR.

I CALLED AGAIN ON 01/14/04 AT 8:23 AM AND LEFT ANOTHER VOICE MESSAGE ABOUT NOT RECEIVING THE WCR IN DECEMBER 2003. STEVE LUND RETURNED MY CALL THE SAME DAY AND AGAIN PROMISED TO WORK ON THE REPORT THAT NIGHT AND SEND OUT. AGAIN NEVER RECEIVED THE WELL COMPLETION REPORT.

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: ALKER EXPLORATION LLC

Today's Date: 01/27/2004

Well:

BEHLING 7-1
T20S R07E SEC 07

API Number:

4301530584

Drilling Commenced:

01/14/2003

To avoid compliance action, required reports should be mailed within 7 business days to:

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

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

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

ENTITY ACTION FORM

Operator: AUKER EXPLORATION LLC Operator Account Number: N 1880
 Address: 155 MONTGOMERY, SUITE 504
 city SAN FRANCISCO
 state CA zip 94104 Phone Number: (415) 918-0769

Well 1

API Number	Well Name	SE	NS	TS	TE	Entity
43-015 30584	BEHLING 7-1	SESE	7	20S	7E	EMERY
Action Code	Current Entity Number	New Entity Number	Effective Date	Entity Management Effective Date	Comments	
A	99999	13724	1-14-2003	2-11-03		

CONFIDENTIAL

Well 2

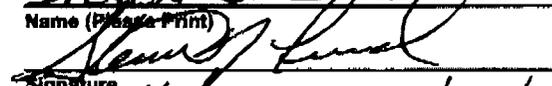
API Number	Well Name	SE	NS	TS	TE	Entity
Action Code	Current Entity Number	New Entity Number	Effective Date	Entity Management Effective Date	Comments	

Well 3

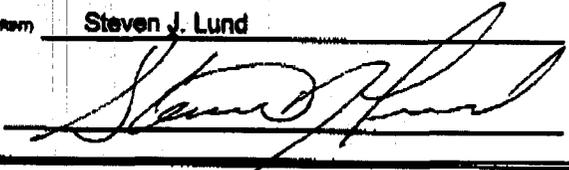
API Number	Well Name	SE	NS	TS	TE	Entity
Action Code	Current Entity Number	New Entity Number	Effective Date	Entity Management Effective Date	Comments	

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

STEVEN J. LYND
 Name (Please Print)

 Signature
Consultant
 Title
1/30/03
 Date

007

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING		FORM 9
SUNDRY NOTICES AND REPORT ON WELLS		3. LEASE DESIGNATION AND SERIAL NUMBER: FEE
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 intervals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF DESIGN, ALLOTTEE OR TRIBE NAME: N/A
1. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: N/A
2. NAME OF OPERATOR: ALKER EXPLORATION L.L.C.		8. WELL NAME and NUMBER: Behling 7-1
3. ADDRESS OF OPERATOR: 155 MONTGOMERY, SUITE 504 (415) 981-0769 CITY SAN FRANCISCO STATE CA ZIP 94104 PHONE		9. API NUMBER: 43-015-30684
4. LOCATION OF WELL: FOOTAGE AT SURFACE: 135' FSL - 551' FEL CTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/4 SE/4 Sec 7 - T20S - R7E SLB&M		10. FIELD AND POOL, OR WELDCAT Ferton COUNTY Emery STATE UT
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR DATA		
TYPE OF SUBMISSION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Appropriate date work will start: _____ <input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS: Clearly show all pertinent details including dates, depths, volumes, etc. Attached is the drilling report for the above referenced well Spud Date January 14, 2003 Surface casing is set at 300 feet Drillers TD 2097 feet Logger Depth 2050 feet Plug back depth 1997 feet		
NAME (PLEASE PRINT) <u>Steven J. Lund</u>		TITLE <u>Consultant/engineer</u>
SIGNATURE 		DATE <u>2/11/03</u>
(THIS SPACE FOR STATE USE ONLY)		
API NUMBER ASSIGNED _____		APPROVAL: _____

RECEIVED
 FEB 11 2003
 DIV. OF OIL, GAS & MINING

CONFIDENTIAL

Behling 7-1
SE/4 SE/4 Sec. 7 - T 20 S - R 7 E

SUNDRY NOTICE

1-14-03: 3:30 pm Spud the hole.

