



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

January 20, 2003

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

RE: Application for Permit to Drill-
Utah 35-595, NE/4 NW/4 Sec. 35
T16S, R08E, SLB & M, Emery County, Utah

Dear Ms. Mason:

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

- Exhibit "A"- Survey Plat of the Proposed Well Site;
- Exhibit "B" - Proposed Location Map with Pipeline, Power, and Road Access;
- Exhibit "C" - Drilling Site Layout;
- Exhibit "D" - Drilling Information
- Exhibit "E" - Multipoint Surface Use Plan
- Exhibit "F" - Typical Road Cross-section;
- Exhibit "G" - BOP Diagram;
- Exhibit "H" - Typical Wellhead Manifold;
- Exhibit "I" - Evidence of Bond;

Utah 35-595

Page 2

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

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

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

Sincerely,



Jean Semborski
Permitting Supervisor

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

001

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

FORM 3

AMENDED REPORT
(HIGHLIGHT CHANGES)

APPLICATION FOR PERMIT TO DRILL

1A. Type of Work: DRILL REENTER DEEPEN

B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR: ConocoPhillips Company

3. ADDRESS OF OPERATOR: 6825 South 5300 West, P.O. Box 851, Price, Utah 84501
CITY STATE ZIP

PHONE NUMBER: (435) 613-9777

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 1152' FNL, 1469' FWL 500301 X -110,99650
AT PROPOSED PRODUCING ZONE: 4340131 Y 39,39255

5. MINERAL LEASE NO. ML-48390

6. SURFACE State

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

8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X

9. WELL NAME and NUMBER: Utah 35-595

10. FIELD AND POOL, OR WILDCAT: Drunkards Wash

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NE/4 NW/4 Section 35, T16S, R08E, SLB&M

12. COUNTY: Emery

13. STATE: UTAH

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 4 miles northwest of Huntington, UT

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 163'

16. NUMBER OF ACRES IN LEASE: 759.53

17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1900'

19. PROPOSED DEPTH: 3350'

20. BOND DESCRIPTION: Rotary

21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 6730.2' GR

22. APPROXIMATE DATE WORK WILL START: May 2003

23. ESTIMATED DURATION:

24. **PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
14"	12 3/4" Conductor	40'	
11"	J-55 8 5/8" 24#/ft	335'	150 sks G+2&CaCl+1/4#/sk floccel
7 7/8"	N-80 5 1/2" 17#/ft	3340'	100 sks 50/50poz8%gel+2%CaCl+1%extender
			90 sks "G" thixotropic

25. **ATTACHMENTS**

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

WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER

EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER

COMPLETE ENVIRONMENTAL PLAN

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

RECEIVED
DIV. OF OIL, GAS & MINING

Name & Signature: Jean Semborski *Jean Semborski* Title: Permitting Supervisor Date: 1/20/03

(This space for state use only)

API Number Assigned: 43-015-30598

CONFIDENTIAL

Approved by the Utah Division of Oil, Gas and Mining

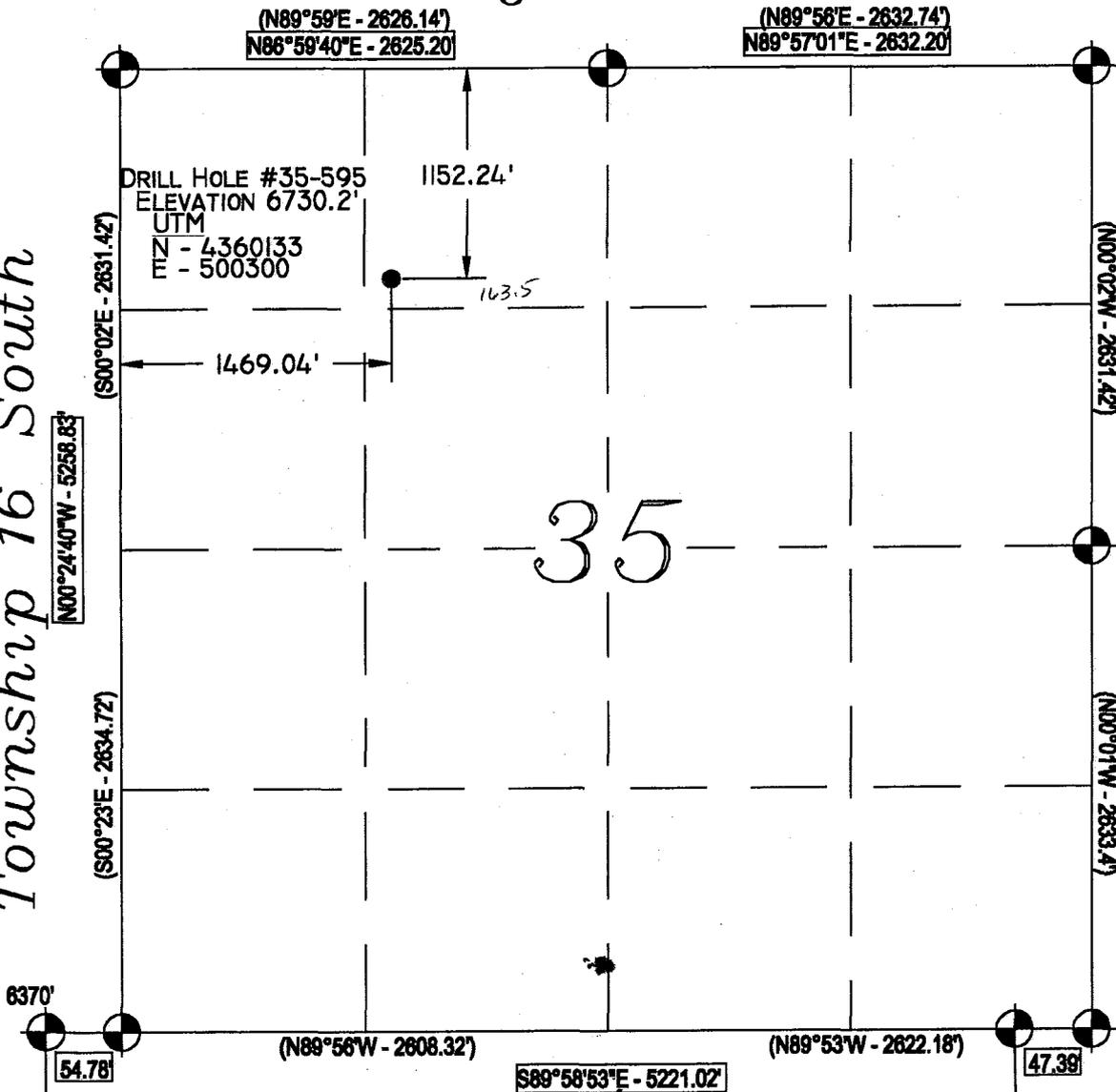
Date: 02-26-03

By: *[Signature]*

RECEIVED
FEB - 4 2003
DIV OF OIL, GAS & MINING

Range 8 East

Township 16 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.

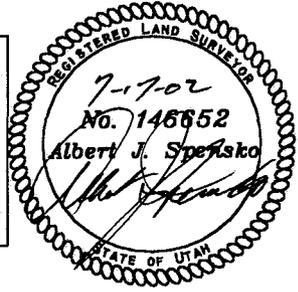
GLO Bearing:
 THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

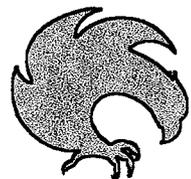
Basis of Elevation:
 BASIS OF ELEVATION OF 6370' BEING THE NORTHEAST CORNER OF SECTION 3, TOWNSHIP 17 SOUTH, RANGE 8 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE POISON SPRING BENCH QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
 PROPOSED DRILL HOLE LOCATED IN THE NE 1/4, NW 1/4 OF SECTION 35, T16S, R8E, S.L.B.&M., BEING 1152.24' SOUTH AND 1469.04' EAST FROM THE NORTHWEST CORNER OF SECTION 35, T16S, R8E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

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





TALON RESOURCES, INC.

