

TALON RESOURCES INC

August 11, 2003

Mr. Eric Jones
Petroleum Engineer
Bureau of Land Management
82 East Dogwood
Moab, Utah 84532

RE: Application for Permit to Drill—Merrion Oil and Gas Corporation
Klinkhammer #1, 700' FNL, 1,357' FWL, NE/4 NW/4
Section 34, T18S, R7E, SLB&M, Emery County, Utah

Dear Mr. Jones:

On behalf of Merrion Oil and Gas Corporation (Merrion), Talon Resources, Inc. respectfully submits the enclosed original and two copies of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

- Exhibit "A" - Survey plats and layouts of the proposed well site;
- Exhibit "B" - Proposed location maps with pipe, power, and road corridors;
- Exhibit "C" - Drilling site layout;
- Exhibit "D" - 8 Point Drilling Program;
- Exhibit "E" - Thirteen Point Surface Use Plan;
- Exhibit "F" - Typical road cross-section;
- Exhibit "G" - Typical BOP diagram;
- Exhibit "H" - Typical wellhead manifold diagram.

RECEIVED
AUG 14 2003
DIV. OF OIL, GAS & MINING
FILE COPY
CONFIDENTIAL

Please accept this letter as Merrion's written request for confidential treatment of all information contained in and pertaining to this 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 myself, or Mr. George Sharpe of Merrion at 505-327-9801 if you have any questions or need additional information.

Sincerely,

Don Hamilton

Don Hamilton
Agent for Merrion Oil and Gas Corporation

cc: Mr. Don Stephens, BLM-Price Field Office
Mrs. Diana Mason, Oil, Gas and Mining
Mr. Bryant Anderson, Emery County
Mr. George Sharpe, Merrion
Mr. John Thompson, Merrion
Merrion Well Files

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Merrion Oil and Gas Corporation.

3. ADDRESS AND TELEPHONE NO.
 610 Reilly Avenue, Farmington, New Mexico 87401; 505-327-9801

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements *)
 At surface: 4340782 Y 39.21813
 At proposed prod. zone: 700' FNL, 1,357' FWL 488998 X - 111.12744

5. LEASE DESIGNATION AND SERIAL NO.
 U-72356

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME, WELL NO.
 Klinkhammer #1

9. API WELL NO.
 43-015-30610

10. FIELD AND POOL, OR WILDCAT
 Undersignated Buzzard

11. SEC., T., R., M., OR BLK.
 NE/4 NW/4, Section 34, T18S, R7E, SLB&M

12. COUNTY OR PARISH
 Emery

13. STATE
 Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 4.11 miles southwest of Orangeville, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 700'

16. NO. OF ACRES IN LEASE
 155.76

17. NO. OF ACRES ASSIGNED TO THIS WELL
 160 acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 None

19. PROPOSED DEPTH
 3,600'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6,518' GR

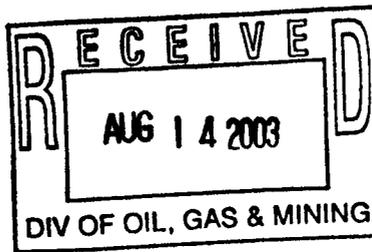
22. APPROX. DATE WORK WILL START*
 September 2003

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55 ST&C	24	250'	245 sacks Class B or H cement + 3% CaCl ₂
7-7/8"	5-1/2" J-55 ST&C	15.5	3,600'	240 sacks Premium Plus with additives
				100 sacks Premium Plus with additives

Surface Owner: United States of America
 Surface Representative: Don Stephens, BLM Price Field Office, 125 South 600 West, Price, UT 84501
 435-636-3608

Federal Bond Number: NM 0883



CONFIDENTIAL

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any

24. SIGNED Don Hamilton Don Hamilton TITLE Agent for Merrion DATE 8-11-03

(This space for Federal or State office use)
 PERMIT NO. 43-015-30610 APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.
 CONDITIONS OF APPROVAL, IF ANY:

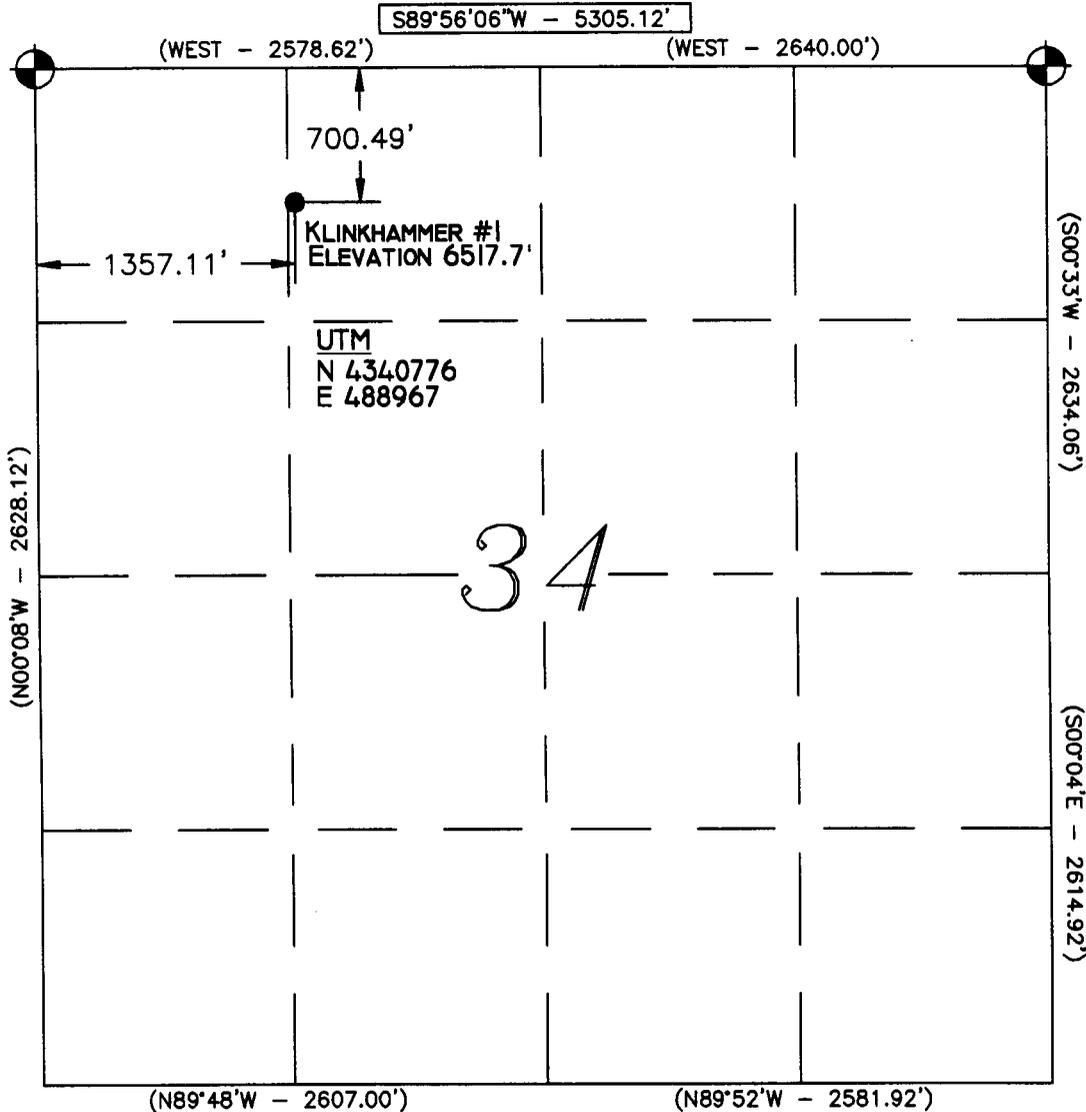
APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 08-18-03

*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the

Range 7 East

Township 18 South



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

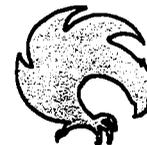
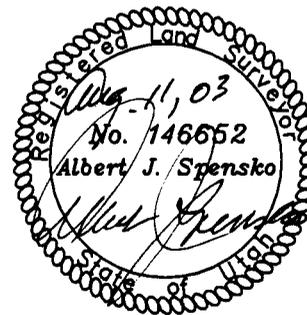
Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

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

Basis of Elevation:
BASIS OF ELEVATION OF 6096' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 35, TOWNSHIP 18 SOUTH, RANGE 7 EAST, SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE CASTLE DALE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE NE 1/4 NW 1/4 OF SECTION 34; BEING 700.49' SOUTH AND 1357.11' EAST FROM THE NORTHWEST CORNER OF SECTION 34, T18S, R7E, SALT LAKE BASE AND 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 talonecastlenet.com

MERRION OIL & GAS

KLINKHAMMER #1
Section 34, T18S, R7E, S.L.B.&M.
Emery County, Utah

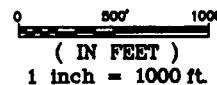
Legend

- Drill Hole Location
- ⊙ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- ▭ GPS Measured

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

LAT / LONG
39°13'05"
111°07'40"

GRAPHIC SCALE



Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 04/07/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1024

Attached to BLM Form 3
 Merrion Oil & Gas Corporation
Klinkhammer #1
 700' FNL, 1,357' FWL, Section 34
 T18S, R7E, SLB&M,

8 Point Drilling Program

Emery County, Utah

1. The Geologic Surface Formation

Quaternary Alluvium

2. Estimated Tops of Important Geologic Markers

<u>Marker</u>	<u>Depth (MD)</u>
Quaternary Alluvium	Surface
Emery Sandstone	723'
Blue Gate Shale	1,284'
Ferron Sandstone	3,077'
Total Depth	3,600'

3. Projected Gas & H2O zones (Ferron Formation)

Coals and sandstones – 3,077' – 3,600'

No groundwater is expected to be encountered.

Casing & cementing will be done to protect potentially productive hydrocarbons, groundwater resources, 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 1000 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>CONDITION</u>
12-1/4"	250'	8-5/8"	24# J-55 ST&C	New
7-7/8"	3,600'	5-1/2"	15.5# J-55 ST&C	New

Cement Program -Every attempt will be made to bring cement back to surface.

Surface Casing: 245 sacks Class B or H + 3 % CaCl₂;
Weight: 15.6 #/gal
Yield: 1.18 cu.ft/sk

Production Casing:

Lead: 240 sacks Premium Plus with additives
Weight: 12 #/gal,
Yield: 2.63 cu.ft/sk yield.
Tail: 100 sacks Premium Plus with additives
Weight: 14.2 #/gal,
Yield: 1.58 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 3,000 psi BOP will be used with a rotating head. This equipment will be tested to 1,500 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**

0-250'	12-1/4" hole	Drill with air, mist or mud if necessary.
250'-TD	7-7/8" hole	Drill with air, mist if necessary. 400 psi @ 2,400 scf.

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

250-TD Gamma Ray, Collar, Neutron Porosity, Caliper

Overpressuring

We consider the possibility of an over pressured zone in this area to be a low risk. Previous drilling in this area have not shown any over pressured zones at the target depths.

Lost Circulation

Previous drilling records in this area did not indicate any lost circulation while drilling or cementing the production casing for the wells. Therefore we consider this a low risk for the Klinkhammer #1 well. However, we plan to include lost circulation material in the production cement and have lost circulation material/additives on location while drilling.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: September 2003.

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

Drilling Procedure

Build Location & Drill Surface Hole

1. Construct pad off existing road (no new road).
2. Clear location of all trees, shrubs.
3. Dig drilling pit ~ (44' wide X 80' long X 8' deep) for well and line with pit liner material.
4. MIRU Rat/Mouse hole drilling rig.
5. Drill rat and mouse holes.
6. Spud 12 ¼" hole. Drill to 250' KB. Condition hole. Take a survey.
7. Run 8-3/8" 24ppf J55 new surface casing to ~250' KB. Run centralizers, one on each joint unless hole conditions warrant otherwise. Cement in place with 245 sx class "B" or "H", 3% CaCl₂, Yield 1.18 cu.ft./sx, slurry wt 15.6 ppg. (TOC @ surface w/ 100% excess in gage hole). Install casing head.
8. RD & MOL.

Drill Production Hole

1. MOL & RU drilling rig. Nipple up BOPs. Pressure test to 1500 psi for 15 min
2. Drill out cement and shoe with 7-7/8" bit and air/mist.
3. Cut mist and dry up hole. Continue drilling new formaion. Circulating fluid will be ~ 2,400 scfm of air. Drill w/ air/mist if necessary.
4. Run SS surveys with azimuth every 500 ft. If rate of build is 1° per 100 ft or more, run SS surveys minimum at 100' intervals.
5. Drill to total depth at ~ 3600' KB. Run SS survey at total depth (TD).

Run 5-1/2" Casing

1. TOH w/ drill pipe and drill collars.
2. Run open hole surveys (may be cancelled – if so proceed to 3.)
3. TIH w/ drill pipe and drill collars. Lay down drill pipe and drill collars.
4. Deliver 5-1/2", 15.5 ppf, J55 casing to location. Tally all casing upon arrival. (Clean all pins and collars and drift all casing prior to delivery.)
5. Pickup 5-1/2" casing shoe w/ float. Make it up to one 5-1/2" shoe joint.
6. Pickup a float collar w/ float and install it in top of the shoe joint.
7. RIH w/ 5-1/2", 15.5 ppf casing.
8. Circulate last joint down w/ air.
9. RU cementers and cement. Pump 20 bbls of "gel" water followed by 10 bbls of water for a spacer followed by 240 sx of Premium Plus w/ additives, yield 2.63 cu.ft./sx, slurry weight 12 ppg. Tail in w/ 100 sx of Premium Plus w/ additives, yield 1.58 cu.ft./sx, slurry weight 14.2 ppg. Volumes calculated on 25% excess of guage hole (exact cement volumes will be picked from caliper log to achieve proper fillup – cement top designed to circulate cement back to surface). All slurries to include lost circulation additives to combat potential lost circulation during cement job. Drop wiper plug and displace to float collar w/ water.
10. ND BOP's & set casing in the slips as cemented, cut off excess pipe if necessary.
11. RD rig and equipment and release from location.

Completion Procedure

1. Blade location if necessary.
2. Move in frac tanks and fill w/ 2% KCl water.
3. Install 5-1/2" frac valve and pressure test casing to 4,000 psi.
4. Rig up perforating company and run in hole w/ Gamma Ray / Collar log.
5. Perforate zone picked from open hole surveys (if no open hole surveys, run Compensated Neutron Log)
6. Rig down perforator's and rig up Stimulation company. Frac selected zone (size and type of frac not yet selected).
7. Rig down frac company and let well flow back.
8. Move in completion rig.
9. ND frac valve and NU tubing head and BOP's.
10. TIH w/ 2-3/8" tubing w/ notched collar on bottom and seating nipple on top of bottom joint.
11. Clean out w/ air (or nitrogen).
12. Pull up and land tubing at or just above top perforation.
13. Test well, swab in if necessary.
14. Rig down and release rig, clean up location.

Attached to BLM Form 3
Merrion Oil & Gas Corporation
Klinkhammer #1
700' FNL, 1,357' FWL, Section 34
T18S, R7E, SLB&M,
Emery County, Utah

THIRTEEN POINT SURFACE USE PLAN

The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

The onsite inspection for the referenced well was conducted on Friday, July 18, 2003 at approximately 11:00am. Weather conditions were hot and dry. In attendance at the onsite inspection were the following individuals:

Don Stephens	Geologist	Bureau of Land Management
Wayne Ludington	Wildlife Biologist	Bureau of Land Management
Larry Johnson	Agent for Merrion	Talon Resources, Inc.

1. Existing Roads:

- a. The proposed well site is located approximately 4.11 miles southwest of Orangeville, Utah.
- b. Utilizing the maps in Exhibit B proceed south from the prominent intersection just north of Orangeville, Utah through Orangeville approximately 1.32 miles to SR-57. Cross SR-57 onto the gravel surfaced Justensen Farm Road (Emery County Road #510) and travel the surfaced road approximately 2.45 miles to an existing gas field development intersection. At the intersection turn right and follow the gas field development road northwest approximately 2.47 miles to the end of the improved surface near the existing Chevron USA, Inc. well 34-7. Continue along an existing improved surface approximately 0.7 miles to the proposed well site Klinkhammer #1 (See Exhibit "B").
- c. The use of roads under State and County Road Department maintenance are necessary to access the proposed well. However, only an Emery County Annual Permit is anticipated since no upgrades to the State or County Road system are proposed at this time.
- d. All existing roads will be maintained and kept in good repair during all phases of operation.
- e. Vehicle operators will obey posted speed restrictions and observe safe speeds commensurate with road and weather conditions.
- f. Since no improvements are anticipated to the State, County or BLM access roads no topsoil striping will occur.
- g. Since no surface disturbance is proposed on federal surface an off-lease federal Right-of-Way is not required. However, an off-lease federal right-of-way will need to be secured for the utility corridor (pipelines and power lines) not addressed in this application.

2. Planned Access Roads:

- a. The well site is proposed along the existing gravel surfaced Chevron well access road. No new

access is proposed at this time. A road design plan is not anticipated at this time.

