

003



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 35-597, NW/4 SW/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;

RECEIVED

FEB 10 2003

DIV. OF OIL, GAS & MINING

Utah 35-597

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		5. MINERAL LEASE NO. ML-48215	6. SURFACE State
1A. Type of Work: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A	
B. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Drunkards Wash UTU-67921X	
2. NAME OF OPERATOR: ConocoPhillips Company		9. WELL NAME and NUMBER: Utah 35-597	
3. ADDRESS OF OPERATOR: 6825 South 5300 West, P.O. Box 851, Price, Utah 84501 CITY STATE ZIP		PHONE NUMBER: (435) 613-9777	10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2355' FSL, 121' FWL AT PROPOSED PRODUCING ZONE:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NW/4 SW/4 Section 35, T16S, R08E, SLB&M	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 3.5 miles northwest of Huntington, UT		12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 120'	16. NUMBER OF ACRES IN LEASE: 1878.52 acres	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160 acres	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1500'	19. PROPOSED DEPTH: 3170'	20. BOND DESCRIPTION: Rotary	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.) 6482.3' 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	317'	150 sks G+2&CaCl+1/4#/sk floccel
7 7/8"	N-80 5 1/2" 17#/ft	3160'	150 sks 50/50poz8%gel+2%CaCl+1%extender
			90 sks "G" thixotropic

RECEIVED

25. ATTACHMENTS
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION RULES: FEB 10, 2003

DIV. OF OIL, GAS & MINING

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

Name & Signature: Jean Semborski *Jean Semborski* Title: Permitting Supervisor Date: 1/6/03

(This space for state use only)

API Number Assigned: 43-015-30599

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 03-03-03
By: *[Signature]*

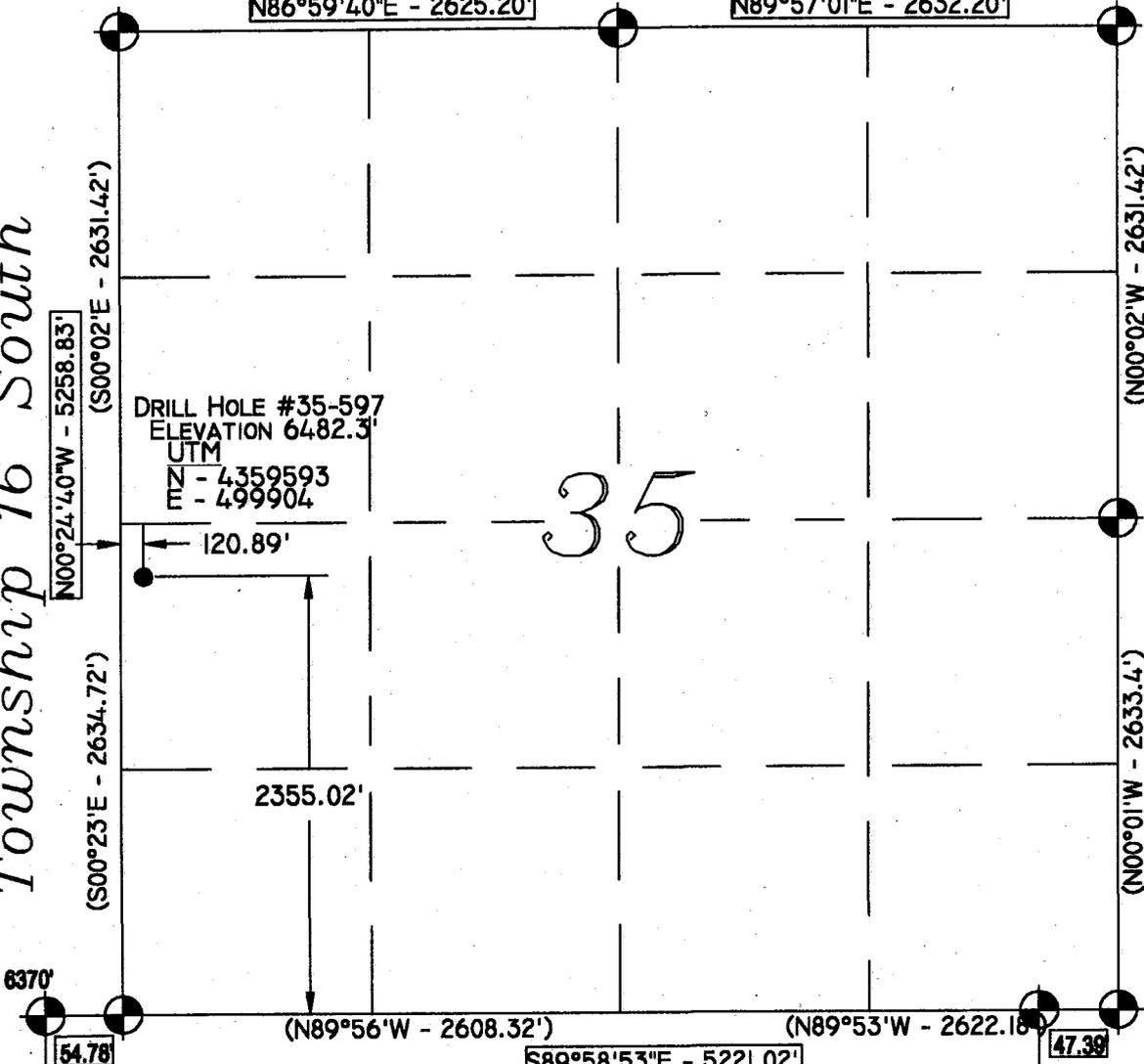
CONFIDENTIAL

Range 8 East

(N89°59'E - 2626.14')
(N86°59'40"E - 2625.20')

(N89°56'E - 2632.74')
(N89°57'01"E - 2632.20')

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.

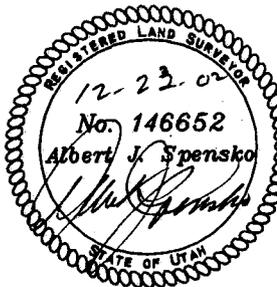
GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

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 NW1/4, SW1/4 OF SECTION 35, T16S, R8E, S.L.B.&M., BEING 2355.02' NORTH AND 120.89' EAST FROM THE SOUTHWEST 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@castlernet.com



WELL #35-597
Section 35, T16S, R8E, S.L.B.&M.
Emery County, Utah

Drawn By BEN SCOTT	Checked By L.W.J./A.J.S.
Drawing No. A-1	Date: 12/05/02
	Scale: 1" = 1000'
Sheet 1 of 1	Job No. 847

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°23'15"N
111°00'04"W

GRAPHIC SCALE

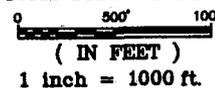


EXHIBIT "D"
DRILLING PROGRAM

Attached to Form 3
ConocoPhillips
Utah 35-597
NW/4, SW/4, Sec.35, T16S, R08E, SLB & M
2355' FSL, 121' FWL
Emery County, Utah

1. The Surface Geologic Formation

Mancos Shale

2. Estimated Tops of Important Geologic Markers

Blue Gate/Ferron 2550'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones 2580' - 2870'

