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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
Crows Foot #1, 2,181' FNL, 817' FEL, SE/4 NE/4
Section 9, T19S, 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. A request for exception to spacing (R649-3-3) is hereby requested based on topography since the well is located within 460' of the drilling unit boundary. Merrion is the only offset owner/operator within 460' of the proposed well location. 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.

P.O. # 1230 195 N. 100 West Huntington, Utah 84528
(435) 687-5310 (435) 687-5311 talon@etv.net

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

Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

001

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.: U-69403

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

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

7. UNIT AGREEMENT NAME: N/A

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] MULTIPLE ZONE [ ]

8. FARM OR LEASE NAME, WELL NO.: Crows Foot #1

2. NAME OF OPERATOR: Merrion Oil and Gas Corporation

9. API WELL NO.: 43-015-30611

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

10. FIELD AND POOL, OR WILDCAT: ~~Undesignated~~ Buzzard Bench

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface: 433701N Y 39.18418
At proposed prod. zone: 2,181' FNL, 817' FEL 488415X -111.13413

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA: SE/4 NE/4, Section 9, T19S, R7E, SLB&M

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 5.21 miles southwest of Orangeville, Utah

12. COUNTY OR PARISH: Emery

13. STATE: Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any): 817'

16. NO. OF ACRES IN LEASE: 240

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.: 2,600'

19. PROPOSED DEPTH: 3,520'

20. ROTARY OR CABLE TOOLS: Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6,465' 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	3,520'	230 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**

RECEIVED
AUG 14 2003
DIV OF OIL, GAS & MINING

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. 43-015-30611 APPROVAL DATE

Federal Approval of this Action is Necessary

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:

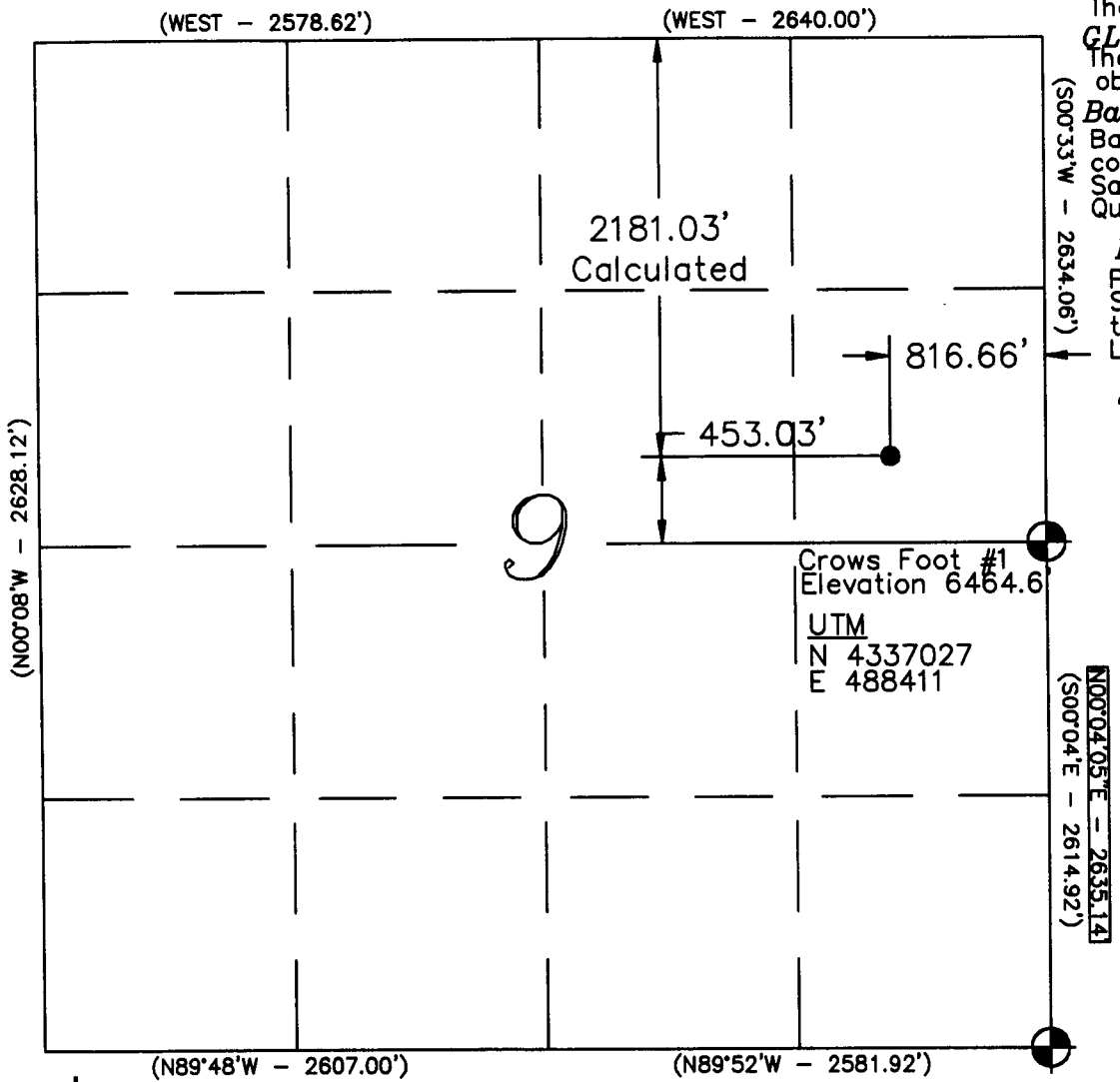
APPROVED BY [signature] TITLE BRADLEY G. HILL ENVIRONMENTAL SCIENTIST III DATE 08-18-03

*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 19 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 Northeast Section corner of Section 2, Township 19 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 SE1/4 NE1/4 of Section 9; being 453.03' North and 816.66' West from the East Quarter Corner of Section 9, T19S, 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.

Registered Land Surveyor
May 11, 03
No. 146652
Albert J. Spensko
State of 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°11'03"
111°08'03"

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

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

CROWS FOOT #1

Section 9, T19S, R7E, S.L.B.&M.

Emery County, Utah

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No. A-1	Date: 07/07/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1023

Attached to BLM Form 3
Merrion Oil & Gas Corporation
Crows Foot #1
2,181' FNL, 817' FEL, Section 9
T19S, R7E, SLB&M,

8 Point Drilling Program

Emery County, Utah

1. The Geologic Surface Formation

   Quaternary Alluvium

2. Estimated Tops of Important Geologic Markers

Marker	Depth (MD)
Quarternery Alluvium	Surface
Emery Sandstone	830'
Blue Gate Shale	1,422'
Ferron Sandstone	2,972'
Total Depth	3,520'

3. Projected Gas & H2O zones (Ferron Formation)

   Coals and sandstones – 2,972' – 3,520'

   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

HOLE SIZE	SETTING DEPTH (INTERVAL)	SIZE (OD)	WEIGHT,GRADE & JOINT	CONDITION
12–1/4"	250'	8-5/8"	24# J-55 ST&C	New
7-7/8"	3,520'	5-1/2"	15.5# J-55 ST&C	New

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Cement Program -**Every attempt will be made to bring cement back to surface.**
Surface Casing: 245 sacks Class B or H + 3 % $CaCl_2$;
Weight: 15.6 #/gal
Yield: 1.18 cu.ft/sk

Production Casing:
Lead: 230 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 access road off existing road (~3000' of 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 8-⅝" 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% $CaCl_2$, 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. Pick up 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 230 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.

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.
15.

Attached to BLM Form 3
Merrion Oil & Gas Corporation
Crows Foot #1
2,181' FNL, 817' FEL, Section 9
T19S, 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 9:00am. 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 5.21 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. Turn left onto SR-57 and follow SR-57 approximately 2.72 miles to SR-10. Turn right on SR-10 and follow SR-10 approximately 1.50 miles to the roadside park on the right side of the road. Turn right at the roadside park and follow the Rock Canyon Flat county road (Emery County Road #604) west approximately 2.35 miles to the existing gas field development road. Follow the gas field development road approximately 1.73 miles northwest to the existing Merrion, Ferron Federal 16-9-19-7 well site. From the well site proceed northwest along the proposed flagged route approximately 3,060' to the proposed well site Crows Foot #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 and 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. From the existing gravel surfaced, Merrion maintained field development road an access is

proposed trending north approximately 3,060' to the proposed well site. The access consists of entirely new disturbance over steep and rocky terrain. A road design plan is not anticipated at this time.

b. The proposed access road will consist of a 14' travel surface within a 30' disturbed area.

c. Proposed access will utilize entirely federal lands in which a right-of-way is not anticipated at this time. Approval to construct and utilize the proposed access road is requested with this application.

d. A maximum grade of 13% will be maintained throughout the project with minor cuts and fills required.

e. No turnouts are proposed since the access road is only 3,060' long and good site distance exists in most places.

f. Numerous low-water crossings will be required. Additionally, one large drainage is being crossed four times in which a hydrologic evaluation is being completed at this time. Once the drainage structure is determined a design with engineering calculations will be forwarded to supplement this application. Adequate drainage structures will be incorporated into the remainder of the road.

g. No surfacing material will come from federal or Indian lands.

h. No gates or cattle guards are anticipated at this time.

i. Surface disturbance and vehicular travel will be limited to the approved location access road.

j. There will be no unauthorized off-road vehicular travel.

k. All access roads and surface disturbing activities will conform to the standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

l. The operator will be responsible for all maintenance of the access road including drainage structures.