1-15-03: cemented conductor at 10:00 with ready mix

1-18-03: Drilled surface casing to 300 ft.

1-19-03: Run surface and cement.

1-22-03: RIG EQUIP-ON LOCATION. Test BOP at 10:00 to 1:15 test to 2700 psi test OK. Began drilling out from under surface casing at 1:30 pm.

1-23-03: Drilling ahead

1-24-03: Run first survey at 1020 ft., 1.8 degrees out

1-25-03: 1685 ft. Ferron sand shows
1825 ft. Ferron coal shows

1-26-03: 2050 ft. hit water in tununk. Water sample 10 ohms of resistance (brackish).

Driller TD 2097 feet. TOH Load hole with 2% clay stabilizer. Waiting on Logger.
Logger on location at 7:04 pm. Logger depth 2050 feet.

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

FORM 9

SUNDRY NOTICES AND REPORT ON WELLS

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

1. TYPE OF WELL: OIL GAS OTHER

~~CONFIDENTIAL~~

8. WELL NAME and NUMBER:

Behling 7-1

2. NAME OF OPERATOR:

ALKER EXPLORATION L.L.C.

9. API NUMBER

43-015-30584

3. ADDRESS OF OPERATOR 155 MONTGOMERY, SUITE 504

(415) 981-0769

City SAN FRANCISCO STATE CA ZIP 94104

PHONE

10. FIELD AND POOL, OR WILDCAT

Ferron

4. LOCATION OF WELL

FOOTAGE AT SURFACE: 135' FSL - 551' FEL

COUNTY

Emery

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:

SE/4 SE/4 Sec 7 - T20S - R7E SLB&M

STATE

UT

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

TYPE OF SUBMISSION

NOTICE OF INTENT

(Submit in Duplicate)

Approximate date work will start:

SUBSEQUENT REPORT

(Submit Original Form Only)

Date of work completion:

ACIDIZE

ALTER CASING

CASING REPAIR

CHANGE TO PREVIOUS PLANS

CHANGE TUBING

CHANGE WELL NAME

CHANGE WELL STATUS

COMMINGLE PRODUCING FORMATIONS

CONVERT WELL TYPE

DEEPEN

FRACTURE TREAT

NEW CONSTRUCTION

OPERATOR CHANGE

PLUG AND ABANDON

PLUG BACK

PRODUCTION (START/RESUME)

RECLAMATION OF WELL SITE

RECOMPLETE - DIFFERENT FORMATION

REPERFORATE CURRENT FORMATION

SIDETRACK TO REPAIR WELL

TEMPORARILY ABANDON

TUBING REPAIR

VENT OR FLARE

WATER DISPOSAL

WATER SHUT-OFF

OTHER

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS:

Clearly show all pertinent details including dates, depths, volumes, etc.

Attached is the drilling report for the above referenced well

Spud Date January 14, 2003

Surface casing is set at 300 feet

Drillers TD 2097 feet

Logger Depth 2050 feet

Plug back depth 1997 feet

RECEIVED

FEB 18 2003

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Steven J. Lund

TITLE Consultant/engineer

SIGNATURE

DATE

2/11/03

(THIS SPACE FOR STATE USE ONLY)

API NUMBER ASSIGNED

APPROVAL:

CONFIDENTIAL

Behling 7-1
SE/4 SE/4 Sec. 7 - T 20 S - R 7 E

SUNDRY NOTICE

1-14-03: 3:30 pm Spud the hole.

1-15-03: cemented conductor at 10:00 with ready mix

1-18-03: Drilled surface casing to 300 ft.

1-19-03: Run surface and cement.

1-22-03: RIG EQUIP-ON LOCATION. Test BOP at 10:00 to 1:15 test to 2700 psi test OK. Began drilling out from under surface casing at 1:30 pm.

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1825 ft. Ferron coal shows

1-26-03: 2050 ft. hit water in tununk. Water sample 10 ohms of resistance (brackish).