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</u> <u>SIZE</u>	<u>SETTING DEPTH</u> <u>(INTERVAL)</u>	<u>SIZE</u> <u>(OD)</u>	<u>WEIGHT, GRADE</u> <u>& JOINT</u>	<u>NEW,</u> <u>USED</u>
14"	40'	12-3/4"	Conductor	New
11"	317'	8-5/8"	24#ST&C	New
7-7/8"	3160'	5-1/2"	17#LT&C	New

Cement Program -

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

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

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

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

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

5. The Operator's Minimum Specifications for Pressure Control

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

6. The Type and Characteristics of the Proposed Circulating Muds

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

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

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

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area nor at the depths anticipated in this well. Bottom hole pressure expected is 1373 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 35-597
NW/4, SW/4, Sec.35, T16S, R08E, SLB & M
2355' FSL, 121' FWL
Emery County, Utah

1. Existing Roads

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

2. Planned Access

Approximately 600' of new access is required (See Exhibit "B")

- a. Maximum Width: 24' travel surface with 27' base
- b. Maximum grade: 6%
- 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 11,600' southwest.
- b. Nearest live water is Huntington Creek located at 12,600' 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

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

FORM 4A

Bond No. 6196922

SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal,
and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100***** dollars (\$ 80,000.00)
lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and
benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and
severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening,
repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of
oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

- Blanket Bond: To cover all wells drilled in the State of Utah
- Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and
requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells
and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized
officers and its corporate or notary seal to be affixed this

30th day of Dec, 20 02.

(Corporate or Notary Seal here)

Attestee: [Signature] Date: 12-30-02

CONOCOPHILLIPS COMPANY
Principal (company name)

By James F. Hughes Corporate Insurance
Name (print) Title Manager

James F. Hughes
Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal
to be affixed this

1ST day of JANUARY, 20 03.

(Corporate or Notary Seal here)

Carolyn E. Wheeler
Attestee: [Signature] Date: 12/20/2002

SAFECO INSURANCE COMPANY OF AMERICA
Surety Company (Attach Power of Attorney)

By TINA MARIE FOSTER ATTORNEY-IN-FACT
Name (print) Title

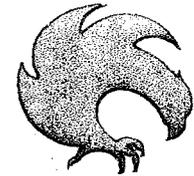
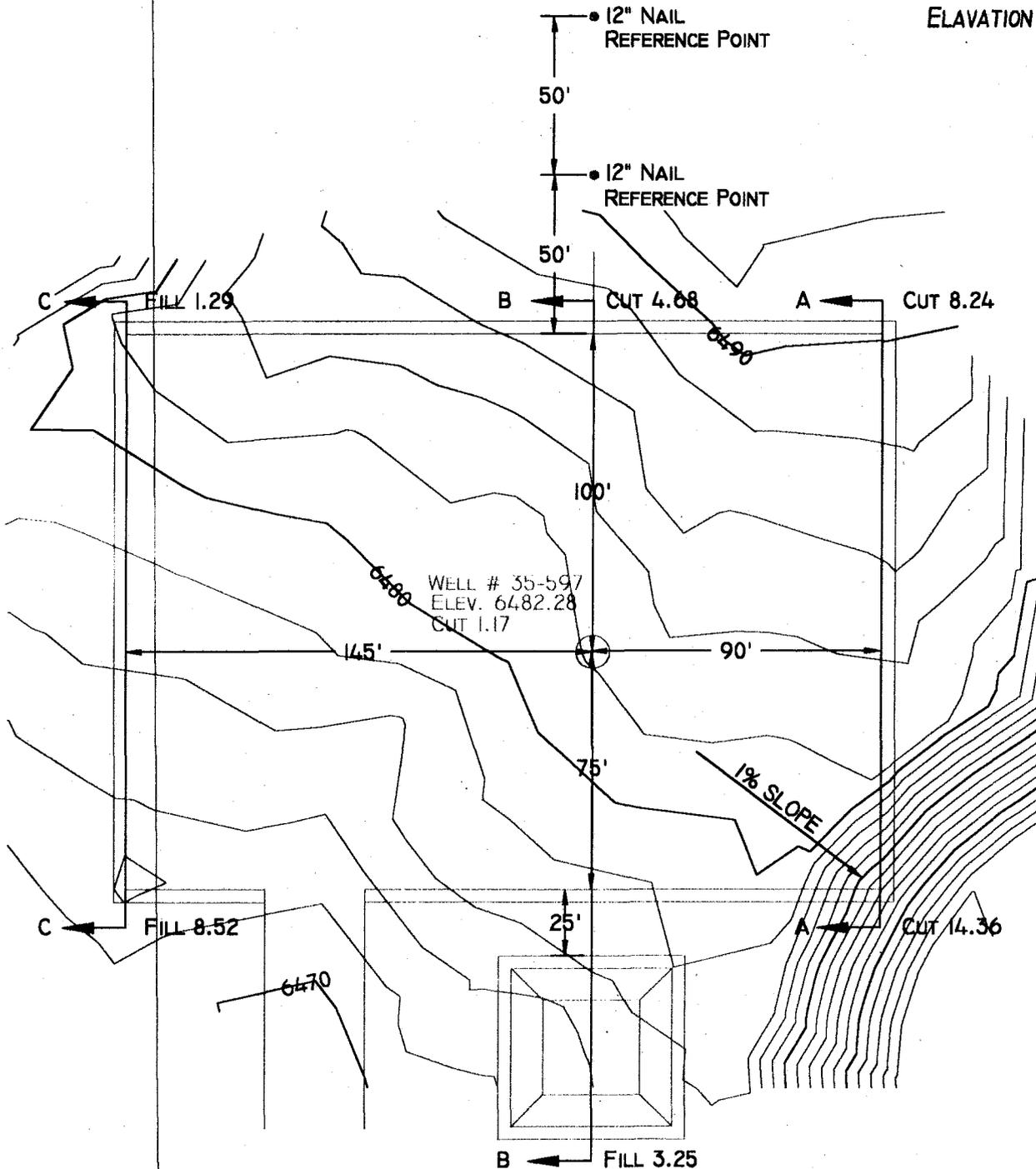
Tina Marie F
Signature

C/O MARSH USA INC.
Surety Mailing Address

P.O. BOX 36012, KNOXVILLE, TN 37930-6012
City State Zip

CAROLYN E. WHEELER
NOTARY PUBLIC
MY COMMISSION EXPIRES: NOVEMBER 1, 2006
(5/2002)

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6482.28
 ELAVATION OF GRADED GROUND AT LOCATION STAKE = 6481.78'