375 S. Carbon Ave., Ste 101, (A-10)
 Price, Utah 84501
 Phone (435)637-8781 Fax (435)636-8603
 E-Mail talon@castlenet.com



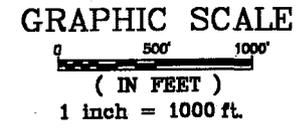
PHILLIPS PETROLEUM
WELL #35-595

Section 35, T16S, R8E, S.L.B.&M.
 Emery County, Utah

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

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

LAT / LONG
 39°23'33"N
 110°59'48"W



Drawn By: J. STANSFIELD	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 07/17/02
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 399

Exhibit "A" 1 of 3

EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips
Utah 35-595
NE/4, NW/4, Sec.35, T16S, R08E, SLB & M
1152' FNL, 1469' FWL
Emery County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2860'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2890' - 3050'

No groundwater is expected to be encountered.

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

Surface casing will be tested to 1400 psi.

4. The Proposed Casing and Cementing Programs

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>NEW, USED</u>
14"	40'	12-3/4"	Conductor	New
11"	335'	8-5/8"	24#ST&C	New
7-7/8"	3340'	5-1/2	17#LT&C	New

Cement Program -

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

Production Casing: 100 sks 50/50 poz 8%gel +2%CaCl+10%extender;12.5#/gal, density, 1.92 cu.ft/sk yield.

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

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

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

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

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

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1451 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled around May 2003.

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

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

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

EXHIBIT "E"
MULTIPOINT SURFACE USE PLAN

Attached to Form 3
ConocoPhillips
Utah 35-595
NE/4, NW/4, Sec.35, T16S, R08E, SLB & M
1152' FNL, 1469' FWL
Emery County, Utah

1. Existing Roads

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

2. Planned Access

Approximately 2,000' of new access is required (See Exhibit "B")

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 8%
- c. Turnouts: None
- d. Drainage design: 7-8 culverts may be required. Water will be diverted around well pad as necessary.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Pipe and Power lines will follow the proposed access road.

3. Location of Existing Wells

- a. See Exhibit "B". There are 8 proposed and 2 existing wells within a one-mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

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

5. Location and Type of Water Supply

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

6. Source of Construction Materials

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

7. Methods for handling waste disposal

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

8. Ancillary Facilities

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

9. Wellsite Layout

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

10. Plans for Restoration of Surface

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

11. Surface Ownership:

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

12. **Other Information:**

- a. The primary surface use is farming and grazing. The nearest dwelling is approximately 14,700 feet southwest.
- b. Nearest live water is Huntington Creek located at 15,800' southwest.
- c. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed and piled downhill from the topsoil stockpile location.
- d. The backslope and foreslope will be constructed no steeper than 4:1.
- e. All equipment and vehicles will be confined to the access road and well pad.
- f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite during construction and drilling operations

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

13. Company Representative

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

Mail Approved A.P.D. To:
Company Representative

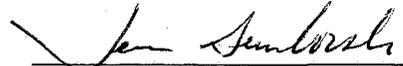
Excavation Contractor

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

14. Certification

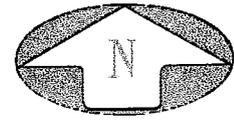
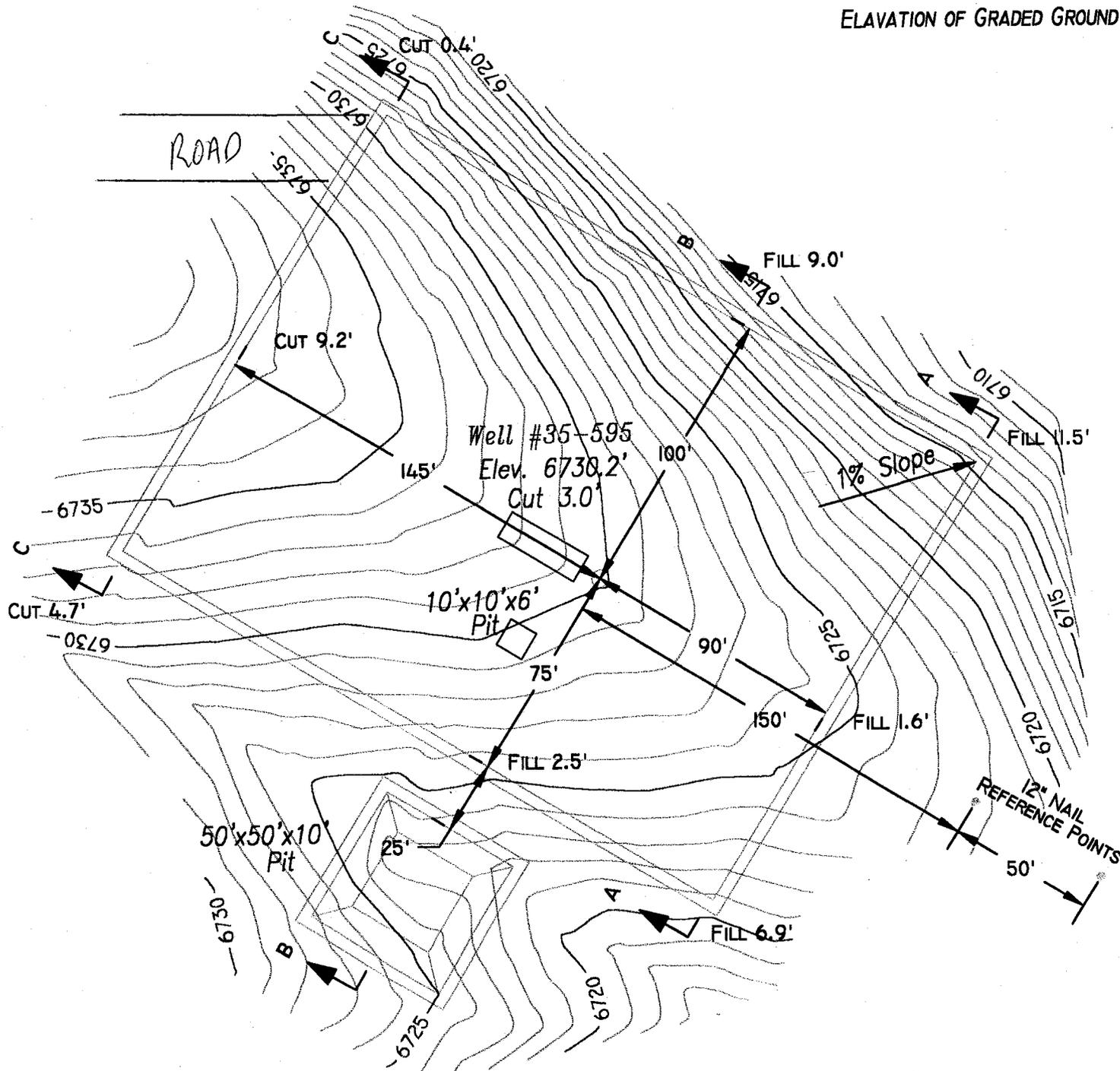
I hereby certify that I, or persons under my direct supervision have inspected the proposed drillsite and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct, and that the work associated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

