



April 17, 2006

Utah Division of Oil Gas and Mining
ATTN: Diana Whitney
1594 West North Temple, Suite 1210
Salt Lake City, Utah
84116

RE: Ridge Runner #11-18, #2-18, #11-17, #8-19, #1-30, #7-20
Mid-Power Resource Corp. Application for Permit to Drill
Clear Creek Unit 13S-7E and 14S-7E, Carbon and Emery Counties, Utah

Dear Ms. Whitney

Please find enclosed two copies of the above referenced well APD's that is to be drilled in Clear Creek Unit located in 13S-7E and 14S-7E, Carbon and Emery Counties, Utah.

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext. 3004 or email bevans@marionenergy.com

Sincerely,

A handwritten signature in black ink, appearing to read "B J Evans", with a stylized flourish at the end.

Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

RECEIVED

APR 18 2006

DIV. OF OIL, GAS & MINING

8290 West Sahara Avenue, Suite 186, Las Vegas, Nevada, 89117
Telephone: (702) 838-0716, Fax: (702) 838-5087

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. MINERAL LEASE NO: USA-U-02353	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>		8. UNIT or CA AGREEMENT NAME: Clear Creek Unit	
2. NAME OF OPERATOR: Mid-Power Resource Corporation		9. WELL NAME and NUMBER: Ridge Runner # 1-30	
3. ADDRESS OF OPERATOR: 8290 W. Sahara, # 186 CITY Las Vegas STATE NV ZIP 89117		PHONE NUMBER: (702) 838-0716	10. FIELD AND POOL, OR WILDCAT: Wildcat Clear Creek
4. LOCATION OF WELL (FOOTAGES) 485654x 438208 NE 39.590247-111.166715		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 20 14S 7E	
AT SURFACE: 1719.25 FWL 1502.88ft FSL /SW Section 20 14S-7E 485086x 4381411Y			
AT PROPOSED PRODUCING ZONE: 246ft FEL 707ft FNL/NE Section 30 14S-7E 39.584170 - 111.173664			
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx 5 miles south of Clear Creek		12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) Surface 1719.25ft Bottom Hole 707ft	16. NUMBER OF ACRES IN LEASE: 2375.28	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Surface 20ft Bottom Hole 2950ft	19. PROPOSED DEPTH: 6,050	20. BOND DESCRIPTION: See Attached Bond Document	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 9,815 GR	22. APPROXIMATE DATE WORK WILL START: 7/1/2006	23. ESTIMATED DURATION: 30 days	

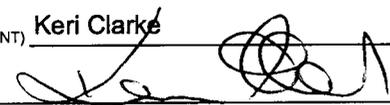
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
14 3/4	10 3/4	J-55	40.5	500	Premium "G"	420 sks	1.25 cuft/sk	14.2 ppg
9 7/8	7 5/8	J-55	26.4	3,450	Lead: Prem. Lite	320 sks	3.82 cuft/sk	11 ppg
					Tail: 50/50 Poz	755 sks	1.25 cuft/sk	14.2 ppg
7 7/8	5 1/2	J-55	17	7,250	Lead: Prem. Lite	496 sks	3.82 cuft/sk	11 ppg
					Tail: 50/50 Poz	275 sks	1.25 cuft/sk	14.2 ppg

ATTACHMENTS

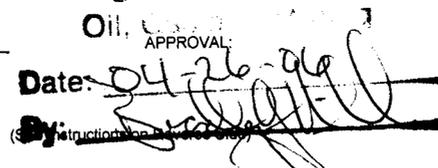
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Keri Clarke TITLE VP Land
SIGNATURE  DATE 6-17-06

(This space for State use only)

API NUMBER ASSIGNED: 43015-30680

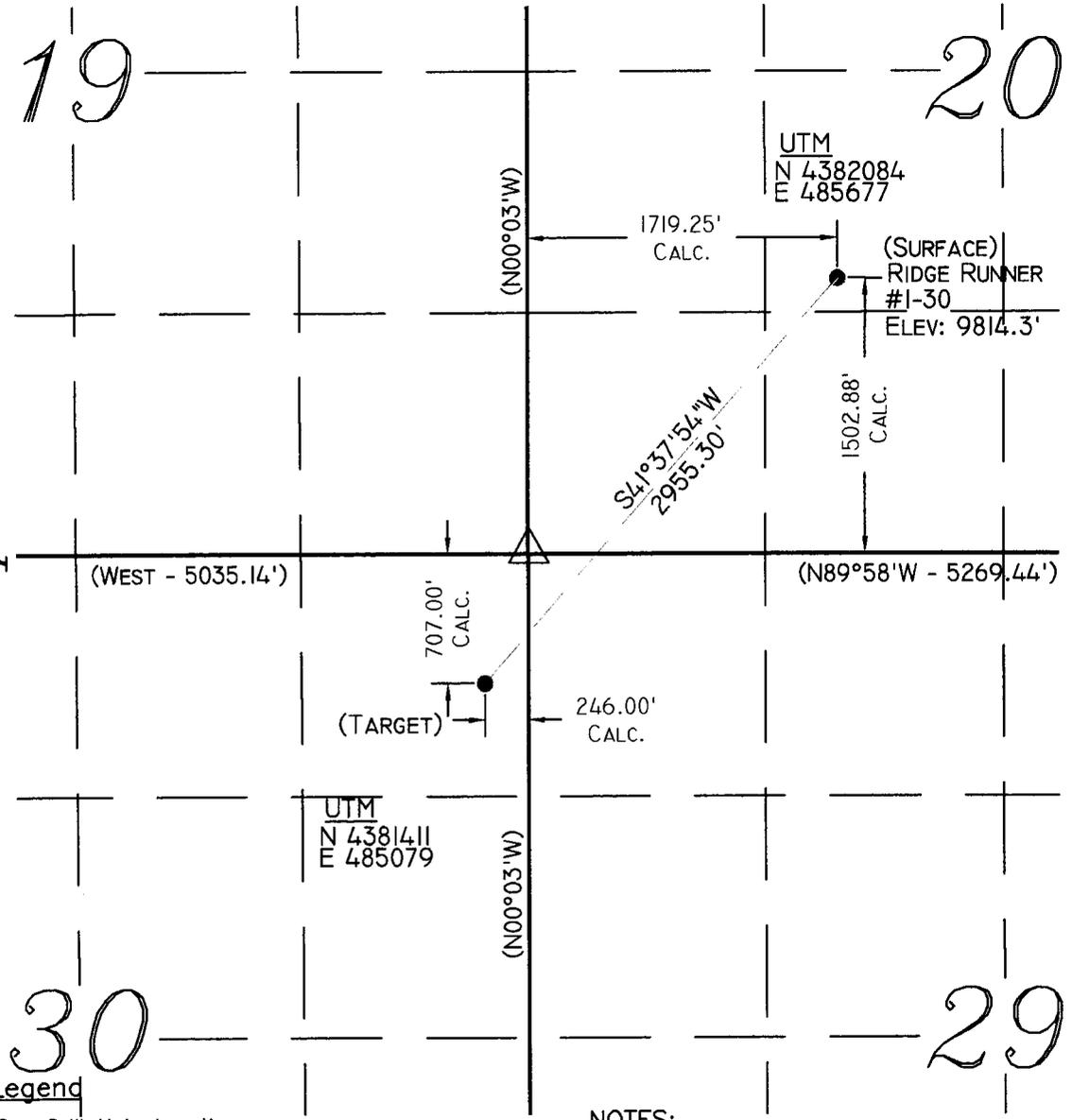
Approved by the
Oil, Gas & Mining
APPROVAL:
Date: 04-26-06