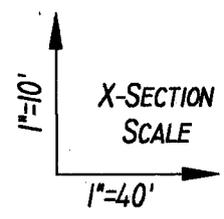
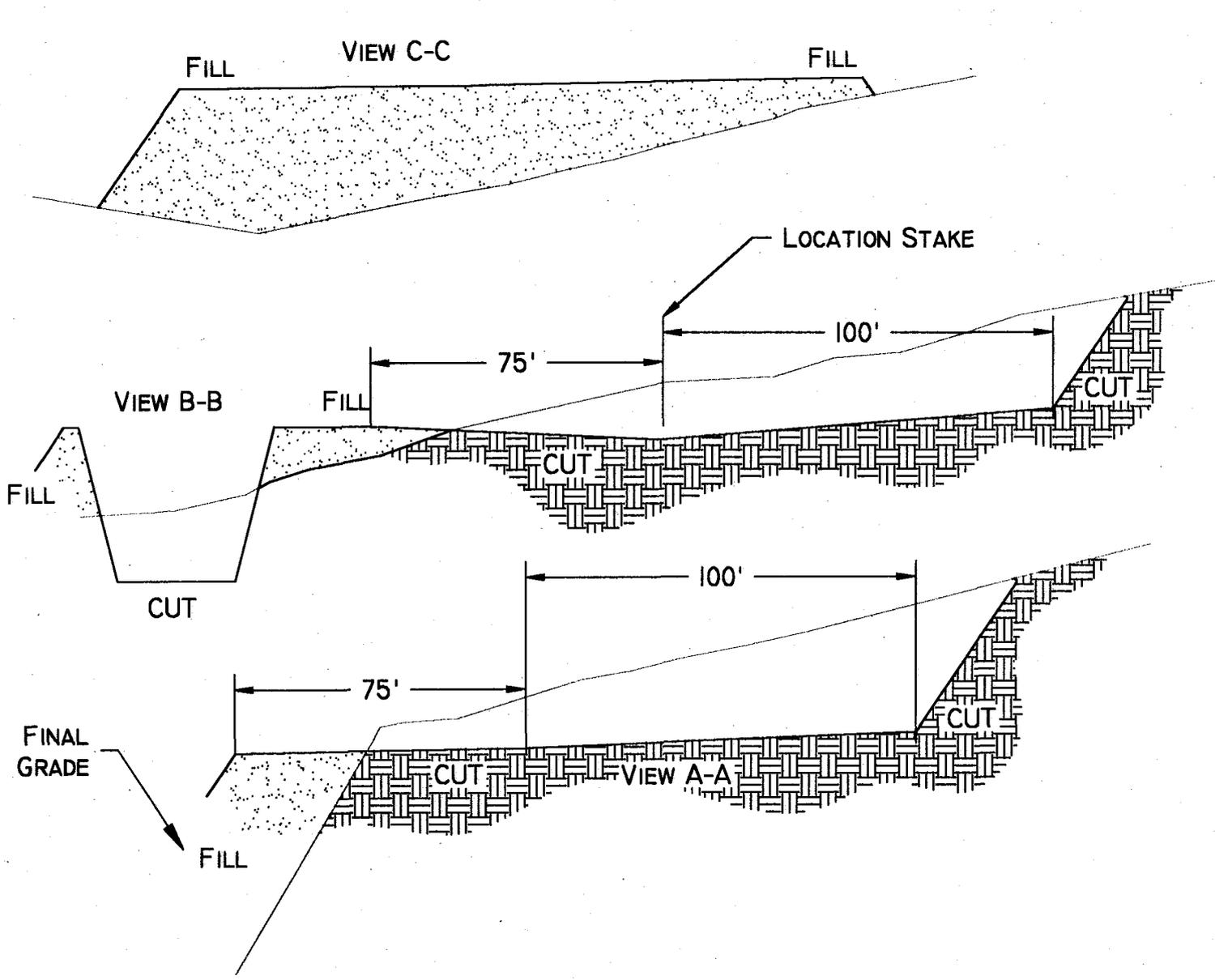


Talon Resources, Inc.
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Ph: 435-687-5310
 Fax: 435-687-5311

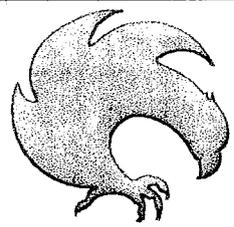


Emery County
 Section 35, T16S, R8E, S.L.B.&M.
 WELL #35-597

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawn No. A-2	DATE: 12/05/02
	SCALE: 1" = 50'
SHEET 2 of 4	JOB No. 874



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



Talon Resources, Inc.
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Ph: 435-687-5310
 Fax: 435-687-5311