3. Location of Existing Wells:

a. Following is a list of existing wells within a one mile radius of the proposed well:

i. Water wells	None	
ii. Injection wells	None	
iii. Disposal wells	None	
iv. Drilling wells	None	
v. Temp. shut-in wells	None	
vi. Producing wells	NE/4 NE/4, Section 34, T18S, R7E	Chevron, Federal A 34-7
	NW/4 NW/4, Section 35, T18S, R7E	Chevron, Federal A 35-6
	NW/4 SW/4, Section 35, T18S, R7E	Chevron, Federal A 35-89
	SE/4 SE/4, Section 27, T18S, R7E	Chevron, Federal T 27-87
v. Abandon wells	NE/4 NW/4, Section 34, T18S, R7E	Utah Southern Oil, Federal 3
	NE/4 NE/4, Section 33, T18S, R7E	Texas Inter. Federal 41-33

b. Exhibit B is a map reflecting the producing wells within a one mile radius of the proposed well:

4. Location of Production Facilities:

- a. All permanent structures will be painted a flat, non-reflective olive black to match the standard environmental colors. All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded.
- b. Site security guidelines identified in 43 CFR 3163.7-5 and Onshore Oil and Gas Order No. 3 will be adhered to.
- c. A gas meter run will be constructed and located on lease within 500 feet of the wellhead. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.
- d. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All liquid hydrocarbons production and measurement shall conform to the provisions of 43 CFR 3162.7-3 and Onshore Oil and Gas Order No. 4 and Onshore Oil and Gas Order No. 5 for natural gas production and measurement.
- e. Any necessary pits will be properly fenced to prevent any wildlife and livestock entry.
- f. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic. The road will be maintained in a safe useable condition.
- g. The site will require periodic maintenance to ensure that drainages are kept open and free of debris, ice, and snow, and that surfaces are properly treated to reduce erosion, fugitive dust, and impacts to adjacent areas.
- h. A utility corridor is associated with this project but is not being applied for at this time. Once production has been established a utility corridor will be determined and applied for utilizing a

federal sundry notice and federal right-of-way.

5. Location and Type of Water Supply:

- a. The water needed for drilling and construction purposes will be obtained from Orangeville City, Utah (a local source of municipal water) through a direct purchase.
- b. Additional waters, if available, will be properly and legally obtained according to State water laws and is subject to BLM and DOGM approval.
- c. Because of the small amount of water needed for construction and drilling activities no other source of water is being pursued at this time.

6. Source of Construction Material:

- a. The use of materials will conform to 43 CFR 3610.2-3.
- b. No construction materials will be removed from BLM lands.
- c. If any gravel is used, it will be obtained from a state approved gravel pit.

7. Methods of Handling Waste Disposal:

- a. All wastes associated with this application will be contained and disposed of utilizing approved facilities.
- b. Drill cuttings will be contained and buried on site.
- c. The reserve pit will be located inboard of the location and along the north side of the pad.
- d. The reserve pit will be constructed so as not to leak, break, or allow any discharge.
- e. The reserve pit will be lined with 12-mil minimum thickness plastic nylon reinforced liner material. The pit 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. Pit walls will be sloped no greater than 2:1. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling and completion operation.
- f. The reserve pit has been located in cut material. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. After the reserve pit has dried, all areas not needed for production will be rehabilitated.
- g. No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completion of the well.
- h. Trash will be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations. The contents of the trash

container will be hauled off periodically to the approved Emery County Landfill near Castle Dale, Utah.

- i. Produced fluids from the well other than water will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt-water or other produced fluids will be cleaned up and removed.
- j. After first production, produced wastewater will be confined to a lined pit or storage tank for a period not to exceed ninety- (90) days. During the 90-day period, an application for approval of a permanent disposal method and location will be applied for in accordance with Onshore Order #7.
- k. 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.
- l. Sanitary facilities will be on site at all times during operations. Sewage will be placed in a portable chemical toilet and the toilet replaced periodically utilizing a licensed contractor to transport by truck the portable chemical toilet so that its contents can be delivered to the Emery County Wastewater Treatment Facility in accordance with state and county regulations.

8. Ancillary Facilities:

- a. Garbage Containers and Portable Toilets are the only ancillary facilities proposed in this application.

9. Well Site Layout: (See Exhibit B)

- a. The well will be properly identified in accordance with 43 CFR 3162.6.
- b. Access to the well pad will be from the east.
- c. The pad and road designs are consistent with BLM specifications.
- d. A pre-construction meeting with a responsible company representative, contractors, and the BLM will be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road will be construction-staked prior to this meeting.
- e. The pad has been staked at its maximum size, however it will be constructed smaller if possible, depending upon rig availability. Should the layout change, this application will be amended and approved utilizing a sundry notice.
- f. A qualified, responsible company representative who is aware of the terms and conditions of the APD and specifications in the approved plans will supervise all surface disturbing activities.
- g. All cut and fill slopes will be such that stability can be maintained for the life of the activity.
- h. Diversion ditches will be constructed as shown around the well site to prevent surface waters from entering the well site area.
- i. The site surface will be graded to drain to the low corner to avoid pit spillage during large storm events.
- j. The stockpiled topsoil (first 6 inches or maximum available) will be stored in a windrow on the uphill side of the location to prevent any possible contamination. All topsoil will be stockpiled for

reclamation in such a way as to prevent soil loss and contamination.

- k. Pits will remain fenced until site cleanup.
- l. The blooie line will be located at least 100 feet from the well head.
- m. Water injection may be implemented if necessary to minimize the amount of fugitive dust.

10. Plans for Restoration of the Surface:

PRODUCING WELL

- a. Site reclamation for a producing well will be accomplished for portions of the site not required for the continued operation of the well.
- b. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1. Once the reserve pit is dry, the plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit. The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- c. Upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.
- d. The cut and fill slopes and all other disturbed areas not needed for the production operation will be top soiled and re-vegetated. The stockpiled topsoil will be evenly distributed over the disturbed area.
- e. Prior to reseeding the site, all disturbed areas, including the access road, will be scarified and left with a rough surface. The site will then be seeded and/or planted as prescribed by the BLM

11. Surface and Mineral Ownership:

- a. Surface and Mineral Ownership: Federal under the management of the BLM – Price Field Office, 125 South 600 West, Price, Utah 84501; 435-636-3608.

12. Other Information:

- a. Senco-Phenix Archaeological Consultants has conducted a Class III archeological survey. A copy of the report (SPUT 458, June 20, 2003) has been submitted under separate cover to the appropriate agencies by Senco-Phenix Archaeological Consultants.
- b. No drainage crossings that require additional State or Federal approval are being crossed

13. Operator's Representative and Certification

Merrion Oil & Gas, Inc.
610 Reilly Avenue
Farmington, New Mexico 87401

<u>Title</u>	<u>Name</u>	<u>Office Phone</u>
Company Representative	George Sharpe	1-303-327-9801
Drilling Consultant	John Thompson	1-505-320-1748
Project Consultant	Larry Johnson	1-435-687-5310
Permitting Consultant	Don Hamilton	1-435-687-5310

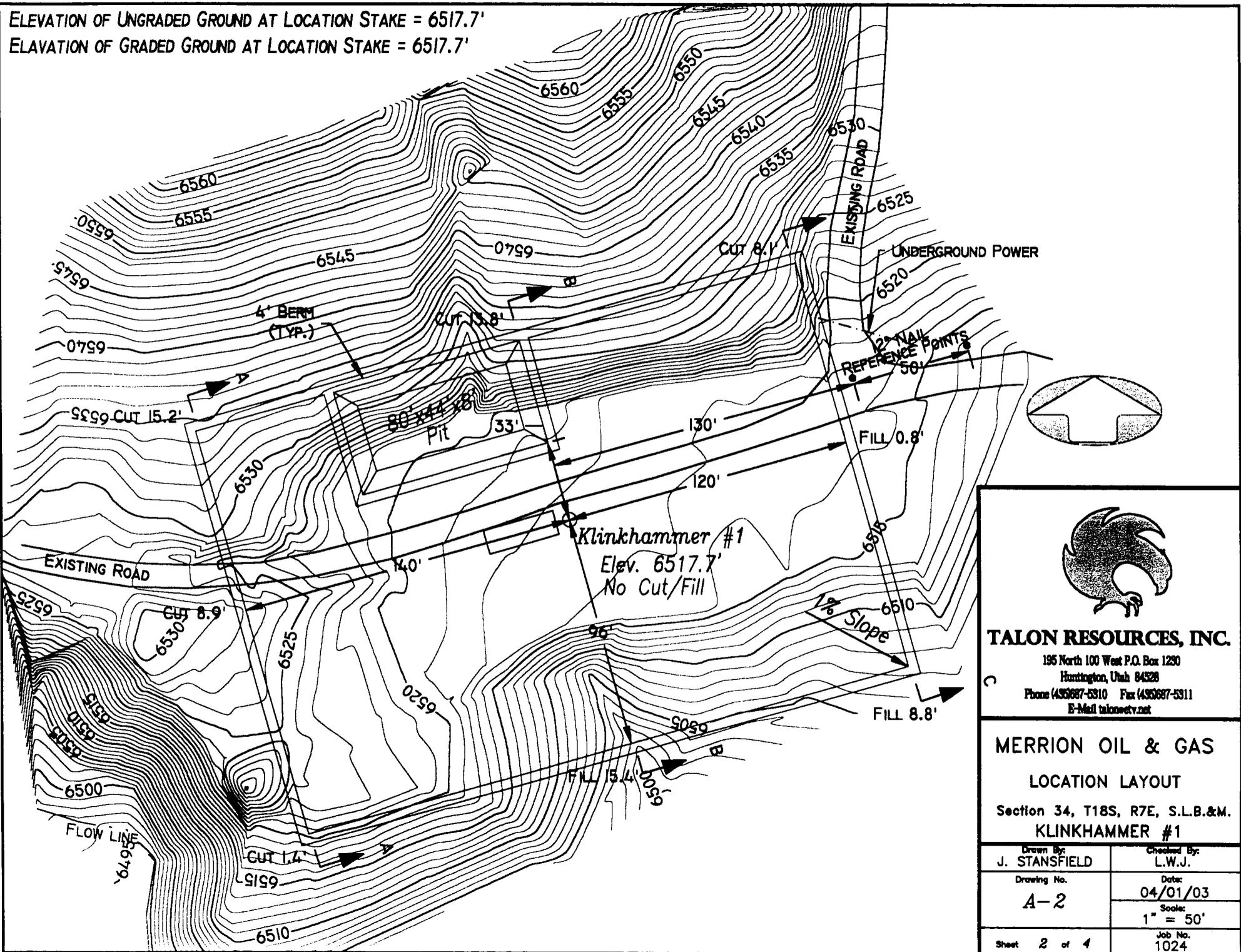
Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed well site and access route; that I am familiar with the conditions which currently exists; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Merion Oil & Gas Corporation and its contractors and subcontractors in conformity with this APD package and the terms and conditions under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided with a nationwide federal bond #NM 0883. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Signature: Don Hamilton Date: 8-11-03

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 6517.7'

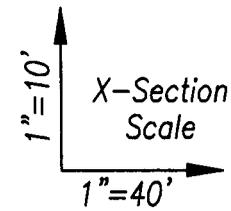
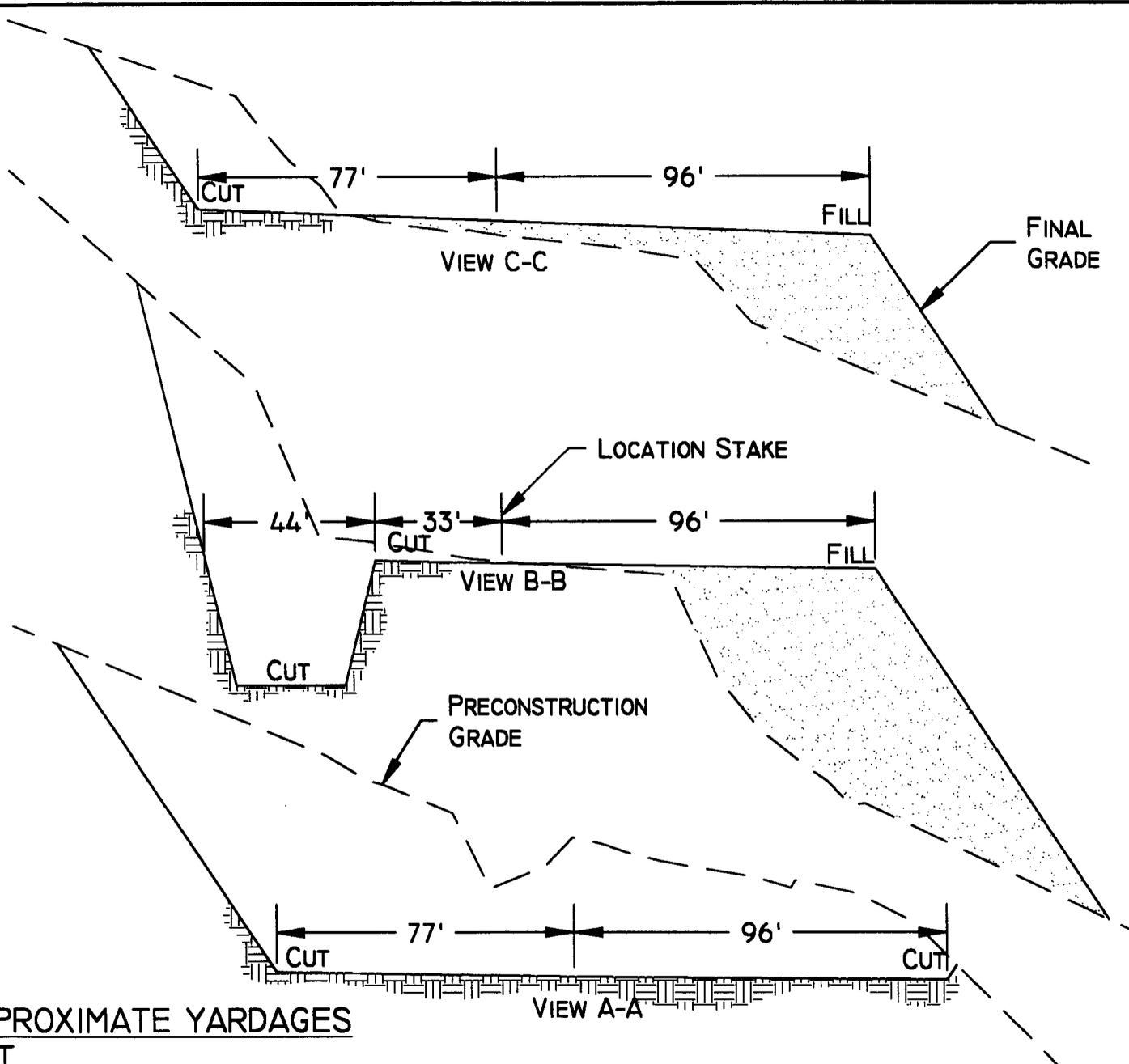
ELEVATION OF GRADED GROUND AT LOCATION STAKE = 6517.7'



TALON RESOURCES, INC.
195 North 100 West P.O. Box 1280
Huntington, Utah 84328
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonnetv.net

MERRION OIL & GAS
LOCATION LAYOUT
Section 34, T18S, R7E, S.L.B.&M.
KLINKHAMMER #1

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-2	Date: 04/01/03
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1024



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



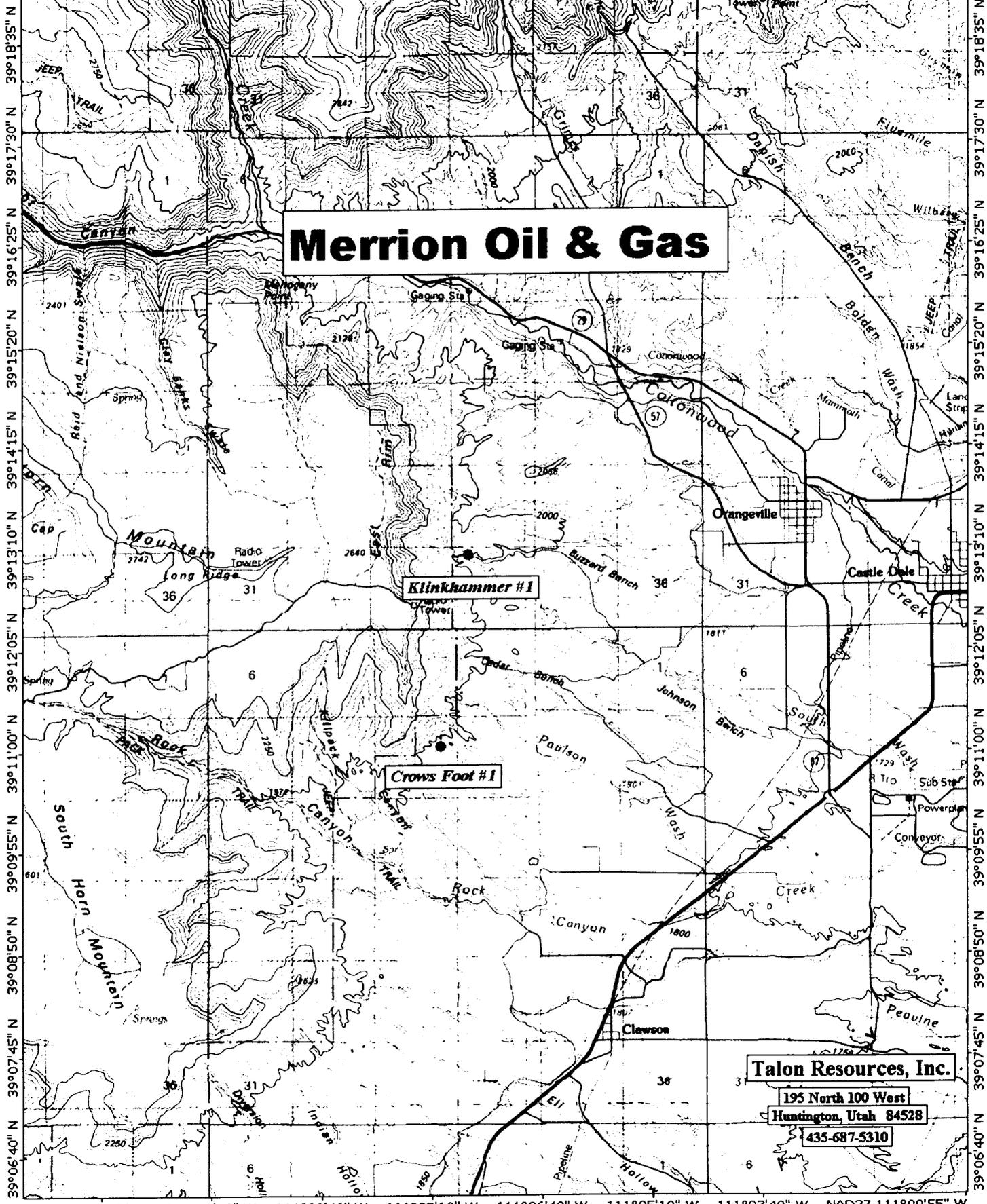
TALON RESOURCES, INC
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talonresv.net

MERRION OIL & GAS
LOCATION LAYOUT
 Section 34, T18S, R7E, S.L.B.&M.
KLINKHAMMER #1

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. C-1	Date: 04/01/03
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1024

APPROXIMATE YARDAGES
CUT
 (6") TOPSOIL STRIPPING = 750 CU. YDS.
 REMAINING LOCATION = 5,480 CU, YDS.
 TOTAL CUT = 6,280 CU. YDS.
 TOTAL FILL = 3,525 CU. YDS.