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**Federal Approval of this
Action is Necessary**

Range 7 East

Township 14 South



Location:

The well location was determined using a Trimble 5700 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 10452' being at the Southeast Section Corner of Section 7, Township 14 South, Range 7 East, Salt Lake Base and Meridian, as shown on the Candland Mountain Quadrangle 7.5 minute series map.

Description of Location:

Surface Location

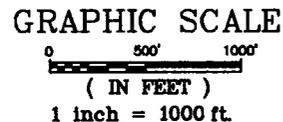
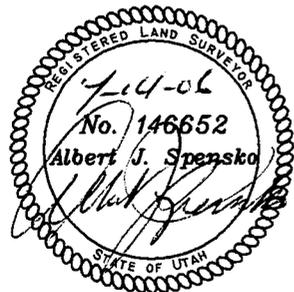
Proposed Drill Hole located in the NE/4 SW/4 of Section 20, T14S, R7E, S.L.B.&M., being 1502.88' North and 1719.25' East from the Southwest Section Corner of Section 20, T14S, R7E, Salt Lake Base & Meridian.

Target Location

Proposed Target located in the NE/4 NE/4 of Section 30, T14S, R7E, S.L.B.&M., being 707.00' South and 246.00' West from the Northeast Section Corner of Section 30, T14S, R7E, Salt Lake Base & Meridian.

Surveyor's Certificate:

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



Legend

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

NOTES:

1. UTM and Latitude / Longitude Coordinates are derived using a GPS Pathfinder and are shown in NAD 27 Datum.

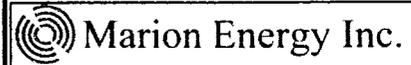
SURFACE
LAT / LONG
39°35'03.011"N
111°10'25.491"W

TARGET
LAT / LONG
39°35'40.240"N
111°10'32.041"W



TALON RESOURCES, INC.

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



Ridge Runner #1-30
Sections 20&30, T14S, R7E, S.L.B.&M.
Emery County, Utah

Drawn By: N. BUTKOVICH	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 4/13/06
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 2395

MID POWER

RESOURCE CORPORATION

April 17, 2006

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

Re: Directional Drilling R649-3-11

Ridge Runner #1-30: 1502.88 ft FSL, 1719.25ft FWL / SW S20 14S-7E (Surface)
707 ft FNL, 246ft FEL / NE S30 14S-7E (bottom hole)
Emery County, UT

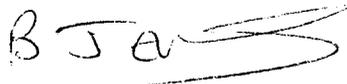
Dear Ms. Whitney

Pursuant to the filing of Mid-Power Resource Corporation's Application for Permit to Drill the above referenced well on January 5th 2006, we are hereby submitting this letter in accordance with Oil and Gas Conservation Rule R649-3-11 pertaining to the exception to location and Siting of wells.

- The Ridge Runner #1-30 well is located within the Clear Creek Federal Unit Area.
- Mid-Power Resource Corporation is permitting this well as a directional well in order to maximize drainage of the reservoir in a topographically challenging area.
- The concept of drilling Multiple directional wells from a single pad site will allow Mid-Power Resource Corporation to minimize surface disturbance that would be otherwise cause by two or more separate pad sites. Mid-Power Resource Corporation plans to Drill 3 directional wells from this pad site.
- Mid-Power Resource Corporation hereby certifies that it is the sole working interest owner within 460 feet of the entire directional well bore.

Therefore, based upon the above information Mid-Power Resource Corporation requests the permit be granted pursuant to R649-3-11.