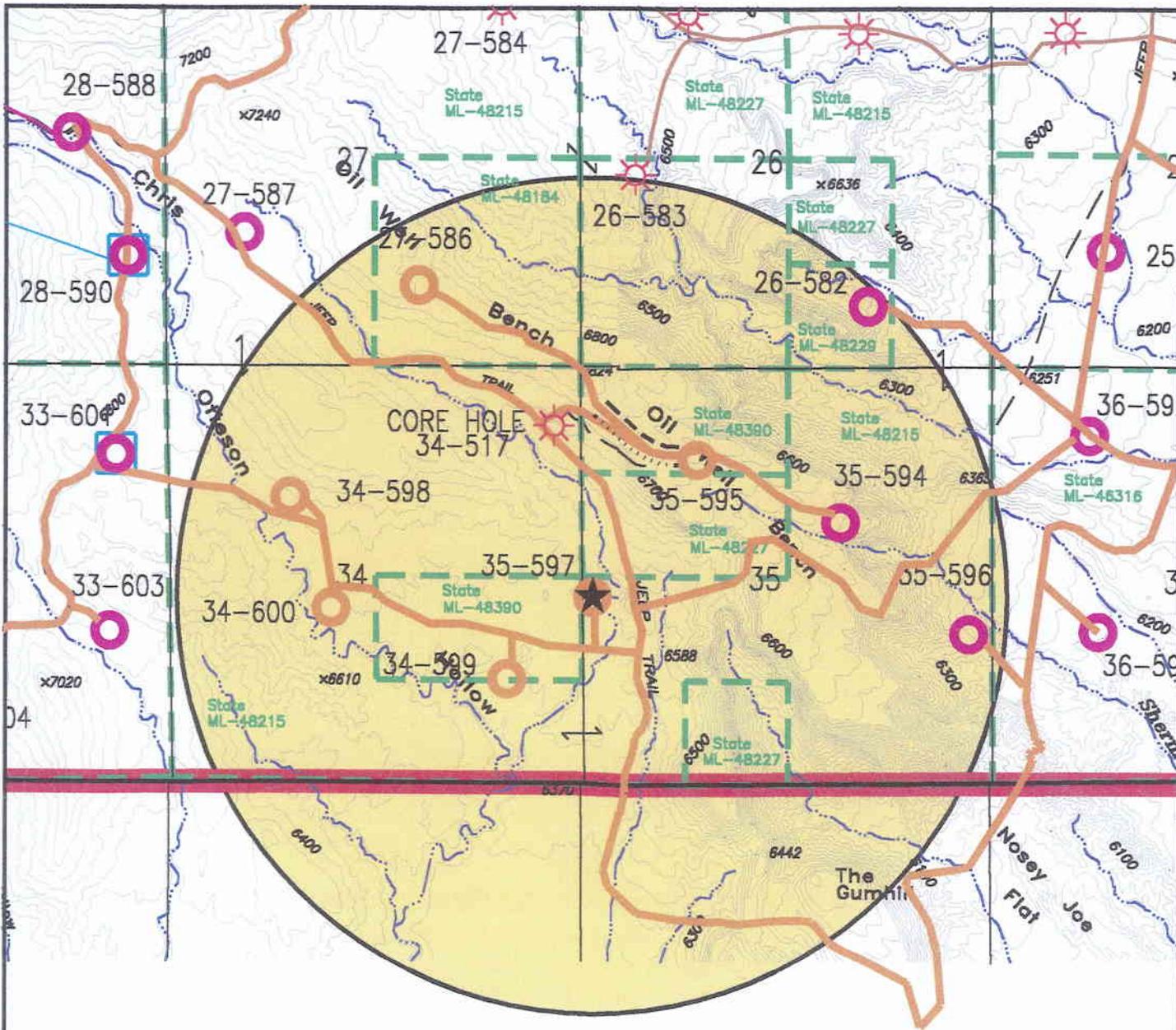


Section 35, T16S, R8E, S.L.B.&M.
 WELL #35-597

DRAWN BY: BEN SCOTT	CHECKED BY: L.W.J.
DRAWING No. C-1	DATE: 12/09/02
	SCALE: 1" = 40'
SHEET 3 OF 4	JOB No. 847

APPROXIMATE YARDAGES

CUT
 (5") TOPSOIL STRIPPING = 750 CU. YDS.
 REMAINING LOCATION = 3164.39 CU, YDS.
 TOTAL CUT = 3473.64 CU. YDS.
 TOTAL FILL = 2,973 CU. YDS.



LEGEND

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

Scale: 1" = 2000'

December 30, 2002

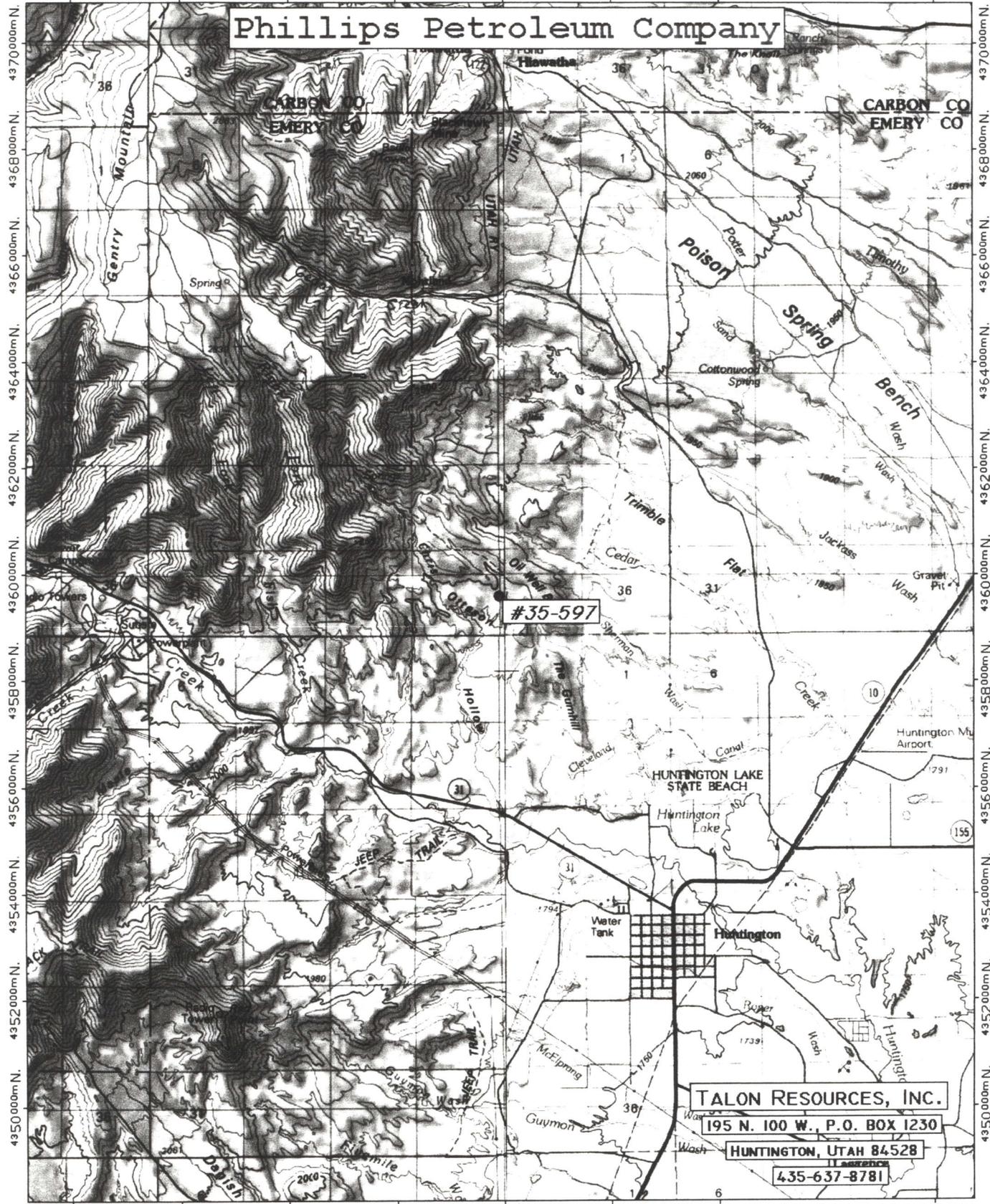
ConocoPhillips
 6825 South 5300 West
 P.O. Box 851
 Price, Utah 84501
 Phone: (435) 613-9777
 Fax: (435) 613-9782



WELL # 35-597
 Section 35, T16S, R8E, S.L.B.&M.
 Exhibit B 1 of 2

492000m E. 494000m E. 496000m E. 498000m E. 500000m E. 502000m E. 504000m E. NAD27 Zone 12S 508000m E.

Phillips Petroleum Company



492000m E. 494000m E. 496000m E. 498000m E. 500000m E. 502000m E. 504000m E. NAD27 Zone 12S 508000m E.