Driller TD 2097 feet. TOH Load hole with 2% clay stabilizer. Waiting on Logger.
Logger on location at 7:04 pm. Logger depth 2050 feet.

RECEIVED

FEB 18 2003

DIV. OF OIL, GAS & MINING

009

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

FORM 9

SUNDRY NOTICES AND REPORT 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 GAS OTHER **CONFIDENTIAL**

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
N/A
7. UNIT or CA AGREEMENT NAME:
N/A

2. NAME OF OPERATOR:
ALKER EXPLORATION L.L.C.

8. WELL NAME and NUMBER:
BEHLING 7-1

3. ADDRESS OF OPERATOR
155 MONTGOMERY, SUITE 504
CITY SAN FRANCISCO STATE CA ZIP 94104 PHONE (415) 981-0769

9. API NUMBER
43-015-30584

4. LOCATION OF WELL
FOOTAGE AT SURFACE: 135' FSL & 551' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/4 SE/4 Sec 7 - T20S - R7E

10. FIELD AND POOL, OR WILDCAT
COUNTY EMERY
STATE UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR DATA
TYPE OF SUBMISSION

NOTICE OF INTENT
(Submit in Duplicate)
Approximate date work will start:
9/1/2003

SUBSEQUENT REPORT
(Submit Original Form Only)
Date of work completion:

- ACIDIZE
- ALTER CASING
- CASING REPAIR
- CHANGE TO PREVIOUS PLANS
- CHANGE TUBING
- CHANGE WELL NAME
- CHANGE WELL STATUS
- COMMINGLE PRODUCING FORMATIONS
- CONVERT WELL TYPE

- DEEPEN
- FRACTURE TREAT
- NEW CONSTRUCTION
- OPERATOR CHANGE
- PLUG AND ABANDON
- PLUG BACK
- PRODUCTION (START/RESUME)
- RECLAMATION OF WELL SITE
- RECOMPLETE - DIFFERENT FORMATION

- REPERFORATE CURRENT FORMATION
- SIDETRACK TO REPAIR WELL
- TEMPORARILY ABANDON
- TUBING REPAIR
- VENT OR FLARE
- WATER DISPOSAL
- WATER SHUT-OFF
- OTHER

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

PLUG AND ABANDON FINAL REPORT

Bottom Plug Set cement retainer 1700' **Class G specs.**
 Pump 42 sacks of 15 ppg cement Wt. 15.88 ppg
 Pump 50 feet of cement over cement retainer yield 1.15 cf/sk
 H2O Mix: 4.97 gal./sk

Top Plug Set cement retainer 350'
 Pump cement from 350' to surface
 Pump 42 sacks of 15 ppg cement

One inch cement in annulus between surface and production casing to surface
 One inch cement in annulus between surface and open hole to surface

Weld P&A MARKER: 4 feet of 4 inch pipe with operator, well name, legal description, depth, API number

NAME (PLEASE PRINT) Steven J. Lund
SIGNATURE *Steven J. Lund*

TITLE Consulting Engineer
DATE 2/26/03

(THIS SPACE FOR STATE USE ONLY)
APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
API NUMBER ASSIGNED
5/2000

COPY SENT TO OPERATOR
Date: 8-25-03
Initial: [Signature]
APPROVAL:

RECEIVED
AUG 22 2003
DIV. OF OIL, GAS & MINING

DATE: 8/25/03
BY: [Signature]
* See Conditions of Approval attached
(See Instructions on Reverse Side)

CONFIDENTIAL

BEHLING 7-1
SE/4 SE/4 SEC. 7 - T20S - R7E

SURFACE CASING: 8 5/8" 24#/ft K-55

(350 - 0)ft X 0.1370 cf/ft = 48 cf

48 cf / 1.15 cf/sk = 42 sacks

Pump 42 sacks

300 FEET

SURFACE

Class G cement specs.:

wt.: 15.88 ppg

yield 1.15 cf/sk

H2O MIX: 4.97 gal/sk

350' Cement Retainer Setting Depth

PRODUCTION CASING: 5 1/2" 17 #/ft N -80

Production casing capacity 0.1370 cf/ft

BOTTOM PLUG:

(1997-1650)ft X 0.1370 cf/ft = 48 cf

58 cf / 1.15 cf/sk = 42sks

Pump 51 sacks

1650 FEET

Top of plug

1700 FEET Cement Retainer Setting Depth

1760 - 1754 feet 4 SPF

1816 - 1810 feet 4 SPF

1838 - 1830 feet 4 SPF

1838 - 1830 feet 4 SPF

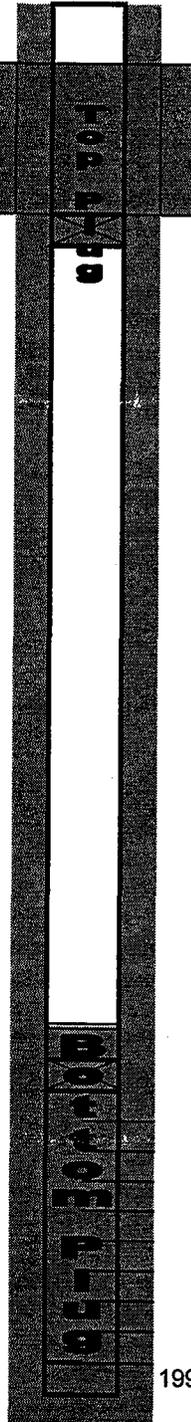
1868 - 1862 feet 4 SPF

1922- 1916 feet 4 SPF

1978- 1962 feet 4 SPF

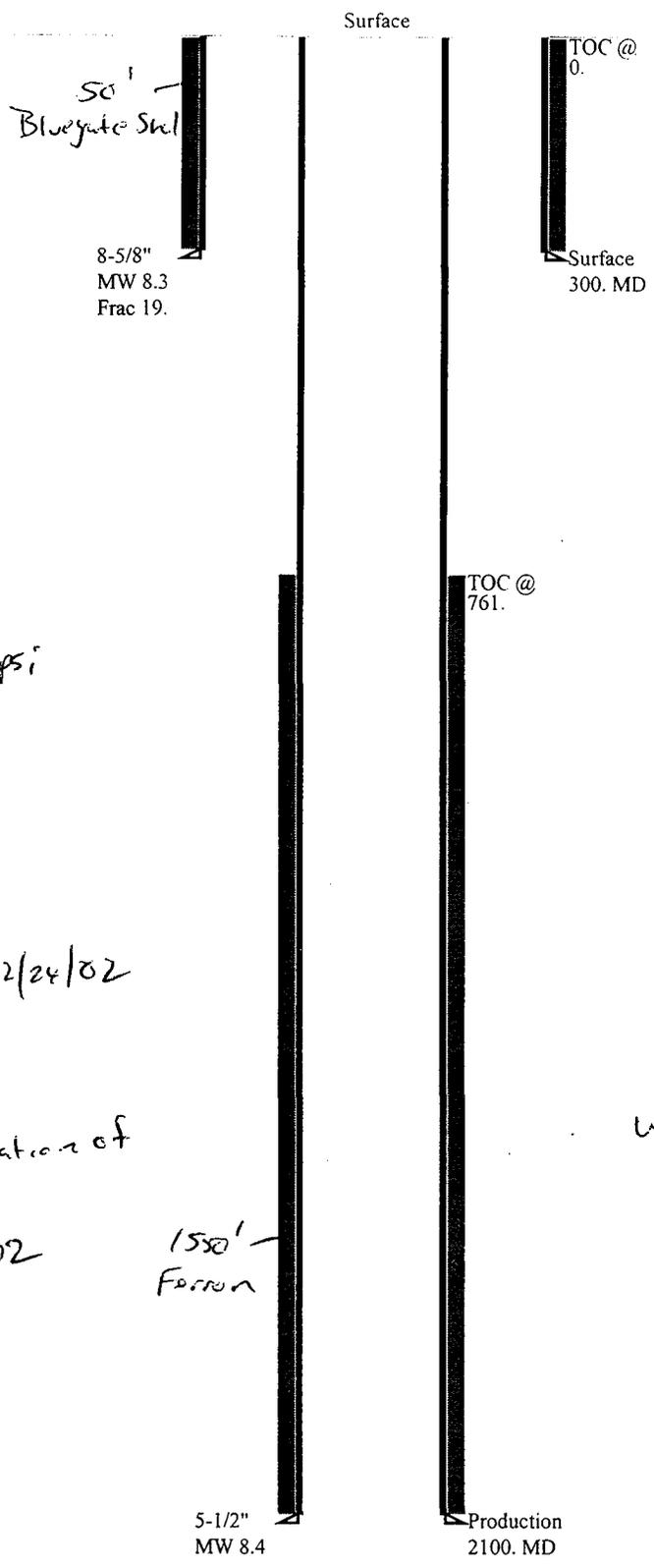
1997 FEET

Plug back depth



12-02 Alker Exploration Be...ng 7-1
Casing Schematic

CONFIDENTIAL



w/208 worksheet

w/158 worksheet

BOP
RHP
 $(0.052)(8.4)(2100) = 917 \text{ psi}$
Anticipated = 1000 psi

7 in BOPF proposed

Adequate Dred 12/24/02

12/24/02 Need verification of
Cement yields

✓ Steelhead 12/30/02
Surface 1.15 C
Prod lead 1.27 30/50
Trail 1.19 C

1550'
Ferraon

010

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

FORM 9

SUNDRY NOTICES AND REPORT 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 GAS OTHER CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

N/A

7. UNIT or CA AGREEMENT NAME:

N/A

2. NAME OF OPERATOR:
ALKER EXPLORATION L.L.C.

8. WELL NAME and NUMBER:

Behling 7-1

9. API NUMBER

43-015-30584

3. ADDRESS OF OPERATOR 155 MONTGOMERY, SUITE 504
City SAN FRANCISCO STATE CA ZIP 94104

(415) 981-0769

PHONE

10. FIELD AND POOL, OR WILDCAT

Ferron