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	SE/4 SE/4, Section 9, T19S, R7E	Merrion, Ferron Fed 16-9-19-7
		SE/4 SW/4, Section 3, T19S, R7E	Merrion, Buzz Bench Fed 3-24
v.	Abandon wells	None	

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 slate gray 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 south.

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. Two corners may be rounded during construction to avoid material spillage into nearby drainages. 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 form 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:

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

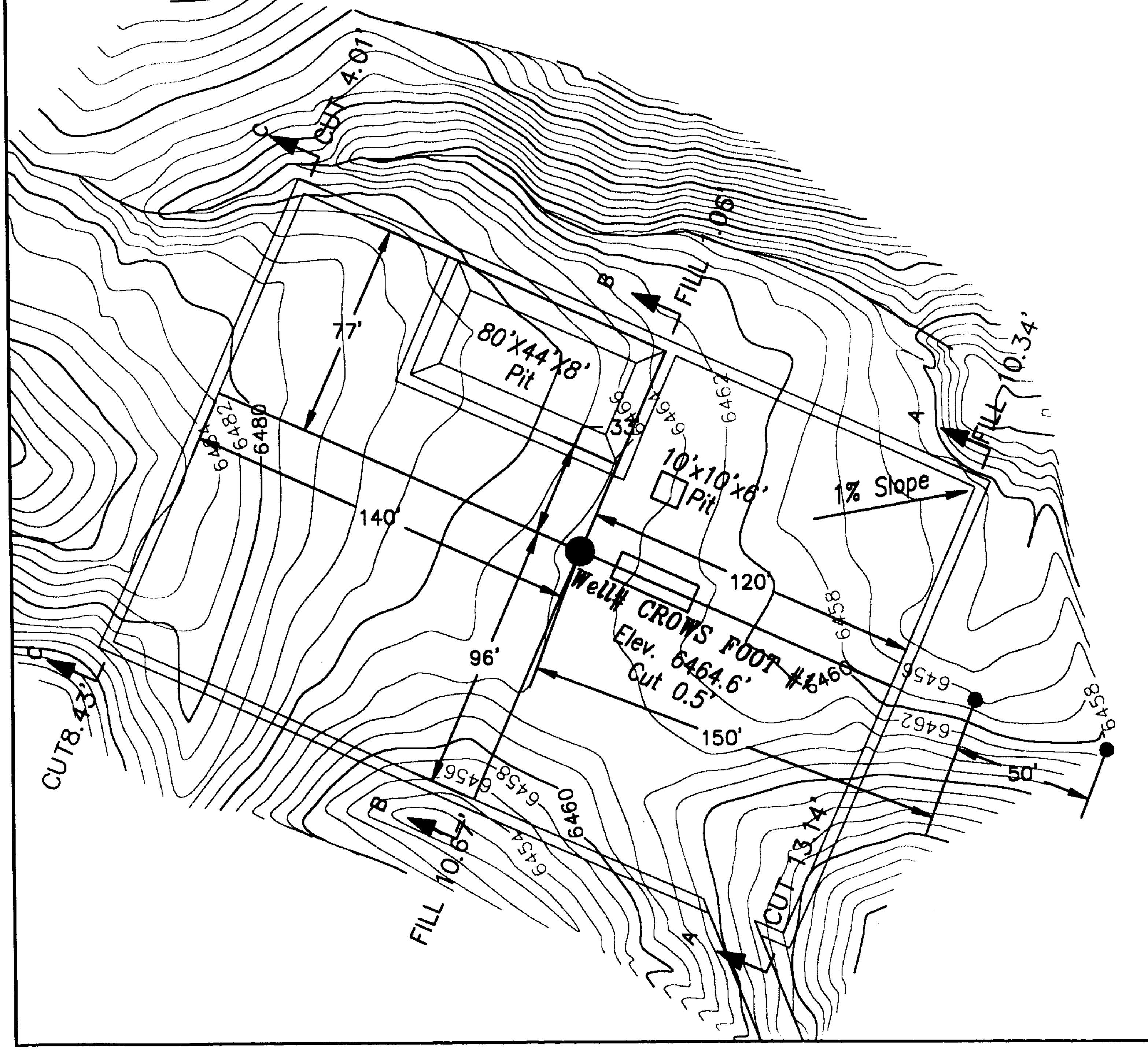
Title	Name	Office Phone
Company Representative	George Sharpe	1-303-327-9801
Drilling Consultant	John Thompson	1-505-320-1748
Project Consultant	Larry Johnson	1-435-687-5310
Permitting Consultant	Don Hamilton	1-435-687-5310

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 = 6465.1'
Elavation of Graded Ground at Location Stake = 6464.6'

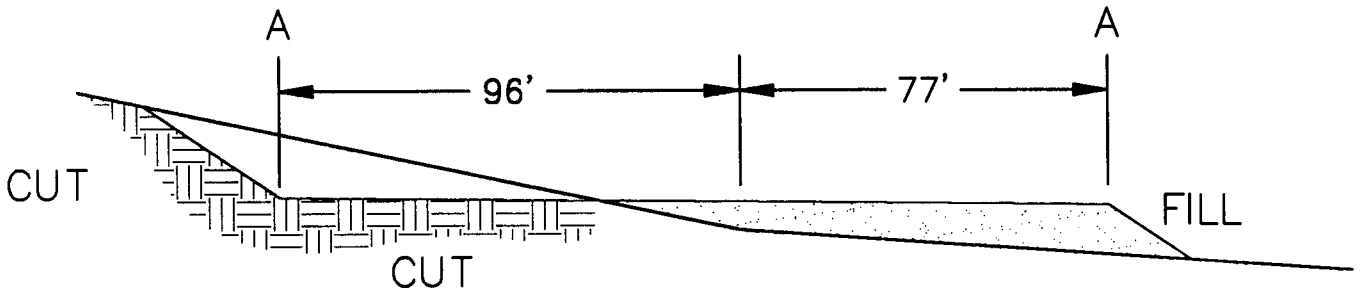


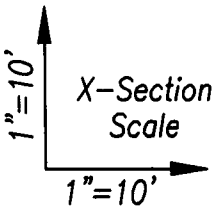
TALON RESOURCES, INC.
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net

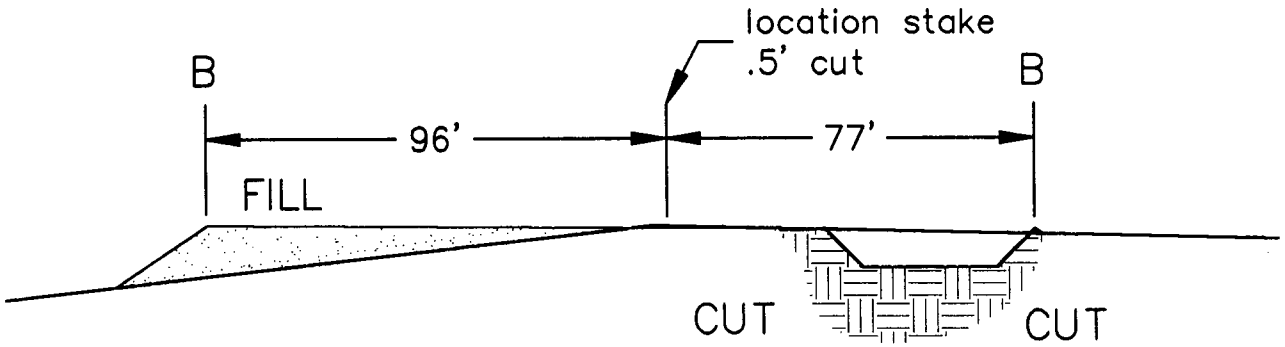
MERRION OIL&GAS

LOCATION LAYOUT
Section 9, T19S, R7E, S.L.B.&M.
WELL: CROWS FOOT #1

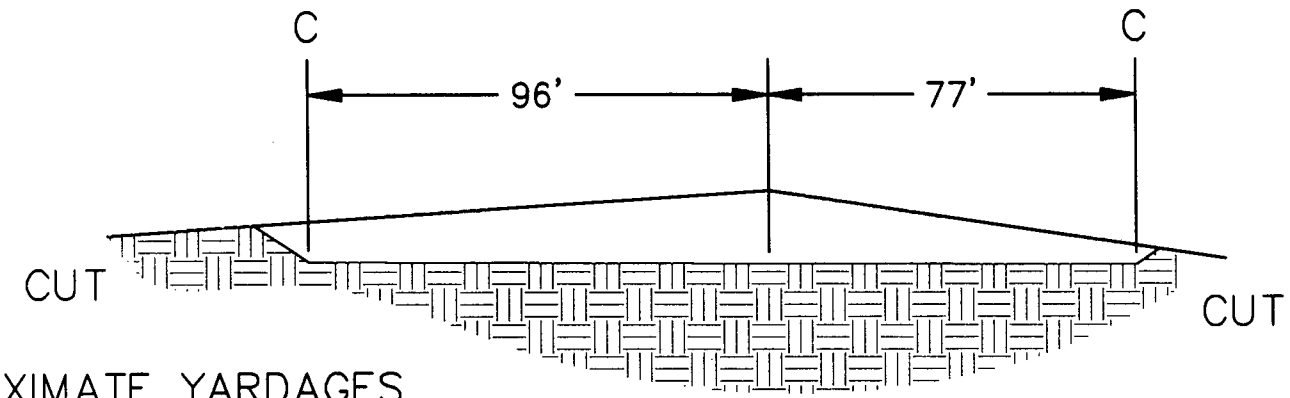
Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No. A-2	Date: 07/07/03
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 1023







Slope = 1 1/2 :
(Except Pit)
Pit Slope = 1 ;



APPROXIMATE YARDAGES

CUT

(6")Topsoil Stripping = 750 Cu. Yds.