TN 13° MN

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

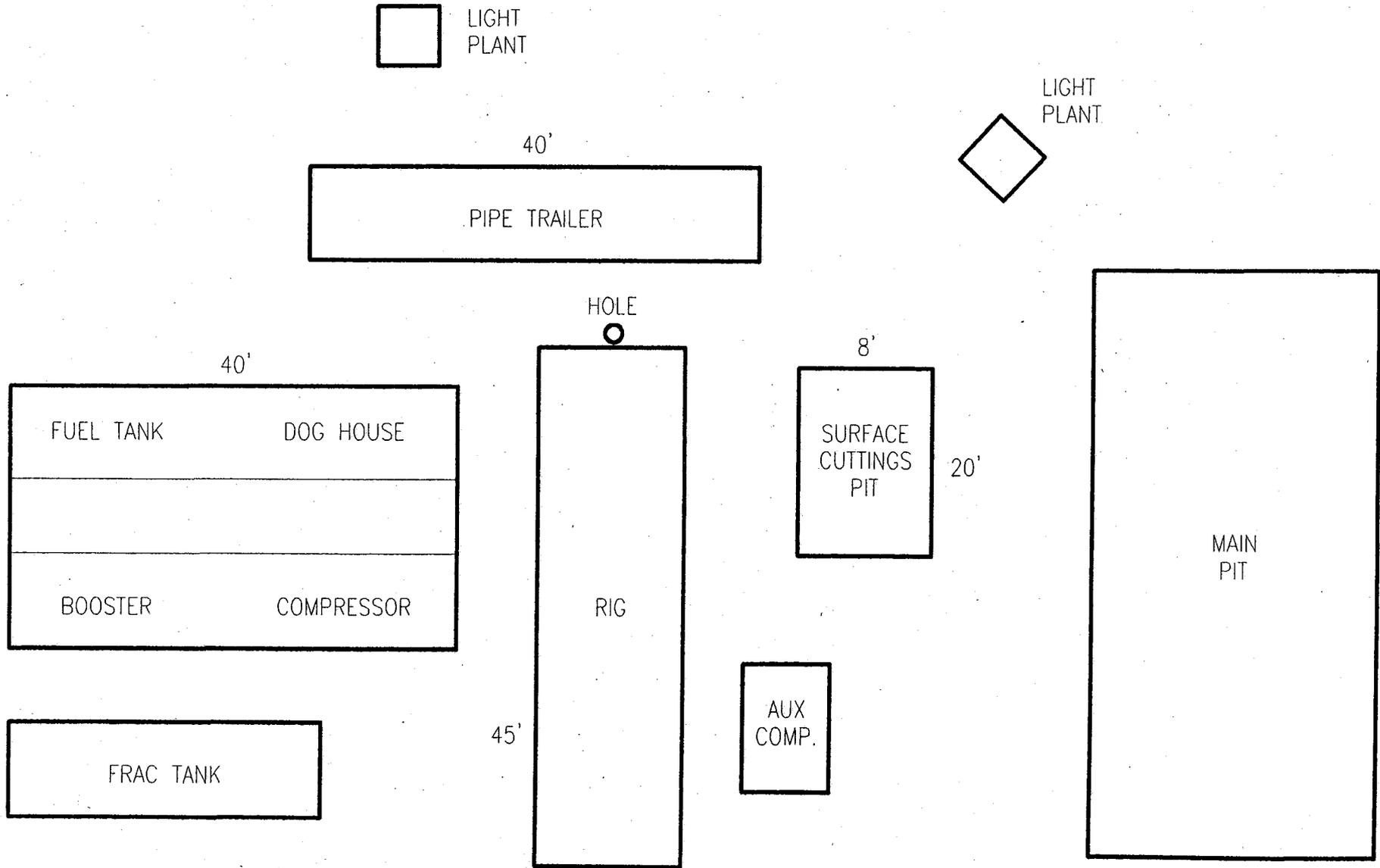
0 1 2 3 4 5 km

Map created with TOPO!® ©2001 National Geographic (www.nationalgeographic.com/topo)