4. LOCATION OF WELL
FOOTAGE AT SURFACE: 135' FSL - 551' FEL

COUNTY

Emery

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE/4 SE/4 Sec 7 - T20S - R7E SLB&M

STATE

UT

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

TYPE OF SUBMISSION

NOTICE OF INTENT
(Submit in Duplicate)
Approximate date work will start:

SUBSEQUENT REPORT
(Submit Original Form Only)
Date of work completion:

- ACIDIZE
- ALTER CASING
- CASING REPAIR
- CHANGE TO PREVIOUS PLANS
- CHANGE TUBING
- CHANGE WELL NAME
- CHANGE WELL STATUS
- COMMINGLE PRODUCING FORMATIONS
- CONVERT WELL TYPE

- DEEPEN
- FRACTURE TREAT
- NEW CONSTRUCTION
- OPERATOR CHANGE
- PLUG AND ABANDON
- PLUG BACK
- PRODUCTION (START/RESUME)
- RECLAMATION OF WELL SITE
- RECOMPLETE - DIFFERENT FORMATION

- REPERFORATE CURRENT FORMATION
- SIDETRACK TO REPAIR WELL
- TEMPORARILY ABANDON
- TUBING REPAIR
- VENT OR FLARE
- WATER DISPOSAL
- WATER SHUT-OFF
- OTHER

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

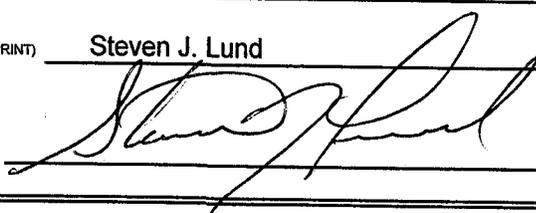
Set 300 feet of 8 5/8" 24 #/ft K-55 surface casing
Set 2000 feet of 5 1/2" 17 #/ft N-80 Prod. Casing

Acidized with 100 bbls of 15% HCL
Flowed back and flow tested
Frac'd with 215,000 lbs. 20-40 sand and 88175 bbls water
Flowed back and flow tested
Set casing patch @1803' - 1823'
Preparing to P&A