111°12'40" W 111°11'10" W 111°09'40" W 111°08'10" W 111°06'40" W 111°05'10" W 111°03'40" W NAD27 111°00'55" W



Merrion Oil & Gas

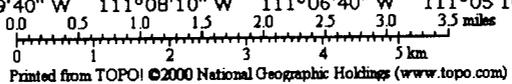
Klinkhammer #1

Crows Foot #1

Talon Resources, Inc.

195 North 100 West
Huntington, Utah 84528
435-687-5310

TN MN
13°



Printed from TOPOI ©2000 National Geographic Holdings (www.topo.com)

TYPICAL ROAD CROSS-SECTION

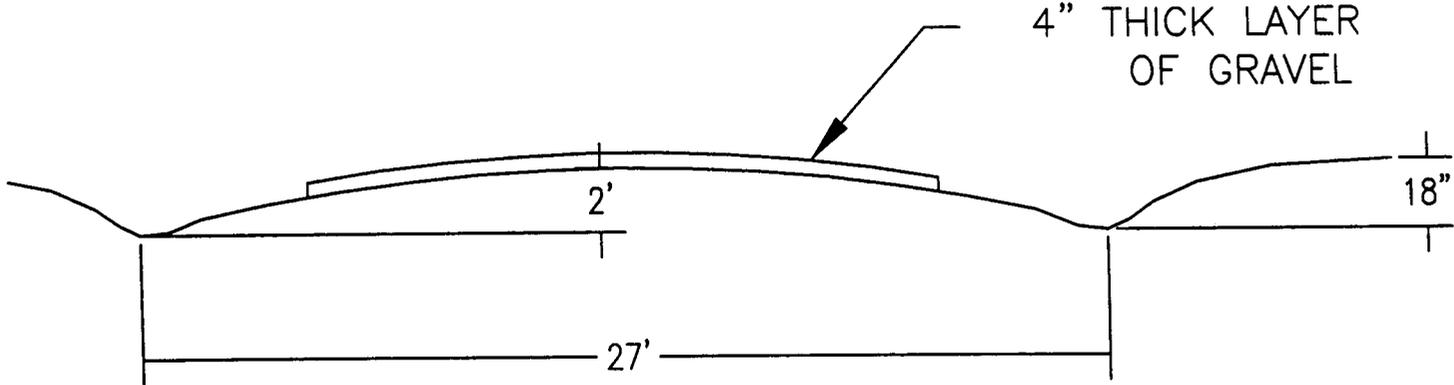


EXHIBIT "F"

BOP Equipment

3000psi WP

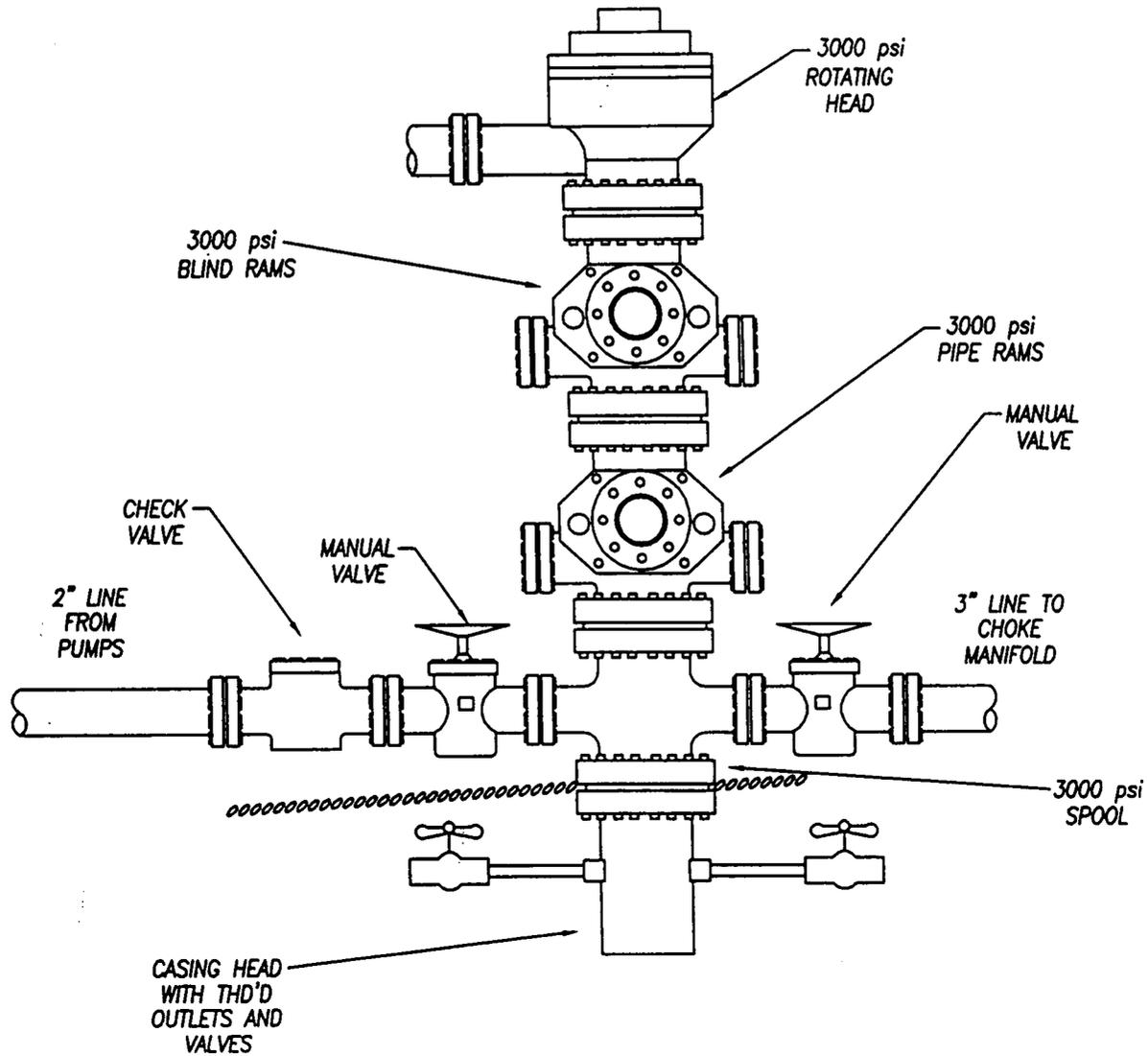
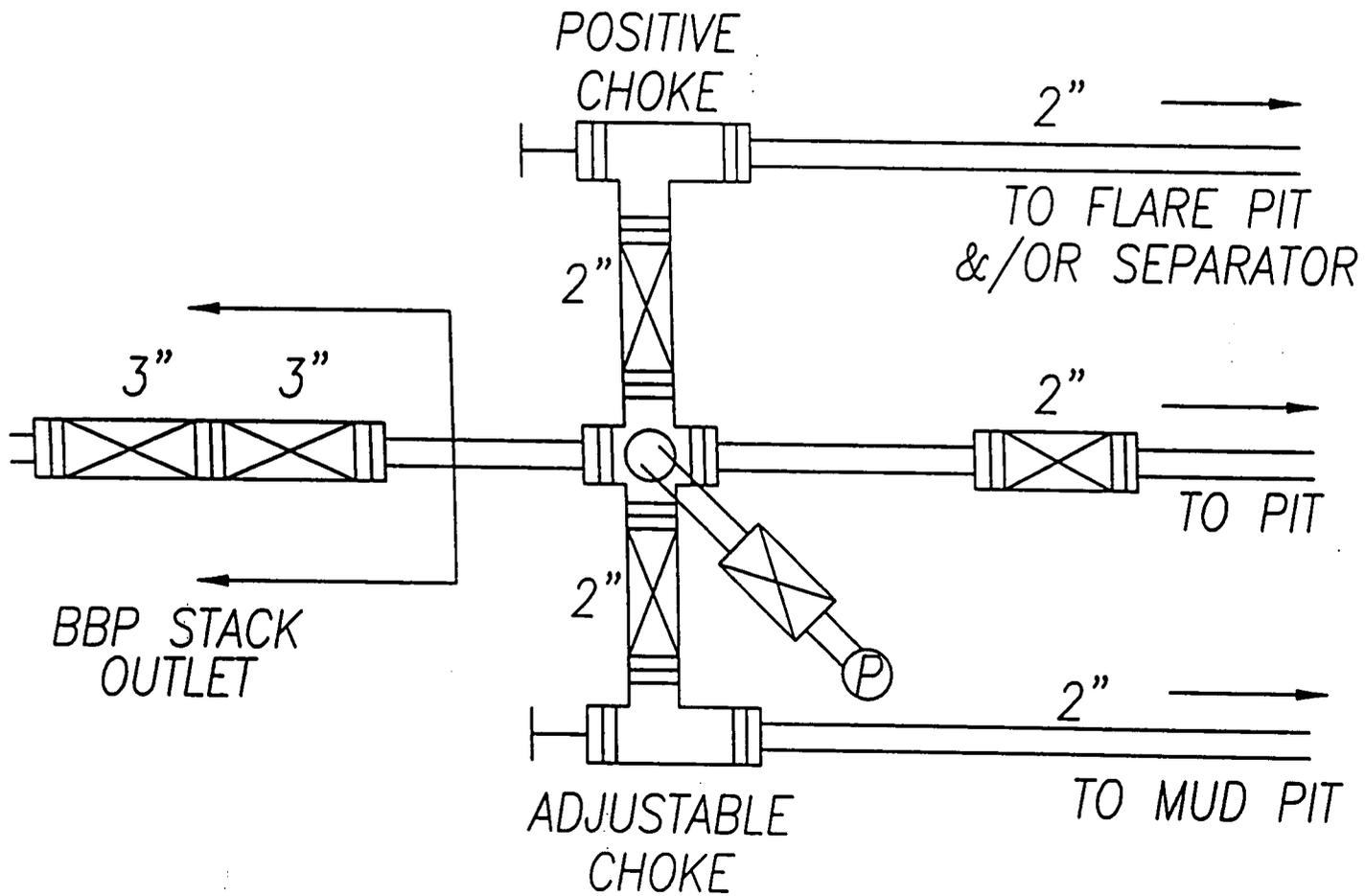


EXHIBIT "C"

CHOKE MANIFOLD



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

003

APD RECEIVED: 08/14/2003

API NO. ASSIGNED: 43-015-30610

WELL NAME: KLINKHAMMER 1
 OPERATOR: MERRION OIL & GAS CORP (N0630)
 CONTACT: DON HAMILTON

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

NENW 34 180S 070E
 SURFACE: 0700 FNL 1357 FWL
 BOTTOM: 0700 FNL 1357 FWL
 EMERY
 BUZZARD BENCH (132)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-72356
 SURFACE OWNER: 1 - Federal
 PROPOSED FORMATION: FRSD

LATITUDE: 39.21813
 LONGITUDE: 111.12744

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. NM 0883)
- 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)

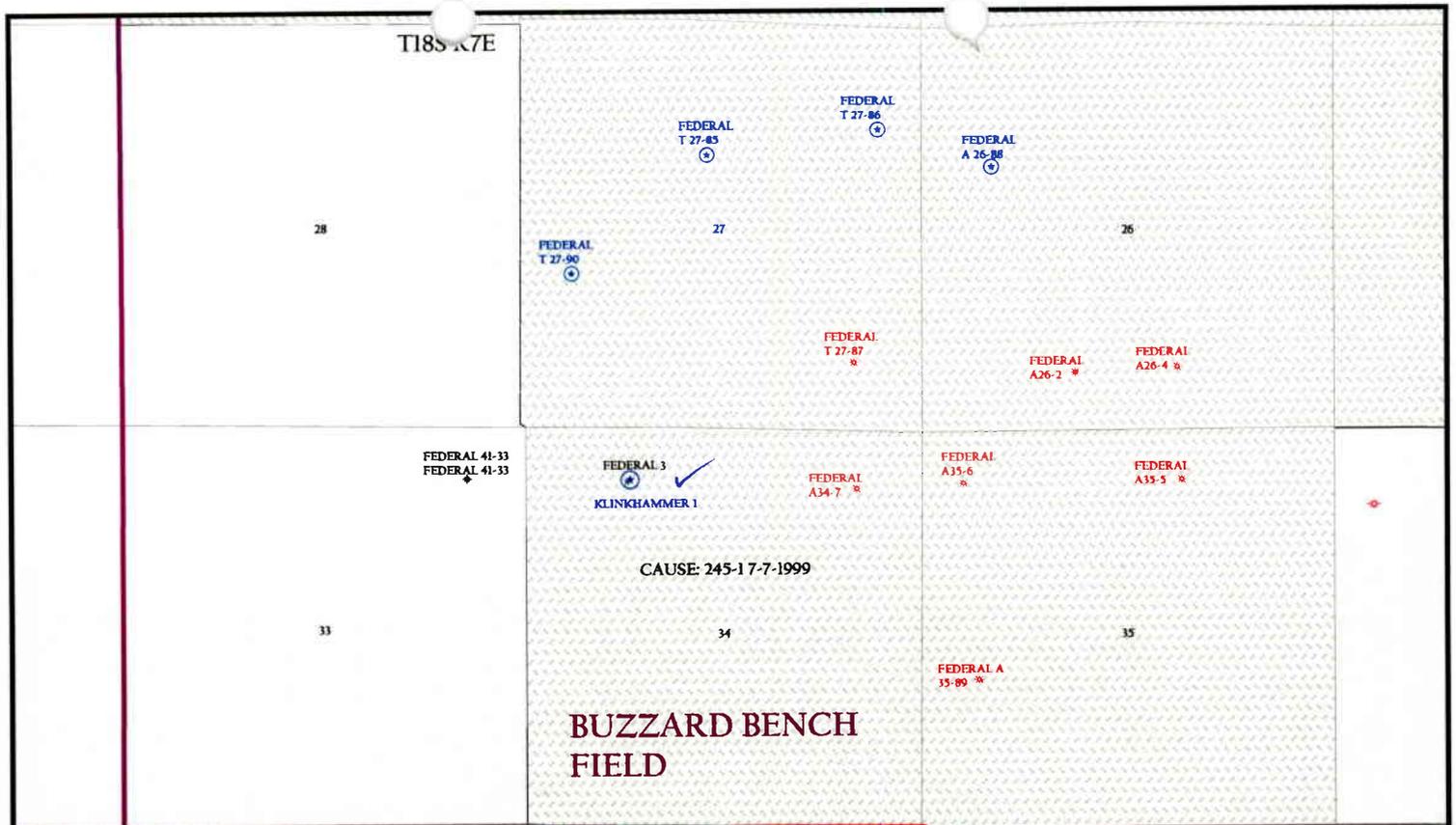
LOCATION AND SITING:

- R649-2-3.
Unit _____
- R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: 245-1
Eff Date: 7-7-1999
Siting: 460' Fr W boundary & 920' Fr other wells.
- R649-3-11. Directional Drill

COMMENTS:

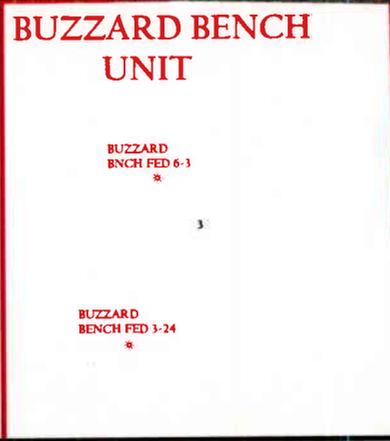
STIPULATIONS:

1 - federal approval



BUZZARD BENCH FIELD

T19S R7E

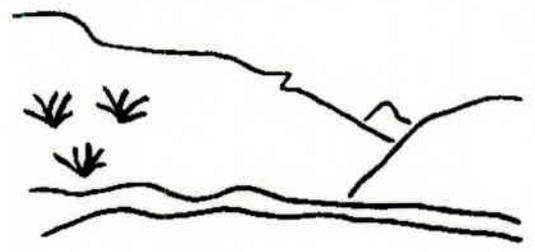


BUZZARD BENCH UNIT



ORANGEVILLE UNIT

OPERATOR: MERRION O&G CORP (N0630)
 SEC. 34 T.18S, R.7E
 FIELD: BUZZARD BENCH (132)
 COUNTY: EMERY
 CAUSE: 245-1 / 7-7-1999



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



PREPARED BY: DIANA MASON
 DATE: 15-AUGUST-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

August 18, 2003

Merrion Oil & Gas Corporation
610 Reilly Avenue
Farmington, NM 87401

Re: Klinkhammer 1 Well, 700' FNL, 1357' FWL, NE NW, Sec. 34, T. 18 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.