Remaining Location = 6457 Cu, Yds.

TOTAL CUT = 6844 Cu. Yds.

TOTAL FILL = 4696 Cu. Yds.

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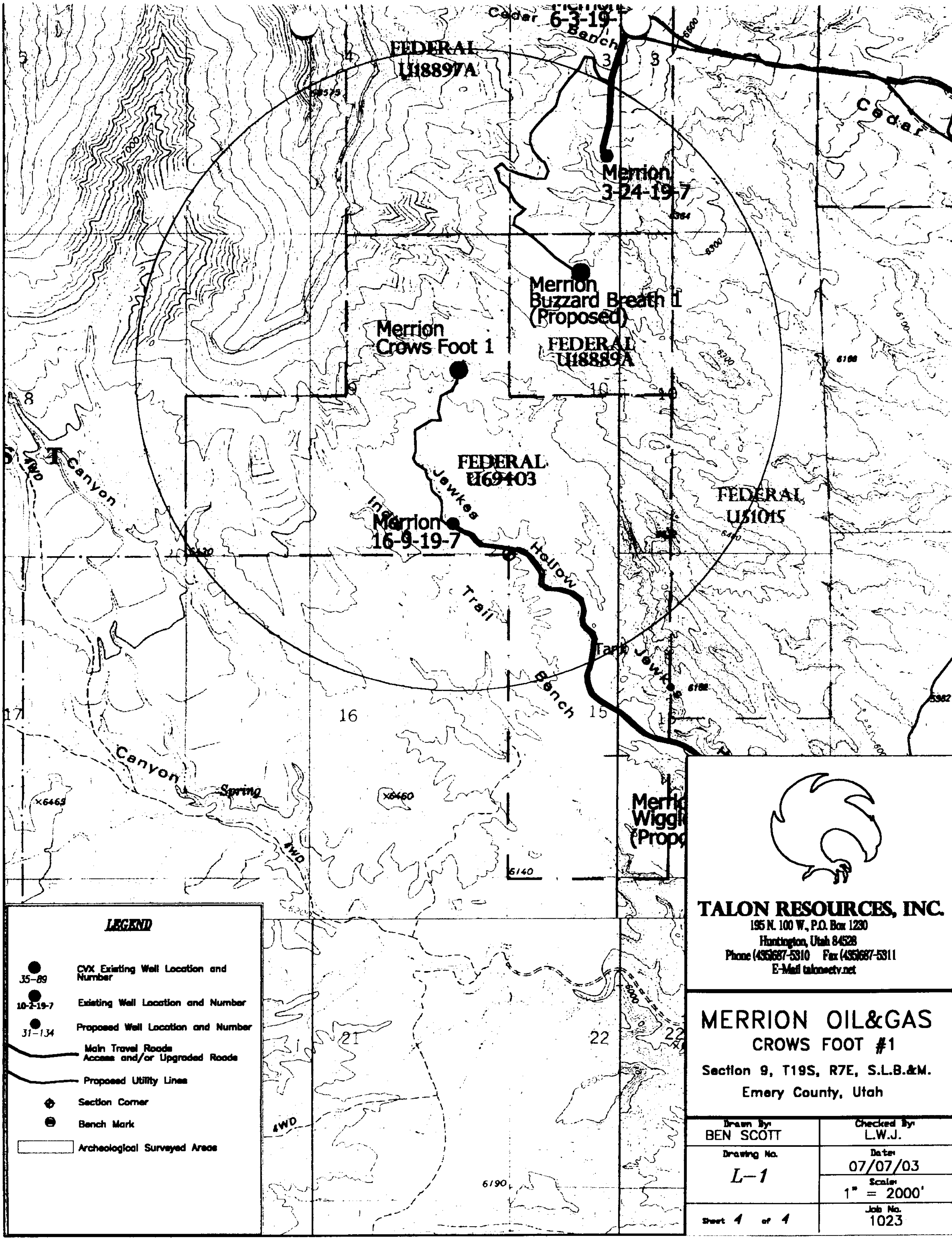
195 North 100 West P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonetv.net

MERRION OIL&GAS

TYPICAL CROSS SECTION
Section 9, T19S, R7E, S.L.B.&M.
WELL: CROWS FOOT #1

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No. C-1	Date: 07/07/03
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 1023

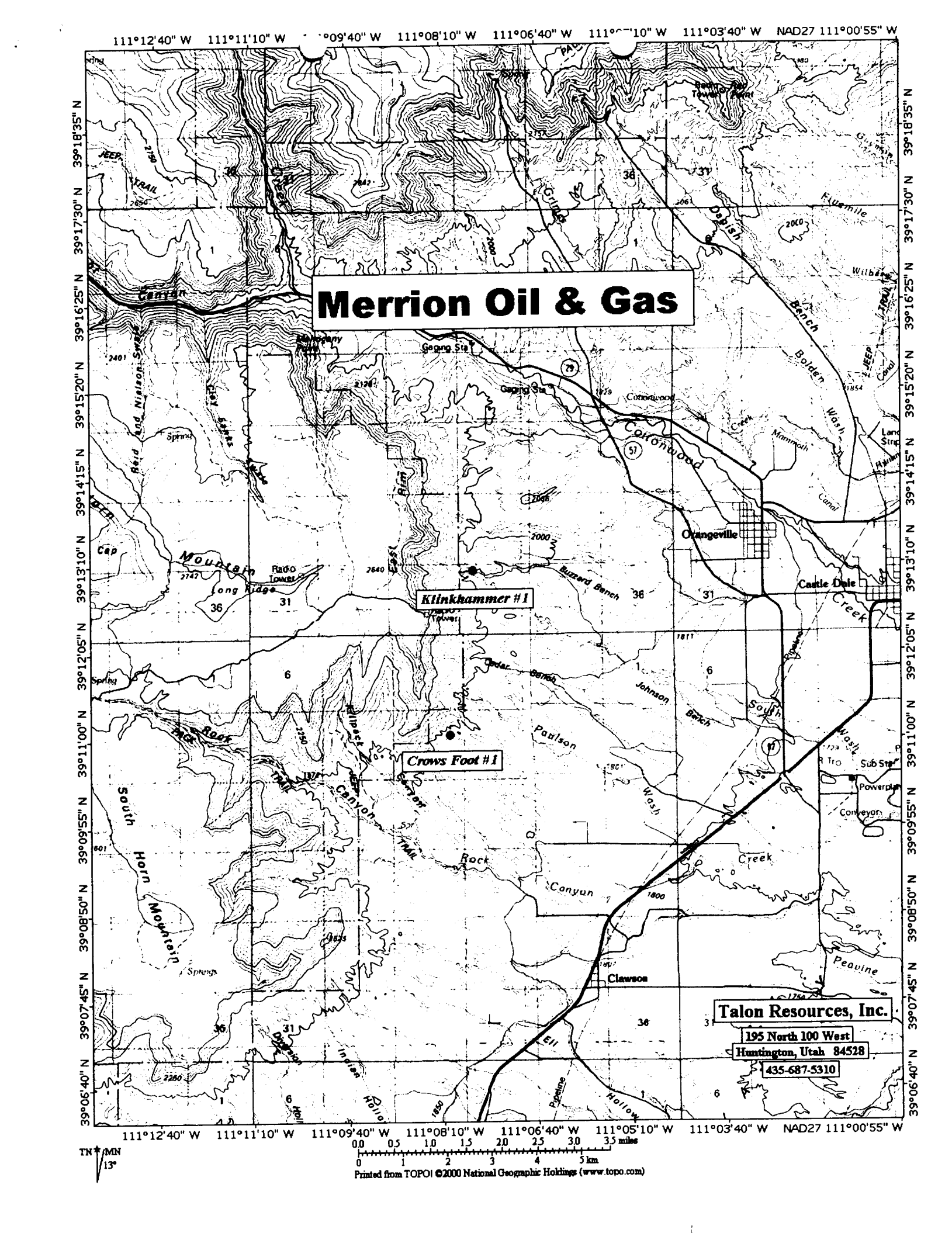


TALON RESOURCES, INC.