Sincerely,



Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

8290 West Sahara Avenue, Suite 186, Las Vegas, Nevada, 89117
Telephone: (702) 838-0716, Fax: (702) 838-5087

**Drilling Plan
Mid-Power Resource Corporation
Ridge Runner 1-30**

1. Geologic Surface Formation
 - a. Quaternary

2. Estimated Tops

<u>Name</u>	<u>TVD</u>	<u>TD</u>	<u>Production Phase</u>
Top of Emery	1875ft	1849ft	Gas
Top of Blue Gate	3100ft	3413ft	Gas
Top of Ferron	5319ft	6350ft	Gas
TD	6019ft	7276ft	

3. Casing Program

- a. See Form #3 Section 24.

4. Operators Specifications for Pressure Control Equipment

- a. 2000 psi WP Double Gate BOP or Single Gate BOP (Schematic Attached).
 - b. Functional test daily.
 - c. All casing strings shall be pressure tested (0.2psi/foot or 1500 psi, whichever is greater) prior to drilling the plug after cementing; test pressure shall not exceed the internal yield pressure of the casing.
 - d. All ram-type preventers and related control equipment shall be tested at the rated working pressure of the stack assembly or at 70 percent of the minimum internal yield pressure of the casing, whichever is less. Tests shall be done at the time of installation, prior to drilling out, and weekly. All testes shall be for a period of 15 minutes.

5. Auxiliary Equipment

- a. Kelly Cock – Yes
 - b. Float at the bit – No
 - c. Monitoring Equipment on the mud system – visually
 - d. Full opening safety valve on rig floor – Yes
 - e. Rotating head – Yes
 - f. The blooie line shall be at least 6 inches in diameter and extend at least 100 feet from the well bore into the reserve/blooie pit.

- g. Blooie line ignition shall be provided by a continuous pilot (ignited when drilling below 500 feet).
- h. Compressor shall be tied directly to the blooie line through a manifold.
- i. A mistor with a continuous stream of water shall be installed near the end of the blooie lines for dust suppression.

6. Proposed Circulating Medium

<u>Depth</u>	<u>Mud Type</u>
0 to TD	Air / Mist

7. Testing, Logging, and Coring Program

- a. Cores – Possible core of Ferron Sand
- b. DST – None anticipated
- c. Logging – DIL-GR (TD to base of surface casing).
 - a. FDC-CNL-GR-Cal (TD to base of surface casing).
- d. Formation and Completion Interval: Ferron interval, final determination of completion will be made by analysis of logs.
Simulation: Simulation will be designed for the particular area of interest as encountered.
- e. Frac gradient: Approximately 0.80 psi/ft.

8. Anticipated Cementing Program:

- a. See Form #3, Section 24.

Final cement volumes to be calculated from caliper log with an attempt to be made to circulate cement to the surface. A bond log will be run across the zone of interest and across zones as required by the authorized officer to insure protection of natural resources.

9. Anticipated Abnormal Pressures and Temperatures, Other Potential Hazards:

No abnormal temperatures or pressures are anticipated. No H₂S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 1500 psi (calculated 0.517 psi/ft) and maximum anticipated surface pressure equals approximately 862 psi (bottom hole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/ft).

Surface Use Plan Mid-Power Resource Corporation Ridge Runner 1-30

1. Existing Road:
 - a. Topo Map 'A' is the vicinity map showing the access route from Scofield, Utah.
 - b. Topo Map 'B' shows the proposed access road to each well. It also shows existing roads in the immediate area.
 - c. The existing and proposed access road, unless otherwise stated, shall be crowned, ditched, and dipped from the nearest improved road.
 - d. Occasional maintenance blading and storm repairs will keep roads in good condition.
 - e. There shall be no mud blading on the access road. Vehicles may be towed through the mud provided they stay on the roadway.

2. Planned Access Roads:
 - a. Maximum grade will be 8% or less.
 - b. No turnouts are required.
 - c. Low water crossings to be placed in the proposed access road during drilling process and culverts may be installed at a later date.
 - d. Road surface material will be that native to the area.
 - e. No cattleguards are required.
 - f. The proposed access road was flagged at the time the location was staked.
 - g. The back slopes of the proposed access road will be no steeper than vertical or ¼:1 in rock and 2:1 elsewhere.

3. Location of Existing Wells:
 - a. See Topo Map 'B'

4. Location of Existing and/or Proposed Facilities:
 - a. All Petroleum Production Facilities are to be contained within the proposed location sites.
 - b. In the event that production of these wells is established, the following will be shown:
 - i. Proposed location and attendant lines, by flagging, if off well pad.
 - ii. Dimensions of facilities.
 - iii. Construction methods and materials.
 - c. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.
 - d. All permanent facilities placed on the locations shall be painted a non-reflective color, which will blend with the natural environment.
 - e. A dike shall be constructed around the tank battery, of sufficient capacity to adequately contain at least 110 percent of the storage capacity of the largest tank within the dike.
 - f. All buried pipelines shall be covered to a depth of 3 feet except at road crossings where they shall be covered to a depth of 4 feet.

- g. Construction width of the right-of-way/pipeline route shall be restricted to 50 feet of disturbance.
 - h. Pipeline location warning signs shall be installed within 90 days upon completion of construction.
5. Location and Water Supply:
- a. Any water to be used for the drilling of this well will be from the Price River Water Improvement District (an adjudicated industrial water source) and transported by a local trucking company (Nielson Construction).
 - b. No water wells are to be drilled.
6. Source of Construction Materials:
- a. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads from the area. No special access other than for drilling operations and pipeline construction is needed.
 - b. All access roads crossing BLM land is shown on Topo Map 'B'.
 - c. All well pad surface disturbance areas are on fee lands.
7. Methods for Handling Waste Disposal:
- a. Drill cuttings will be buried in the reserve pit when covered.
 - b. Drilling fluids will be contained in the reserve pit.
 - c. Any hydrocarbon liquids produced while production testing will be contained in a test tank. Any unavoidable spills of oil or other adverse substances or materials will be removed immediately during drilling progress or during completion operations.
 - d. Portable chemical toilets will be provided and services by a local commercial sanitary service.
 - e. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill. All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the company representative.
 - f. Prior to commencement of drilling, the reserve pit will be fenced on three sides using 39-inch net wire with at least one (1) strand of barbed wire. All wire is to be stretched before attaching to corner posts. When drilling activities are completed it will be fenced on the fourth side and allowed to dry (if liquids are present). After drying, the fences will be removed and the pits shall be buried. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.
8. Ancillary Facilities:
- a. No airstrips, camps, or other living facilities will be built off the locations. Housing and office trailers will be on the location as seen on the location layout.
9. Well Site Layout:
- a. See attached cut sheet.
 - b. Company representatives will determine if the pit is to be lined, and if so, the type of material to be used.