Perferated Zones: 1978- 1962 feet 4 SPF
1922- 1916 feet 4 SPF
1868 - 1862 feet 4 SPF
1838 - 1830 feet 4 SPF
1816 - 1810 feet 4 SPF
1760 - 1754 feet 4 SPF

NAME (PLEASE PRINT) Steven J. Lund

TITLE Consultant/engineer

SIGNATURE 

DATE 7/26/03

(THIS SPACE FOR STATE USE ONLY)

API NUMBER ASSIGNED

APPROVAL:

RECEIVED

AUG 22 2003

014

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Alker Exploration L.L.C.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 155 Montgomery CITY San Francisco STATE CA ZIP 94104		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (425) 981-0769		8. WELL NAME and NUMBER: Behling 7-1
4. LOCATION OF WELL FOOTAGES AT SURFACE: SE SE 1/4		9. API NUMBER: 4301530504
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE SE Sec 7, T20S, R7E		10. FIELD AND POOL, OR WILDCAT:
COUNTY: Emery		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" 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: 11/20/2003	<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.

P & A Well as follows:

11/20/03
Set cement retainer at 1678'.
Plug #1 Pump 12.6 bbls of 15.6 #/gal cement (60 sks). Put 11.1 bbls below retainer on perfs and 1.6 bbls on top of retainer.
Plug #2 Set tubing at 355'. Mix and pump 10.5 bbls (50 sks) of cement and fill 5 1/2" csg from 355' to surface.
Plug #3 Run 75' of 1" pipe between 5 1/2" and 8 5/8" csg. Fill annulus with water. Mix and pump 50 sks cement, fill annulus, cement fell down hole. Mix and pump 20 sks cement and fill annulus. Fell slowly down hole. Wait 3 hrs mix and pump 20 sks cement and fill annulus with 12 sks. Keep hole full with last 8 sks as cement slowly went down hole. Set dry hole marker in 5 1/2" csg.

11/21/03
Check cement on annulus. Down 5'. Mix and dump 3 sks of sakcrete to fill annulus.

NAME (PLEASE PRINT) Ken Allen	TITLE Agent
SIGNATURE	DATE 12/1/2003



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

CONFIDENTIAL

**CONDITIONS OF APPROVAL
TO PLUG AND ABANDON WELL**

Well Name and Number: Behling 7-1
API Number: 43-015-30584
Operator: Alker Exploration LLC
Reference Document: Original Sundry Notice dated July 26, 2003,
received by DOGM on August 22, 2003.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
3. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
4. If there are any changes to the plugging procedure or wellbore configuration, notify Dustin Doucet at 801-538-5281 prior to continuing with the procedure.
5. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

August 25, 2003

Date



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

December 10, 2003

Henry Alker
Alker Exploration, LLC
155 Montgomery, Suite 504
San Francisco, CA 94104

RE: Alker Exploration I (API #43-015-30255) Bond and Intent with location and Behling 7-1 (API #43-015-30584) Bond

Dear Mr. Alker:

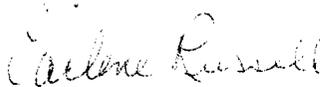
As we discussed today on the CD for the Alker Exploration I well, our file does not contain an original certificate for Wells Fargo Bank account 2014747919 in the amount of \$10,000. I was also trying to verify the current status of this account. Please provide such to my attention at the address shown here.

If you intend to abandon the location of the Alker Exploration I well, please send a letter stating you want the APD rescinded. At that point, with your authorization, I can transfer CD #2014747919 to bond the Behling 7-1 well.

Upon successful completion of the reclamation and inspection of the Behling 7-1, the CD can be released with your written request. I have looked at the inspection of the plugging of this well. That part looks good.

If you have questions, please call me at (801) 538-5336.