195 N. 100 W., P.O. Box 1230
Huntington, Utah 84528
Phone (435)687-5310 Fax (435)687-5311
E-Mail talonectv.net

MERRION OIL&GAS
CROWS FOOT #1
Section 9, T19S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No. *L-1*	Date: 07/07/03
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 1023


Merrion Oil & Gas
Klinkhammer #1
Crows Foot #1
Talon Resources, Inc.
195 North 100 West
Huntington, Utah 84528
435-687-5310
Orangeville
Castle Dale
Cottonwood
Buzzard Bench
Johnson Bench
Paulson
Cedar
Rock Canyon
Long Ridge
Mountain
Gasing Sta
Clawson
Peavine
Powerplant
Conveyor
Sub Sta
Printed from TOPO! ©2000 National Geographic Holdings (www.topo.com)

TYPICAL ROAD CROSS-SECTION

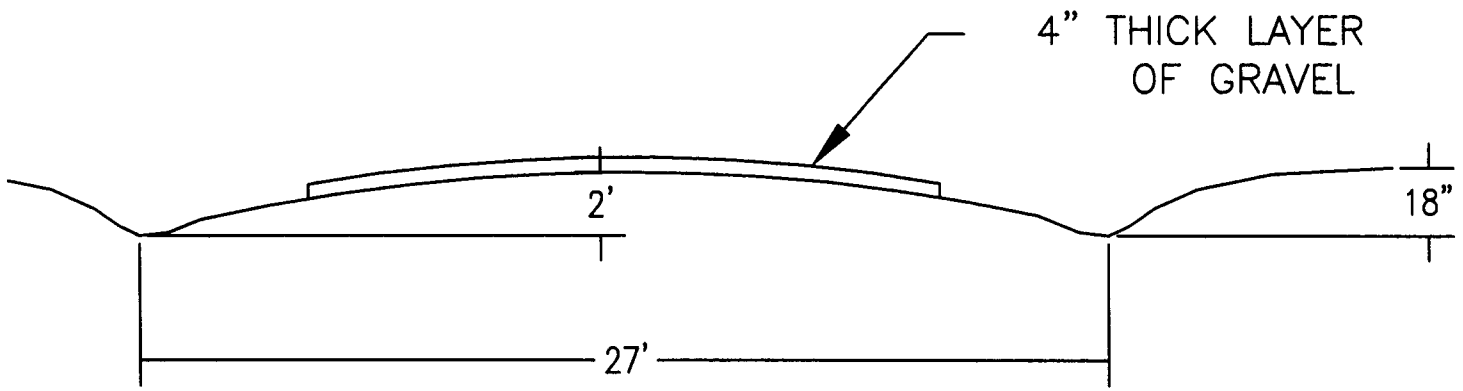


EXHIBIT "F"

BOP Equipment

3000psi WP

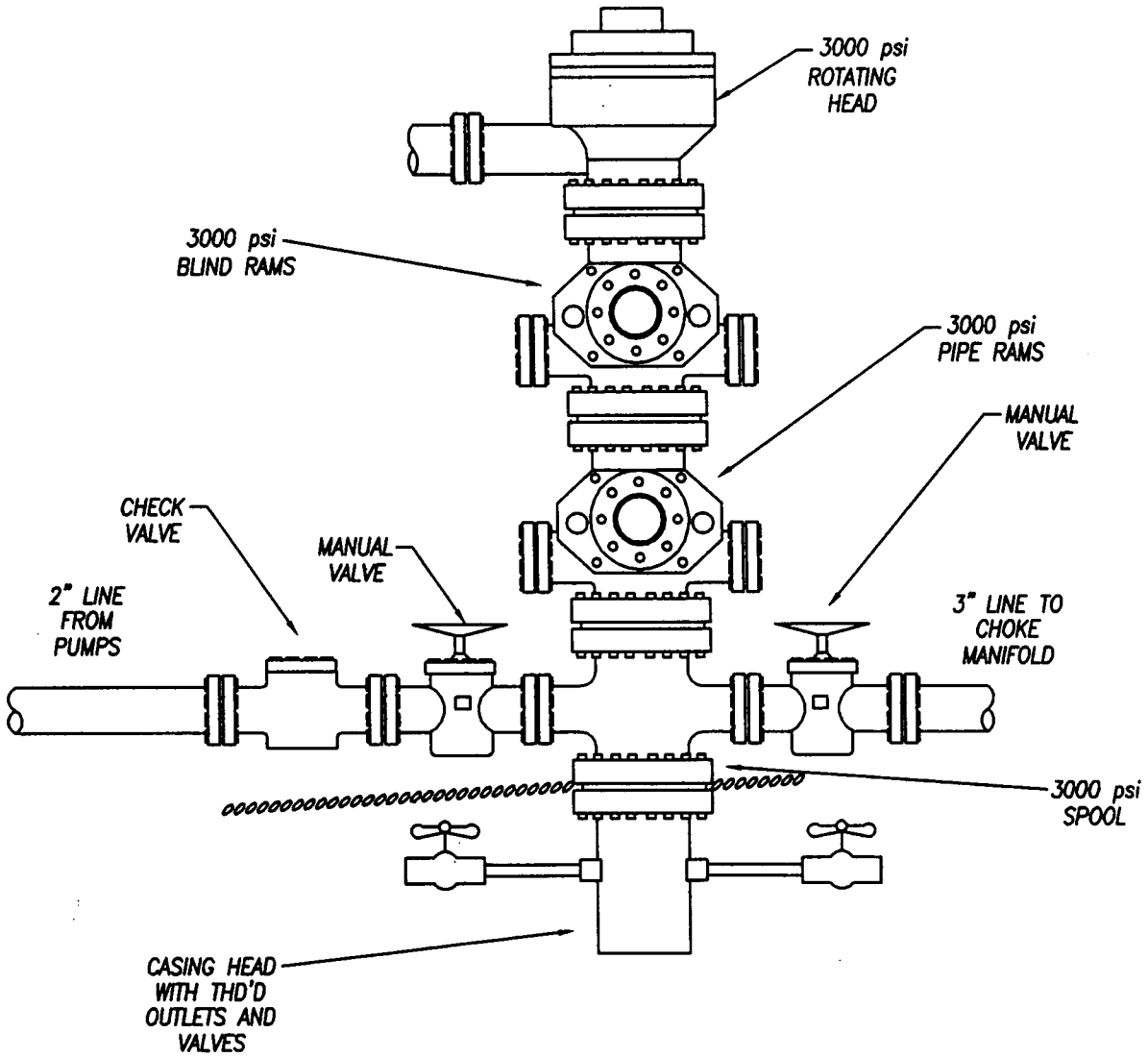


EXHIBIT "G"

CHOKE MANIFOLD

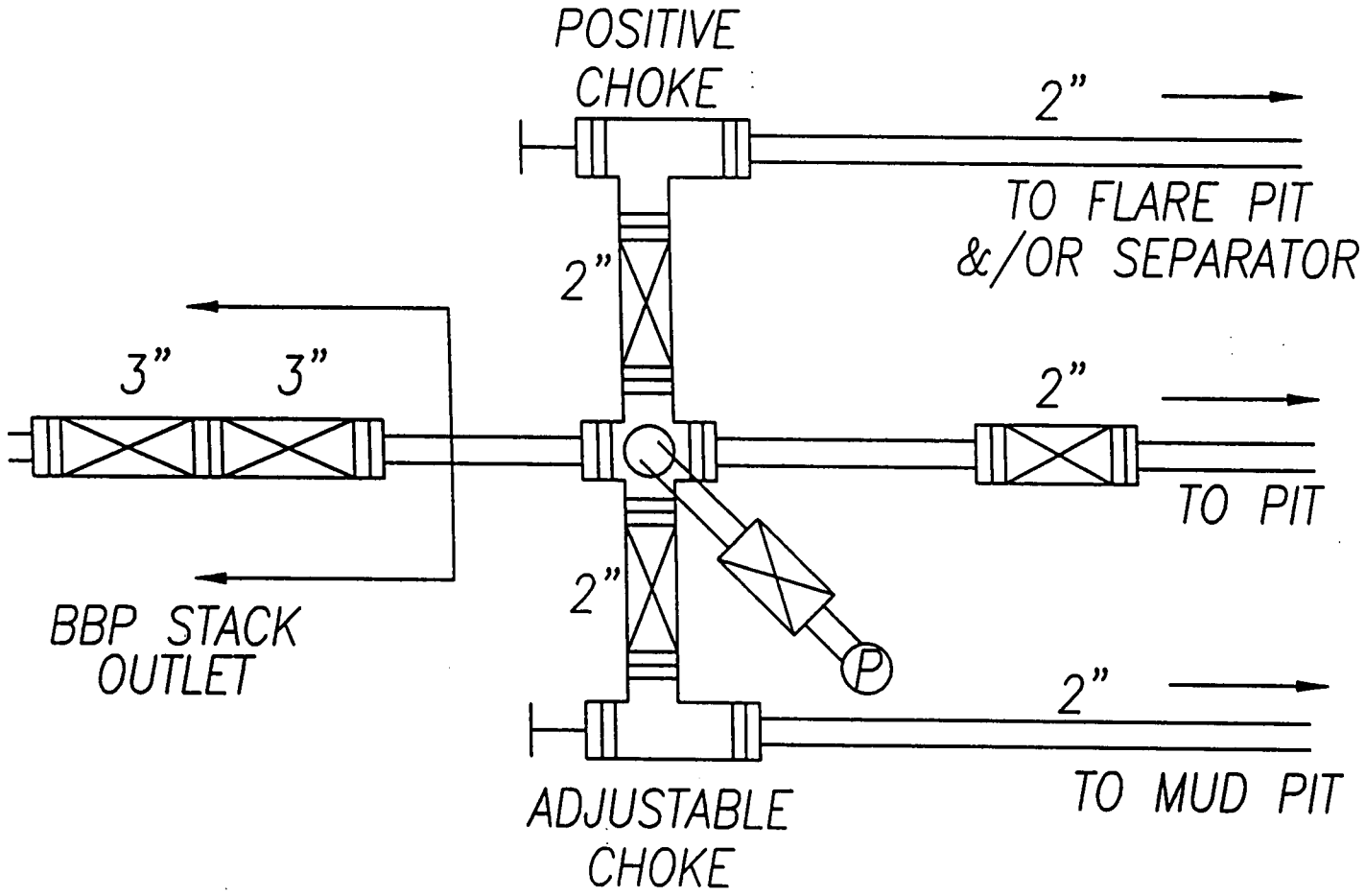


EXHIBIT "H"