- c. Topsoil shall be stripped to a depth of 4 to 6 inches and stockpiled as shown on the location layout plat.
- d. The back slopes of the locations will be no steeper than vertical or $\frac{1}{4}$:1 in rock and 2:1 elsewhere.
- e. The upper edges of all cut banks on the access roads and well pads will be rounded.
- f. Catchment ponds to be placed as required to intercept drainage re-routes.

10. Plans for Restoration:

- a. Immediately upon completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.
- b. Before any dirt work to restore the location takes place, the reserve pit must be completely dry. The reserve pit will be reclaimed within one (1) year from the date of well completion.
- c. All disturbed areas will be seeded with the mixture, which is found suitable by the Utah Division of Wildlife Resources and the landowner.
- d. The seedbed will be prepared by disking, following the natural contour. Drill seed on contour at a depth no greater than $\frac{1}{2}$ inch. In areas that cannot be drilled, the seed will be broadcast at double the seeding rate and harrowed into soils. Certified seed is recommended.
- e. Fall seeding will be completed after September, and prior to prolonged ground frost.
- f. If the well is a producer, access roads will be upgraded and maintained as necessary to prevent soil erosion, and accommodate year round traffic. Areas unnecessary to operations will be reshaped, topsoil distributed, and seed distributed according to the above mixtures. Perennial vegetation would be established. Additional work may be required in case of seeding failures, etc.
- g. If the well is abandoned or is a dry hole, the access road and location will be restored to approximate the original contours. During reclamation of the site, the fill material will be pushed into cuts and up over the back slope. No depressions will be left that would trap water or form ponds. Topsoil will be distributed evenly over the location and seeded according to the above mixture. The access road and the location shall be ripped or disked prior to seeding. Perennial vegetation must be established. Additional work shall be required in case of seeding failures, etc.
- h. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by an approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application will be in cooperation with Carbon County Weed Control personnel.

11. Other Information:

- a. Man uses the area for the primary purpose of grazing domestic livestock.
 - i. All activity shall cease when soils or road surfaces become saturated to a depth of three inches, unless otherwise approved by the company representative.
 - ii. If any fossils are discovered during construction, the operator shall cease construction immediately and notify the company representative so as to determine the significance of the discovery.
- b. A Class III cultural resource inventory was completed prior to disturbance by a qualified professional archaeologist.
- c. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are

uncovered during construction, the operator is to immediately stop work that might further disturb such materials and contact the State Historic Preservation Office (SHPO). The SHPO Officer will outline (if any) what mitigation is appropriate.

- i. If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or delays associate with this process, the SHPO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The SHPO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the State that the required mitigation has been completed, the operator will be allowed to resume construction.
- d. Less than 10,000 pounds of any chemical(s) from the EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) of 1986, and less then threshold planning quantity (TPQ) of any extremely hazardous substance(s), as defined in 40 CFR, would be used, produced, transported, stored, disposed, or associated with the proposed action.

12. Lessee's or Operator's Representative:

Marion Energy, Inc.
Mr. Keri Clarke
119 South Tennessee, Suite 200
McKinney, TX 75069
(972)540-2967