1/29/03
Date



Jean Semborski
Permitting Supervisor
ConocoPhillips

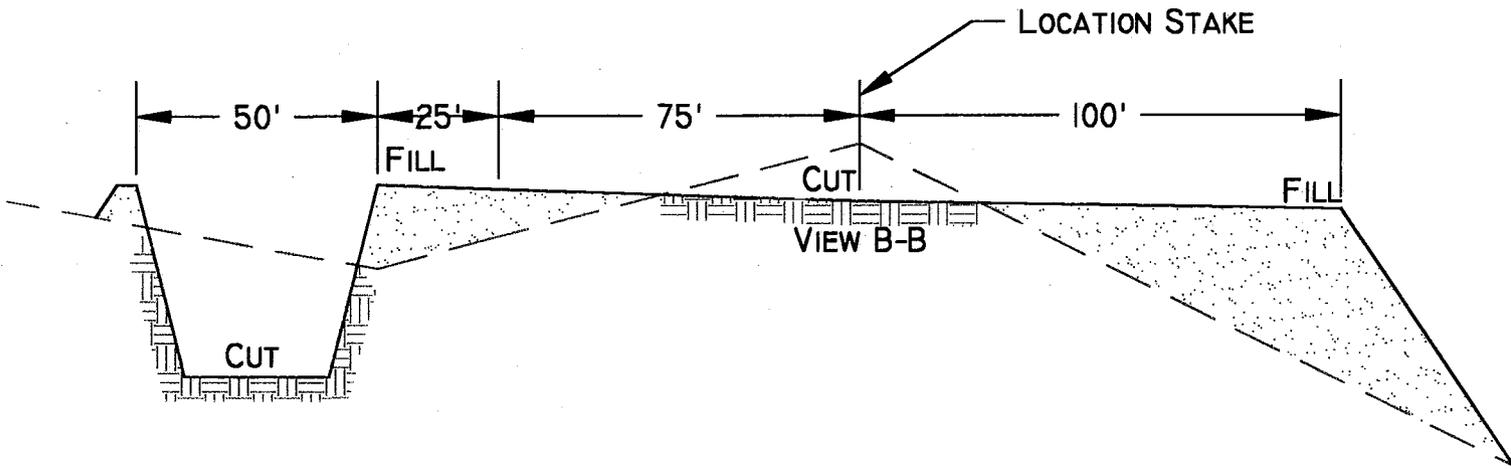
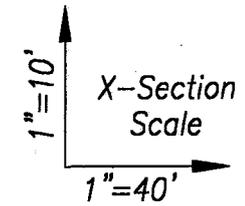
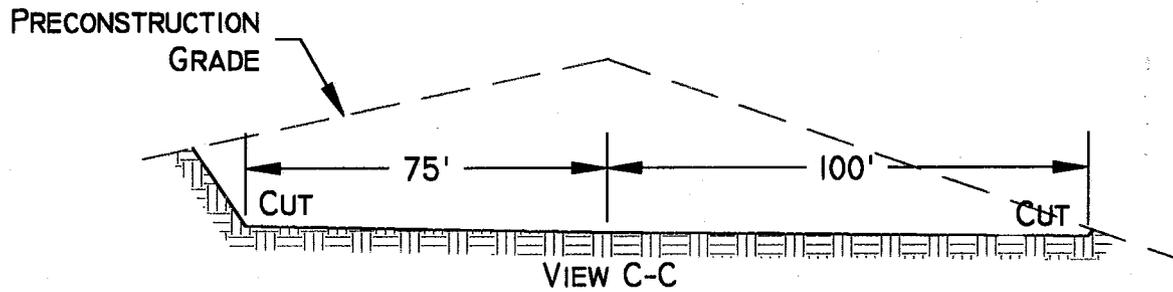
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6730.2'
 ELAVATION OF GRADED GROUND AT LOCATION STAKE = 6727.2'



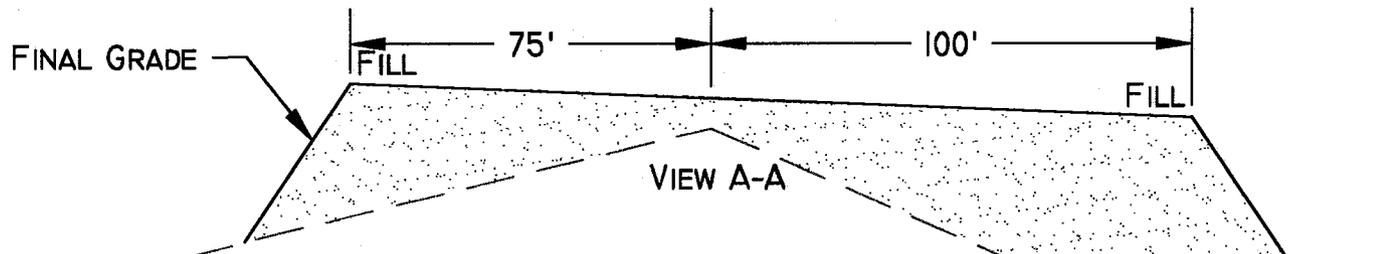
TALON RESOURCES, INC.
 375 S. Carbon Ave., Ste 101, (A-10)
 Price, Utah 84501
 Phone (435)637-8781 Fax (435)636-8603
 E-Mail talon@castlenet.com

PHILLIPS PETROLEUM CO.
LOCATION LAYOUT
 Section 35, T16S, R8E, S.L.B.&M.
WELL #35-595

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 07/17/02
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 399



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

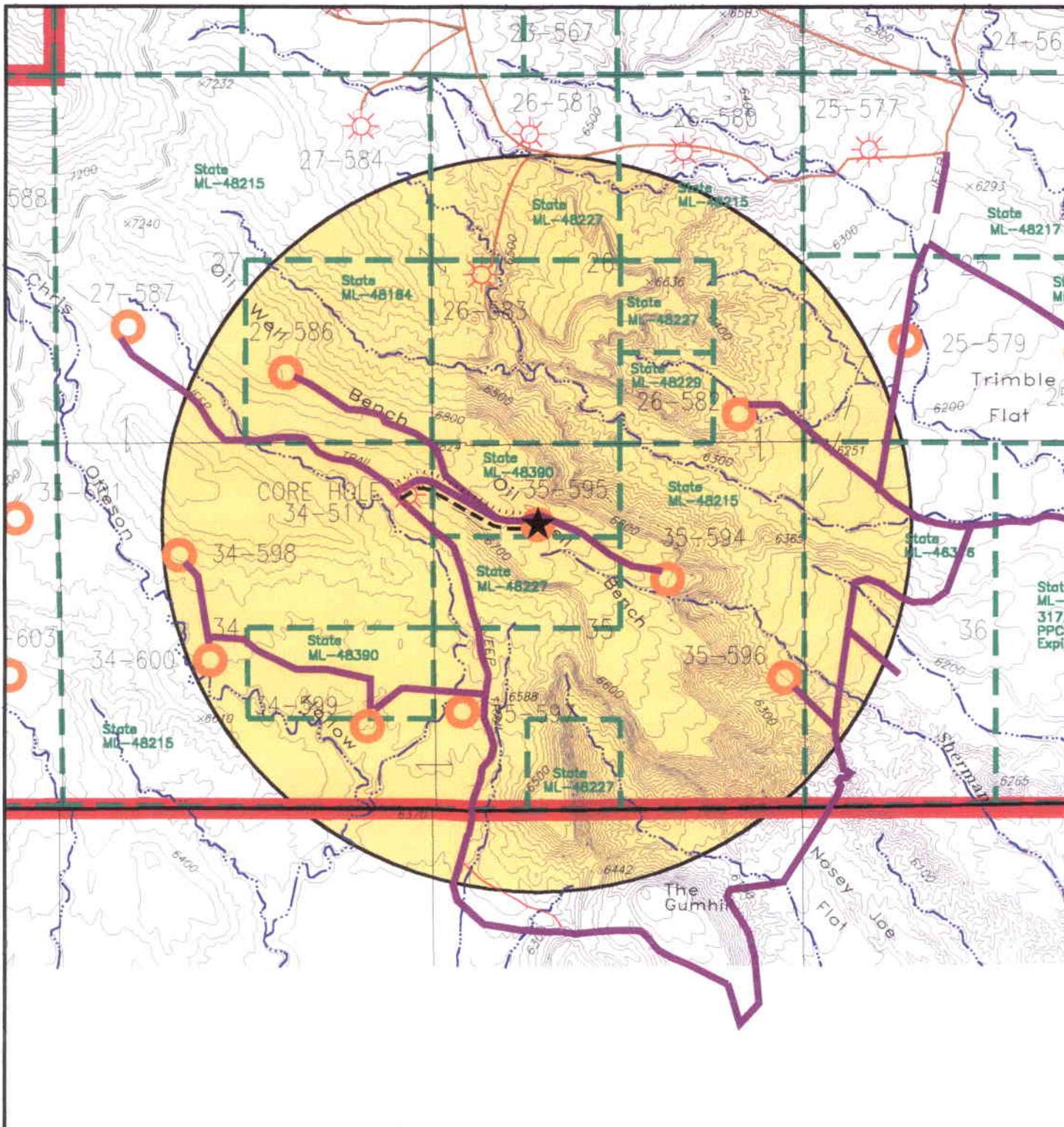


TALON RESOURCES, INC.
 375 S. Carbon Ave., Ste 101, (A-10)
 Price, Utah 84501
 Phone (435) 637-8781 Fax (435) 636-8603
 E-Mail taloncastnet.com

PHILLIPS PETROLEUM CO.
 TYPICAL CROSS SECTION
 Section 35, T16S, R8E, S.L.B.&M.
 WELL #35-595

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 07/17/02
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 399

APPROXIMATE YARDAGES
 CUT
 (6") TOPSOIL STRIPPING = 750 CU. YDS.
 REMAINING LOCATION = 3,110 CU, YDS.
 TOTAL CUT = 3,575 CU. YDS.
 TOTAL FILL = 3,270 CU. YDS.