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

003

APD RECEIVED: 08/14/2003

API NO. ASSIGNED: 43-015-30611

WELL NAME: CROWS FOOT 1

OPERATOR: MERRION OIL & GAS CORP (N0630)

CONTACT: DON HAMILTON

PHONE NUMBER: 435-687-5310

PROPOSED LOCATION:

SENE 09 190S 070E

SURFACE: 2181 FNL 0817 FEL

BOTTOM: 2181 FNL 0817 FEL

EMERY

BUZZARD BENCH (132)

LEASE TYPE: 1 - Federal

LEASE NUMBER: U-64903

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.18418

LONGITUDE: 111.13413

RECEIVED AND/OR REVIEWED:

✓ Plat

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

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. MUNICIPAL)

N RDCC Review (Y/N)
(Date:)

NA Fee Surf Agreement (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit ___

___ R649-3-2. General

Siting: 460 From Qtr/Qtr & 920' Between Wells

✓ R649-3-3. **Exception**

___ Drilling Unit

Board Cause No: ___

Eff Date: ___

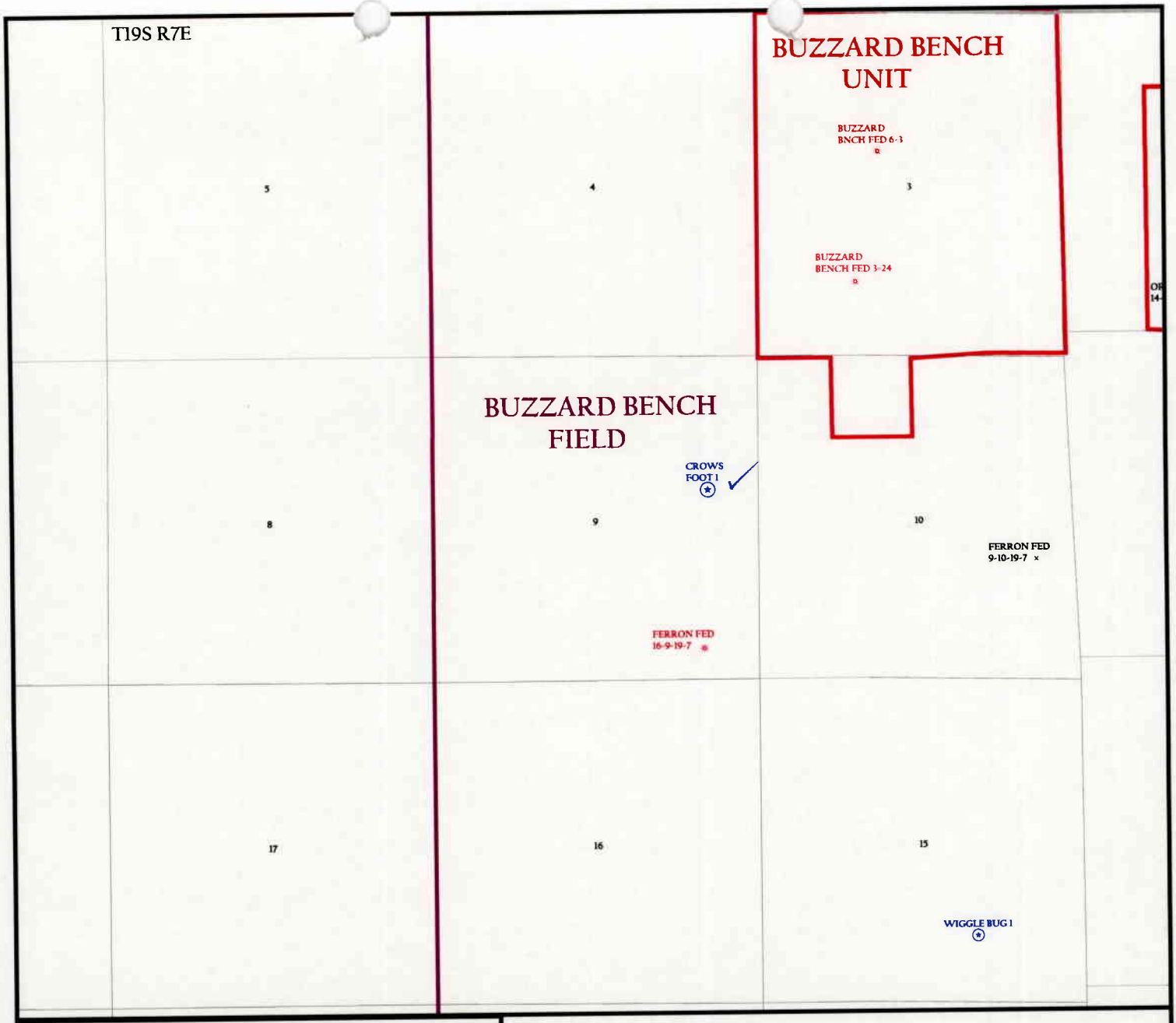
Siting: ___

___ R649-3-11. Directional Drill

COMMENTS: ___

STIPULATIONS: 1- federal approval

2- Spacing Slip



OPERATOR: MERRION O&G CORP (N0630)

SEC. 9 T.19S, R.7E

FIELD: BUZZARD BENCH (132)

COUNTY: EMERY

SPACING: R649-3-3 / EXCEPTION LOCATION

Utah Oil Gas and Mining

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

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

Field Status
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

N W E S

PREPARED BY: DIANA MASON
DATE: 15-AUGUST-2003

004

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

Michael O. Leavitt
Governor
Robert L. Morgan
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
(801) 538-5340 telephone
(801) 359-3940 fax
(801) 538-7223 TTY
www.nr.utah.gov

August 18, 2003

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

Re: Crows Foot 1 Well, 2181' FNL, 817' FEL, SE NE, Sec. 9, T. 19 South, R. 7 East, Emery County, Utah

Gentlemen:

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

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30611.

Sincerely,

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 Crows Foot 1

API Number: 43-015-30611

Lease: U-69403

Location: SE NE **Sec.** 9 **T.** 19 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.

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

Form 3160-5
(June 1990)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

005

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

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): 2,181' FNL, 817' FEL SE/4 NE/4, Section 9, T19S, R7E, SLB&M
5. Lease Designation and Serial No.: UTU-69403
6. If Indian, Allottee or Tribe Name: N/A
7. If Unit or CA, Agreement Designation: N/A
8. Well Name and No.: Crows Foot #1
9. API Well No.: 43-015-30611
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	
☐ Notice of Intent	☐ Change of Name	☐ Change of Plans
☒ Subsequent Report	☐ Recompletion	☐ New Construction
☐ Final Abandonment Notice	☐ Plugging Back	☐ Non-Routine Fracturing
	☐ Casing Repair	☐ Water Shut-Off
	☐ Altering Casing	☐ Conversion to Injection
	☒ Request for Utility Corridor	☐ 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 Crows Foot #1 to the existing Ferron Federal 16-9-19-7.

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

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

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

Signed Don Hamilton Don Hamilton Title Agent for Merrion Date September 10, 2003

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

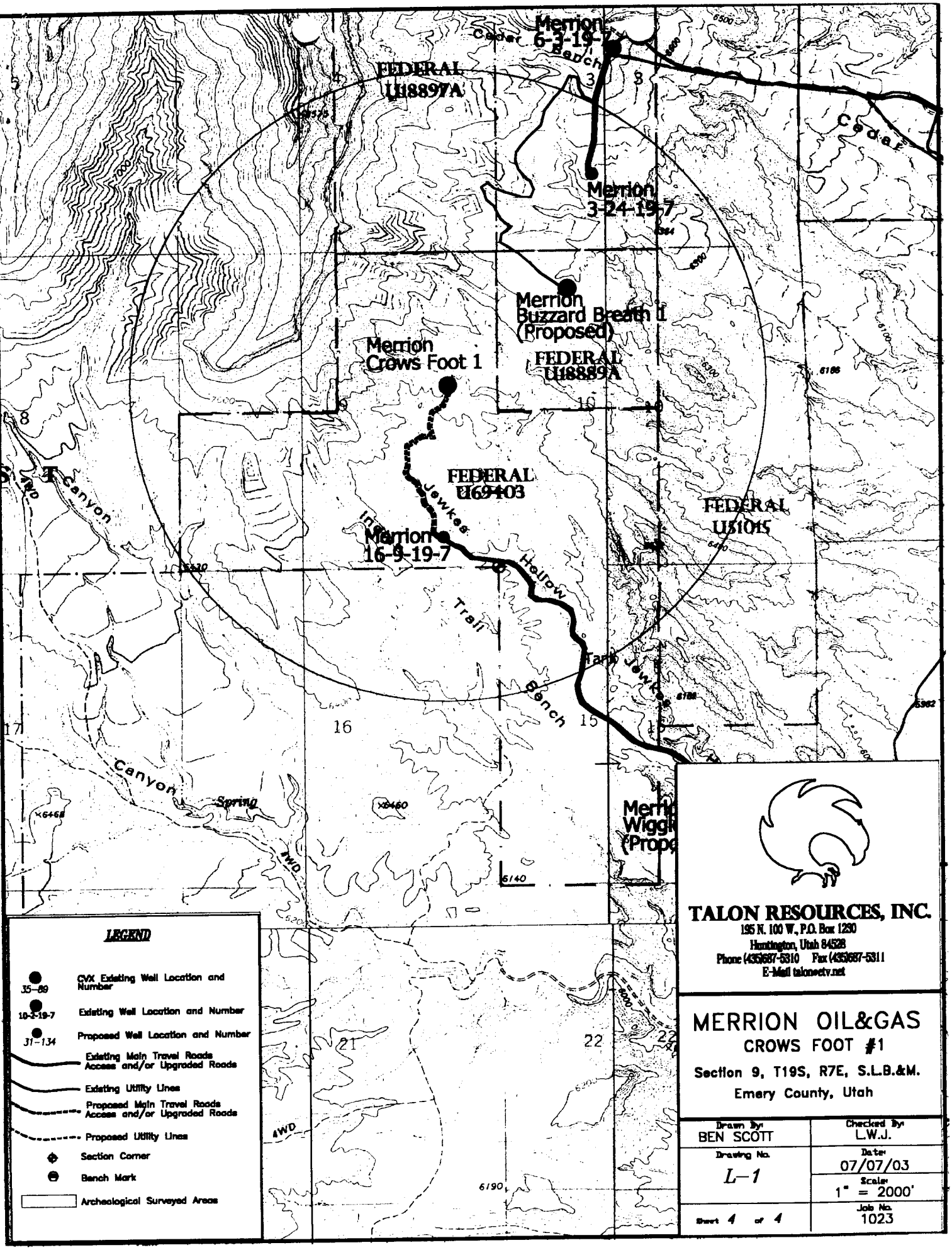
Conditions of approval, if any:

Accepted by the Utah Division of Oil, Gas and Mining
Date: 9/16/03
By: DKD

Federal Approval Of This Action Is Necessary

RECEIVED
SEP 10 2003
DIV. OF OIL, GAS & MINING

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.



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

MERRION OIL&GAS

CROWS FOOT #1

Section 9, T19S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: BEN SCOTT	Checked By: L.W.J.
Drawing No.: L-1	Date: 07/07/03
	Scale: 1" = 2000'
Sheet 4 of 4	Job No.: 1023

Form 3160-3
(December 1990)

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0136
Expires: December 31, 1991

006

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
BLM PRICE FIELD OFFICE
2003 AUG 13 A 11: 15
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. LEASE DESIGNATION AND SERIAL NO.	U-69403
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	N/A
8. FARM OR LEASE NAME, WELL NO.	Crows Foot #1
9. API WELL NO.	43-015-30611
10. FIELD AND POOL, OR WILDCAT	Undesignated
11. SEC., T., R., M., OR BLK.	A SE/4 NE/4, Section 9, T19S, R7E, SLB&M
12. COUNTY OR PARISH	Emery
13. STATE	Utah

1a. TYPE OF WORK: DRILL [X] DEEPEN [ ]

b. TYPE OF WELL: OIL WELL [ ] GAS WELL [X] OTHER — SINGLE ZONE [X] 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: 2,181' FNL, 817' FEL
At proposed prod. zone: 2,181' FNL, 817' FEL

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 5.21 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): 817'	16. NO. OF ACRES IN LEASE: 240	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.: 2,600'	19. PROPOSED DEPTH: 3,520'	20. ROTARY OR CABLE TOOLS: Rotary
21. ELEVATIONS (Show whether DF, RT, GR, etc.): 6,465' 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	3,520'	230 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 8450**
435-636-3608

Federal Bond Number: **NM 0883**

RECEIVED
OCT 16 2003
DIV. OF OIL, GAS & MINING

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. _____ 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 /s/ Daryl Trotter TITLE Acting Assistant Field Manager, Division of Resources DATE OCT 10 2003

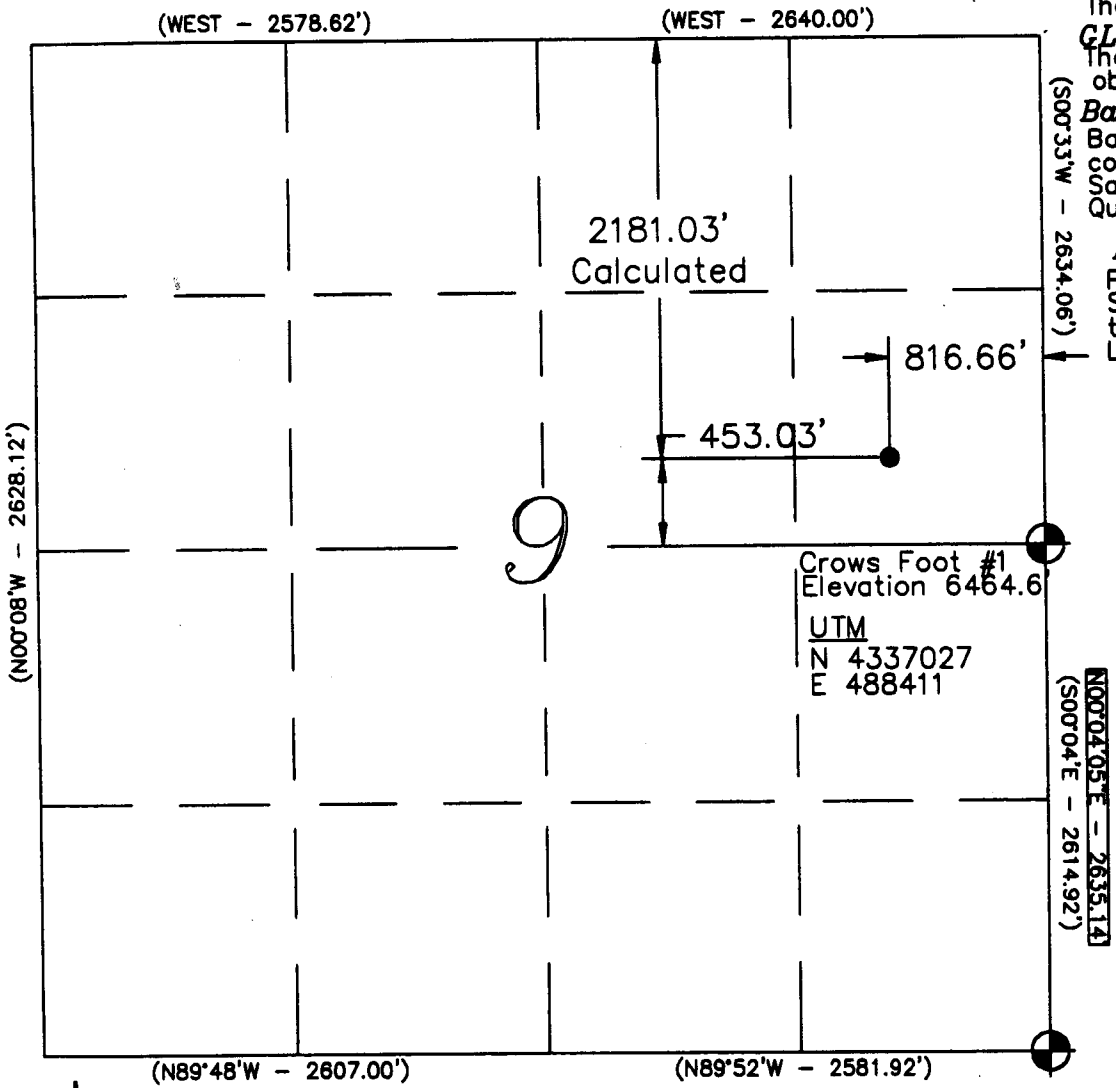
***See Instructions On Reverse Side**

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

CONDITIONS OF APPROVAL ATTACHED

Range 7 East

Township 19 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 Northeast Section corner of Section 2, Township 19 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 SE1/4 NE1/4 of Section 9; being 453.03' North and 816.66' West from the East Quarter Corner of Section 9, T19S, 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.

Registered Land Surveyor
May 11, 03
No. 146652
Albert J. Spensko
State of 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°11'03"
111°08'03"

GRAPHIC SCALE
0 500' 1000'
(IN FEET)
1 inch = 1000 ft.

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

CROWS FOOT #1

Section 9, T19S, R7E, S.L.B.&M.

Emery County, Utah

Drawn By:	Checked By:
BEN SCOTT	L.W.J.
Drawing No.	Date:
A-1	07/07/03
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 1023

Merrion Oil & Gas Corp.
Crows Foot #1
Lease U-69403
SE/NE Section 9, T19S, R7E
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

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.

This permit will be valid for a period of one year from the date of approval. After permit termination, a new application must be filed for approval.

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 (DOGM) is required before conducting any surface disturbing activities.