13. Certification:

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

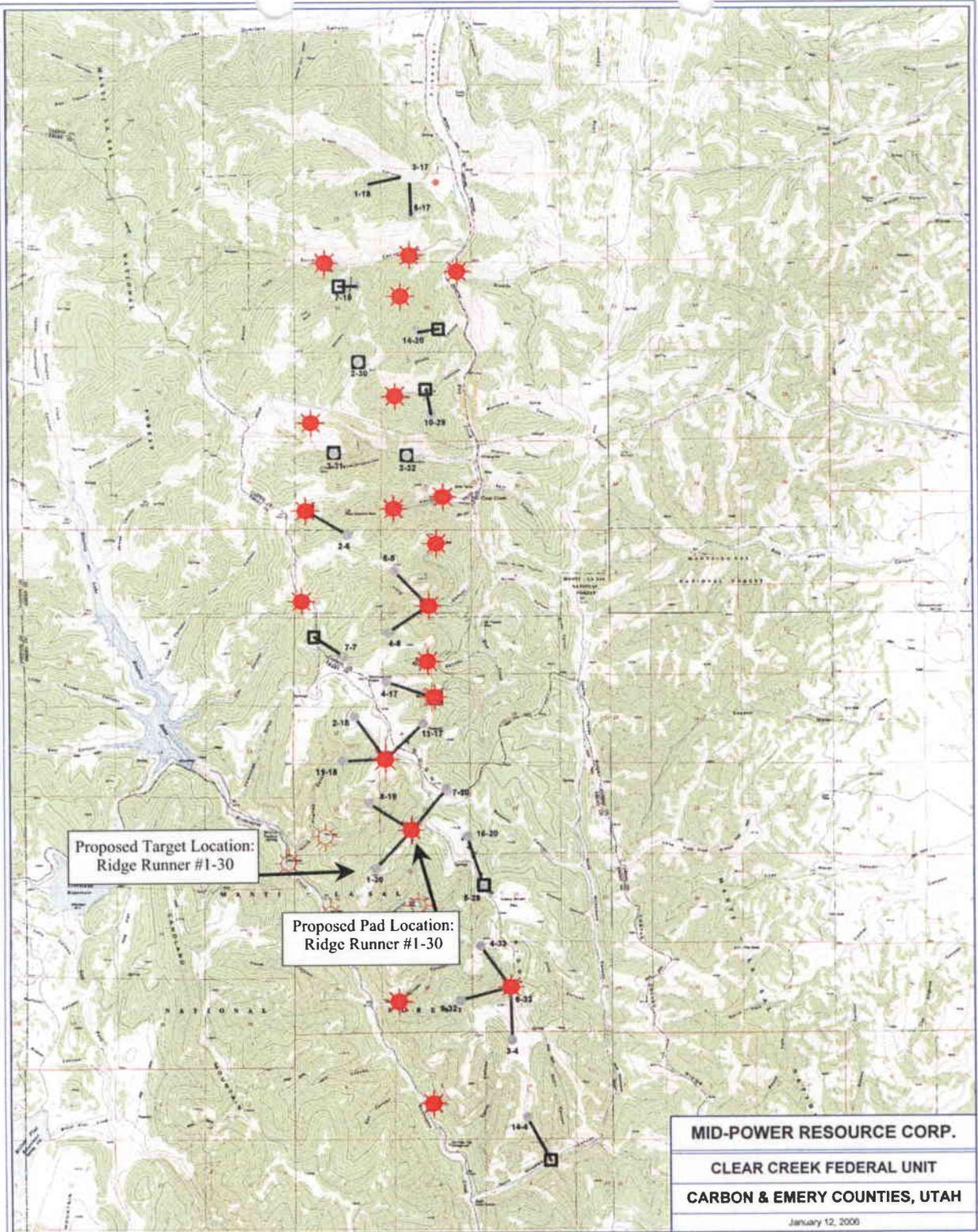
This statement is subject to the provision of 18 U.S.C. 1001 for the filing of a false statement.



Keri Clarke
Company Representative

4-17-06

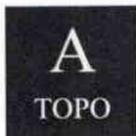
Date



PETRA 1/12/2006 11:20:37 AM

LEGEND

- Proposed Target Location
- Proposed Pad Location
- Proposed Vertical Location
- ★ Existing Pad
- ★ Existing Directional Target Location



Mid-Power Resource Corp

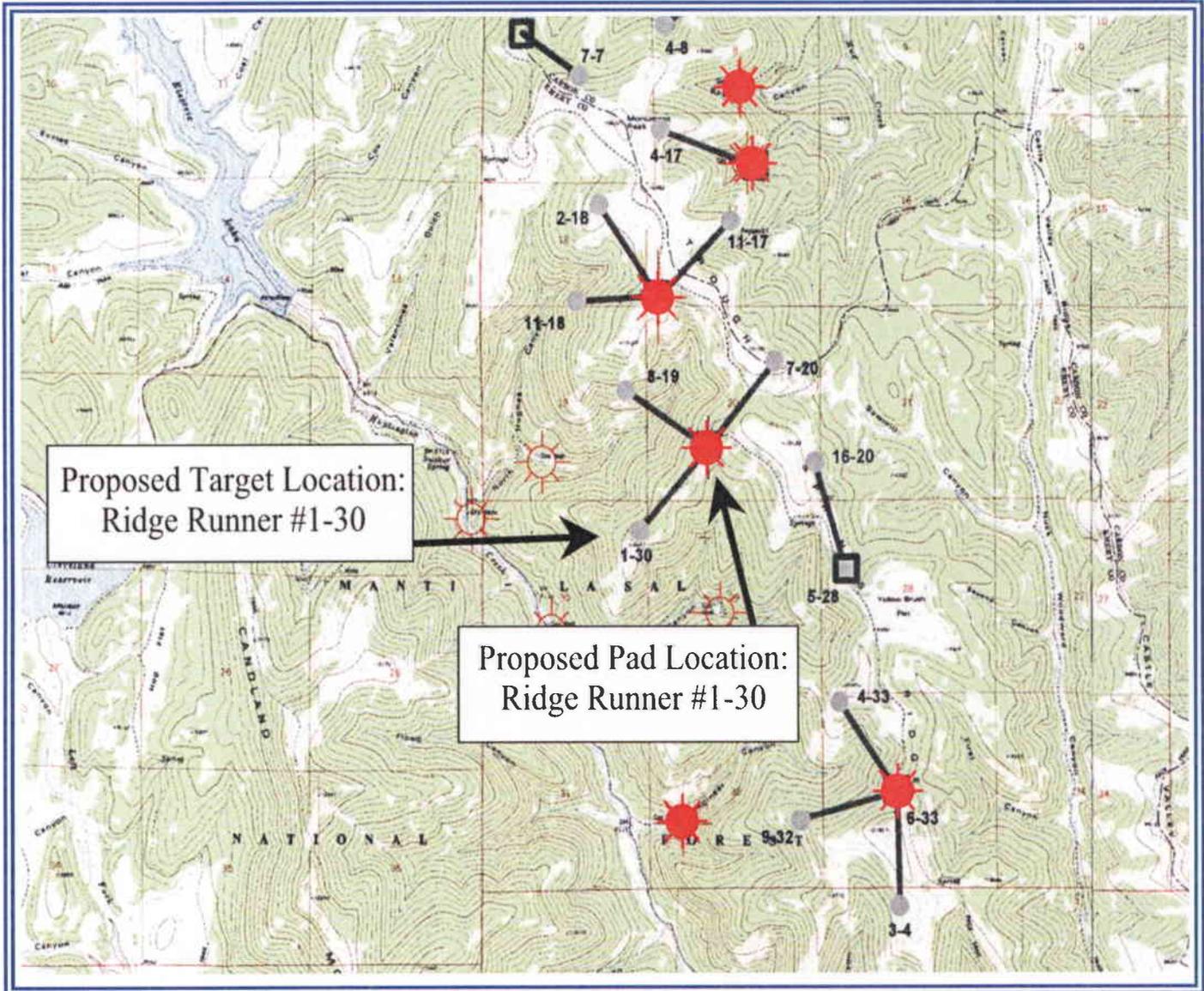
Directional Well - Ridge Runner #1-30
 SW Section 20 T, 14S., R 7 E., S.L.B.
 Surface Location: 1502.88' FSL, 1719.25' FWL
 NE Section 30 T, 14S., R. 7E., S.L.B.
 Target Location: 707' FNL, 246' FEL