LEGEND

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

Scale: 1" = 2000'

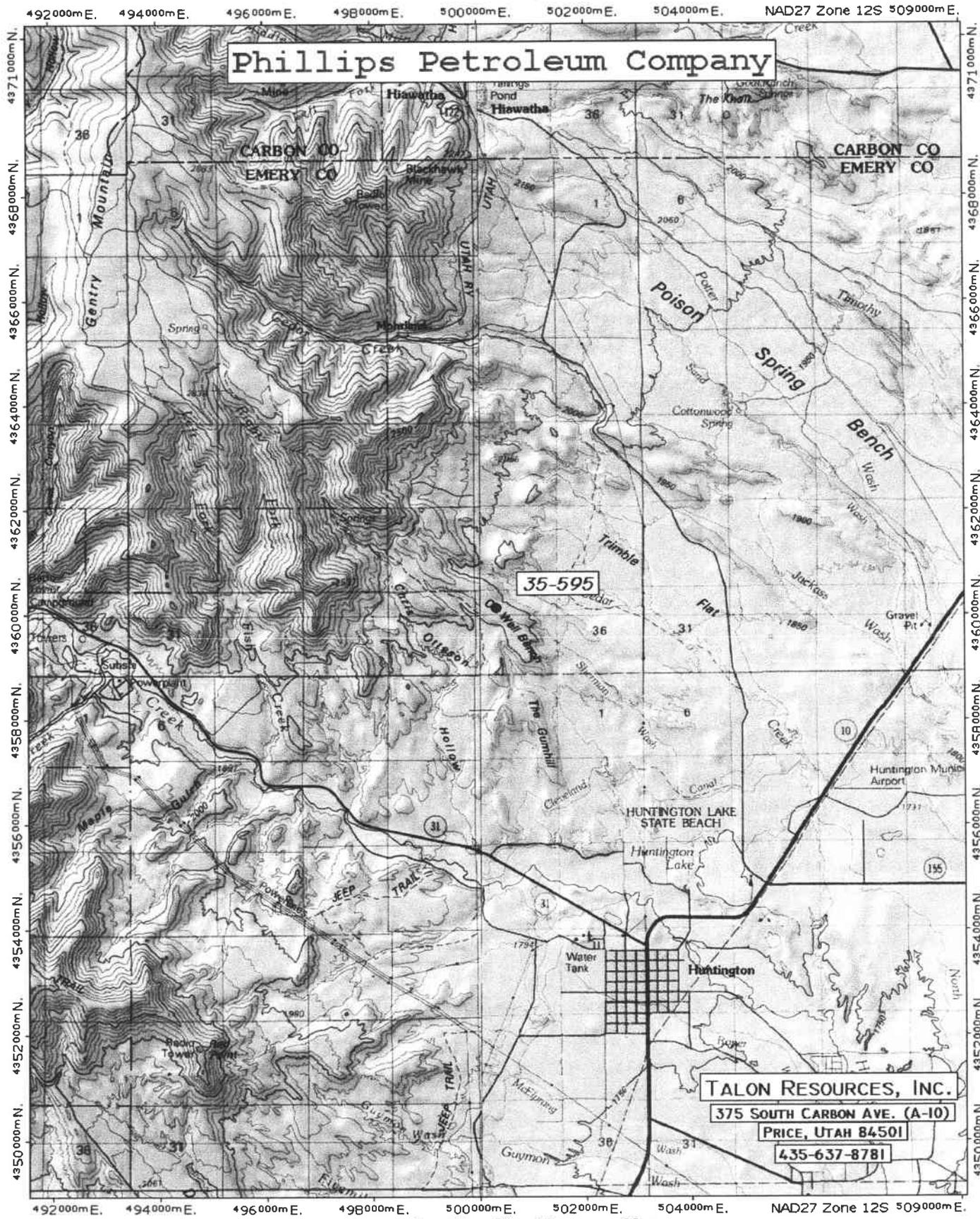
July 18, 2002

PHILLIPS PETROLEUM COMPANY

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



WELL # 35-595
 Section 35, T16S, R10E, S.L.B.&M.
 Exhibit B 1 of 2



TN
13°

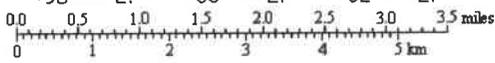
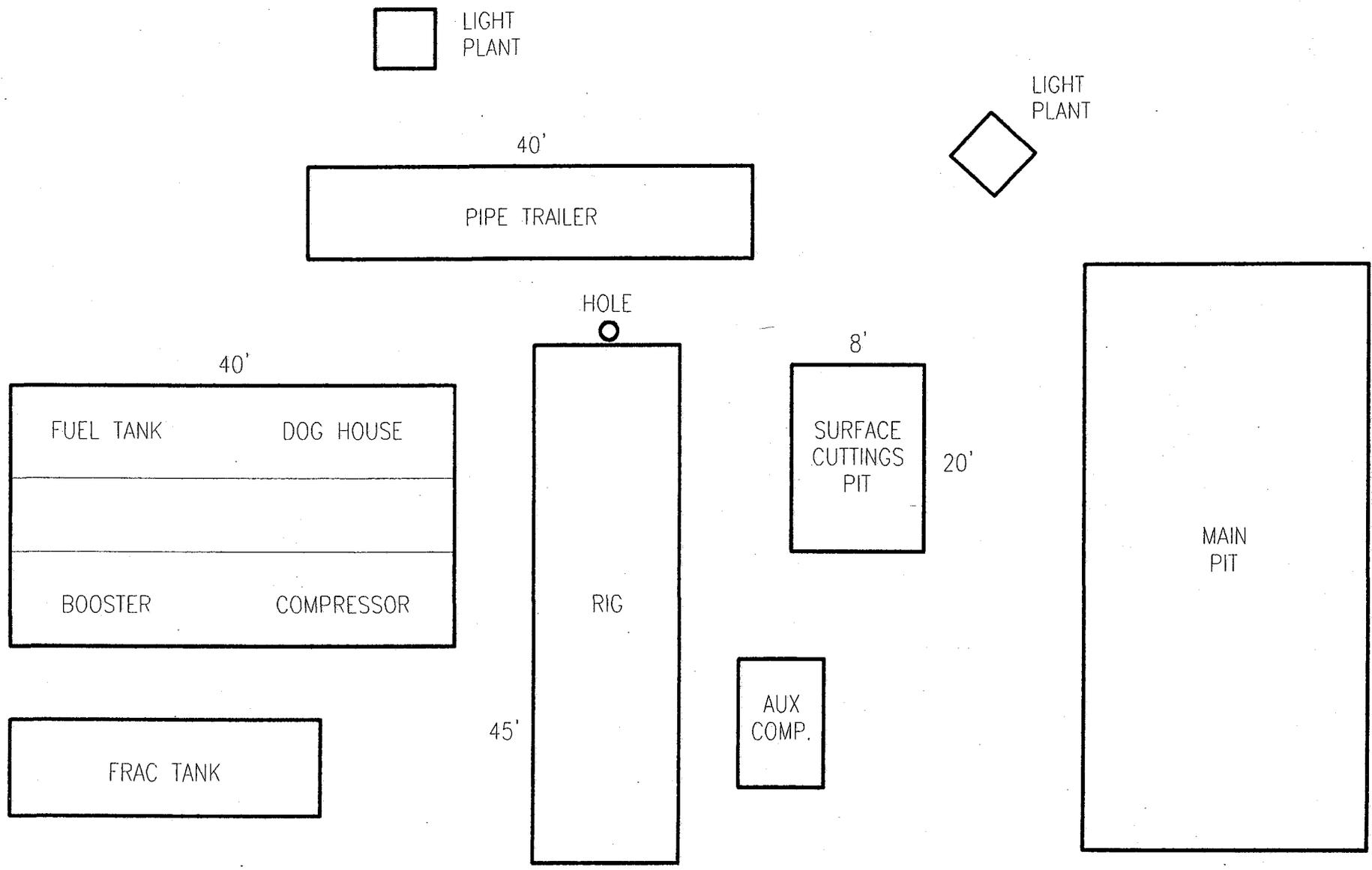