Sincerely,


Earlene Russell
Engineering Technician

cc: files

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: ALKER EXPLORATION LLC

Today's Date: 01/27/2004

Well:	API Number:	Drilling Commenced:
BEHLING 7-1 T20S R07E SEC 07	4301530584	01/14/2003

Rec. 2/3/04

To avoid compliance action, required reports should be mailed within 7 business days to:

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

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: Well File
Compliance File

December 24, 2003

Clyde Behling

Alker Exploration
155 Montgomery St., Suite 504
San Francisco, CA 94104

Re: Acceptance of cleanup and remediation of the Behling 7-1

To Whom It May Concern:

I Clyde Behling have inspected and do accept the abandonment and remediation of the Behling 7-1, API number 43-015-30584, well location in the se/4 se/4 sec 7- T20S – R7E and do hereby release Alker Exploration L.L.C. from any further responsibility and liability related to this well location and the access road to the location.


Clyde Behling

Cc Alker Exploration
State of Utah Division of Oil Gas and Mining

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DIV. OF OIL, GAS & MINING

STATE OF UTAH

AMENDED REPORT

FORM 8

012

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NUMBER.

Fee

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

6. IF INDIAN, ALLOTTEE OR TRIBE NAME.

a. TYPE OF WELL: OIL GAS DRY OTHER _____
 b. type of work: NEW HORIZ. DEEP- RE- DIFF. OTHER _____
 WELL LATS. EN ENTRY RESVR

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER

Behling 7-1

2. NAME OF OPERATOR: ALKER EXPLORATION L.L.C.

9. API NUMBER

43-015-30584

3. ADDRESS OF OPERATOR 155 MONTGOMERY, SUITE 504 (415) 981-0769
 City SAN FRANCISCO STATE CA ZIP 94104 PHONE

10. FIELD AND POOL, OR WILDCAT

Wildcat

4. LOCATION OF WELL (FOOTAGES)
 AT SURFACE 135' FSL - 551' FEL
 AT TOP PRODUCING INTERVAL REPORTED BELOW: 135' FSL - 551' FEL
 AT TOTAL DEPTH: 135' FSL - 551' FEL

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN

SE/4 SE/4 Sec 7 - T20S - R7E SLB&M

12. COUNTY Emery 13. STATE Utah

13. DATE SPUNDED Jan -14- 03 14. DATE SPUNDED N/A 15. DATE SPUNDED N/A 11-21-03
 ABANDONED READY TO PRODUCE

17. EVALUATIONS (DF, RKB, RT, GL)

6095 GL

18. TOTAL DEPTH MD TVD 2071' 19. PLUG BACK T.D.: MD TVD -- 20. IF MULTIPLE COMPLETIONS, HOW MANY** -- 21. DEPTH BRIDGE PLUG SET MD TVD N/A

22. TYPE OF ELECTRICAL LOGS RUN (SUBMIT COPY OF EACH)
 Compensated Density, Compensated Neutron, Gamma Ray
 Cement Bond Log, Dual Induction, Guard, Gamma - Rec
 2-18-03

23. WAS WELL CORED? NO YES SUBMIT ANALYSIS
 WAS DST RUN? NO YES SUBMIT ANALYSIS
 DIRECTIONAL SURVEY? NO YES SUBMIT ANALYSIS

24. CASING AND LINER RECORD (Report all strings in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/FT)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE& NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP**	AMOUNT PULLED
11"	8 5/8" K-55	24	0'	300'	---	145 G	30	Surface	0
7 7/8"	5 1/2" N-80	17	0'	2050'	---	130 SK 50/50 POZ-G 70 SKS	64	Surface	0

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	SEPTH SET (MD)	PACKER SET DEPTH (MD)

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) FERRON	1750'	2014'	Same	Same
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (TOP/BOT. MD)	SIZE	NO. HOLES	PERFORATION STATUS
1754-1760'	0.5 & 1.0"	24	OPEN
1810-1816/1830-1838'	0.5 & 1.0"	24	OPEN
1830-1838/1862-1868'	0.5 & 1.0"	24	OPEN
1916-1922/1962-1978	0.5 & 1.0"	24	OPEN

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
1754-1978'	Acid Ball-Out 1800 Gallons 15% HCl
1754-1978'	Gel Frac with 215,000 lbs of 20/40 sand

29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER Land owner Letter of release