8290 W. Sahara Avenue Ste. 186
 Las Vegas, NV, 89117
 Tel: (702) 838-0716
 Fax: (702) 838-5087

Topographic Map

Created on April 14th 2006

Created by John Pinkerton Revised: MM-DD-YY



Proposed Target Location:
Ridge Runner #1-30

Proposed Pad Location:
Ridge Runner #1-30

LEGEND

- Proposed Target Location
- Proposed Pad Location
- Proposed Vertical Location
- Existing Pad
- Existing Directional Target Location



Mid-Power Resource Corp

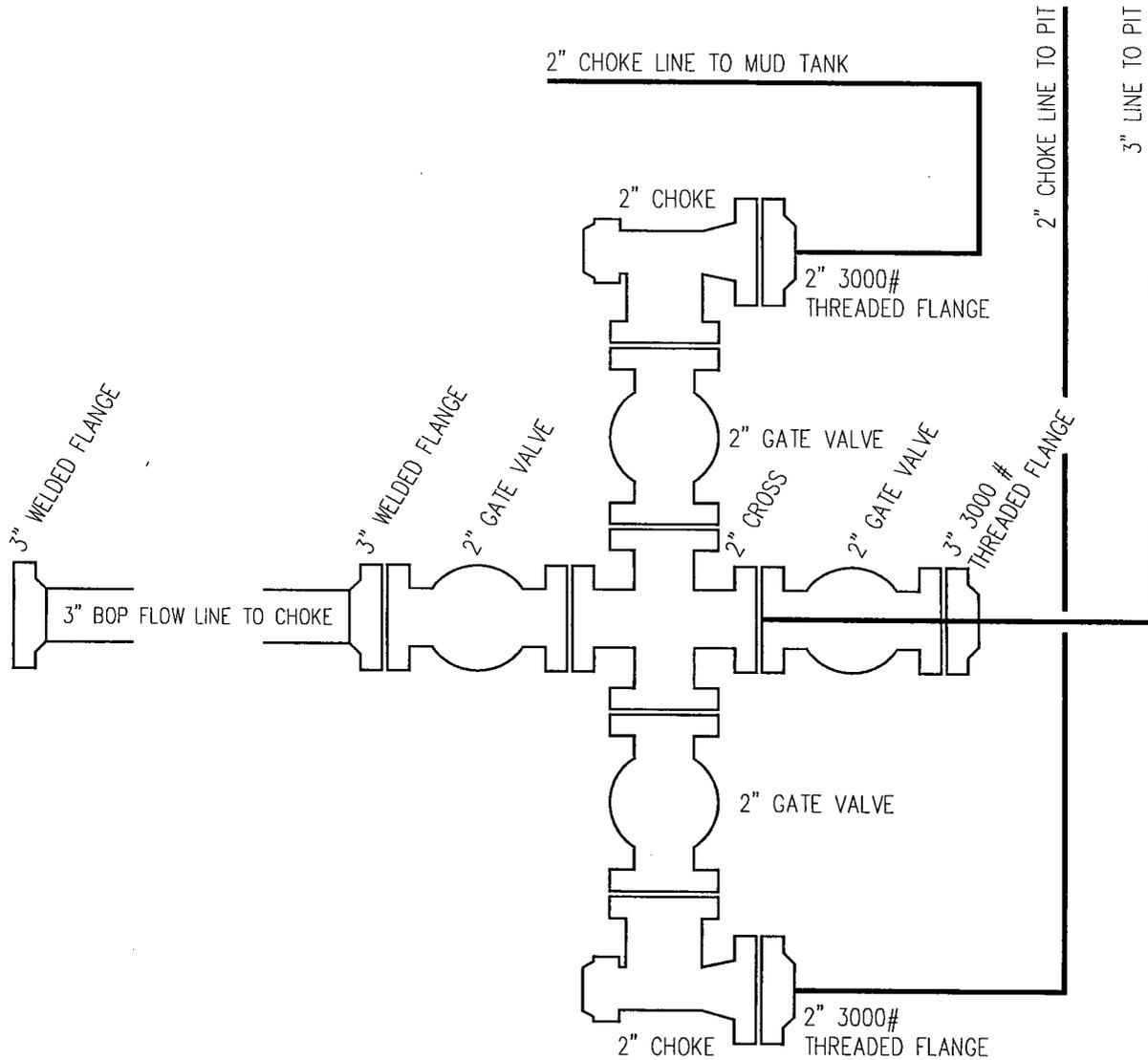
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 SW Section 20 T, 14S., R 7 E., S.L.B.
 Surface Location: 1502.88' FSL, 1719.25' FWL
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 Target Location: 707' FNL, 246' FEL

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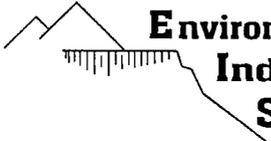
Topographic Map