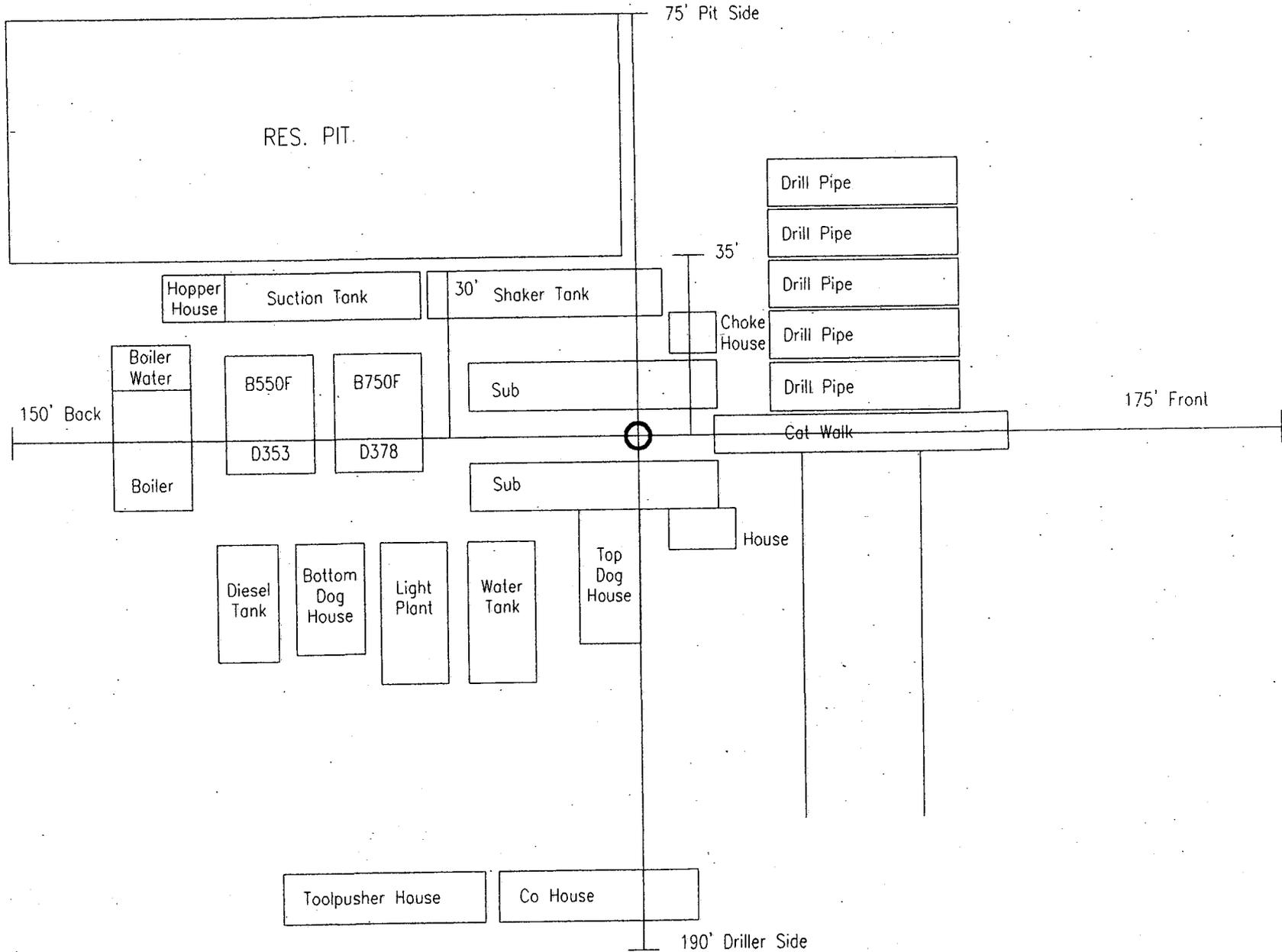
EXHIBIT C

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

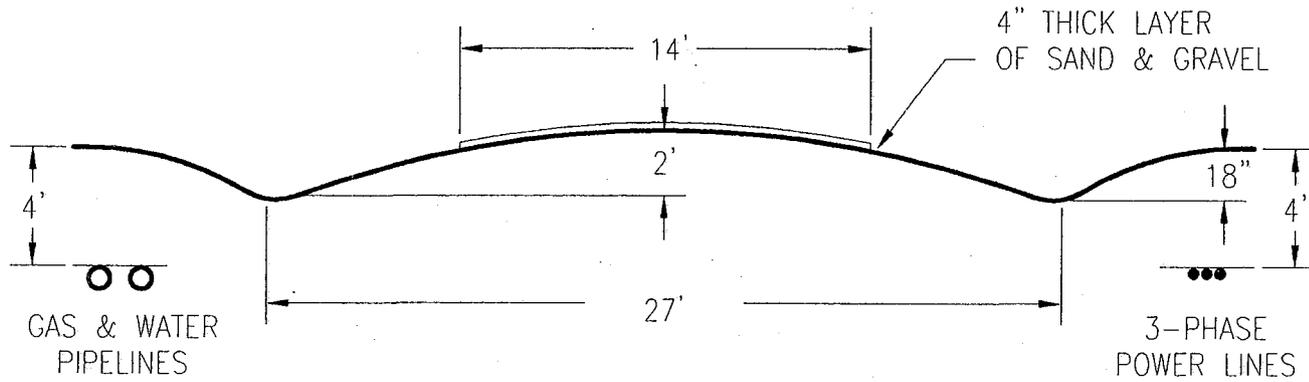


CONOCOPHILLIPS

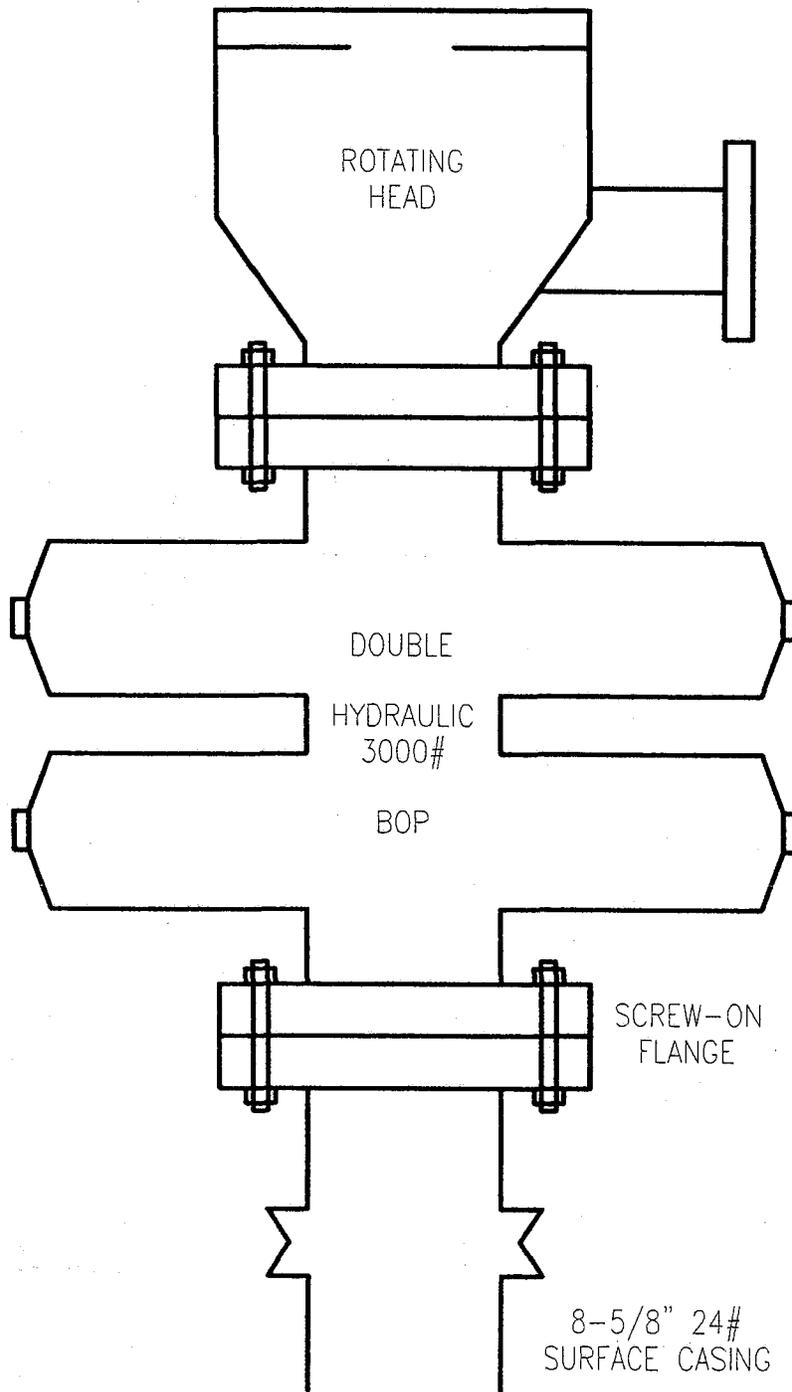
RIG LAYOUT (Approximately 200' x 325') Includes Reserve Pit