30. WELL STATUS

Plugged and Abandoned

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31. INITIAL PRODUCTION INTERVAL A (AS SHOWN IN ITEM #26)

DATE FIRST PRODUCTION 2/19/2003		TEST DATE 2/9/2003		HOURS TESTED 1 hr 15 min		TEST PRODUCTION RATES ->		OIL -BBL: 0	GAS - MCF 1	WATER - BBL 500	PROD. METHOD
CHOKE SIZE 0.125	TBG. PRESS. 27 psig	CSG. PRESS. 27 psig	API GRAVITY	BTU - GAS n/a	GAS/OIL RATIO n/a	24 HR. PRODUCTION RATES -> Shut in, Began swabbing		OIL -BBL:	GAS - MCF	WATER - BBL	INTERVAL STATUS

INTERVAL B (AS SHOWN IN ITEM #26)

DATE FIRST PRODUCTION 4/4/2003 -4/10/03		TEST DATE 4/4/2003 -4/10/03		HOURS TESTED Continually		TEST PRODUCTION RATES ->		OIL -BBL: 0	GAS - MCF TSTM	WATER - BBL 1000 bpd	PROD. METHOD
CHOKE SIZE 0.125	TBG. PRESS. 0 psig	CSG. PRESS. 13 psig	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR. PRODUCTION RATES -> Put well on PC Pump		OIL -BBL:	GAS - MCF	WATER - BBL	INTERVAL STATUS

INTERVAL C (AS SHOWN IN ITEM #26)

DATE FIRST PRODUCTION 4/11/2003 - 4/17/03		TEST DATE 4/11/2003 - 4/17/03		HOURS TESTED Continually		TEST PRODUCTION RATES ->		OIL -BBL: 0	GAS - MCF TSTM	WATER - BBL 1000 bpd	PROD. METHOD
CHOKE SIZE 0.125	TBG. PRESS. 0 psig	CSG. PRESS. 22 psig	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR. PRODUCTION RATES -> Well on pump in an effort to de-water enough to flow gas		OIL -BBL:	GAS - MCF	WATER - BBL	INTERVAL STATUS

INTERVAL D (AS SHOWN IN ITEM #26)

DATE FIRST PRODUCTION 4/24/2003 - 4/29/03		TEST DATE 4/24/2003 - 4/29/03		HOURS TESTED Continually		TEST PRODUCTION RATES ->		OIL -BBL: 0	GAS - MCF TSTM	WATER - BBL 1000 bpd	PROD. METHOD
CHOKE SIZE 0.125	TBG. PRESS. 0 psig	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR. PRODUCTION RATES -> Well on pump in an effort to de-water enough to flow gas		OIL -BBL:	GAS - MCF	WATER - BBL	INTERVAL STATUS

32. DISPOSITION OF GAS (SOLD, USED FOR FUEL, VENTED, ETC.)
No gas sold or used for pump

33. SUMMARY OF POROUS ZONES (INCLUDE AQUIFERS):

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

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Formation	Top (MD)	Bottom (MD)	Description, Contents, etc.	Name	Top (Measured Depth)
Mancos Shale	Surface	1750 ft	Shale		1750 ft
Ferron Sandstone	1750 ft	2014 ft	Sandstone		2014 ft
Ferron Sandstone/Coal	1810 ft	1820 ft	Sandstone / Coal		1810 ft
Tununk	2014 ft	2055 ft +	Shale		2014 ft

35. ADDITIONAL REMARKS (Include plugging procedure)

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

NAME (PLEASE PRINT) STEVEN J. LYND TITLE ENGINEER
SIGNATURE [Signature] DATE 1/26/04

- This report must be submitted within 30 days of
- completing or plugging a new well
 - drilling horizontal laterals from an existing well bore
 - recompleting to a different producing formation
 - reentering a plugged and abandoned well
 - significantly deepening an existing well bore below the previous bottom-hole depth
 - drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* Item 20: Show the number of completions if production is measured separately from two or more formations.
** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil Gas and Mining Phone: 801 - 538 - 5340
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Salt Lake City, Utah 84114-5801