Created on April 14th 2006

Created by John Pinkerton Revised: MM-DD-YY



REVISIONS		
#	DATE	BY



Environmental Industrial Services

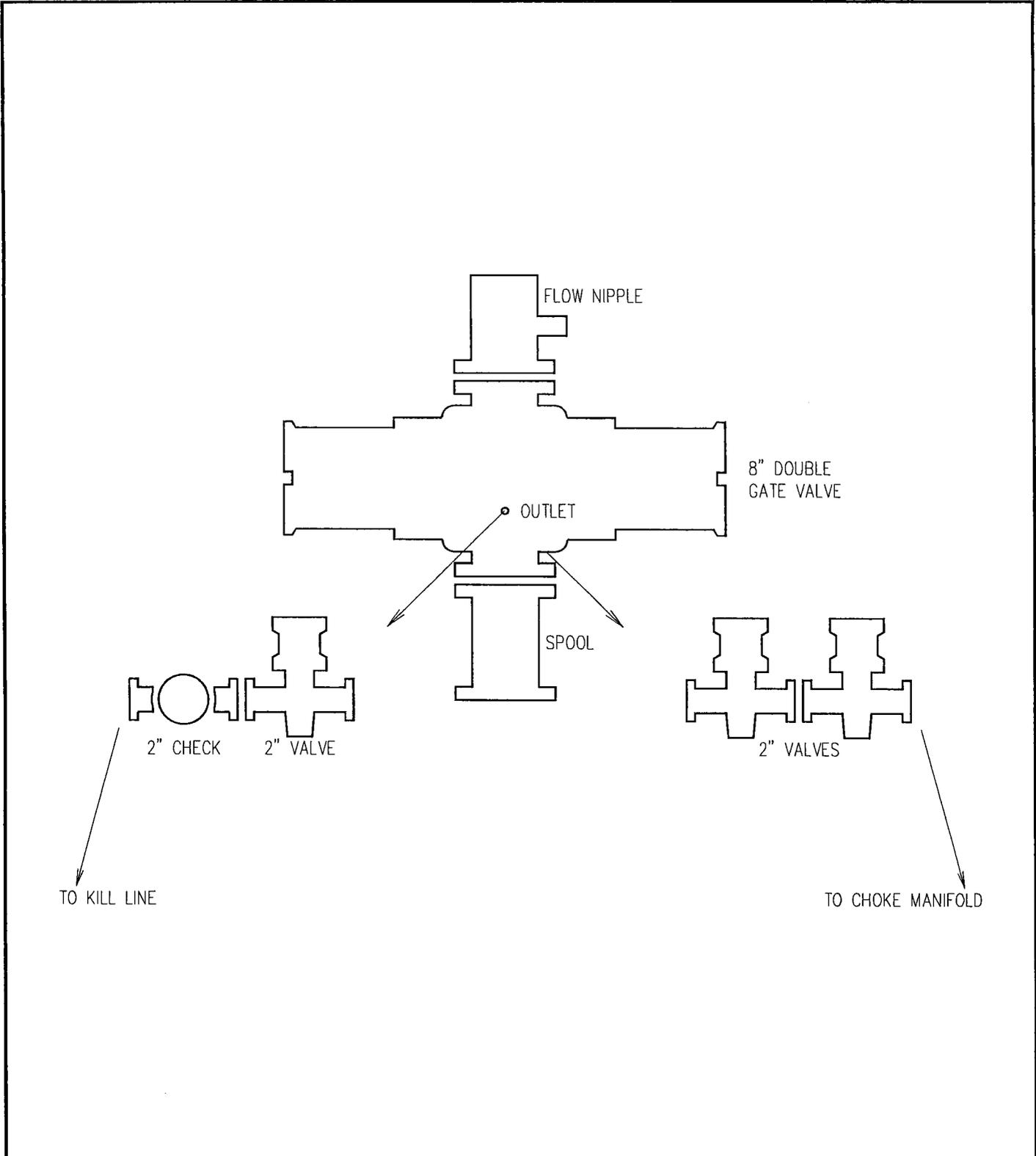
Environmental & Engineering Consulting

31 NORTH MAIN STREET
HELPER, UTAH 84526

(435) 472-3814

MARION ENERGY, INC.
119 SOUTH TENNESSEE #200
McKINNEY, TEXAS

DRAWING NAME:		TYPICAL RIG	
DRAWN BY:	PJJ	SCALE:	NONE
APPROVED BY:	EIS	DATE:	10/17/05
		SHEET:	FIGURE 1



REVISIONS		
#	DATE	BY



**Environmental
Industrial
Services**

Environmental & Engineering Consulting

 31 NORTH MAIN STREET
 HELPER, UTAH 84526
 (435) 472-3814

MARION ENERGY, INC.
 119 SOUTH TENNESSEE #200
 MCKINNEY, TEXAS

DRAWING NAME:		TYPICAL RIG	
DRAWN BY:	PJJ	SCALE:	NONE
APPROVED BY:	EIS	DATE:	10/17/05
		SHEET:	FIGURE 2

Mid-Power Resource Corporation

8280 West Sahara Avenue, Suite 188
Las Vegas, Nevada 89117
702-838-0716 Fax 702-838-5087

August 25, 2005

Mr. Keri Clarke
Vice President - Land
Marion Energy Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069

Re: Clear Creek Unit – Carbon/Emery Counties, Utah

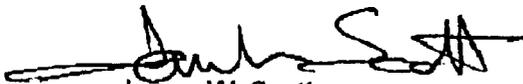
Dear Mr. Clarke:

Mid-Power Resource Corporation, as operator of the Clear Creek Unit located in Carbon/Emery Counties, Utah, hereby, authorizes and empowers Marion Energy Inc. to act as a designated agent on its behalf.