TYPICAL ROAD CROSS-SECTION



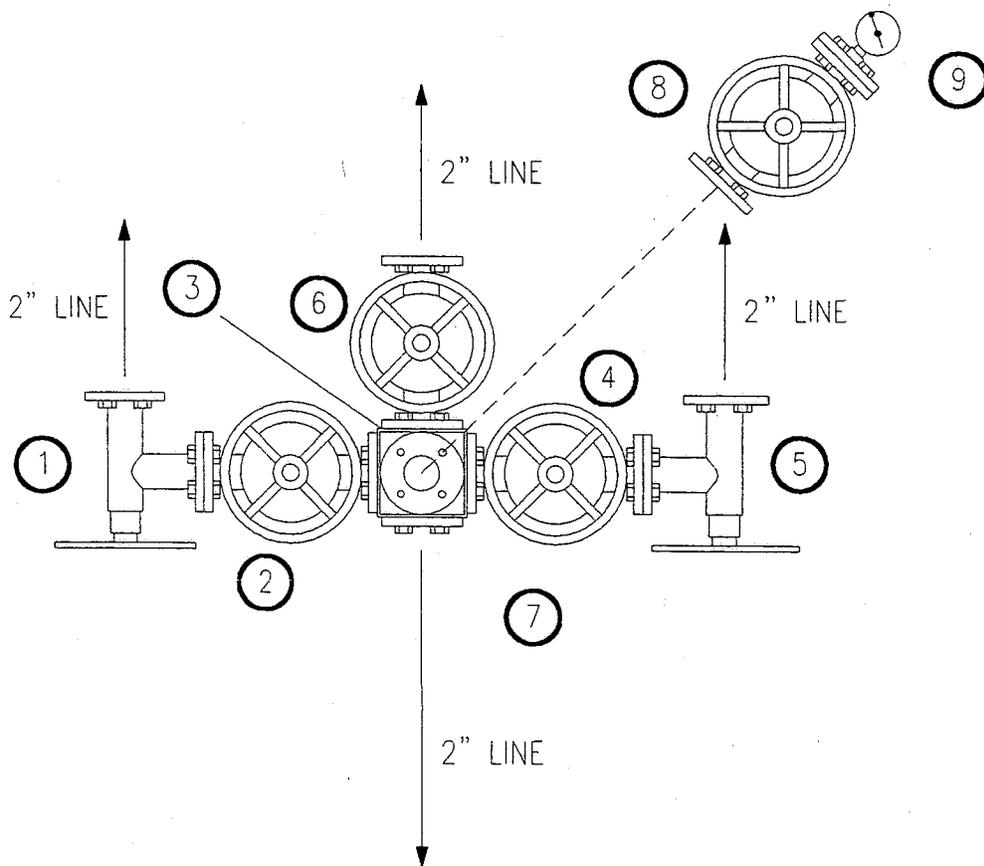
DIVERTER HEAD



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

NOTE:

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



TO BOP
AND A NEW 2" BALL VALVE
FULL OPEN 5000 PSI

MANIFOLD

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 02/04/2003

API NO. ASSIGNED: 43-015-30598

WELL NAME: UTAH 35-595
OPERATOR: CONOCOPHILLIPS COMPANY (N2335)
CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NENW 35 160S 080E
SURFACE: 1152 FNL 1469 FWL
BOTTOM: 1152 FNL 1469 FWL
EMERY
DRUNKARDS WASH (48)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DVCD	2/20/03
Geology		
Surface		

LEASE TYPE: 3 - State
LEASE NUMBER: ML-48390 *OK*
SURFACE OWNER: 3 - State

LATITUDE: 39.39255

LONGITUDE: 110.99650

PROPOSED FORMATION: FRSD

RECEIVED AND/OR REVIEWED:

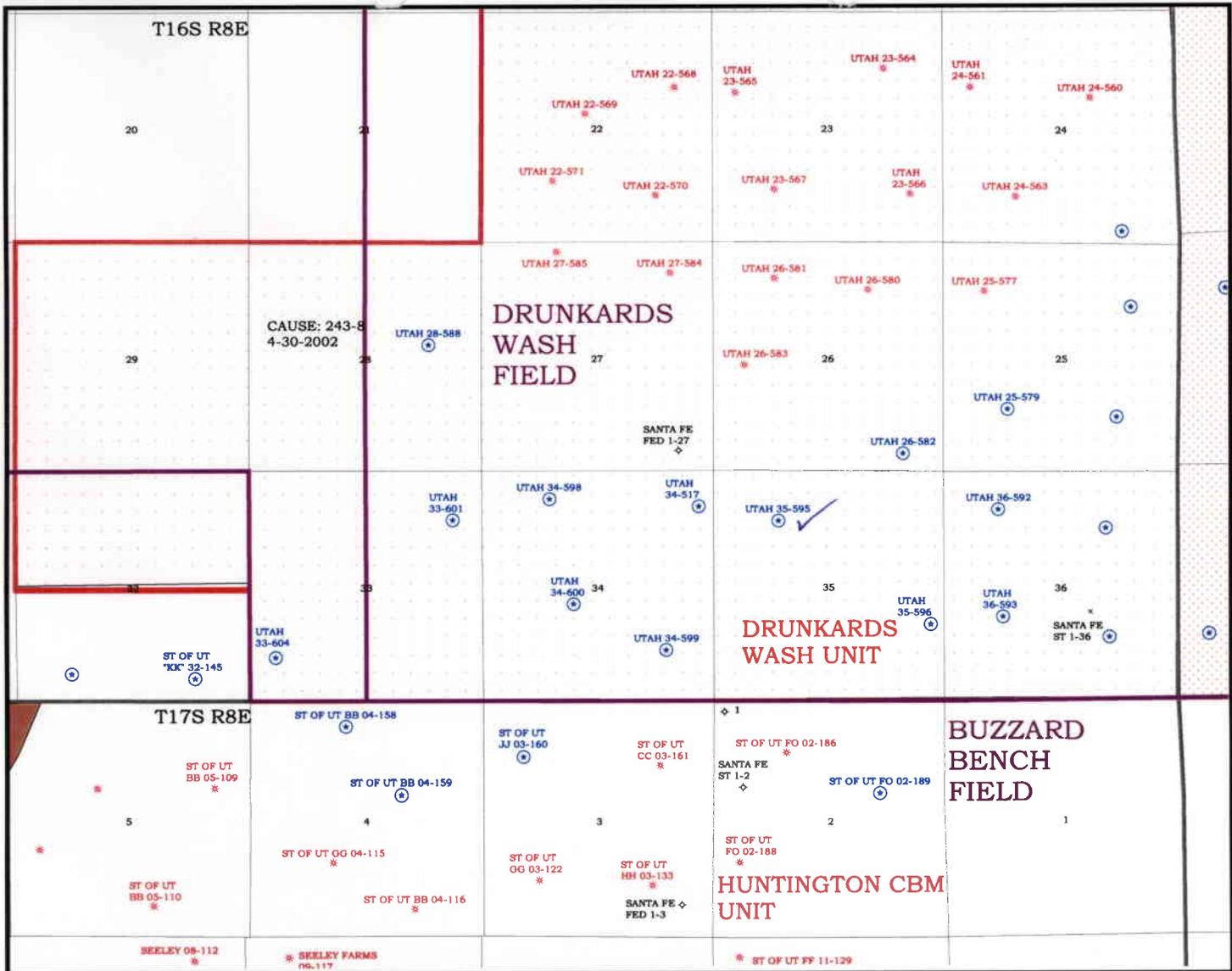
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. ~~6136922~~ 8110-6004) 5952189
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