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 43-015-30610.

Sincerely,

A handwritten signature in black ink that reads "John R. Baza". The signature is stylized with a large, looping initial 'J'.

John R. Baza
Associate Director

pab
Enclosures

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

Operator: Merrion Oil & Gas Corporation
Well Name & Number Klinkhammer 1
API Number: 43-015-30610
Lease: U-72356

Location: NE NW **Sec.** 34 **T.** 18 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

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

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. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT--" for such proposals

005

SUBMIT IN TRIPLICATE

CONFIDENTIAL

1. Type of Well
 Oil Gas

2. Name of Operator
Merrion Oil and Gas Corporation

3. Address and Telephone No.
610 Reilly Avenue, Farmington, New Mexico 87401; 505-327-9801

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
700' FNL, 1,357' FWL
NE/4 NW/4, Section 34, T18S, R7E, SLB&M

5. Lease Designation and Serial No.
UTU-72356

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

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
Klinkhammer #1

9. API Well No.
43-015-30610

10. Field and Pool, or Exploratory Area
Undesignated

11. County or Parish, State
Emery County, Utah

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Change of Name	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Request for Utility Corridor	<input type="checkbox"/> Dispose Water

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Merrion Oil and Gas Corporation wishes to install a buried on-lease utility corridor along the proposed access road previously applied for within the APD submitted on 8-11-03 and pending approval at this time. The utility corridor will consist of a 4" diameter steel Gas Pipeline, 3" diameter HDPE Water Pipeline and a 3-phase insulated copper power line, buried at a depth of 4' on the east side of the proposed road. The utility corridor will travel from the proposed Klinkhammer #1 to the existing Chevron utility corridor immediately east of the proposed well. Merrion presently has an agreement with Chevron to utilize their existing infrastructure.

Attached please find an updated map reflecting the proposed utility corridor.

Please include this request for a utility corridor within the previously submitted Application for Permit to Drill and subsequent approval documents.

FILE COPY

14. I hereby certify that the foregoing is true and correct

Signed Don Hamilton Don Hamilton Title Asst. Mgr. Date September 10, 2003

COPY SENT TO OPERATOR
Date: 9-16-03
Initials: CHD

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval, if any: _____
Date: 9/16/03
By: [Signature]

Federal Approval Of This
Action Is Necessary

RECEIVED
SEP 10 2003

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

006

RECEIVED
PRICE FIELD OFFICE

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK
 DRILL DEEPEN 2003 AUG 13 A 11: 15

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 Merrion Oil and Gas Corporation

3. ADDRESS AND TELEPHONE NO.
 610 Reilly Avenue, Farmington, New Mexico 87401; 505-327-9801

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 700' FNL, 1,357' FWL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 4.11 miles southwest of Orangeville, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 700'

16. NO. OF ACRES IN LEASE 155.76

17. NO. OF ACRES ASSIGNED TO THIS WELL 160 acres

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None 3,600'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,518' GR

22. APPROX. DATE WORK WILL START September 2003

5. LEASE DESIGNATION AND SER. U-72356

6. IF INDIAN, ALLOTTEE OR TRIB. N/A

7. UNIT AGREEMENT NAME N/A

8. FARM OR LEASE NAME, WELL # Klinkhammer #

9. API WELL NO. 43-015-30610

10. FIELD AND POOL, OR WILDCA Undesignated

11. SEC., T, R, M., OR BLK. 31
 A NE/4 NW/4, Section T18S, R7E, SLB&L

12. COUNTY OR PARISH Emery

13. S. I.

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8" J-55 ST&C	24	250'	245 sacks Class B or H cement + 3% CaCl ₂
7-7/8"	5-1/2" J-55 ST&C	15.5	3,600'	240 sacks Premium Plus with additives
				100 sacks Premium Plus with additives

Surface Owner: United States of America
 Surface Representative: Don Stephens, BLM Price Field Office, 125 South 600 West, Price, UT 435-636-3608
 Federal Bond Number: NM 0883

RECEIVED

OCT 16 2003

CONFIDENTIAL

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED Don Hamilton Don Hamilton TITLE Agent for Merrion DATE 8-11-03

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations under the lease.

CONDITIONS OF APPROVAL IF ANY:
 APPROVED BY 1st Dan Trotter TITLE Acting Assistant Field Manager, Division of Resources DATE OCT 10 2003

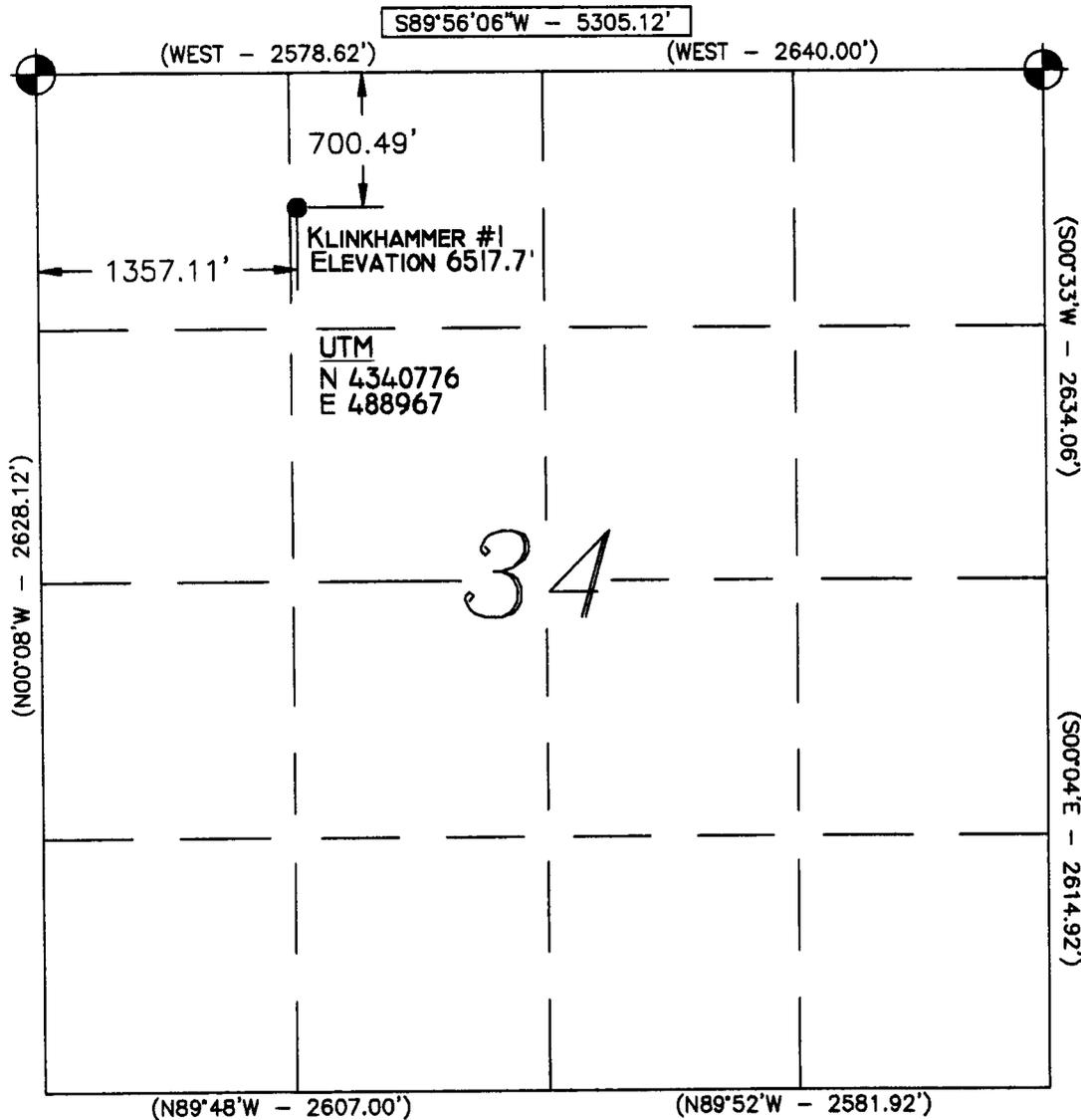
*See Instructions On Reverse Side

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency or the public a false statement.

CONDITIONS OF APPROVAL ATTACHED

Range 7 East

Township 18 South



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

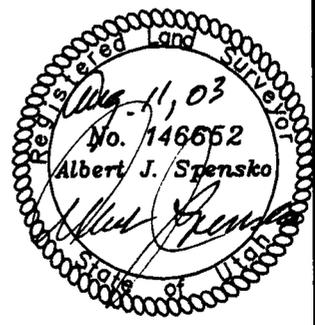
Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

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

Basis of Elevation:
BASIS OF ELEVATION OF 6096' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 35, TOWNSHIP 18 SOUTH, RANGE 7 EAST, SALT LAKE BASE & MERIDIAN, AS SHOWN ON THE CASTLE DALE QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE NE 1/4 NW 1/4 OF SECTION 34; BEING 700.49' SOUTH AND 1357.11' EAST FROM THE NORTHWEST CORNER OF SECTION 34, T18S, R7E, SALT LAKE BASE AND 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

MERRION OIL & GAS

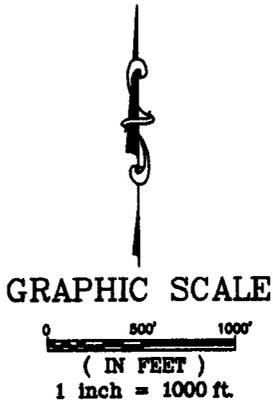
KLINKHAMMER #1
Section 34, T18S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: J. STANSFIELD	Checked By: L.W.J.
Drawing No. A-1	Date: 04/07/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1024

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

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

LAT / LONG
39°13'05"
111°07'40"



Merrion Oil and Gas Corporation
Klinkhammer #1
Lease U-72356
NENW Section 34, T18 S, R 7 E
Emery County, Utah

A COMPLETE COPY OF THIS PERMIT SHALL BE KEPT ON LOCATION from the beginning of site construction through well completion, and shall be available to contractors to ensure compliance.

CONDITIONS OF APPROVAL

The normal approval period of an application is one year from the date of approval however, this well must be spud prior to October 31, 2003 (the expiration date of the lease). This permit will no longer be valid if drilling does not commence prior to October 31, 2003.

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Merrion Oil and Gas Corporation is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by Nm 0883 (Principal – Merrion Oil and Gas Corporation) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors.

A. DRILLING PROGRAM

1. The proposed BOPE is comprised of 3000 psi equipment in a 2M configuration. This design is adequate for anticipated conditions. Installation, testing (to 2M standards) and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2. Testing BOP equipment to 1500 psi as described in the APD is not sufficient.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOG M) is required before conducting any surface disturbing activities.
3. Approval of this APD will result in the termination of the lease suspension currently in effect on lease U-72356.
4. When drilling with air, the requirements of Onshore Oil and Gas Order No. 2, part III, E, Special Drilling Operations, shall apply. Among the requirements in this section are:
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
4. If the production casing cement job does not circulate to surface, a cement bond log (CBL) or other appropriate tool for determining top-of-cement shall be run.

SURFACE USE

1. The following appendices are attached for your reference. They are to be followed as conditions of approval:

Table A-1, Seed Mixture for green strip areas
Table A-2, Seed Mixture for Final Reclamation, Salt Desert Areas
EMP 16 & 17, Winter Seasonal Restriction on Critical & High Priority
Winter Range

2. To offset direct impacts of surface disturbance to mule deer and elk, when in elk or mule deer winter range (crucial and high priority), an equivalent acreage of adjacent habitat will be enhanced to accommodate increased use by the animals. The habitat enhancement will be completed commensurate with the surface disturbing activity. All costs associated with project planning through completion shall be the obligation of the lessee. An alternative to the acre for acre mitigation is to participate in a cooperative mitigation agreement between oil and gas companies, BLM-Price Field Office, the Utah Division of Wildlife Resources and the National Fish and Wildlife Foundation.
3. Whether the mud pit shall be lined will be determined at the time of construction.
4. Within six months of installation, surface structures shall be painted in the following flat, earth tone color: Olive Black (5WA20-6). This Fuller O'Brien color is for reference only. Any brand of paint may be used provided the colors match. Any facilities that must be painted to comply with OSHA standards are exempt.

GENERAL CONSTRUCTION

1. Operator shall contact the Price BLM Office at least forty-eight hours prior to the anticipated start of construction and/or any surface disturbing activities. The BLM may require and schedule a preconstruction conference with the operator prior to the operator commencing construction and/or surface disturbing activities. The operator and the operator's contractor, or agents involved with construction and/or any surface disturbing activities associated with the project, shall attend this conference to review the Conditions of Approval and plan of development. The operator's inspector will be designated at the pre-drill conference, and is to be given an approved copy of all maps, permits and conditions of approval before the start of construction. The BLM will also designate a representative for the project at the preconstruction conference.
2. The operator shall designate a representative(s) who shall have the authority to act upon and to implement instructions from the BLM. The operator's representative shall be

available for communication with the BLM within a reasonable time when construction or other surface disturbing activities are underway.

3. Any cultural and/or paleontological resource (historic or prehistoric site or object) discovered by the operator, or any person working on his behalf, on public land is to be immediately reported to the Price BLM Office. The operator will suspend all operations in the immediate area of such discovery until written authorization to proceed is issued by the Price BLM Office. An evaluation of the discovery will be made by the BLM to determine appropriate actions to prevent the loss of significant cultural or scientific values. The operator is responsible for the cost of evaluation of any site found during construction. The BLM will determine what mitigation is necessary.
4. During project construction, surface disturbance and vehicle travel shall be limited to the approved location and access routes. Any additional area needed must be approved by the Price BLM Office prior to use.
5. The operator must provide a trash cage for the collection and containment of all trash. The trash shall be disposed in an authorized landfill. The location and access roads shall be kept litter free.
6. Vegetation removal necessitated by construction shall be confined to the limits of actual construction. Removed vegetation will be stockpiled for use in reclamation or removed from the construction site at the direction of the BLM.
7. Prior to surface disturbance, topsoil is to be separately removed and segregated from other material. Topsoil depth will be decided onsite by BLM. If the topsoil is less than 6 inches, a 6-inch layer that includes the A horizon and the unconsolidated material immediately below the A horizon shall be removed and the mixture segregated and redistributed as the surface soil layer.

Generally topsoil shall be stored within the pad site or adjacent to access roads. The company in consultation with BLM shall determine stockpile locations and dimensions at the onsite. If the topsoil stockpiles will not be redistributed for a period in excess of one (1) year, the stockpiles are to be seeded with seed mixture Salt Desert (see attached).

ROAD and PIPELINE CONSTRUCTION

8. Operator shall provide an inspector under the direction of a registered professional engineer (PE) at all times during road construction. A PE shall certify (statement with PE stamp) that the road was constructed to the required Bureau of Land Management (BLM) road standards.
9. Road construction or routine maintenance activities are to be performed during periods when the soil can adequately support construction equipment. If such equipment creates ruts more than 6 inches deep, the soil is deemed too wet to adequately support

construction equipment.

10. The operator is responsible for maintenance of all roads authorized through the lease or a right-of-way. Construction and maintenance shall comply with Class II or III Road Standards as described in BLM Manual Section 9113 and the Moab District Road Standards, except as modified by BLM. Maintenance may include but is not limited to grading, applying gravel, snow removal, ditch cleaning, headcut restoration/prevention.
11. Topsoil from access roads and pipelines is to be wind rowed along the uphill side of the road or stored in an approved manner. When the road and pipeline is rehabilitated, this soil will then be used as a top coating for the seed bed.
12. Erosion-control structures such as water bars, diversion channels, and terraces will be constructed to divert water and reduce soil erosion on the disturbed area. Road ditch turnouts shall be equipped with energy dissipators as needed to avoid erosion. Where roads interrupt overland sheet-flow and convert this runoff to channel flow, ditch turnouts shall be designed to reconvert channel flow to sheet flow. Rock energy dissipators and gravel dispersion fans may be used, or any other design which would accomplish the desired reconversion of flow regime. As necessary cut banks, road drainages, and road crossings shall be armored or otherwise engineered to prevent headcutting.
13. In the event construction can't be completed prior to winter closures, measures to prevent erosion from upcoming spring snowmelt should be taken as follows:

Loose earth and debris must be removed from drainages, and flood plains. Earth and debris should not be stockpiled on drainage banks.