3. 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: Slate Gray(5Y 6/1). Numbers in parenthesis refer to Munsell Soil Color Charts. 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 ll 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 Agreen 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	*Kochia prostrata*	2
Wyoming big sagebrush	*Artemisia tridentata wyomingenis* var. Gordon Creek	1
Douglas low rabbitbrush	*Chrysothamnus viscidiflorus*	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		
Grasses		
Indian ricegrass	*Stipa hymenoides*	2
Squirreltail	*Elymus elymoides*	2
Galleta	*Hilaria jamesii*	2
Forbs		
Lewis flax	*Linum perenne lewisii*	1
Palmer penstemon	*Penstemon palmerii*	1
Gooseberryleaf globemallow	*Sphaeralcea Grossulariifolia*	.5
Shrubs		
Forage kochia	*Kochia prostrata*	2
Rubber rabbitbrush	*Chrysothamnus*	1
Fourwing saltbrush	*Atriplex canescense*	2
Winterfat	*Krascheninnikovia (Eurotia) lanata*	2
	TOTAL	15.5

FERRON NATURAL GAS PROJECT AREA
PROPONENT:_____ WELL #: Crawford #1

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

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 breech 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

CONFIDENTIAL

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: **MERRION OIL & GAS CORP**

Well Name: **CROWS FOOT 1**

Api No: **43-015-30611** Lease Type: **FEDERAL**

Section **09** Township **19S** Range **07E** County **EMERY**

Drilling Contractor **SAUERS** **RIG #** **30**

SPUDDED:

Date **11/09/03**

Time

How **ROTARY**

Drilling will commence:

Reported by **DEAN COLLINS**

Telephone # **1-505-320-6425**

Date **11/19/2003** Signed **CHD**

009

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.

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-69403

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL: OIL WELL ☐ GAS WELL ☑ OTHER

CONFIDENTIAL

8. WELL NAME and NUMBER: CROWS FOOT No. 1

2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION

9. API NUMBER: 4301530611

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: 2181' FNL & 817' FEL

COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 9 19S 7E

STATE: UTAH

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

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

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

11/9/03 Finished rigging up Sauer Drilling Co. Rig No. 30. PU kelly and make up bit sub and 12-1/4" bit. Dug ditches and mixed mud. Spudded surface hole at 1330 hrs on 11/9/03 and drilled to 25'. PU mud motor and drilled rat hole to 38' and mouse hole to 21'. Drilling mouse hole at report time.

11/10/03 Drilled mouse hole 21' to 32'. Pulled out and tried to install mouse hole stopped 14' short. Pulled out and reamed mouse hole. Installed mouse hole. PU 12-1/4" bit, bit sub and crossover. Drilled surface hole from 25' to 282'.

11/11/03 Repaired rotary chain. Drilled 12-1/4" surface hole from 135' to 282'. Circulated hole and TOH. Found miscount on tally - actual TD 252'. TIH drilled from 252' to 282. Circulated hole and TOH. Ran 6 joints (262.70') of 8-5/8", 243, J55, 8rd casing with centralizer on each joint to 277' KB. Circulated down last 14'. RU Halliburton to cement. Pumped 10 bbls fresh water, mixed and pumped 185 Premium Plus cement containing 2% CaCl and 1/43/sx Flocele (wt. 15.6#, yield 1.18, water 5.2 gal/sx) at 3 BPM - 120 psi. Displaced with 14 bbls water at 2 BPM - 80 to 250 psi. Shut in with 200 psi on casing. Circulated 7 bbls cement to pit. RD Halliburton. WOC 6 hours. Backed off landing joint and installed Larkin head. NU BOP and rotating head. testing BOP

*** CONTINUED OTHER SIDE ***

NAME (PLEASE PRINT) STEVEN S. DUNN TITLE DRILLING & PRODUCTION MANAGER

SIGNATURE DATE 12/1/2003

(This space for State use only)

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

11/12/03 NU BOP and manifold. Tested BOP and casing to 500 psi low, 2000 psi high. Tested upper kelly, safety valve and blind rams. Break out 12-1/4" bit and make up 7-7/8" bit. RU blooie line. Pulled mouse hole liner (sticking up too high) and cleaned out mouse hole. NU rotating head and TIH to top of cement in 8-5/8" casing @ 245'. Drilled out cement to 282'. Survey: 246' @ 3/4°

11/13/03 Dried up hole. Drilled 7-7/8" hole from 282' to 943' with air, no mist.
Surveys: 514' @ 1°, 904' @ 2°.

11/14/03 Drilled 7-7/8" hole from 943' to 2439' with air, no mist.
Surveys: 1400' @ 3/4°, 1950' @ 4°, 2154' @ 4-1/2°.

11/15/03 Drilled 7-7/8" hole from 2439' to 2900' with air, no mist. Took gas kick @ 2900', gas flowing up drill pipe due to string float failure. SI backside, pressure built up to 40 psi. Opened backside and continued drilling with air/mist to 3310'. Encountered water inflow @ 3106'. Attempted to load hole with 2% KCl water. Pumped 450 bbls w/o returns. Rig low on fuel. TOOH to collars. WO fuel.
Surveys: 2918' 2 °, 3212' 3.5 °.

11/16/03 WO fuel trucks. Revised TD 3310'. WO casers. TIH to ~1200' and circulated with air, no water. TIH with 10 stands to ~1800' and circulated with air, unloaded small volume of water. TIH to 700' and unloaded with air. TIH to top of fill @ 3245' (65' fill), unloaded hole with air. Good returns with air but well making water. Rammed and washed down to 3284'. Air pressure began building. Pulled up to 3265' and could not go any further. Worked pipe to 3226' pipe is stuck. WO fishing tools.

11/17/03 WO fishing tools. RU Weatherford wireline. RIH to free point drill pipe/drill collars. Drill pipe free above 2620', stuck @ 2650'. Backed off drill pipe @ 2608'(2 joints above collars). POH with wireline. TOH with 42 stands of 4" drill pipe. First 3 stands pulled very tight. WO bit sub and mud. Started mixing drilling mud. PU and TIH with 7-7/8" bit, bit sub and 9 DCs @ report time.

11/18/03 WO X-over from Weatherford collars to drill pipe. TIH 36 stands to 2254' (6 stands above fish @ 2608)', hole tight. Attempted to load hole with mud containing 15% LCM. Hole took 300 bbls mud without circulating. Mixed mud with 25% LCM and started to load hole, bit plugged. TOOH unplugged bit and one drill collar. Prep to TIH.

11/19/03 PU 7-7/8" bit, bit sub, 9 x 4-1/2" drill collars and x-over. TIH to 2191', LD 10 singles. Conditioned mud Visc. 55 sec, 25% LCM. With bit @ 2191', pumped mud away @ 3 BPM, 500 psi. Well did not circulate. WO orders 2 hrs. Rig repair 5 hrs. TOOH with drill collars. LD collars @ report time.

11/20/03 Finished LD drill collars and Weatherford tools. Daylight tour did not show working shorthanded. TIH with 8 stands to 500', RU Big 4 Cementers. Pumped 10 bbls water, mixed and pumped 230 sxs (50 bbls slurry) Type V cement containing 16% gel, 10#/sx gilsonite, ¼#/sx flocele and 3%sal. Wt: 14ppg, Yield: 1.22 @ 5.5 BPM, 160 psi followed by 50 sxs (10.5 bbls slurry) Type V neat containing 3% CaCl, Wt: 15.6 ppg, Yield: 1.18 @ 4.5 BPM, 0 psi. Displaced with 8 bbls fresh water @ 4.5 BPM, 0 psi. WOC 8 hrs filled hole with water. TIH, tagged top of cement @ 1635' and set down with 40K. TOH laying down drill pipe, LDDP in derrick. TIH with 11 joints to 341'. RU Big 4 Cementers and pumped 10 bbls water, mixed and pumped 60 sxs (12.6 bbls) Type V neat cement containing 3% CaCl Wt: 15.6 ppg, Yield: 1.18 @ 5 BPM, 180 psi. Displaced with 2 bbls water. Hole still taking fluid. TOOH to 93'. WOC.

11/21/03 Still working shorthanded. WOC total 3 hrs. TIH to 341', no cement. WOC 2 more hours, filled hole with ~70 bbls water. Waited 1 hr and pumped 3 bbls water to fill hole. With opened ended drill pipe @ 341', Big 4 Cementers mixed and pumped 60 sxs (12.7 bbls) Type V neat cement containing 3% CaCl Wt: 15.6 ppg, Yield: 1.18 @ 5 BPM, 50 psi. Displaced with 2 bbls water. Good circulation and hole stayed full. TOOH to 63'. Big 4 Cementers mixed and pumped 40 sxs (8.5 bbls) Type V neat cement Wt: 15.6 ppg, Yield: 1.18 @ 3 BPM. Hole stayed full. RD Big 4 Cementers. RD rig and equipment. Released rig @ 00:01 hrs 11/22/03
Abandonment Procedure approved by Eric Jones – BLM and Dustin Doucet – State of Utah.

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

FORM 6

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	~~99999~~ 99999	13979	10/30/2003			12/11/03	K
Comments: FRSD							

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	99999	13980	11/12/2003			12/11/03	K
Comments: WELL PLUGGED ON 11/21/03. FRSD							

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:							

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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

12/01/03
Date

(5/2000)

CONFIDENTIAL

FORM 9

012

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

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-69403

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

8. WELL NAME and NUMBER: CROWS FOOT No. 1

2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION

9. API NUMBER: 4301530611

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: 2181' FNL & 817' FEL

COUNTY: EMERY

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 9 19S 7E

STATE: UTAH

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

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

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

11/9/03 Finished rigging up Sauer Drilling Co. Rig No. 30. PU kelly and make up bit sub and 12-1/4" bit. Dug ditches and mixed mud. Spudded surface hole at 1330 hrs on 11/9/03 and drilled to 25'. PU mud motor and drilled rat hole to 38' and mouse hole to 21'. Drilling mouse hole at report time.