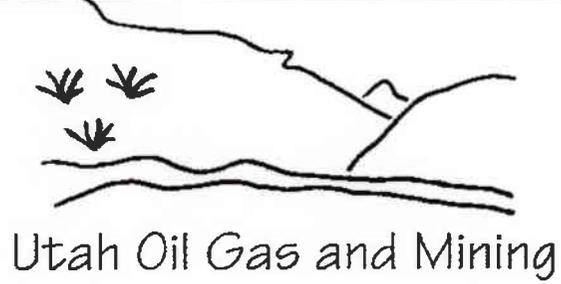
- ___ R649-2-3.
- Unit DRUNKARDS WASH
- ___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- ___ R649-3-3. Exception
- Drilling Unit
Board Cause No: 243-8
Eff Date: 4-30-2002
Siting: 4100' fr Unit boundary & unconsolidated tract
- ___ R649-3-11. Directional Drill

COMMENTS: Need Permit (Recd 11/12/02)

STIPULATIONS: ① STATEMENT OF BASIS



OPERATOR: CONOCOPHILLIPS CO (N2335)
SEC. 35 T16S, R8E
FIELD: DRUNKARDS WASH (48)
COUNTY: EMERY
CAUSE: 243-8 / 4-30-2002



- | WELLS | UNIT STATUS |
|-----------------------|----------------|
| ↗ GAS INJECTION | □ EXPLORATORY |
| ○ GAS STORAGE | □ GAS STORAGE |
| * LOCATION ABANDONED | □ NF PP OIL |
| ⊙ NEW LOCATION | □ NF SECONDARY |
| ◇ PLUGGED & ABANDONED | □ PENDING |
| * PRODUCING GAS | □ PI OIL |
| • PRODUCING OIL | □ PP GAS |
| ◊ SHUT-IN GAS | □ PP GEOTHERML |
| + SHUT-IN OIL | □ PP OIL |
| × TEMP. ABANDONED | □ SECONDARY |
| • TEST WELL | □ TERMINATED |
| △ WATER INJECTION | |
| ◆ WATER SUPPLY | |
| ↘ WATER DISPOSAL | |

- | FIELD STATUS |
|-------------------|
| □ ABANDONED |
| □ ACTIVE |
| □ COMBINED |
| □ INACTIVE |
| □ PROPOSED |
| □ STORAGE |
| □ TERMINATED |
| □ COUNTY BOUNDARY |
| □ SECTION LINES |
| □ TOWNSHIP LINES |



PREPARED BY: DIANA MASON
 DATE: 07-FEBRUARY-2003

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 35-595
API NUMBER: 43-015-30598
LOCATION: 1/4,1/4 NENW Sec: 35 TWP: 16S RNG: 8E 1152 FNL 1469 FWL

Geology/Ground Water:

This location is situated on Oil Well Bench on Quaternary / Tertiary Pediment Mantle covering the lower portion of the Blue Gate Member of the Mancos Shale. It is on the Huntington Anticline, near its axis. Local outcrops dip under the Wasatch Plateau at about 6° to the northwest. It is unlikely that there is any significant high quality ground water resource to be found in the strata below the location. Quaternary / Tertiary Pediment Mantle is present and may provide aquifer grade strata, although it is rather isolated from a reliable recharge source. The nearest surface waters are in Cedar Creek, which is ~1¼ miles to the northeast. The proposed cementing and casing program should be adequate to protect any potential groundwater resource. One water right has been filed within a mile of the location, on the Left Fork of Cedar Creek.

Reviewer: Christopher J. Kierst **Date:** 2/13/02

Surface:

Proposed location is ~17.38 miles Southwest of Price, Utah and ~4.88 miles Northwest of Huntington, Utah on SITLA surface. The direct area drains to the Southeast into Huntington Creek, which is 3.0 miles SW of the proposed site. Proposed site sits on Oil Well Bench in Emery County. The soil is a gravely sandy clay loam and easily erodes upon disturbance. Proposed access will be off existing, upgraded two-track roads, and newly constructed gas field roads. SITLA, DWR, and Emery County were invited but chose not to attend the on-site evaluation. DWR called in their comments the morning of the on-site. Those comments and requests are contained within the on-site review document and are included in the conditions of approval listed below.

Reviewer: Mark L. Jones **Date:** February 6, 2003

Conditions of Approval/Application for Permit to Drill:

1. Culverts sufficient to handle run-off as needed where crossing drainages.
2. Berm the location and pit.
3. Divert all existing drainages around the location.
4. Installation of a 12 mil thickness (minimum) liner in the reserve pit will be optional. Dirt contractor will evaluate subsurface conditions upon construction of the pit. If rocky/gravely conditions exist, liner will be installed.

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 35-595
API NUMBER: 43-015-30598
LEASE: State FIELD/UNIT: _____
LOCATION: 1/4, 1/4 NENW Sec: 35 TWP: 16S RNG: 8E 1152 FNL 1469 FWL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): X = 500296 E; Y = 4360135 N SURFACE OWNER: SITLA

PARTICIPANTS

M. Jones (DOGM), J. Semborski (Phillips), Larry Jensen (NELCO) were in attendance for the on-site evaluation. SITLA, Emery County, and DWR were also invited to attend the on-site evaluation however chose not to attend.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~17.38 miles Southwest of Price, Utah and ~4.88 miles Northwest of Huntington, Utah on SITLA surface. The direct area drains to the Southeast into Huntington Creek, which is 3.0 miles SW of the proposed site. Proposed site sits on Oil Well Bench in Emery County. The soil is a gravelly sandy clay loam and easily erodes upon disturbance. Proposed access will be off existing, upgraded two-track roads, and newly constructed gas field roads.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 235' x 175' and a 50'x50'x10' pit.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: 9 proposed, 1 producing, and 2 PA gas/oil wells are within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadside.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLORA/FAUNA: PJ (chaining), yucca, deer, elk, small-game, rodents, raptors and other fowl.

SOIL TYPE AND CHARACTERISTICS: Gravelly sandy clay loam.

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen pit.

LINER REQUIREMENTS (Site Ranking Form attached): Optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: As per SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed, on-file, and is clear.

OTHER OBSERVATIONS/COMMENTS

Discussion was made during the on-site regarding the following concerns:

- Spinning the location 90 degrees counter-clockwise, as suggested by L. Jensen (NELCO).