Road drainages should be checked to ensure there are none with uncontrolled outlets.

Be sure all ditch drainages have an outlet to prevent ponding. If necessary, build temporary sediment ponds to capture runoff from unreclaimed areas. Re-route ditches as needed to avoid channeling water through loosened soil.

PAD CONSTRUCTION

14. During the construction of the drill pad, suitable topsoil material is to be stripped and conserved in a stockpile on the pad. If stockpiles are to remain for more than a year, they shall be seeded with the seed mixture Salt Desert (see attached).
15. Generally, drill pads are to be designed to prevent overland flow of water from entering or leaving the site. The pad is to be sloped to drain spills and water into the reserve pit. The drill pad shall be designed to disperse diverted overland flow and to regulate flow velocity so as to prevent or minimize erosion. Well pad diversion outlets shall be equipped with rock energy brakes and gravel-bedded dispersion fans.

REHABILITATION PROCEDURES

Site Preparation

16. The entire roadbed should be obliterated and brought back to the approximate original contour. Drainage control is to be reestablished as necessary. All areas affected by road construction are to be recontoured to blend in with the existing topography. All berms are to be removed unless determined to be beneficial by BLM. In recontouring the disturbed areas, care should be taken to not disturb additional vegetation.

Seedbed Preparation

17. An adequate seedbed should be prepared for all sites to be seeded. Areas to be revegetated should be chiselled or disked to a depth of at least 12 inches unless restrained by bedrock.
18. Ripping of fill materials should be completed by a bulldozer equipped with single or a twin set of ripper shanks. Ripping should be done on 4-foot centers to a depth of 12 inches. The process should be repeated until the compacted area is loose and friable, then shall be followed by final grading. Seedbed preparation will be considered complete when the soil surface is completely roughened and the number of rocks (if present) on the site is sufficient to cause the site to match the surrounding terrain.
19. After final grading, the stockpiled topsoil shall be spread evenly across the disturbed area.

Fertilization

20. Commercial fertilizer with a formula of 16-16-8 is to be applied at a rate of 200 pounds per acre to the site. The rate may be adjusted depending on soil.
21. Fertilizer is to be applied not more than 48 hours before seeding, and shall be cultivated into the upper 3 inches of soil.
22. Fertilizer is to be broadcast over the soil using hand-operated "cyclone-type" seeders or rotary broadcast equipment attached to construction or revegetation machinery as appropriate to slope. All equipment should be equipped with a metering device. Fertilizer application is to take place before the final seeding preparation treatment. Fertilizer broadcasting operations should not be conducted when wind velocities would interfere with even distribution of the material.

Mulching

23. When it is time to reclaim this location, the Price BLM Office will determine whether it will be necessary to use mulch in the reclamation process. The type of mulch should meet the following requirements: Wood cellulose fiber shall be natural or cooked, shall disperse readily in water, and shall be nontoxic. Mulch shall be thermally produced and air dried. The homogeneous slurry or mixture shall be capable of application with power spray equipment. A colored dye that is noninjurious to plant growth may be used when specified. Wood cellulose fiber is to be packaged in new, labeled containers. A minimum application of 1500 pounds per acre shall be applied. A suitable tackifier shall be applied with the mulch at a rate of 60 to 80 pounds per acre.

An alternative method of mulching on small sites would be the application of straw or hay mulch at a rate of 2000 pounds per acre. Hay or straw shall be certified weed free. Following the application of straw or hay, crimping shall occur to ensure retention.

Reseeding

24. All disturbed areas are to be seeded with the seed mixture required by the BLM. The seed mixture(s) shall be planted in the fall of the year (Sept-Nov), in the amounts specified in pounds of pure live seed (PLS)/acre. There shall be no noxious weed seed in the seed mixture. Seed will be tested and the viability testing of seed shall be done in accordance with State law(s) and within 12 months prior to planting. Commercial seed will be either certified or registered seed. The seed mixture container shall be tagged in accordance with State law(s) and available for inspection by the BLM. Seed is to be planted using a drill equipped with a depth regulator to ensure proper depth of planting where drilling is possible. The seed mixture shall be evenly and uniformly planted over the disturbed area. (Smaller/heavier seeds tend to drop to the bottom of the drill and are planted first. Appropriate measures should be taken to ensure this does not occur.) Where drilling is not possible, seed is to be broadcast and the area raked or chained to cover the seed. Woody species with seeds that are too large for the drill will be broadcast. When broadcasting the seed, the pounds per acre noted below are to be increased by 50 percent. Reseeding may be required if a satisfactory stand is not established to the surface rights owner's specifications. Evaluation of the seeding's success will not be made before completion of the second growing season after the vegetation becomes established. The Price BLM Office is to be notified a minimum of seven days before seeding a project.
25. The disturbed areas for the road and pipeline must be seeded in the fall of the year, immediately after the topsoil is replaced. The prescribed seed mixture is Salt Desert (see attached).

General

26. Prior to the use of insecticides, herbicides, fungicides, rodenticides and other similar substances, the operator must obtain from BLM, approval of a written plan. The plan

must describe the type and quantity of material to be used, the pest to be controlled, the method of application, the location for storage and disposal of containers, and other information that BLM may require. A pesticide may be used only in accordance with its registered uses and within other agency limitations. Pesticides must not be permanently stored on public lands.

The following seed mixture would be planted along service road borrow ditches, around the edges of drill pads with a production well, and surrounding other production and maintenance facilities. The purpose for this is to provide a green strip buffer to minimize fire hazards and prevent invasion and establishment of noxious weeds in areas that will receive continued disturbance for the life of these areas.

Table A-1

Common Plant Name	Scientific Name	Pounds per acre (PLS)
Forage kochia	<i>Kochia prostrata</i>	2
Wyoming big sagebrush	<i>Artemisia tridentata wyomingensis</i> var. Gordon Creek	1
Douglas low rabbitbrush	<i>Chrysothamnus viscidiflorus</i>	1
TOTAL		4

The following seed mixture is for the area that would receive final reclamation. Areas would be planted to protect them from soil erosion and to restore forage production.

Table A-2

Common Plant Name	Scientific Name	Pounds per acre (PLS)
Salt Desert Areas		
<i>Grasses</i>		
Indian ricegrass	<i>Stipa hymenoides</i>	2
Squirreltail	<i>Elymus elymoides</i>	2
Galleta	<i>Hilaria jamesii</i>	2
<i>Forbs</i>		
Lewis flax	<i>Linum perenne lewisii</i>	1
Palmer penstemon	<i>Penstemon palmerii</i>	1
Gooseberryleaf globemallow	<i>Sphaeralcea Grossulariifolia</i>	.5
<i>Shrubs</i>		
Forage kochia	<i>Kochia prostrata</i>	2
Rubber rabbitbrush	<i>Chrysothamnus</i>	1
Fourwing saltbrush	<i>Atriplex canescense</i>	2
Winterfat	<i>Krascheninnikovia (Eurotia) lanata</i>	2
TOTAL		15.5

FERRON NATURAL GAS PROJECT AREA

PROPONENT: _____ WELL #: _____

EPM 16 & 17: WINTER SEASONAL RESTRICTION (DECEMBER 1 to APRIL 15) ON CRUCIAL AND HIGH PRIORITY WINTER RANGE.

Pg 1 of 1

Restrictions on Construction Phase Activity: Prohibit construction phase activity, described below, on big game high value and critical winter range during the period (December 1 - April 15) without regard for land ownership.

This condition would not apply to normal maintenance and operation of producing wells, described below. On nonfederal lands (where the federal government does not have either surface or subsurface ownership) the Companies would be allowed to conduct construction phase activity if needed to avoid breach of contract or loss of lease rights. In the event construction phase activity proceeds into the winter closure period on non federal interest lands, Companies would make available appropriate documentation to UDWR, upon request.

Construction Phase Activity: Construction phase activity is considered to include all work associated with initial drilling and construction of facilities through completion, including installation of pumping equipment, connection with ancillary facilities and tie-in with pipelines necessary for product delivery.

Companies would not be allowed to initiate construction activity unless it is reasonable to believe that such work can be finished to a logical stopping point prior to December 1 of that year. Specific activities considered to be covered by the seasonal closure include all heavy equipment operation including but not limited to the following:

- Mobilization/Demobilization or operation of heavy equipment (crawler tractor, front end loader, backhoe, road grader, etc.)
- Construction activity (road construction or upgrading, pad, pipeline, powerline, ancillary facilities, etc.),
- Drilling activity (Operator would not propose or initiate drilling activity if the project could not reasonably be expected to be finished to a logical stopping point by the December 1 date of that year.)
- Seismic operation, detonation of explosives

This seasonal closure would not apply to reconnaissance, survey/design and/or flagging of project work or other similar activity not requiring actions listed for heavy equipment operation.

Production Phase: A well is considered to be in production phase when the well and ancillary facilities are completed to the point that they are capable of producing and delivering product for sale. It is noted that heavy equipment operation may be necessary in the performance of maintenance and operation of producing wells.

Restriction on Non Emergency Workover Operations: The Companies will schedule non-emergency workover operations (defined below) on big game crucial and high value winter range outside the December 1 to April 15 date of the seasonal closure.

Non-emergency Workover Operations: Workover operations to correct or reverse a gradual loss of production over time (loss of production of 20 percent or less over a 60 day period) is considered to be routine or non-emergency workover operations and would not be permitted during the December 1 to April 15 time frame.

Emergency Workover Operations: Emergency work over operations are defined as downhole equipment failure problems or workover operation necessary to avoid shut in of the well or to avoid an immediate safety or environmental problem. Loss of production greater than 20 percent within a 60 day period is indicative of pump failure and will be treated as an emergency workover operation. The Companies will submit Sundry notices to BLM within five days of the emergency workover operations between December 1 and April 15.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Price Field Office, Natural Resource Protection Specialist at least 48-hours prior to commencing construction of location.

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field Office within 24-hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the Moab Field Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports on Wells" (Form 3160-5) will be filed with the Moab Field Office for approval of all changes of plans and subsequent operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Moab Field Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the BLM in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Price Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field Office will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five business days following the date on which the well is placed into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Moab Field Office. The Moab Field Office shall be notified prior to the first sale.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the Moab Field Office not later than thirty-days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. When requested, samples (cuttings and/or samples) will be submitted to the Moab Field Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor (BLM) shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the Moab Field Office for approval pursuant to Onshore Oil and Gas Order No.7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Price Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Don Stephens (435-636-3608) of the BLM Price Field Office for the following:

2 days prior to commencement of dirt work, construction and reclamation;

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth;

If the person at the above number cannot be reached, notify the Moab Field Office at 435-259-2100. If unsuccessful, contact the person listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab Field Office at 435-259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

007

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-72356

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.

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
KLINKHAMER No. 1

2. NAME OF OPERATOR:
MERRION OIL & GAS CORPORATION

CONFIDENTIAL

9. API NUMBER:
43-015-30610

3. ADDRESS OF OPERATOR:
610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401

PHONE NUMBER:
(505) 327-9801

10. FIELD AND POOL, OR WILDCAT:
UNDESIGNATED

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 700' FNL & 1357' FWL

COUNTY: EMERY

STATE: UTAH

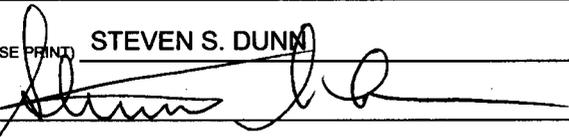
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 34 18S 07E

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SPUD NOTICE
	<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.

10/25/03 MIRU Bill Jr. Drilling Service on 10/25/03. Drill rat/mouse holes. Spud surface hole at 1400 hrs 10/25/03 with bit #1 (12-1/4"). TD surface hole at 270'. Blow hole clean and TOH. Ran 6 joints (266.95') of 8-5/8", 24#, ST&C casing and set at 267' KB. Rigged up Big 4 Cementing Company and cemented with 170 sxs (201 cu.ft.) of Class "B" with 2% CaCl₂ and 1/4 #/sk celloflake. Displaced cement with 35.5 bbls of water. Plug down at 2300 hrs 10/25/03. Bumped plug to 200 psi, float held OK. Shut in cement head and rig down. Circulated 9.0 bbls of good cement to surface. Hole was staying full. Rig down rig and equipment. W/O Sauer Drilling Rig #30 to drill production hole.

NAME (PLEASE PRINT) STEVEN S. DUNN
SIGNATURE 

TITLE DRILLING & PRODUCTION MANAGER
DATE 10/29/2003

(This space for State use only)

RECEIVED

NOV 03 2003

DIV. OF OIL, GAS & MINING

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

008

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-72356
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION		8. WELL NAME and NUMBER: KLINKHAMER No. 1
3. ADDRESS OF OPERATOR: 610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401		9. API NUMBER: 4301530610
4. LOCATION OF WELL FOOTAGES AT SURFACE: 700' FNL & 1357' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 34 18S 07E		10. FIELD AND POOL, OR WILDCAT: BUZZARD BENCH 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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: DRLG, TD AND CSG REPORTS
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

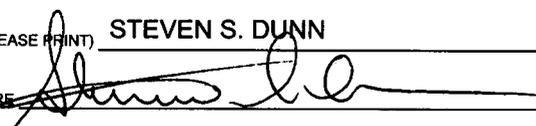
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

10/29/03 MIRU Sauer Drilling Company Rig No. 30 on 10/29/03. Down 12 hours light plant not functioning. Made repairs to light plant. Finished RU. Re-drilling rat hole and RU to test BOPs at report time. (DC)

10/30/03 BOP test failed – wrong companion flange. ND BOP. Waited on delivery of proper flange. Installed flange and NU BOP. Tested BOP – low-test 500 psi, high-test 2000 psi. Tested manifold, Kelly and pipe rams. RD testers. TIH w/ 7-7/8" bit, bit sub w/ string float and seven 6" drill collars. Tagged top of cement inside 8-5/8" csg @ 254' KB. Unloaded hole w/ air and drilled out cement to casing shoe @ 266' KB. Blowing hole w/ air to dry out @ report time.

10/31/03 Finished drying up hole. Drilled from 8-5/8" csg shoe @ 279' to 1436' with air, no mist. Surveys: 516' @ 1°, 1003' @ 1°. BHA Bit (No 1) 7-7/8" Reed HP53JA, bit sub and 19 6" drill collars

** CONTINUED OTHER SIDE **

NAME (PLEASE PRINT) STEVEN S. DUNN	TITLE DRILLING & PRODUCTION MANAGER
SIGNATURE 	DATE 11/10/2003

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DIV. OF OIL, GAS & MINING

11/01/03 Drilled from 1436' to 3050' with air, no mist. Surveys: 1465' @ 1°, 2000' @ 1°, 2504' @ 3/4°, 3003' @ 1°. BHA Bit (No 1) 7-7/8" Reed HP53JA, bit sub and 19 6" drill collars.

11/02/03 Drilled from 3050' to 3580' with air, no mist. Had water and minor gas flow from coal @ 3110'. Blew hole for short trip. TOH to casing collars and back to bottom. Washed 32' to bottom. Circulated hole clean. Displaced hole with 270 bbls 2% KCl water, hole appears to be taking some water. TOH for logs. RU Schlumberger. Run in hole with tools. Tagged light bridge or ledge at 3100'. Continued in hole and tagged up at 3430'. Began pulling tools up and stuck @ 3270'. Worked tools with no effect. WO fishing tool at report time.

11/03/03 WO fishing tools. PU fishing tools. Cut wireline and made up disconnect. Strip in with 34 stands. Logging tool moved uphole approx. 40' worked tool no more movement. Cut line and made up new disconnect. Finished TIH with 52 stands and single 4" drill pipe to 3297'. Pushed fish down hole 30' made up new disconnect. PU kelly and cleared tubing with 5-10 bbls 2% KCl water. Working tools at report time.

11/04/03 Continued working tool without success. RU, circulated hole on top of fish with 200 bbls 2% KCl water. Worked fish with no results. TOH to check fishing tools - OK with no evidence that we were on fish. TIH with same tools. Disconnect jammed in sheaves in blocks. Untangled line and inspected - OK. Continued TIH. Worked tools down to top of fish at 3311'. Circulated on top of fish with 2% KCl water. Latched onto fish and pulled loose with 20,000# over. Pulled out of rope socket. POH with wireline at report time.

11/05/03 Finished POH with wireline. TOH with drill pipe and fish. LD fish. TIH with bit, drill collars and drill pipe. Reamed thru tight spot @ approx. 3300'. CO 55' fill circulated hole clean with 2% KCl water. Made 10 stands short trip, less than 1' fill. Circulated hole 30 mins and TOH for logs. RU Schlumberger. RIH with logging tools. Tagged bottom at 3547'. Ran triple combo log 3540' to 2000'. POH and RD Schlumberger. TIH with bit, drill collars and drill pipe. Washed out 6' fill, circulated hole. RU to LD drill string at report time.
Note: BHA off - actual TD 3550'.