TALON RESOURCES, INC.
 195 N. 100 W., P.O. BOX 1230
 HUNTINGTON, UTAH 84528
 435-637-8781

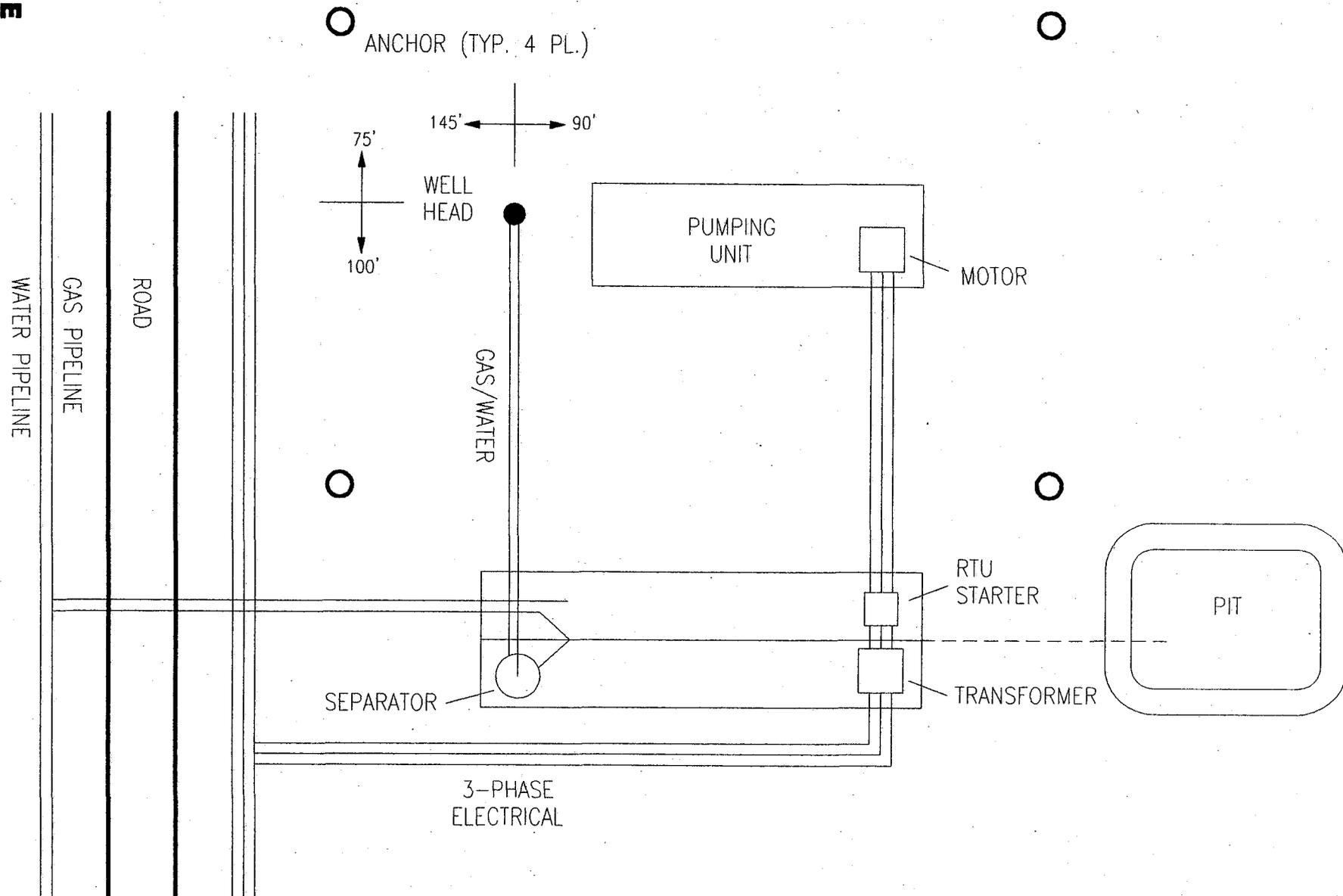
EXHIBIT C

APPROXIMATE LAYOUT OF RIG & EQUIPMENT

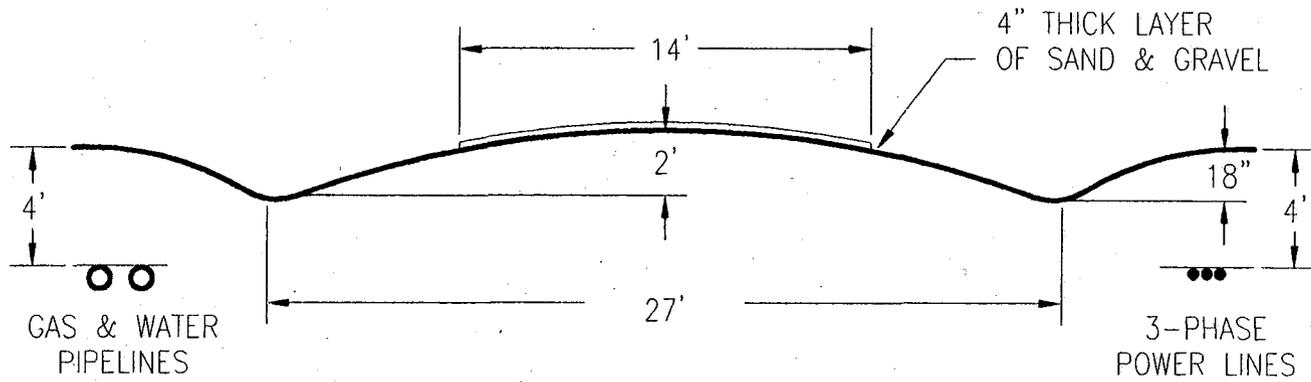


CONOCOPHILLIPS

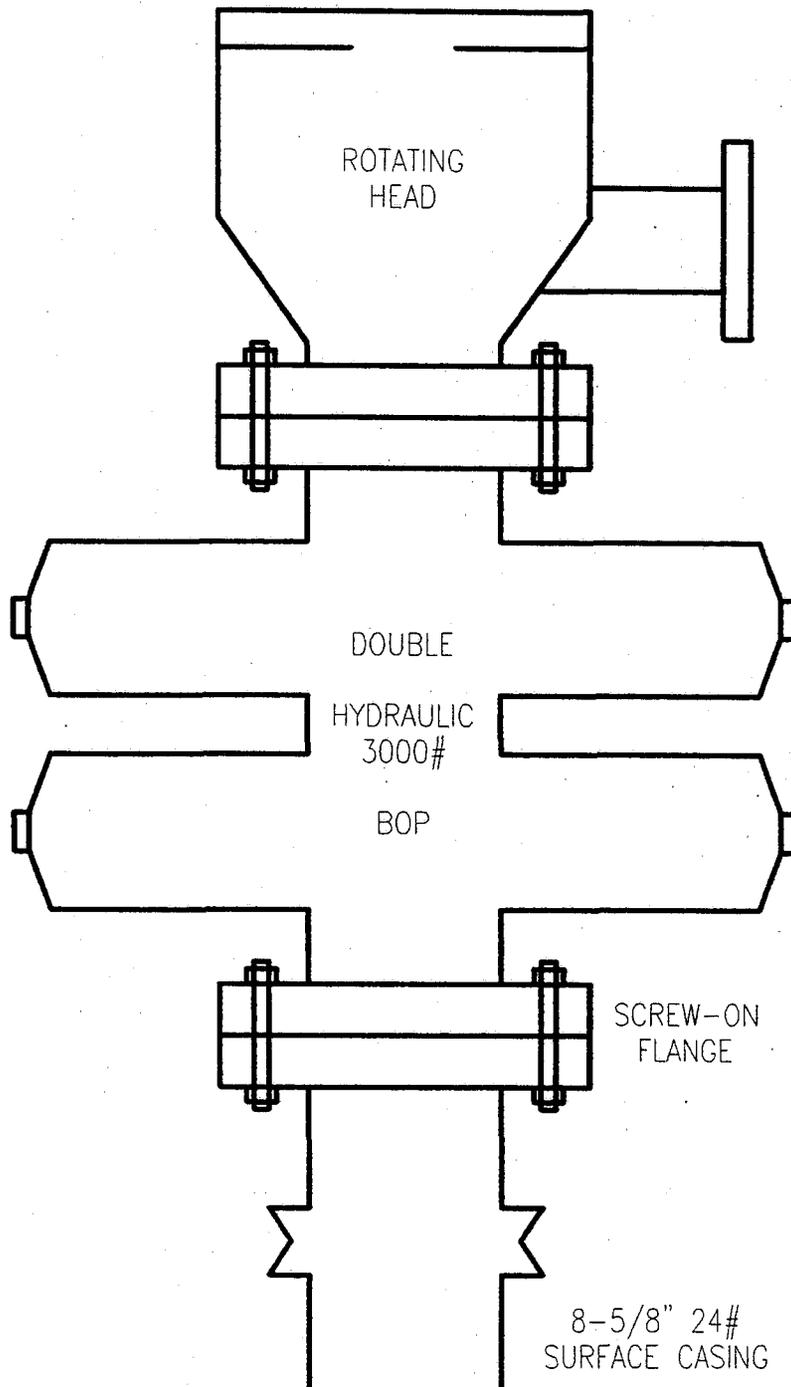
WELL SITE LAYOUT (235' x 175')



TYPICAL ROAD CROSS-SECTION



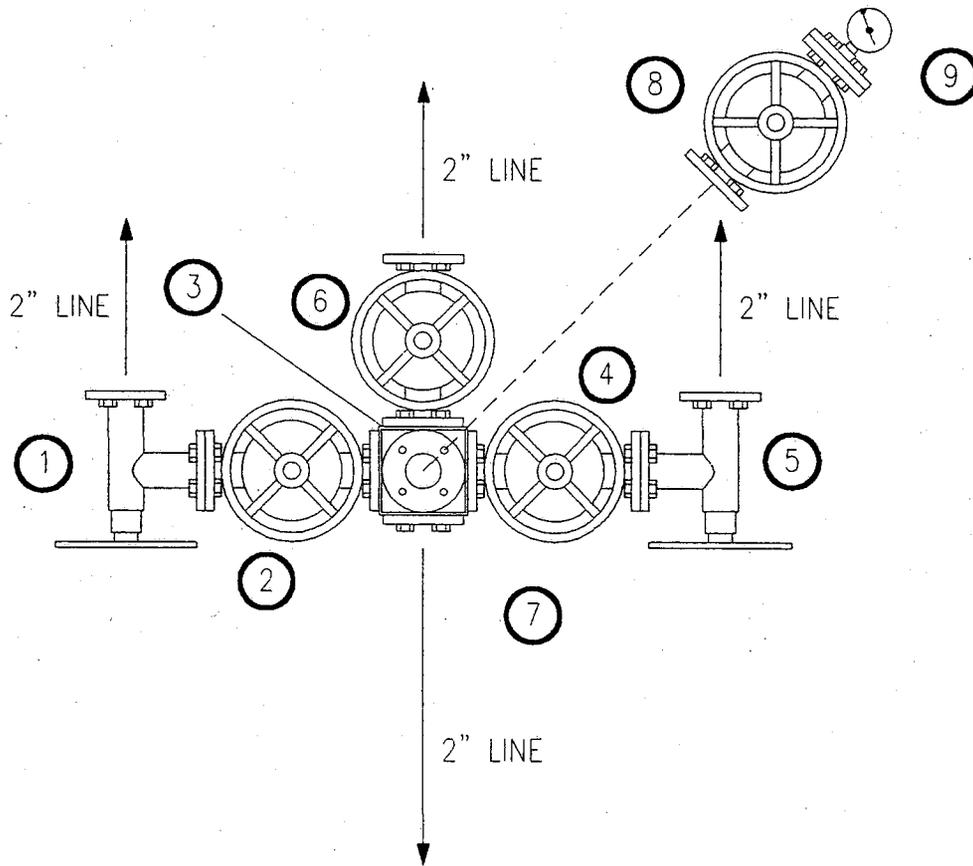
DIVERTER HEAD



- (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: 02/10/2003

API NO. ASSIGNED: 43-015-30599

WELL NAME: UTAH 35-597

OPERATOR: CONOCOPHILLIPS COMPANY (N2335)

CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

PROPOSED LOCATION:

NWSW 35 160S 080E
SURFACE: 2355 FSL 0121 FWL
BOTTOM: 2355 FSL 0121 FWL
EMERY
DRUNKARDS WASH (48)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	Drus	3/3/03
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-48215

SURFACE OWNER: 3 - State

LATITUDE: 39.38771

PROPOSED FORMATION: FRSD

LONGITUDE: 111.00125

RECEIVED AND/OR REVIEWED:

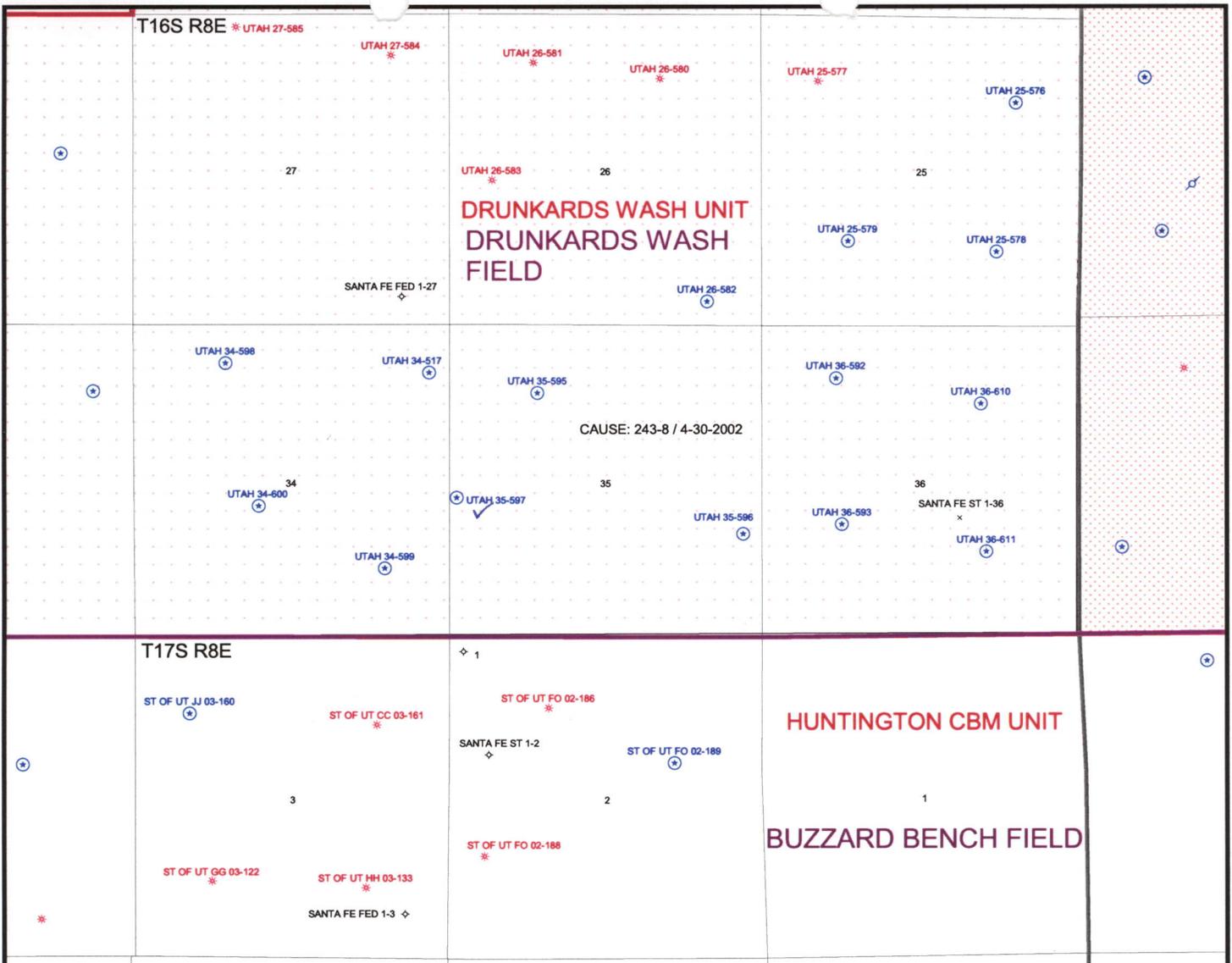
- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 6196922 5952189)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. MUNICIPAL)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3.
- Unit DRUNKARDS WASH
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. ~~_____~~
- Drilling Unit
Board Cause No: 243-8
Eff Date: 4-30-2002
Siting: 460' fr 1/2 boundary of Uncomm. Tract
- R649-3-11. Directional Drill

COMMENTS: Needs Permit (Recd 2/7/03)

STIPULATIONS: ① production casing tail cement should be brought a min. of 100' above prod. zone (1245)
② STATEMENT OF BASIS



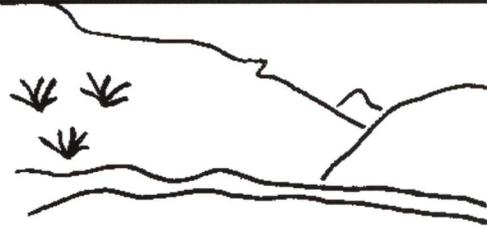
OPERATOR: CONOCOPHILLIPS (N2335)

SEC. 35 T16S, R8E

FIELD: DRUNKARDS WASH (48)

COUNTY: EMERY

CAUSE: 243-8 / 4-30-2002



Utah Oil Gas and Mining

WELLS

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

UNIT STATUS

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

FIELD STATUS

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



PREPARED BY: DIANA MASON
DATE: 12-FEBRUARY-2003

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 35-597
API NUMBER: 43 015-30599
LOCATION: 1/4,1/4 NWSW Sec: 35 TWP: 16S RNG: 8E 2355 FSL 121 FWL

Geology/Ground Water:

This location is situated adjacent to and on the southwest side of Oil Well Bench, on a soil developed on the lower sandy unit of the Emery Sandstone 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. The nearest surface waters are in Cedar Creek, which is ~2 miles to the east 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:** 2/21/03

Surface:

Proposed location is ~18 miles Southwest of Price, Utah and ~4.25 miles Northwest of Huntington, Utah on SITLA surface. The direct area drains to the Southeast into Huntington Creek, which is 2.62 miles South of the proposed site. Proposed site lies to the east of Otteson Hollow, South of Oil Well Bench, and Northwest of Nosey Joe Flat in Emery County. The soil is rocky, sandy, clay and will erode easily upon disturbance. Proposed access will be off existing, upgraded two-track roads, and newly constructed gas field roads. Dry washes that have the potential of carrying large amounts of water during thunderstorm events dot the area. SITLA, DWR, and Emery County were invited and were in attendance for the on-site evaluation.

Reviewer: Mark L. Jones **Date:** February 7, 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) lining in the reserve pit will be optional. Dirt contractor will evaluate subsurface conditions upon construction of the pit. If rocky/gravelly conditions exist, liner will be installed.