11/10/03 Drilled mouse hole 21' to 32'. Pulled out and tried to install mouse hole stopped 14' short. Pulled out and reamed mouse hole. Installed mouse hole. PU 12-1/4" bit, bit sub and crossover. Drilled surface hole from 25' to 282'.

11/11/03 Repaired rotary chain. Drilled 12-1/4" surface hole from 135' to 282'. Circulated hole and TOH. Found miscount on tally - actual TD 252'. TIH drilled from 252' to 282. Circulated hole and TOH. Ran 6 joints (262.70') of 8-5/8", 243, J55, 8rd casing with centralizer on each joint to 277' KB. Circulated down last 14'. RU Halliburton to cement. Pumped 10 bbls fresh water, mixed and pumped 185 Premium Plus cement containing 2% CaCl and 1/43/sx Flocele (wt. 15.6#, yield 1.18, water 5.2 gal/sx) at 3 BPM - 120 psi. Displaced with 14 bbls water at 2 BPM - 80 to 250 psi. Shut in with 200 psi on casing. Circulated 7 bbls cement to pit. RD Halliburton. WOC 6 hours. Backed off landing joint and installed Larkin head. NU BOP and rotating head. testing BOP

*** CONTINUED OTHER SIDE ***

NAME (PLEASE PRINT) STEVEN S. DUNN TITLE DRILLING & PRODUCTION MANAGER

SIGNATURE DATE 12/1/2003

(This space for State use only)

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(5/2000)

(See Instructions on Reverse Side)

11/12/03 NU BOP and manifold. Tested BOP and casing to 500 psi low, 2000 psi high. Tested upper kelly, safety valve and blind rams. Break out 12-1/4" bit and make up 7-7/8" bit. RU blooie line. Pulled mouse hole liner (sticking up too high) and cleaned out mouse hole. NU rotating head and TIH to top of cement in 8-5/8" casing @ 245'. Drilled out cement to 282'. Survey: 246' @ 3/4°

11/13/03 Dried up hole. Drilled 7-7/8" hole from 282' to 943' with air, no mist.
Surveys: 514' @ 1°, 904' @ 2°.

11/14/03 Drilled 7-7/8" hole from 943' to 2439' with air, no mist.
Surveys: 1400' @ 3/4°, 1950' @ 4°, 2154' @ 4-1/2°.

11/15/03 Drilled 7-7/8" hole from 2439' to 2900' with air, no mist. Took gas kick @ 2900', gas flowing up drill pipe due to string float failure. SI backside, pressure built up to 40 psi. Opened backside and continued drilling with air/mist to 3310'. Encountered water inflow @ 3106'. Attempted to load hole with 2% KCl water. Pumped 450 bbls w/o returns. Rig low on fuel. TOOH to collars. WO fuel.
Surveys: 2918' 2 °, 3212' 3.5 °.

11/16/03 WO fuel trucks. Revised TD 3310'. WO casers. TIH to ~1200' and circulated with air, no water. TIH with 10 stands to ~1800' and circulated with air, unloaded small volume of water. TIH to 700' and unloaded with air. TIH to top of fill @ 3245' (65' fill), unloaded hole with air. Good returns with air but well making water. Rammed and washed down to 3284'. Air pressure began building. Pulled up to 3265' and could not go any further. Worked pipe to 3226' pipe is stuck. WO fishing tools.

11/17/03 WO fishing tools. RU Weatherford wireline. RIH to free point drill pipe/drill collars. Drill pipe free above 2620', stuck @ 2650'. Backed off drill pipe @ 2608'(2 joints above collars). POH with wireline. TOH with 42 stands of 4" drill pipe. First 3 stands pulled very tight. WO bit sub and mud. Started mixing drilling mud. PU and TIH with 7-7/8" bit, bit sub and 9 DCs @ report time.

11/18/03 WO X-over from Weatherford collars to drill pipe. TIH 36 stands to 2254' (6 stands above fish @ 2608)', hole tight. Attempted to load hole with mud containing 15% LCM. Hole took 300 bbls mud without circulating. Mixed mud with 25% LCM and started to load hole, bit plugged. TOOH unplugged bit and one drill collar. Prep to TIH.

11/19/03 PU 7-7/8" bit, bit sub, 9 x 4-1/2" drill collars and x-over. TIH to 2191', LD 10 singles. Conditioned mud Visc. 55 sec, 25% LCM. With bit @ 2191', pumped mud away @ 3 BPM, 500 psi. Well did not circulate. WO orders 2 hrs. Rig repair 5 hrs. TOOH with drill collars. LD collars @ report time.

11/20/03 Finished LD drill collars and Weatherford tools. Daylight tour did not show working shorthanded. TIH with 8 stands to 500', RU Big 4 Cementers. Pumped 10 bbls water, mixed and pumped 230 sxs (50 bbls slurry) Type V cement containing 16% gel, 10#/sx gilsonite, ¼#/sx flocele and 3%sal. Wt: 14ppg, Yield: 1.22 @ 5.5 BPM, 160 psi followed by 50 sxs (10.5 bbls slurry) Type V neat containing 3% CaCl, Wt: 15.6 ppg, Yield: 1.18 @ 4.5 BPM, 0 psi. Displaced with 8 bbls fresh water @ 4.5 BPM, 0 psi. WOC 8 hrs filled hole with water. TIH, tagged top of cement @ 1635' and set down with 40K. TOH laying down drill pipe, LDDP in derrick. TIH with 11 joints to 341'. RU Big 4 Cementers and pumped 10 bbls water, mixed and pumped 60 sxs (12.6 bbls) Type V neat cement containing 3% CaCl Wt: 15.6 ppg, Yield: 1.18 @ 5 BPM, 180 psi. Displaced with 2 bbls water. Hole still taking fluid. TOOH to 93'. WOC.

11/21/03 Still working shorthanded. WOC total 3 hrs. TIH to 341', no cement. WOC 2 more hours, filled hole with ~70 bbls water. Waited 1 hr and pumped 3 bbls water to fill hole. With opened ended drill pipe @ 341', Big 4 Cementers mixed and pumped 60 sxs (12.7 bbls) Type V neat cement containing 3% CaCl Wt: 15.6 ppg, Yield: 1.18 @ 5 BPM, 50 psi. Displaced with 2 bbls water. Good circulation and hole stayed full. TOOH to 63'. Big 4 Cementers mixed and pumped 40 sxs (8.5 bbls) Type V neat cement Wt: 15.6 ppg, Yield: 1.18 @ 3 BPM. Hole stayed full. RD Big 4 Cementers. RD rig and equipment. Released rig @ 00:01 hrs 11/22/03 .
Abandonment Procedure approved by Eric Jones – BLM and Dustin Doucet – State of Utah.

010

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

AMENDED REPORT ☐ (highlight changes) FORM 8

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-69403

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☐ OTHER Junked & Abandoned

7. UNIT or CA AGREEMENT NAME:

b. TYPE OF WORK: NEW WELL ☑ HORIZ. LATS. ☐ DEEP-EN ☐ RE-ENTRY ☐ DIFF. RESVR. ☐ OTHER

8. WELL NAME and NUMBER: CROWS FOOT No. 1

2. NAME OF OPERATOR: MERRION OIL & GAS CORPORATION CONFIDENTIAL

9. API NUMBER: 4301530611

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

PHONE NUMBER: (505) 324-5300

10 FIELD AND POOL, OR WILDCAT: UNDESIGNATED

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: 2181' FNL & 817' FEL
AT TOP PRODUCING INTERVAL REPORTED BELOW:
AT TOTAL DEPTH:

CONFIDENTIAL PERIOD EXPIRED ON 12-22-05

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 9 19S 7E

12. COUNTY: EMERY

13. STATE: UTAH

14. DATE SPUDDED: 11/9/2003

15. DATE T.D. REACHED: 11/15/2003

16. DATE COMPLETED: 11/22/2003 ABANDONED ☑ READY TO PRODUCE ☐

17. ELEVATIONS (DF, RKB, RT, GL): 6465' GR

18. TOTAL DEPTH: MD 3,310 TVD

19. PLUG BACK T.D.: MD TVD

20. IF MULTIPLE COMPLETIONS, HOW MANY? *

21. DEPTH BRIDGE PLUG SET: MD TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
NO LOGS WERE RUN

23.
WAS WELL CORED? NO ☑ YES ☐ (Submit analysis)
WAS DST RUN? NO ☑ YES ☐ (Submit report)
DIRECTIONAL SURVEY? NO ☑ YES ☐ (Submit copy)

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

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4"	8-5/8' J55	24#		227		185			
7-7/8"									

25. TUBING RECORD

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

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) NONE				
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐
			Open ☐ Squeezed ☐

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
NONE	

29. ENCLOSED ATTACHMENTS:
☐ ELECTRICAL/MECHANICAL LOGS ☐ GEOLOGIC REPORT ☐ DST REPORT ☐ DIRECTIONAL SURVEY
☑ SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION ☐ CORE ANALYSIS ☐ OTHER:

30. WELL STATUS: Junked & Abandoned

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(5/2000) (CONTINUED ON BACK)

31. INITIAL PRODUCTION — **INTERVAL A (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 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.)

JUNKED AND ABANDONED WELL

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)

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 AND PRODUCTION MANAGER

SIGNATURE DATE 4/21/2003

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

(5/2000)