11/06/03 Ran 82 joints of 5½", 15.5#, J-55 casing as follows: 5½" float shoe, 1 joint 5½", 15.5#, J-55 8rd casing, float collar and 81 joints 5½", 15.5#, J-55 8rd casing. Hung casing @ 3549' no fill, circulated hole. RU Halliburton. Held safety meeting. Tested surface lines to 3000 psi. Pumped 20 bbls gel. Mixed and pumped 265 sxs 50/50 Poz cement containing 8% gel, 10% CalSeal and ¼#/sx Flocele (wt 12.5#/gal, yield 1.98, water 10.5 gal/sx) @ 6 BPM, 220 psi. Followed by 260 sxs Type 'V' cement containing 10% CalSeal, 1% calcium chloride and ¼#/sx Flocele (Wt 14.2#/gal, Yield 1.61, Water 7.94 gal/sx) @ 6 BPM, 165 psi. Displaced with 84 bbls water @ 6-2.5 BPM, 535 to 2300 psi. Bumped plug with 2200 psi - 500 psi over. Released pressure - plug held OK. Lost circulation with 9 bbls displacement remaining, pressure decreasing from 2300 psi to 1700 psi. ND BOP. Set slips and cut off casing. Released rig @ 2000 hrs 11/6/03. WO Completion.
Survey: 3509' @ 1°

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-72356

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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.

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER CONFIDENTIAL

8. WELL NAME and NUMBER:
KLINKHAMER No. 1

2. NAME OF OPERATOR:
MERRION OIL & GAS CORPORATION

9. API NUMBER:
4301530610

3. ADDRESS OF OPERATOR:
610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 8701

PHONE NUMBER:
(505) 327-9801

10. FIELD AND POOL, OR WILDCAT:
BUZZARD BENCH

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 700' FNL & 1357' FWL

COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NEN W 34 18S 07E

STATE: UTAH

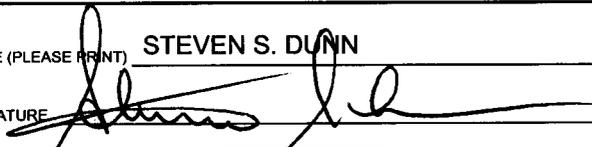
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Tubing Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

11/22-23/03 MIRU Excel Drilling Completion rig. Installed tubing head. PU 107 joints of 2-7/8", 6.5#, J-55, EUE, 8rd tubing and TIH. Tagged top of cement at 3505'. LD one joint.

11/24/03 RU pump and pit. Thawed out equipment. Circulated hole full of 2% KCl water. TOH, LD 106 joints of 2-7/8" tubing. RDMOL.

NAME (PLEASE PRINT) STEVEN S. DUNN
SIGNATURE 

TITLE DRILLING & PRODUCTION MANAGER
DATE 12/1/2003

(This space for State use only)

RECEIVED
DEC 05 2003
DIV. OF OIL, GAS & MINING

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

FORM 6

009

ENTITY ACTION FORM

Operator: MERRION OIL & GAS CORPORATION Operator Account Number: N 0630
 Address: 610 REILLY AVENUE
 city FARMINGTON
 state NM zip 87401 Phone Number: (505) 327-9801

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530610	KLINKHAMER 1		NENW	34	18S	07E	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	<u>5899999</u>	<u>13979</u>	10/30/2003		<u>12/11/03</u>		
Comments: <u>FRSD</u>							

Well 2

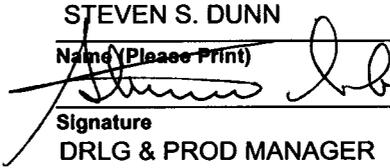
API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530611	CROWS FOOT 1		SENE	9	19S	07E	EMERY
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B	<u>99999</u>	<u>13980</u>	11/12/2003		<u>12/11/03</u>		
Comments: WELL PLUGGED ON 11/21/03. <u>FRSD</u>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment 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 S. DUNN
 Name (Please Print)
 Signature
 DRLG & PROD MANAGER
 Title
 DEC 05 2003
 DIV. OF OIL, GAS & MINING
 12/01/03
 Date

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

011

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: UTU-72356
2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 700' FNL & 1357' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 34 18S 07E		8. WELL NAME and NUMBER: KLINKHAMER No. 1
		9. API NUMBER: 4301530610
		10. FIELD AND POOL, OR WILDCAT: BUZZARD BENCH
		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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: PROGRESS REPORT
	<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.

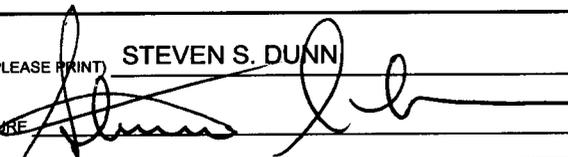
12/3/03 Cameron installed 7" frac head and valves. Installed choke and flowline to blow pit. Began heating frac water to ~85°.

12/4/03 MIRU BWWC. Ran GR-CCL-CBL with VDL and WT displays. Excellent cement below 1700'. Variable cement to TOC @ 310'. BJ Services arrived on location @ 1500 hrs. RU BJ. Tested lines to 4500 psi and casing to 250 psi - held OK. BWWC perforated 3170'-3186' and 3148'-3154' (using 3-1/8" gun - 3 SPF - 0.34" holes). Fraced perfs 3148'-3186' with 1017 bbls Lightning 20 gel, 1500#, 14/30 FlexSand and 88,331# 20/40 White sand @ 26.5 BBP as follows:

11800 gal	281 bbls	Pad	26.5 BPM	1670 psi
4500 gal	107 bbls	1 ppg	26.6 BPM	1630 psi
4500 gal	107 bbls	2 ppg	26.4 BPM	1590 psi
6000 gal	143 bbls	3 ppg	26.5 BPM	1505 psi
5625 gal	134 bbls	4 ppg	26.4 BPM	1345 psi
5400 gal	129 bbls	5 ppg	26.5 BPM	1250 psi
1500 gal	36 bbls	6 ppg	26.6 BPM	1290 psi
	75 bbls	Displacement	26.5 BPM	1365 psi
		ISIP	1095 psi	

5 mins SIP 1030 psi, 10 mins SIP 985 psi, 15 mins SIP 967 psi. SDON.

**CONTINUED OTHER SIDE **

NAME (PLEASE PRINT) STEVEN S. DUNN	TITLE DRILLING & PRODUCTION MANAGER
SIGNATURE 	DATE 12/10/2003

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DIVISION OF OIL, GAS & MINING

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

FORM 9

012

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-72356
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.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <u>CONFIDENTIAL</u>		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION		8. WELL NAME and NUMBER: KLINKHAMER No. 1
3. ADDRESS OF OPERATOR: 610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401		9. API NUMBER: 4301530610
4. LOCATION OF WELL FOOTAGES AT SURFACE: 700' FNL & 1357' FWL		10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 34 18S 07E		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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>COMPLETION</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

12/10/03 SICP 50 psi. Blew well down. TIH with 5 stands tubing to 3475', no additional fill. Established circulation and cleaned out fill to 3496'. Circulated hole clean, LD 9 joints tubing. Landed tubing on donut with tail to 3222', seating Nipple @ 3189'. ND BOPs, NU WH. Prep to run rods. PU pump, checked pump would not hold fluid. WO CDI. Replaced standing valve assembly. Checked pump OK. RIH with 2-1/2" x 2" x 16' RWAC pump, 2' pony, 80 used 7/8" sucker rods and 46 new 7/8" sucker rods. Spaced out with 1-8', 1-6' and 2-2' ponies. Installed polished rod. Secured well and SIFN.

12/11/03 Well on Vacuum. Rig down rig. Released rig @ 1000 hrs 12/11/03. WO Tie-in

NAME (PLEASE PRINT) <u>STEVEN S. DUNN</u>	TITLE <u>DRLG & PROD MANAGER</u>
SIGNATURE	DATE <u>12/16/2003</u>

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DEC 19 2003
DIV. OF OIL, GAS & MINING

013

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

AMENDED REPORT [] FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL [] GAS WELL [x] DRY [] OTHER []
b. TYPE OF WORK: NEW WELL [x] HORIZ. LATS. [] DEEP-EN [] RE-ENTRY [] DIFF. RESVR. [] OTHER []

CONFIDENTIAL

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-72356

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER: KLINKHAMER No. 1

9. API NUMBER: 4301530610

2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION

3. ADDRESS OF OPERATOR: 610 REILLY AVENUE CITY FARMINGTON STATE NM ZIP 87401 PHONE NUMBER: (505) 327-9801

10. FIELD AND POOL, OR WILDCAT: FERRON SANDSTONE

4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 700' FNL & 1357' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENW 34 18S 07E

12. COUNTY EMERY 13. STATE UTAH

14. DATE SPUDDED: 10/25/2003 15. DATE T.D. REACHED: 11/5/2003 16. DATE COMPLETED: 12/11/2003 ABANDONED [] READY TO PRODUCE [x]

17. ELEVATIONS (DF, RKB, RT, GL): 6518' GR

18. TOTAL DEPTH: MD 3,550 TVD 19. PLUG BACK T.D.: MD 3,504 TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) IES INDUCTION-RESISTIVITY, COMPENSATED DENSITY-NEUTRON GR, GR-COLLAR LOG, CBL

23. WAS WELL CORED? NO [x] YES [] (Submit analysis) WAS DST RUN? NO [x] YES [] (Submit report) DIRECTIONAL SURVEY? NO [x] YES [] (Submit copy)

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

Table with columns: 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

25. TUBING RECORD

Table with columns: SIZE, DEPTH SET (MD), PACKER SET (MD)

26. PRODUCING INTERVALS 27. PERFORATION RECORD

Table with columns: FORMATION NAME, TOP (MD), BOTTOM (MD), TOP (TVD), BOTTOM (TVD), INTERVAL (Top/Bot - MD), SIZE, NO. HOLES, PERFORATION STATUS

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

Table with columns: DEPTH INTERVAL, AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS:

30. WELL STATUS:

Checkboxes for: ELECTRICAL/MECHANICAL LOGS, GEOLOGIC REPORT, DST REPORT, DIRECTIONAL SURVEY, SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION, CORE ANALYSIS, OTHER:

31. INITIAL PRODUCTION

INTERVAL A (As shown in Item #26)

DATE FIRST PRODUCED: 12/19/2003		TEST DATE: 12/25/2003		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 0	WATER - BBL: 100	PROD. METHOD: pump
CHOKE SIZE: ---	TBG. PRESS. 0	CSG. PRESS. 26	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 0	WATER - BBL: 100	INTERVAL STATUS: prod

INTERVAL B (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL C (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

INTERVAL D (As shown in Item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

sold

33. SUMMARY OF POROUS ZONES (Include Aquifers):

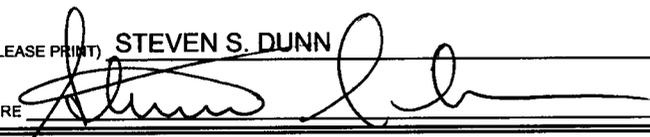
Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Bluegate shale	1,340				
Ferron sand	2,887				

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 S. DUNN TITLE DRILLING & PRODUCTION MANAGER
 SIGNATURE  DATE 12/29/2003

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 previously 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
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
 Fax: 801-359-3940

28b. Production - Interval C

Date First Produced 06/30/2002	Test Date 07/01/2002	Hours Tested 24	Test Production →	Oil BBL 27.0	Gas MCF 1149.0	Water BBL 345.0	Oil Gravity Corr. API	Gas Gravity	Production Method FLOWS FROM WELL
Choke Size 8	Tbg. Press. Fwng. SI	Csg. Press. 3000.0	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status PGW	

28c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Choke Size	Tbg. Press. Fwng. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas:Oil Ratio	Well Status	

29. Disposition of Gas(Sold, used for fuel, vented, etc.)
SOLD

30. 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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Dept
WASATCH	5148	8534	SANDSTONE/SHALE	WASATCH	5148
MESAVERDE	8534	11616	SANDSTONE/SHALE	MESAVERDE	8534
CASTLEGATE	11616	11810	SANDSTONE/SHALE	CASTLEGATE	11616
CASTLEGATE 2	11810	11866	SANDSTONE/SHALE	CASTLEGATE 2	11810

32. Additional remarks (include plugging procedure):

First production came from the Castlegate and Mesaverde intervals.

Phillips Petroleum Company plans to run 2.375" tubing in approximately one month from the date of this completion report.

33. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd.)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

34. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions):

Name (please print) CATHI BOLES Title HES CLERK
 Signature *Cathi Boles* Date 07/30/2002

4301530610

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

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.

5. LEASE DESIGNATION AND SERIAL NUMBER.
UTU-73965

6. IF INDIAN, ALLOTTEE OR TRIBE NAME.

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
LM LEMMON #10-01

9. API NUMBER:
Various (see attached)

10. FIELD AND POOL, OR WILDCAT:
FERRON SANDSTONE

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
XTO ENERGY INC.

3. ADDRESS OF OPERATOR:
2700 Farmington, Bldg K-1 Farmington NM 87401
PHONE NUMBER: (505) 324-1090

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 660' FSK & 792' FEL
COUNTY: EMERY
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN SESE 10 17S 08E
STATE UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start 1/1/2004	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion	<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
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<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 checked="" 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.

XTO Energy Inc. acquired wells from Chevron/Texaco on August 1, 2004. Chevron/Texaco failed to file a Notice of Intent to surface commingle these wells and XTO Energy Inc. was unaware until recently that nothing had been filed. We are including with this application for surace commingle a list of the wells in Emery County and a spreadsheet showing production figures for these wells. Each well has its own meter then runs through a central delivery point where allocations are made.

XTO Energy Inc. is requesting approval for the commingle of these wells as well as off-lease measurement. As wells are drilled, additional sundries will be submitted to add to our surface commingle.

COPY SENT TO OPERATOR
Date: 5-12-07
Initials: DM

NAME (PLEASE PRINT) HOLLY C. PERKINS TITLE REGULATORY COMPLIANCE TECH

SIGNATURE *Holly C. Perkins* DATE 5/15/2007

This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
DATE: 5/15/07
BY: *[Signature]*

Federal Approval Of This Action Is Necessary

RECEIVED
MAY 18 2007

DIV. OF OIL, GAS & MINING

Utah Wells Surface Commingled at Huntington CDP

Well Name	API #	Status	Lease
American West Group 15-128	43-015-30484	Shut In	State
Conover 14-171	43-015-30529	Producing	State
Gardner Trust 16-121	43-015-30478	Producing	State
Lemmon LM 10-01	43-015-30242	Producing	Federal
Malone 14-131	43-015-30556	Producing	State
Rowley 08-111	43-015-30486	Producing	State
Seeley 08-112	43-015-30495	Producing	State
Seeley Farms 09-117	43-015-30501	Producing	State
State of Utah 16-8-31-12D	43-015-30608	Producing	State
State of Utah 16-8-31-32DX	43-015-30634	Producing	State
State of Utah 16-8-31-44D	43-015-30606	Producing	State
State of Utah 16-8-32-43	43-015-30566	Producing	State
State of Utah 17-8-15-14	43-015-30622	Producing	State
State of Utah 17-8-15-33	43-015-30561	Producing	State
State of Utah 17-8-17-32	43-015-30672	Producing	State
State of Utah 17-8-18-12	43-015-30626	Producing	State
State of Utah 17-8-18-24	43-015-30678	Producing	State
State of Utah 17-8-18-31	43-015-30671	Producing	State
State of Utah 17-8-18-43	43-015-30670	Producing	State
State of Utah 17-8-20-22	43-015-30623	Producing	State
State of Utah 17-8-21-33	43-015-30679	Producing	State
State of Utah 17-8-21-41	43-015-30631	Producing	State
State of Utah 17-8-22-14	43-015-30676	Producing	State
State of Utah 17-8-22-21	43-015-30624	Producing	State
State of Utah 17-8-28-12X	43-015-30699	Producing	State
State of Utah 17-8-3-11X	43-015-30635	Producing	State
State of Utah 17-8-4-21	43-015-30620	Producing	State
State of Utah 17-8-5-42R	43-015-30686	Producing	State
State of Utah 17-8-7-34	43-015-30621	Producing	State
State of Utah 17-8-8-14	43-015-30673	Producing	State
State of Utah 36-138	43-015-30550	Producing	State
State of Utah 36-139	43-015-30530	Producing	State
State of Utah AA 07-105	43-015-30497	Producing	State
State of Utah AA 07-106	43-015-30396	Producing	State
State of Utah AA 07-146	43-015-30569	Producing	State
State of Utah BB 04-116	43-015-30503	Producing	State
State of Utah BB 05-107	43-015-30479	Producing	State
State of Utah BB 05-108	43-015-30480	Producing	State
State of Utah BB 05-109	43-015-30481	P&A	State
State of Utah BB 05-110	43-015-30482	Producing	State
State of Utah BB 08-113	43-015-30496	Shut In	State
State of Utah BB 09-119	43-015-30437	Producing	State
State of Utah BB 09-120	43-015-30444	Producing	State
State of Utah CC 03-161	43-015-30552	Producing	State
State of Utah CC 10-123	43-015-30454	Producing	State
State of Utah CC 10-124	43-015-30438	Producing	State
State of Utah FF 10-125	43-015-30458	Producing	State
State of Utah FF 11-129	43-015-30459	Producing	State
State of Utah FF 11-130	43-015-30462	Shut In	State