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

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Utah 35-597
API NUMBER: 43-015-30599
LEASE: State **FIELD/UNIT:** _____
LOCATION: 1/4,1/4 NWSW Sec: 35 TWP: 16S RNG: 8E 1403 FSL 378 FWL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): X = 500078 E; Y = 4359180 N SURFACE OWNER: SITLA

PARTICIPANTS

M. Jones (DOGM), J. Semborski (Phillips), Larry Jensen (NELCO), Ed Bonner (SITLA), C. Colt (DWR), and B. Anderson (Emery County) were in attendance for the on-site evaluation.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~18 miles Southwest of Price, Utah and ~4.25 miles Northwest of Huntington, Utah on SITLA surface. The direct area drains to the Southeast into Huntington Creek, which is 2.62 miles South of the proposed site. Proposed site lies to the east of Otteson Hollow, South of Oil Well Bench, and Northwest of Nosey Joe Flat in Emery County. The soil is rocky, sandy, clay and will erode easily 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: 8 proposed, 3 producing, and 3 PA well are within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Along roadside.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and transported in.

ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

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

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Dry washes that have the potential of carrying large amounts of water during thunderstorm events dot the area.

FLORA/FAUNA: Pinion juniper, sage, some native grasses, deer, elk, small-game, rodents, raptors and other fowl.

SOIL TYPE AND CHARACTERISTICS: Rocky, sandy, clay.

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

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE

September 27, 2002 / 3:30 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>15</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>0</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 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 21, 2003, 2:04 PM
PLOT SHOWS LOCATION OF 1 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 2355 FEET, E 121 FEET OF THE SW CORNER,
SECTION 35 TOWNSHIP 16S RANGE 8E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H

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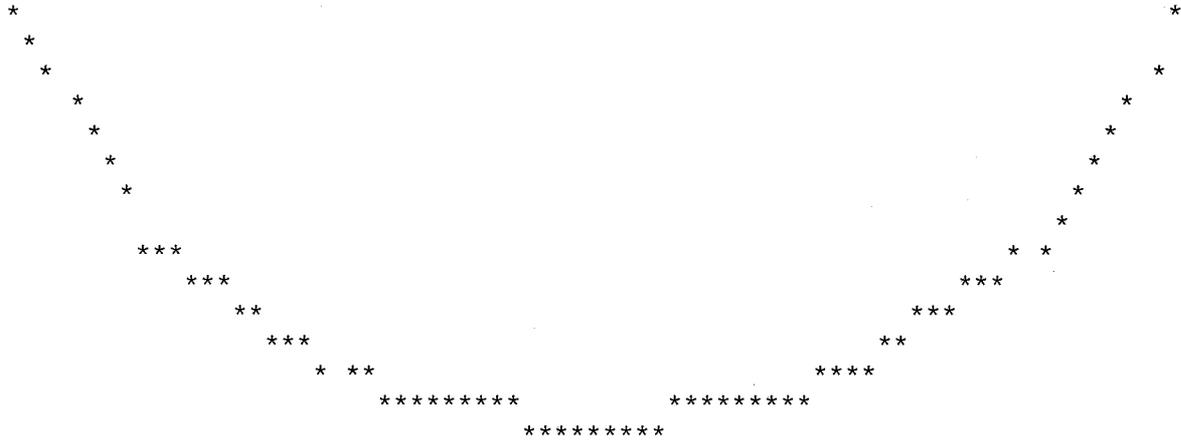
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UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	CFS	QUANTITY AND/OR	AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER	DEPTH	YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH	EAST	CNR	SEC	TWN	RNG	B&M	U A N P
0	93 3143	.0000		.00	Left Fork Cedar Creek										U A N P
WATER USE(S): STOCKWATERING										PRIORITY DATE: 00/00/1860					
State of Utah School & Institutional Tru 675 East 500 South, Suite 500										Salt Lake City UT 8					

03-03 ConocoPhillips Utah -597
Casing Schematic

Surface

8-5/8"
MW 8.4
Frac 19.

TOC @
0.
Surface
317. MD

w/20% wsshot

BOP

$$(0.052)(9)(3170) = 1484 \text{ psi}$$

$$\text{Anticipated} = 1373 \text{ psi}$$

Gas

$$(0.12)(3170) = 380 \text{ psi}$$

$$\text{MASP} = 1104 \text{ psi}$$

3 M BOPE proposed

Adequate
Prod

3/3/03

2500'
Ferro. 1

TOC @
1637.

w/15% wsshot

* prod tail men 60' above prod
zone ($\pm 2400'$)

-2500'
-2657'
to tail
-2870'

Gas & SS's

5-1/2"
MW 8.4

Production
3170. MD

Well name: **03-03 ConocoPhillips Utah 35-597**
 Operator: **ConocoPhillips Company**
 String type: **Surface**
 Location: **Emery County**
 Project ID: **43-015-30599**

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

Minimum design factors:
Collapse:
 Design factor 1.125

Burst:
 Design factor 1.00

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

Tension is based on air weight.
 Neutral point: 277 ft

Environment:
 H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 69 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 3 ft

Cement top: 0 ft

Burst
 Max anticipated surface pressure: 0 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP 138 psi

No backup mud specified.

Non-directional string.

Re subsequent strings:
 Next setting depth: 3,160 ft
 Next mud weight: 8,400 ppg
 Next setting BHP: 1,379 psi
 Fracture mud wt: 19,000 ppg
 Fracture depth: 317 ft
 Injection pressure 313 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	317	8.625	24.00	J-55	ST&C	317	317	7.972	2077

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	138	1370	9.90	138	2950	21.33	8	244	32.07 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources
 Phone: 801-538-5281
 FAX: 801-359-3940
 Date: March 3, 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 317 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: **03-03 ConocoPhillips Utah 35-597**
 Operator: **ConocoPhillips Company**
 String type: **Production** Project ID: **43-015-30599**
 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: 109 °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: 1,383 psi
 No backup mud specified.

Burst:

Design factor 1.00

Cement top:

1,637 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: 2,766 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	3170	5.5	17.00	N-80	LT&C	3170	3170	4.767	22740
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	1383	6290	4.55	1383	7740	5.60	54	348	6.46 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

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

Date: March 3, 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 3170 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 12, 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 well is planned for calendar year 2003 within the Drunkards Wash, Carbon County, Utah.

Api Number	Well	Location
(Proposed PZ Ferron)		
43-015-30599	Utah 35-597	Sec. 35 T16S R08E 2355 FSL 0121 FWL

We have no objections to permitting the well 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:2-12-3



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

March 3, 2003

ConocoPhillips Company
PO Box 851
Price, UT 84501

Re: Utah 35-597 Well, 2355' FSL, 121' FWL, NW SW, 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 43-015-30599.

Sincerely,

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 35-597
API Number: 43-015-30599
Lease: ML 46215

Location: NW SW **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)

6. Production casing tail cement should be brought to a minimum of 100' above the production zone ($\pm 2450'$).



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

March 11, 2004

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

Re: APD Rescinded – Utah 35-597 Sec. 35, T. 16S, R. 8E
Emery County, Utah API No. 43-015-30599

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 March 3, 2003. On March 9, 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 9, 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