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

November 12, 2002 / 11:00 am
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</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 15 (Level II Sensitivity)

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

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

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

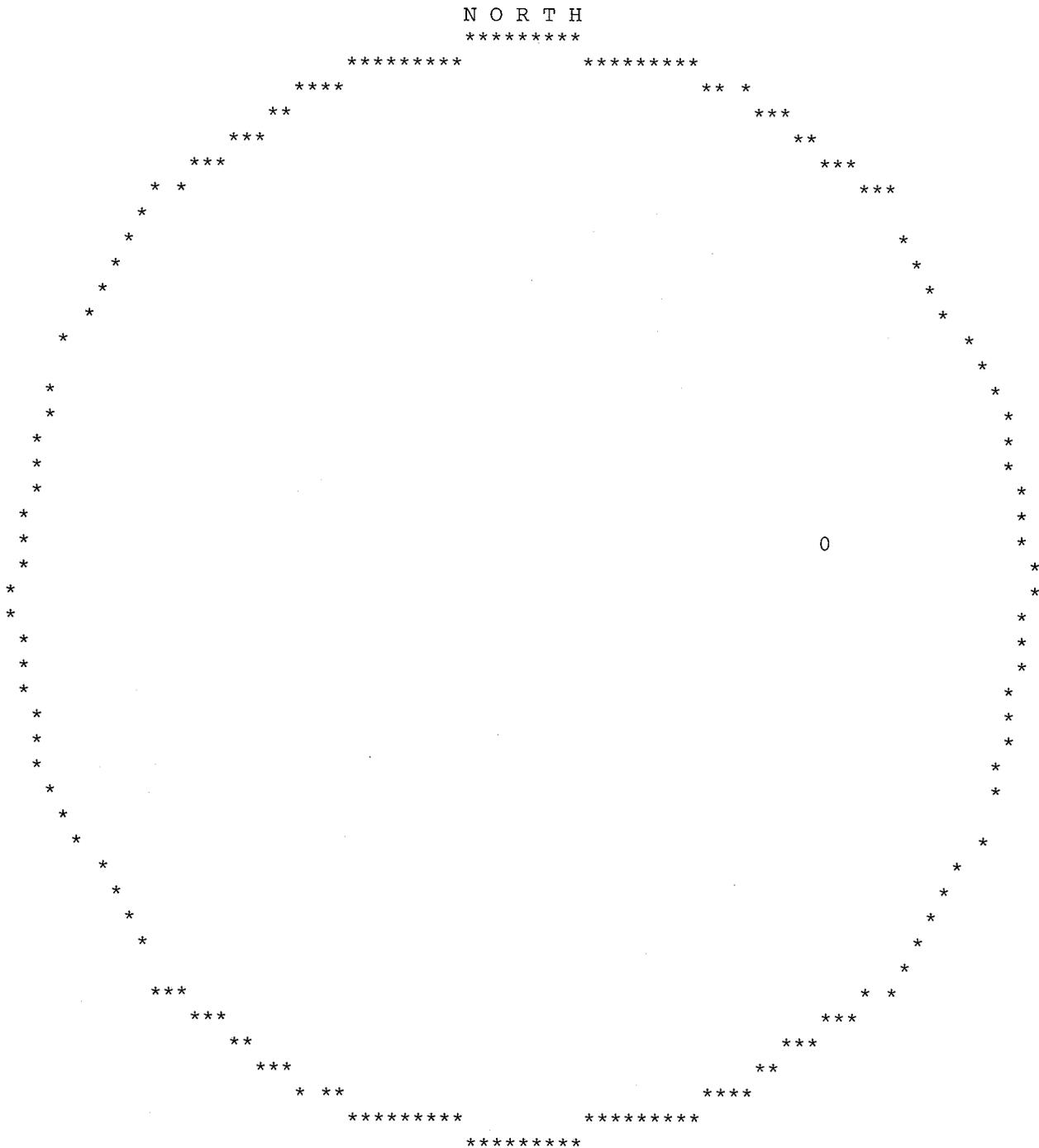




UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED FRI, FEB 14, 200
PLOT SHOWS LOCATION OF 1 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A
S 1152 FEET, E 1469 FEET OF THE NW CORNER,
SECTION 35 TOWNSHIP 16S RANGE 8E SL BASE AND ME

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET



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 D NORTH	EAST
0	93 3143	.0000	.00	Left Fork Cedar Creek				
WATER USE(S): STOCKWATERING								
State of Utah School & Institutional Tru 675 East 500 South, Suite 500								

Casing Schematic

Surface

~~Mances~~

8-5/8"
MW 8.4
Frac 19.

TOC @
0.

Surface
335. MD

w/18" washout

BOP

$(0.052)(8.4)(3350) = 1463 \text{ psi}$

Anticipated = 1451 psi

Gas

$(0.12)(3350) = 402 \text{ psi}$

MASP = 1061 psi

3MBOPE proposed

Adequate

DRD 2/20/03

2860'
Bluegate/Ferris A

5-1/2"
MW 8.4

TOC @
2157.

-2837' TOC Tail

-2890'

COALS 'SS's

-3050'

Production
3350. MD

w/15" washout

Well name: **02-03 ConocoPhillips Utah 35-595**
 Operator: **ConocoPhillips Company**
 String type: **Surface** Project ID: **43-015-30598**
 Location: **Emery County**

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

Minimum design factors:
Collapse:
 Design factor 1.125

Burst:
 Design factor 1.00

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

Tension is based on air weight.
 Neutral point: 293 ft

Environment:
 H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 70 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 3 ft

Cement top: **Surface**

Non-directional string.

Re subsequent strings:
 Next setting depth: 3,350 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 1,462 psi
 Fracture mud wt: 19.000 ppg
 Fracture depth: 335 ft
 Injection pressure: 331 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	335	8.625	24.00	J-55	ST&C	335	335	7.972	2195

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	146	1370	9.37	146	2950	20.18	8	244	30.35 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

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

Date: February 20, 2003
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 335 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

Well name: **02-03 ConocoPhillips Utah 35-595**
 Operator: **ConocoPhillips Company**
 String type: **Production** Project ID: **43-015-30598**
 Location: **Emery County**

Design parameters:

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

Minimum design factors:

Collapse:
 Design factor 1.125

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 112 °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: 1,462 psi
 No backup mud specified.

Burst:

Design factor 1.00

Cement top: 2,157 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: 2,923 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	3350	5.5	17.00	N-80	LT&C	3350	3350	4.767	24032

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	1462	6290	4.30	1462	7740	5.29	57	348	6.11 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

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

Date: February 20, 2003
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 3350 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.

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

February 10, 2003

Memorandum

To: Assistant District Manager Minerals, Moab District

From: Michael Coulthard, Petroleum Engineer

Subject: 2003 Plan of Development Drunkards Wash Unit,
Carbon County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following wells are planned for calendar year 2003 within the Drunkards Wash, Carbon County, Utah.

Api Number	Well	Location
(Proposed PZ Ferron)		
43-007-30894	Utah 19-532 Sec. 19	T14S R10E 2556 FNL 2488 FEL
43-007-30897	USA 03-544 Sec. 3	T15S R08E 0315 FSL 1638 FWL
	BHL 1300 FSL 2400 FWL	
43-007-30898	USA 04-658D Sec. 3	T15S R08E 0315 FSL 1598 FWL
	BHL Sec. 4 0800 FSL 1300 FEL	
43-007-30899	USA 03-543 Sec. 3	T15S R08E 1335 FNL 0462 FEL
	BHL 1300 FNL 1700 FWL	
43-007-30900	USA 09-452 Sec. 10	T15S R08E 1006 FNL 2139 FWL
	BHL Sec. 9 1100 FNL 1200 FEL	
43-007-30901	USA 15-528D Sec. 15	T15S R08E 0315 FSL 0513 FEL
	BHL 1350 FSL 2020 FWL	
43-015-30597	Utah 33-601 Sec. 33	T16S R08E 1127 FNL 0661 FEL
43-015-30598	Utah 35-595 Sec. 35	T16S R08E 1152 FNL 1469 FWL
43-015-30596	Utah 33-604 Sec. 33	T16S R08E 0900 FSL 0577 FWL
43-015-30594	Utah 28-588 Sec. 28	T16S R08E 2344 FNL 1191 FEL
43-007-30895	Utah 32-617D Sec. 29	T15S R09E 1214 FSL 1900 FWL
	BHL Sec. 32 1400 FNL 1500 FWL (surface location outside of unit area)	

We have no objections to permitting the wells at this time.

/s/ Michael L. Coulthard

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

MCoulthard:mc:2-10-3

005



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

February 26, 2003

ConocoPhillips Company
PO Box 851
Price, UT 84501

Re: Utah 35-595 Well, 1152' FNL, 1469' FWL, NE NW, Sec. 35, T. 16 South, R. 8 East,
Emery County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30598.

Sincerely,

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

John R. Baza
Associate Director

er

Enclosures

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

Operator: ConocoPhillips Company
Well Name & Number Utah 35-595
API Number: 43-015-30598
Lease: ML 48390

Location: NE NW **Sec.** 35 **T.** 16 South **R.** 8 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

March 29, 2004

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

Re: APD Rescinded – UTAH 35-595 Sec. 35, T. 16S, R. 8E
Emery County, Utah API No. 43-015-30598

Dear Ms. Semborski:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 26, 2003. On March 25, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 25, 2004.

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

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

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
SITLA, Ed Bonner