Utah Wells Surface Commingled at Huntington CDP

State of Utah FO 02-186	43-015-30533	Producing	State
State of Utah FO 02-188	43-015-30553	Producing	State
State of Utah GG 03-122	43-015-30499	Producing	State
State of Utah GG 04-115	43-015-30504	Producing	State
State of Utah HH 03-133	43-015-30500	Producing	State
State of Utah II 36-95	43-015-30509	Producing	State
State of Utah II 36-96	43-01530508	Shut In	State
State of Utah KK 32-144	43-015-30567	Producing	State
State of Utah QQ 31-201	43-015-30592	Producing	State
State of Utah SS 22-165	43-015-30520	Producing	State
State of Utah T 36-10	43-015-30268	Producing	State
State of Utah T 36-100	43-015-30506	Producing	State
UP&L 06-102	43-015-30441	Producing	State
UP&L 06-103	43-015-30483	Producing	State
UP&L 06-104	43-015-30442	Producing	State
UP&L Federal 01-101	43-015-30511	Producing	Federal
Utah Federal 01-205D	43-015-30589	Producing	Federal
* Utah Federal 16-7-35-21	43-015-30602	Producing	Federal
* Utah Federal 16-7-35-32	43-015-30603	Producing	Federal
* Utah Federal 17-7-12-22D	43-015-30605	Producing	Federal
* Utah Federal 17-7-12-24D	43-015-30604	Producing	Federal
* Utah Federal 17-7-12-42	43-015-30591	Producing	Federal
Utah Federal 17-7-12-43	43-015-30601	Producing	Federal
Utah Federal 17-7-3-41D	43-015-30697	Producing	Federal
Utah Federal KK 01-140	43-015-30507	Producing	Federal
Utah Federal KK 01-141	43-015-30559	Producing	Federal
Utah Federal M 06-25	43-015-30292	Producing	Federal
WH Leonard 15-127	43-015-30485	Producing	State
Wm S Ivie 09-118	43-015-30443	Producing	State
Zion's Federal 35-135R	43-015-30521	Producing	Federal
* Zion's Federal 17-7-2-11	43-015-30590	Producing	Federal
Zion's Federal 35-137	43-015-30587	Producing	Federal

Utah Wells Surface Commingled at Orangeville CDP

Well Name	API #	Status	Lease	Notes
Curtis D&D 14-54	43-015-30319	Shut In	Federal	
Curtis L&M 10-58	43-015-30310	Shut In	Federal	
Curtis L&M 15-67	43-015-30325	Producing	Federal	
Federal A 18-7-26-12	43-015-30445	Producing	Federal	
Federal A 26-02	43-015-30244	Shut In	Federal	
Federal A 26-04	43-015-30246	Shut In	Federal	
Federal A 34-07	43-015-30249	Producing	Federal	
Federal A 35-05	43-015-30248	Producing	Federal	
Federal A 35-06	43-015-30247	Producing	Federal	
Federal A 35-89	43-015-30446	Producing	Federal	
Federal B 21-03	43-015-30243	Shut In	Federal	
Federal C 18-7-23-23R	43-015-30629	Producing	Federal	
Federal C 23-08	43-015-30245	Producing	Federal	
Federal P 03-92	43-015-30448	Producing	Federal	
Federal P 03-93	43-015-30449	Producing	Federal	
Federal T 18-07-22-34	43-015-30452	Producing	Federal	
Federal T 22-69	43-015-30451	Producing	Federal	
Federal T 27-87	43-015-30456	P&A	Federal	
Ferron St 4-36-18-7	43-015-30253	Producing	Federal	Operator: Merrion Oil & Gas
Jensen AL 27-09	43-015-30259	Shut In	State	
Jones D&A 09-59	43-015-30329	Producing	Federal	
Jones D&A 15-68	43-015-30318	Shut In	State	
Klinkhammer 1	43-015-30610	Shut In	Federal	Operator: Merrion Oil & Gas
Norris RG 14-40	43-015-30324	Producing	Federal	
Peacock 07-64	43-015-30327	Producing	Federal	
Peacock P&K 08-62	43-015-30320	Producing	Federal	
Peacock Trust 08-61	43-015-30326	Producing	Federal	
Peacock Trust 08-63	43-015-30328	Producing	Federal	
Peacock Trust 09-60	43-015-30321	Producing	Federal	
State of Utah 01-97	43-015-30498	Producing	State	
State of Utah 17-7-36-33R	43-015-30687	Producing	State	
State of Utah 17-8-19-11D	43-015-30695	P&A	State	
State of Utah 18-7-2-33R	43-015-30674	Producing	State	
State of Utah DD 31-98	43-015-30439	Producing	State	
State of Utah II 36-95	43-015-30509	Producing	State	
State of Utah II 36-96	43-015-30508	P&A	State	
State of Utah U 02-11	43-015-30270	Producing	State	
State of Utah U 02-48	43-015-30306	Producing	State	
State of Utah U 02-49	43-015-30309	P&A	State	
State of Utah U 02-50	43-015-30308	Producing	State	
State of Utah X 16-65	43-015-30312	Shut In	State	
State of Utah X 16-66	43-015-30311	Producing	State	
UP&L 14-53	43-015-30313	Producing	State	
UP&L 14-55	43-015-30314	Producing	Federal	
UP&L 23-51	43-015-30315	Producing	Federal	
UP&L 24-57	43-015-30316	Producing	State	
USA 03-74	43-015-30383	Producing	Federal	

Utah Wells Surface Commingled at Orangeville CDP

USA 03-75	43-015-30384	Producing	Federal
USA 11-72	43-015-30387	Producing	Federal
USA 18-7-11-23	43-015-30640	Producing	State
USA 34-80	43-015-30389	Shut In	Federal
USA 34-82	43-015-30390	Producing	Federal
Utah Federal 17-7-35-42	43-015-30641	Drilling	Federal
Utah Federal 18-7-27-44R	43-015-30628	Producing	Federal
Utah Federal 18-7-9-11	43-015-30639	Producing	Federal
Utah Federal D 34-12	43-015-30282	Producing	Federal
Utah Federal D 35-13	43-015-30285	Producing	Federal
Utah Federal D 35-14	43-015-30286	Producing	Federal
Utah Federal D 35-15	43-015-30287	Producing	Federal
Utah Federal H 06-21	43-015-30294	TA	Federal
Utah Federal P 10-42	43-015-30276	Producing	Federal
Utah Federal P 10-43	43-015-30277	Producing	Federal
Utah Federal P 10-47	43-015-30258	Producing	Federal
Utah Federal Q 04-44	43-015-30280	Producing	Federal
Utah Federal R 09-45	43-015-30275	Producing	Federal
Utah Federal S 08-46	43-015-30274	Producing	Federal
Utah State 01-76	43-015-30381	Producing	State
Utah State 36-78	43-015-30382	Producing	State

Apr-05

Region Wells

WELL No.	Days On	MONTHLY WATER PRODUCTION	FIELD ESTIMATED PRODUCTION										ACTUAL ALLOCATED SALES					FIELD PRODUCTION	
			Coastal Statement	PROD %	FIELD EST. PROD	Int Gas	Lse Use Gas	Vented CO2	Vented Gas	VENTED GAS	ADJ	FIELD ESTIMATED SALES	ALLOCATED SALES	Lse Use Gas	Vented CO2	Vented Gas	VENTED GAS		ADJ
			a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
			435	1478	0.00488716	1479	45	36	98	1708	2200	1299	1246	91	98	1708	1708	179	1425
T35-10	30	2667	13292	0.06048442	18298	45	447	1708	0	1708	2200	16095	15424	492	1708	1708	2200	17624	
M06-25	30	723	16969	0.05610978	16975	45	414	2280	0	2280	2739	14236	14308	459	2280	2280	2739	17047	
H06-21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
H06-21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
07-106	30	679	5052	0.01673803	5064	45	124	789	0	789	658	4106	4268	169	789	789	658	5226	
09-119	30	85	725	0.0024008	726	45	18	108	0	108	171	655	612	53	108	108	171	789	
10-124	30	129	951	0.00314459	951	45	23	38	0	38	176	645	602	68	38	38	176	909	
08-102	30	823	20112	0.06650244	20119	45	491	2219	0	2219	2756	17354	16959	536	2219	2219	2756	19714	
06-104	30	803	12922	0.04272795	12925	45	315	2156	0	2156	2516	10410	10895	380	2156	2156	2516	13412	
09-118	30	163	797	0.00263536	797	45	19	100	0	100	184	633	672	64	100	100	184	835	
09-120	30	214	899	0.00297264	899	45	22	80	0	80	47	752	758	67	80	80	147	905	
18-7-23-23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17-8-15-33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10-123	30	26	1348	0.0044573	1348	45	33	89	0	89	167	1182	1137	78	89	89	167	1304	
10-125	30	286	536	0.00177234	536	45	13	32	0	32	90	446	452	58	32	32	90	542	
11-129	29	0	395	0.00130942	395	44	10	16	0	16	59	327	334	53	16	16	59	403	
11-130	30	1847	162	0.00053557	162	45	4	7	0	7	56	108	137	49	7	7	56	193	
16-121	30	276	757	0.0026031	757	45	18	42	0	42	105	652	638	63	42	42	105	743	
05-107	29	242	8230	0.02721336	8233	44	201	1397	0	1397	1641	6591	6940	244	1397	1397	1641	8581	
05-108	30	611	4934	0.01631479	4936	45	120	830	0	830	985	3940	4160	165	830	830	985	5155	
05-109	30	113	1252	0.00413987	1252	45	31	133	0	133	209	1044	1056	76	133	133	209	1285	
05-110	30	31	1462	0.00483426	1463	45	36	194	0	194	275	1188	1233	81	194	194	275	1508	
05-103	30	946	9133	0.03019922	9136	45	223	1241	0	1241	1509	7627	7701	268	1241	1241	1509	9210	
15-128	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15-127	30	1452	3530	0.01167232	3531	45	66	226	0	226	357	3174	2977	131	226	226	357	3334	
08-111	29	143	1513	0.00500289	1514	44	37	203	0	203	283	1230	1275	80	203	203	283	1556	
08-112	30	118	1326	0.00438456	1325	45	32	143	0	143	220	1106	1118	77	143	143	220	1338	
08-113	30	0	756	0.00249979	756	45	18	108	0	108	171	655	637	63	108	108	171	808	
07-105	30	909	6760	0.02235265	6782	45	165	1197	0	1197	1407	5355	5700	210	1197	1197	1407	7107	
03-122	30	0	456	0.00150781	456	45	11	30	0	30	85	370	385	56	30	30	85	471	
03-133	30	102	331	0.00109449	331	45	8	18	0	18	71	260	279	53	18	18	71	350	
09-117	30	37	945	0.00312805	946	45	23	136	0	136	204	742	798	68	136	136	204	1002	
04-116	30	114	603	0.00199388	603	45	15	63	0	63	123	480	508	60	63	63	123	631	
04-115	30	258	1185	0.00392163	1185	45	29	130	0	130	204	982	1000	74	130	130	204	1204	
136-100	30	3714	34839	0.11519881	34851	45	851	5000	0	5000	5896	28955	29376	896	5000	5000	5896	35272	
01-140	30	1506	4065	0.01344135	4066	45	99	462	0	462	506	3460	3428	144	462	462	506	4034	
01-101	30	1199	24478	0.08093906	24486	45	596	2937	0	2937	3580	20907	20640	643	2937	2937	3580	24220	
22-165	30	1690	4630	0.01530956	4632	45	113	162	0	162	320	4312	3904	158	162	162	320	4224	
35-135R	30	4133	1501	0.00496321	1502	0	37	142	0	142	179	1323	1266	37	142	142	179	1445	
14-171	30	3033	4645	0.01535918	4647	45	113	163	0	163	321	4325	3917	158	163	163	321	4238	
36-139	30	734	9013	0.02980243	9016	45	220	1082	0	1082	1327	7689	7600	265	1082	1082	1327	8927	
02-186	30	193	575	0.0019013	575	45	14	42	0	42	101	474	465	59	42	42	101	586	
36-138	30	655	5299	0.0175217	5301	45	129	396	0	396	570	4730	4468	174	396	396	570	6038	
03-161	30	61	558	0.00184509	558	45	14	48	0	48	107	452	471	59	48	48	107	578	
02-188	30	176	923	0.003052	923	45	23	45	0	45	113	811	778	68	45	45	113	891	
14-131	30	793	1967	0.00650409	1968	45	46	71	0	71	164	1804	1659	93	71	71	164	1823	
01-141	30	59	2208	0.00730098	2209	45	64	283	0	283	392	1827	1862	99	283	283	392	2244	
32-144	30	3738	31387	0.10378441	31398	45	766	6540	0	6540	6351	25047	26466	811	6540	6540	6351	32817	
07-145	30	672	2760	0.00912823	2761	0	67	538	0	538	605	2156	2327	57	538	538	605	2932	
35-137	30	1356	11613	0.0383996	11617	0	284	1276	0	1276	1550	10057	9792	284	1276	1276	1550	11352	
01-205D	30	4123	2659	0.00879226	2660	0	65	257	0	257	322	2338	2242	65	257	257	322	2564	
31-201	30	1581	35480	0.11731834	35492	0	866	4755	0	4755	5621	29871	29917	866	4755	4755	5621	35558	

BTU

1.04 SALES MTR

255006

Oil Wells

Oil Wells	Days On	MONTHLY WATER PRODUCTION	FIELD ESTIMATED PRODUCTION										ACTUAL ALLOCATED SALES					TOTAL ADJ	FIELD PRODUCTION					
			Costal Statement	PROD %	FIELD EST PROD	Irr Gas	Lse Use Gas	Vented Gas	Vented Gas	VENTED GAS	ADJ (f)	FIELD ESTIMATED SALES	ALLOCATED SALES	Lse Use Gas (m)	Vented CO2	Vented Gas	TOTAL VENTED							
B21-03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
A26-02	29	86	490	0.00165775	490	39	13	15	15	67	423	432	52	15	437	437	718	15	67	499	8,780	499		
G23-08	30	3432	9140	0.03092205	9,140	45	236	437	437	718	8,422	8,062	781	437	437	437	2	26	26	26	26	26	26	
A28-04	15	0	68	0.00023005	68	23	2	2	2	26	42	60	24	2	2	2	2	2	2	2	2	2	2	
A35-06	30	141	29098	0.09844307	29,098	45	750	1,706	1,706	2,501	26,597	25,655	795	1,706	1,706	1,706	7	41	41	41	41	41	41	
A35-05	18	700	269	0.00097773	269	27	7	7	7	41	248	255	34	7	7	7	561	545	545	545	545	545	545	
A34-07	30	2845	5383	0.01821153	5,383	45	39	361	361	545	4,838	4,748	184	361	361	361	6	220	220	220	220	220	220	
P10-47	30	734	139	0.00047026	139	210	4	6	6	229	8	123	214	6	6	6	0	0	0	0	0	0	0	
A27-09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
AME PROB																								
U02-11	30	50211	15291	0.05173184	15,291	45	394	1,255	1,255	1,694	13,597	13,487	439	1,255	1,255	1,255	230	446	446	446	446	446	446	
S06-46	29	1	519	0.00175586	519	203	13	230	230	448	73	458	216	230	230	230	102	323	323	323	323	323	323	
R09-45	30	36	444	0.00150212	444	210	11	102	102	323	121	392	221	102	102	102	144	209	209	209	209	209	209	
P10-42	29	7609	819	0.0027708	819	44	21	144	144	208	610	722	85	144	144	144	61	122	122	122	122	122	122	
P10-43	30	3050	605	0.00204681	605	45	16	61	61	22	483	534	61	61	61	61	11	125	125	125	125	125	125	
Q04-44	16	5442	71	0.0002402	71	112	2	11	11	125	54	63	114	11	11	11	126	200	200	200	200	200	200	
D34-12	24	2583	1471	0.00497662	1,471	36	38	126	126	200	128	200	74	126	126	126	349	417	417	417	417	417	417	
D35-13	30	142110	396	0.00303131	396	45	23	349	349	417	349	417	57	349	349	349	57	101	101	101	101	101	101	
D35-14	24	647	293	0.00099126	293	36	8	57	57	101	192	258	44	57	57	57	1,326	1,910	1,910	1,910	1,910	1,910	1,910	
D35-15	30	1830	20903	0.07071811	20,903	45	559	1,326	1,326	1,910	18,993	18,438	584	1,326	1,326	1,326	0	0	0	0	0	0	0	
H06-21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	148	250	250	250	250	250	250	
U02-48	29	7527	2310	0.00781509	2,310	42	60	148	148	250	2,060	2,037	102	148	148	148	165	280	280	280	280	280	280	
U02-50	30	706	2703	0.00914457	2,703	45	70	165	165	280	2,423	2,384	15	165	165	165	18	49	49	49	49	49	49	
U02-49	15	173	347	0.00117395	347	23	9	18	18	49	296	305	31	18	18	18	0	0	0	0	0	0	0	
10-58	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
X16-66	29	307	290	0.00098112	290	42	7	38	38	87	203	256	49	38	38	38	0	0	0	0	0	0	0	
X16-65	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14-53	30	298	827	0.00279787	827	45	21	50	50	116	711	729	65	50	50	50	50	116	116	116	116	116	116	
14-55	30	9023	8552	0.41965343	124,042	90	3,196	7,739	7,739	11,025	113,017	109,405	3,266	7,739	7,739	7,739	7,739	11,025	11,025	11,025	11,025	11,025	11,025	
*4-55A	30	0	5852	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23-51	30	175	259	0.00091007	259	45	7	9	9	61	208	237	52	9	9	9	9	61	61	61	61	61	61	
24-57	30	254	581	0.00230393	581	45	18	22	22	85	596	601	63	22	22	22	0	0	0	0	0	0	0	
15-68	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14-54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
CK																								
U02-48	29	23	491	0.00166113	491	44	13	179	179	235	256	433	59	179	179	179	179	235	235	235	235	235	235	
U02-50	29	1445	1074	0.00363351	1,074	44	28	179	179	235	709	947	71	179	179	179	294	365	365	365	365	365	365	
U02-49	30	4320	2701	0.0091379	2,701	45	70	154	154	269	2,432	2,382	115	154	154	154	14	60	60	60	60	60	60	
15-67	26	1202	261	0.000883	261	39	7	14	14	60	201	230	46	14	14	14	528	816	816	816	816	816	816	
U02-49	30	478	9427	0.03189301	9,427	45	243	528	528	816	8,611	8,315	288	528	528	528	495	583	583	583	583	583	583	
U02-50	30	1092	1557	0.00560569	1,557	45	43	495	495	583	1,074	1,461	88	495	495	495	777	865	865	865	865	865	865	
U02-49	30	264	1554	0.00559574	1,554	45	43	495	495	583	777	865	88	495	495	495	0	0	0	0	0	0	0	
U02-49	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
U02-49	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
U02-49	30	3108	4980	0.01684812	4,980	45	128	326	326	499	4,481	4,392	173	326	326	326	326	499	499	499	499	499	499	
U02-49	30	903	5802	0.01962907	5,802	45	150	380	380	499	380	575	195	380	380	380	380	575	575	575	575	575	575	
U02-49	30	24620	1325	0.00448268	1,325	41	34	30	30	105	1,220	1,169	75	30	30	30	299	457	457	457	457	457	457	
U02-49	30	5879	4396	0.01487235	4,396	45	113	299	299	457	3,939	3,877	158	299	299	299	177	246	246	246	246	246	246	
U02-49	30	45297	922	0.00311927	922	45	24	177	177	246	676	813	89	177	177	177	21	48	48	48	48	48	48	
U02-49	15	44	113	0.0003823	113	24	3	21	21	48	65	100	27	21	21	21	0	0	0	0	0	0	0	
U02-49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
U02-49	30	10	1482	0.00501384	1,482	45	38	133	133	216	133	216	83	133	133	133	133	216	216	216	216	216	216	
U02-49	30	9902	34803	0.11774399	34,803	45	897	2,021	2,021	2,953	31,840	30,696	942	2,021	2,021	2,021	89	157	157	157	157	157	157	
U02-49	30	1184	886	0.00299748	886	45	23	89	89	157	729	781	68	89	89	89	96	155	155	155	155	155	155	
U02-49	30	9434	546	0.00218552	546	42	17	96	96	155	491	570	59	96	96	96	58	132	132	132	132	132	132	
U02-49	28	320	1130	0.00382297	1,130	45	29	58	58	132	998	997	74	58	58	58	27	86	86	86	86	86	86	
U02-49	30	574	546	0.0018472	546	45	14	27	27	86	460	482	59	27	27	27	73	104	104	104	104	104	104	
U02-49	30	0	1194	0.00403949	1,194	0	31	73	73	104	1,090	1,053	31	73	73	73	49	61	61	61	61	61	61	
U02-49	30	61	470	0.00159008	470	0	12	49	49	61	409	415	12	49	49	49	130	162	162	162	162	162	162	
U02-49	30	1803	1260	0.00426278	1,260	0	32	130	130	162	1,098	1,111	32	130	130	130	0	0	0	0	0	0	0	
MERRON GAS WELLS																								
hammer			10537	481	0.0016273	481	0	12	15	0	15	27	454	424	12	15	15	15	27	27	27	27	27	27
al	4-36-18-7	30	955	493	0.0016679	493	0	0	28	0	28	28	465	435	0	28	28	28	28	28	28	28	28	28
PIPELINE			36307	295582		295,582	2,428	7,804	20,777	20,777	30,528	264,753	260,703	10,043	20,777	20,777	20,77							

LE WELLS FROM OCASIA STATEMENT

	29777					
	9					
	7604			7604	0	
	2448		2448			
	0		0			
Id statement + merton	974					
	31803		295682	2448	7604	0

SALES DIFFERENCE

3576

JC137 PA

395211	597033	597137	4379	14975	59724	59724	79077	518060	514853	19355	59724	59724	79079	593932
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OCT 12 2004

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

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 GAS WELL OTHER _____

2. NAME OF OPERATOR:
XTO ENERGY INC. *N2615*

3. ADDRESS OF OPERATOR:
2700 Farmington Bldg K, Sui Farmington STATE NM ZIP 87401 PHONE NUMBER: (505) 324-1090

4. LOCATION OF WELL
FOOTAGES AT SURFACE: COUNTY: Emery
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
Various Leases
6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
7. UNIT or CA AGREEMENT NAME:
8. WELL NAME and NUMBER:
See attached list
9. API NUMBER:
Multiple
10. FIELD AND POOL, OR WILDCAT:
Buzzard Bench

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Effective August 1, 2004, the operator changed from Chevron U.S.A. Inc. to XTO ENERGY INC. for all wells on the attached list.

BLM #579173

State and Fee Bond #104312762

RECEIVED
MAY 18 2007
DIV. OF OIL, GAS & MINING

Kenneth W. Jackson
Kenneth W. Jackson Regulatory Specialist ChevronTexaco for Chevron U.S.A. Inc. *N0210*

NAME (PLEASE PRINT) *James L. Death* TITLE *Vice President - Land*
SIGNATURE *James L. Death* DATE *8/16/04*

(This space for State use only)

APPROVED *9/30/2004*
Eariene Russell
Division of Oil, Gas and Mining
Eariene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

RECEIVED
SEP 28 2004
DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

UTU-67532

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

FEDERAL A 18-7-26 #12

9. API NUMBER:

4301530445

10. FIELD AND POOL OR WILDCAT:

BUZZARD BENCH ABO

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER

CONFIDENTIAL

2. NAME OF OPERATOR:

XTO ENERGY INC.

3. ADDRESS OF OPERATOR:

2700 Farmington Ave. Bldg K CITY Farmington

STATE NM ZIP 87401

PHONE NUMBER:

(505) 324-1090

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1815' FNL & 897' FWL

COUNTY: EMERY

QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 26 18S 07E

STATE:

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SURFACE COMMINGLE
	<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.

XTO Energy Inc. proposes to surface commingle the following two wells into our Orangeville CDP:

Federal A 18-7-26 #12; Sec 26-T18S-R07E; 1815' FNL & 897' FWL; 43-015-30445; UTU-67532; Buzzard Bench
Federal T 18-7-22 #34; Sec 22-T18S-R07E; 539' FSL & 1831' FEL; 43-015-30452; UTU-66535; Buzzard Bench

Both of these wells have their own wellhead allocation meter. Both wells will have the sales point or custody transfer at the Orangeville System.

COPY SENT TO OPERATOR
Date: 7-11-05
Initials: CHO

NAME (PLEASE PRINT) HOLLY C. PERKINS TITLE REGULATORY COMPLIANCE TECH
SIGNATURE Holly C. Perkins DATE 6/23/2005

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

RECEIVED
JUN 29 2005

(5/2000)

Date: 7/8/05 (See Instructions on Reverse Side)

By: Dustin Ducet
Dustin Ducet ??

DIV. OF OIL, GAS & MINING

WELLS FROM COASTAL STATEMENT

	0	302425			
	8990				
	104	104			
Check #	256029				
Check #2	0			0	
	0			7383	0
	7383				
	1931		1930 5		
	0				
	304437	302529	1930 5	7383	0

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

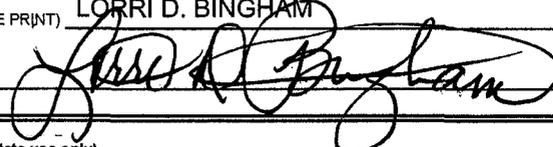
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: XTO ENERGY INC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 382 CR 3100 CITY AZTEC STATE NM ZIP 87410		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: MULTIPLE QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 18S 7E 3A		8. WELL NAME and NUMBER: MUL: Klinkhammer 1
PHONE NUMBER: (505) 333-3100		9. API NUMBER: MULTIPLE 43 015 30610
COUNTY: EMERY		10. FIELD AND POOL, OR WILDCAT:
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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SURFACE COMMINGLE
	<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.

XTO Energy Inc. applied for surface commingle on the attached list of wells on 7/5/07 and State of UT DOGM approval was received on 7/13/07. Due to the rejection of the Federal application, XTO would like to withdraw the commingling application and subsequent work will not be done.

NAME (PLEASE PRINT) <u>LORRI D. BINGHAM</u>	TITLE <u>REGULATORY COMPLIANCE TECH</u>
SIGNATURE 	DATE <u>9/23/2008</u>

(This space for State use only)

RECEIVED
SEP 29 2008

Utah Wells Surface Commingled at Orangeville CDP

Well Name	API #	Status	Lease	Notes
Curtis D&D 14-54	43-015-30319	Shut In	Federal	
Curtis L&M 10-58	43-015-30310	Shut In	Federal	
Curtis L&M 15-67	43-015-30325	Producing	Federal	
Federal A 18-7-26-12	43-015-30445	Producing	Federal	
Federal A 26-02	43-015-30244	Shut In	Federal	
Federal A 26-04	43-015-30246	Shut In	Federal	
Federal A 34-07	43-015-30249	Producing	Federal	
Federal A 35-05	43-015-30248	Producing	Federal	
Federal A 35-06	43-015-30247	Producing	Federal	
Federal A 35-89	43-015-30446	Producing	Federal	
Federal B 21-03	43-015-30243	Shut In	Federal	
Federal C 18-7-23-23R	43-015-30629	Producing	Federal	
Federal C 23-08	43-015-30245	Producing	Federal	
Federal P 03-92	43-015-30448	Producing	Federal	
Federal P 03-93	43-015-30449	Producing	Federal	
Federal T 18-07-22-34	43-015-30452	Producing	Federal	
Federal T 22-69	43-015-30451	Producing	Federal	
Federal T 27-87	43-015-30456	P&A	Federal	
Ferron St 4-36-18-7	43-015-30253	Producing	Federal	Operator: Merrion Oil & Gas
Jensen AL 27-09	43-015-30259	Shut In	State	
Jones D&A 09-59	43-015-30329	Producing	Federal	
Jones D&A 15-68	43-015-30318	Shut In	State	
Klinkhammer 1	43-015-30610	Shut In	Federal	Operator: Merrion Oil & Gas
Norris RG 14-40	43-015-30324	Producing	Federal	
Peacock 07-64	43-015-30327	Producing	Federal	
Peacock P&K 08-62	43-015-30320	Producing	Federal	
Peacock Trust 08-61	43-015-30326	Producing	Federal	
Peacock Trust 08-63	43-015-30328	Producing	Federal	
Peacock Trust 09-60	43-015-30321	Producing	Federal	
State of Utah 01-97	43-015-30498	Producing	State	
State of Utah 17-7-36-33R	43-015-30687	Producing	State	
State of Utah 17-8-19-11D	43-015-30695	P&A	State	
State of Utah 18-7-2-33R	43-015-30674	Producing	State	
State of Utah DD 31-98	43-015-30439	Producing	State	
State of Utah II 36-95	43-015-30509	Producing	State	
State of Utah II 36-96	43-015-30508	P&A	State	
State of Utah U 02-11	43-015-30270	Producing	State	
State of Utah U 02-48	43-015-30306	Producing	State	
State of Utah U 02-49	43-015-30309	P&A	State	
State of Utah U 02-50	43-015-30308	Producing	State	
State of Utah X 16-65	43-015-30312	Shut In	State	
State of Utah X 16-66	43-015-30311	Producing	State	
UP&L 14-53	43-015-30313	Producing	State	
UP&L 14-55	43-015-30314	Producing	Federal	
UP&L 23-51	43-015-30315	Producing	Federal	
UP&L 24-57	43-015-30316	Producing	State	
USA 03-74	43-015-30383	Producing	Federal	

RECEIVED

SEP 29 2008

DIV. OF OIL, GAS & MINING

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

RECEIVED
SEP 20 2010

FORM 9

DIV. OF OIL, GAS & MINING

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: <i>See attached well list</i>
2. NAME OF OPERATOR: <i>Coastal Plains Energy, Inc. N2170</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: <i>420 Throckmorton CITY Fort Worth STATE TX ZIP 76102</i>		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: <i>817 882-9055</i>		8. WELL NAME and NUMBER: <i>See attached well list</i>
4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT: <i>See attached well list</i>
		COUNTY: <i>Emery</i>
		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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input 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.

See attached list

BLM Bond No UTB000213

STATE BLANKET BOND CTCS 267895
INDIVIDUAL BONDS FUZZBALL 1 TETS 899537
FERRON ST 4-36-18-7 TETS 899542
ORANGVILLE U 10-2 TETS 899545

NAME (PLEASE PRINT) <i>William R Biggs</i>	TITLE <i>President</i>
SIGNATURE <i>William R Biggs</i>	DATE <i>9-14-10</i>

(This space for State use only)

APPROVED 12/30/2010
Earlene Russell
 Division of Oil, Gas and Mining
 Earlene Russell, Engineering Technician

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Merrion Oil & Gas Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: NA
3. ADDRESS OF OPERATOR: 610 Reilly Ave CITY Farmington STATE NM ZIP 87401		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: Emery		8. WELL NAME and NUMBER: See Attached
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____ STATE: UTAH		9. API NUMBER: 43-015-
		10. FIELD AND POOL, OR WILDCAT: Buzzard Bench

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change of Operator</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Merrion Oil & Gas Corporation has sold the attached list of wells to Coastal Plains effective 9/1/2010

NAME (PLEASE PRINT) <u>Philana Thompson</u>	TITLE <u>Regulatory Compliance Specialist</u>
SIGNATURE	DATE <u>8/24/2010</u>

(This space for State use only)

APPROVED 12/30/2010

Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

RECEIVED
SEP 16 2010
DIV. OF OIL, GAS & MINING

N2170

LIST OF UTAH PROPERTIES SOLD TO COASTAL PLAINS ENERGY, INC EFFECTIVE JULY 1, 2010

RECEIVED

AUG 30 2010

DIV. OF OIL, GAS & MINING

WELL NAME	QTR/QTR	SECTION	TWNSHP	RANGE	API NO.	LEASE NO.	COUNTY
BUZZARD BENCH 3-24	SESW	SEC 3	19S	7E	43-015-30229	U-18897-A	EMERY
BUZZARD BENCH 6-3	SENW	SEC 3	19S	7E	43-015-30168	U-18897-A	EMERY
CAHILL 1R	SWNW	SEC 15	19S	7E	43-015-30627	U-69403	EMERY
CROWSFOOT 1R	SENE	SEC 9	19S	7E	43-015-30613	U-69403	EMERY
FERRON FEDERAL 16-9	SESE	SEC 9	19S	7E	43-015-30256	U-69403	EMERY
FERRON FEDERAL 16-20	SESE	SEC 20	17S	8E	43-015-30110	ML 48176	EMERY
FERRON FEDERAL 7-12	SWNE	SEC 12	19S	7E	43-015- ³⁰²⁵⁷ 30254	U-18134	EMERY
FERRON STATE 4-36	NWNW	SEC 36	18S	7E	43-015-30253	ML-28195	EMERY
FUZZBALL 1	SWNW	SEC 2	19S	7E	43-015-30557	ML-28199	EMERY
HUMPY 1	SWNE	SEC 3	19S	7E	43-015-30348	U-51015	EMERY
KLINKHAMMER 1	NENW	SEC 34	18S	7E	43-015-30610	U-72356	EMERY
ORANGEVILLE 1-11	NENE	SEC 11	19S	7E	43-015-30222	U-18134	EMERY
ORANGEVILLE 16-6	SESE	SEC 6	18S	8E	43-015-30108	ML-48777 ✓	EMERY
ORANGEVILLE 4-1	NWNW	SEC 1	19S	7E	43-015-30221	U-18134	EMERY
ORANVEVILLE 10-2	NWSE	SEC 2	19S	7E	43-015-30179	^{ML 28199} U-18134	EMERY
SPARKLE DUN 1	NENE	SEC 16	19S	7E	43-015-30615	ML-49168	EMERY

Plugged
8/23/2007

PUMP AND DEHYDRATOR



August 24,2010

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

Ladies & Gentlemen:

Effective date July 1,2010 Merrion Oil & Gas Corp. sold all of its interest in the Buzzard Bench Field. The New operator and owner: Coastal Plains Energy,Inc. 420 Throckmorton, Suite 630 Fort Worth, Texas 76102. Merrion Oil & Gas will no longer be reporting production and revenue for these wells. Also Severance Tax reports and Conservation reports will not be filed after the effective date of sale.

A List of the wells has been included with a Form 9.

Respectfully,
Merrion Oil & Gas Corp.

A handwritten signature in cursive script, appearing to read "Wayne", is written in black ink.

Wayne O'berg
Staff Accountant

RECEIVED
AUG 30 2010
DIV. OF OIL, GAS & MINING

610 Reilly Avenue
Farmington, NM 87401
main 505-324-5300
fax 505-324-5350