As designated agent, Marion Energy Inc. shall handle all operational matters relating to the Clear Creek Unit and shall deal directly with all State and Federal regulatory agencies in Utah (USDA Forest Service, BLM, and the DOGM) on such operational matters.

This authorization is in accordance with the terms and conditions outlined in the Farmout and Exploration Agreement entered into on February 22, 2005 by and between Mid-Power Resource Corporation and Marion Energy Inc.

Sincerely,



James W. Scott
President

PERFORMANCE BOND (See instructions on reverse)	DATE BOND EXECUTED (Must be same or later than date of contract)	OMB No.: 8000-0045
--	--	--------------------

Public reporting burden for this collection of information is estimated to average 28 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the FAR Secretariat (MVP), Federal Acquisition Policy Office, USA, Washington, DC 20405.

PRINCIPAL (Legal name and business address) Mid-Power Resource Corporation 3880 Howard Hughes Parkway #860 Las Vegas, Nevada 89109-8917 8290 W. SAHARA AVE. suite 186	TYPE OF ORGANIZATION (X) and <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input checked="" type="checkbox"/> CORPORATION STATE OF INCORPORATION
--	--

SURETY(IES) (Name(s) and business address(es)) In lieu of surety(ies) hereon, I/We the undersigned principal(s) deposit the penal amount of this bond in the sum of \$ 103,000.00 cash. Said deposit is pledged as security for performance and fulfillment of the contract designated hereon.	PENAL SUM OF BOND MILLIONS THOUSANDS HUNDREDS CENTS 103 000 00		
	CONTRACT DATE 9/6/02	CONTRACT NO. RIF #0410-03-13	

OBIGATION:
We, the Principal and Surety(ies), are jointly bound to the United States of America (hereinafter called the Government in the above penal sum. For payment of the penal sum, we bind ourselves, our heirs, executors, administrators, and successors, jointly and severally. However, where the Sureties are corporations acting as co-sureties, we, the Sureties, bind ourselves in such sum "jointly and severally" as well as "severally" only for the purpose of allowing a joint action or actions against any or all of us. For all other purposes, each Surety binds itself, jointly and severally with the Principal, for the payment of the sum shown opposite the name of the Surety. If no link of liability is indicated, the link of liability is the full amount of the penal sum.

CONDITIONS:
The Principal has entered into the contract identified above.

THEREFORE:
The above obligation is void if the Principal -

(1) Performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of the contract during the original term of the contract and any extensions thereof that are granted by the Government, with or without notice to the Surety(ies), and during the life of any surety required under the contract, and (2) performs and fulfills all the undertakings, covenants, terms, conditions, and agreements of any and all duly authorized modifications of the contract that hereinafter are made. Notice of these modifications to the Surety(ies) are waived.

(3) Pays to the Government the full amount of the taxes imposed by the Government, if the said contract is subject to the Miller Act, 40 U.S.C. 270a-270d, which are collected, deducted, or withheld from wages paid by the Principal in carrying out the construction contract with respect to which this bond is furnished.

WITNESS:
The Principal and Surety(ies) executed this performance bond and affixed their seals on the above data.

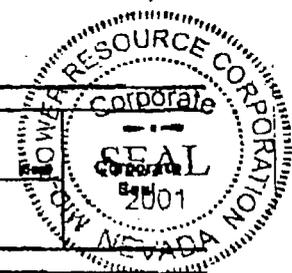
PRINCIPAL		
SIGNATURES	1. <i>John Scott</i>	2. (Seal)
NAME(S) & TITLES(S)	1. (Type)	2. (Type)

INDIVIDUAL SURETY(IES)		
SIGNATURES	1. (Seal)	2. (Seal)
NAME(S)	1. (Type)	2. (Type)

CORPORATE SURETY(IES)		
SURETY A	NAME & ADDRESS	STATE OF INC. LIABILITY LIMIT
	SIGNATURES	2. 0
SURETY B	NAME(S) & TITLES(S)	2. Corporate Seal
	(Type)	

AUTHORIZED FOR LOCAL REPRODUCTION (Previous edition not available) STANDARD FORM 25 (REV. 8-86) Prescribed by GSA-FAR (48 CFR) 53.220-6

Approved by: _____ BOND APPROVING OFFICER Date _____



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

FORM 4B

Bond No. 9578030406

COLLATERAL BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) Mid-Power Resource Corporation as Principal, which is duly authorized and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

One Hundred Eighty Four Thousand One Hundred Eighty dollars (\$ \$184,180.00) lawful money of the United States by virtue of the following financial instruments (cash account, negotiable bonds of the United States, a state or municipality, or negotiable certificate of deposit - see Rule R649-3-1):

Negotiable Certificate of Deposit #9578030406

payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

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

- Blanket Bond: To cover all wells drilled in the State of Utah
(FOR 9 Wells Purchased FROM EDWARD MIKE DAVIS)
- Individual Bond: Well No: _____
Section: _____ Township: _____ Range: _____
County: _____, Utah

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

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

25 day of March, 2005

(Corporate or Notary Seal here)

See attached Jurat

Attestee: _____ Date: _____

Mid-Power Resource Corporation

Principal (company name)

By James W. Scott CEO & President
Name (print) Title

[Signature]
Signature

(5/2002)

COPY

1946

ALL-PURPOSE ACKNOWLEDGMENT

State of California }
County of Sacramento } ss.
On March 29, 2005 before me, Ayana Hepburn
(DATE) (NOTARY)
personally appeared James Scott
SIGNER(S)

personally known to me - OR - proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

NOTARY'S SIGNATURE

OPTIONAL INFORMATION

The information below is not required by law. However, it could prevent fraudulent attachment of this acknowledgment to an unauthorized document.

CAPACITY CLAIMED BY SIGNER (PRINCIPAL)

- INDIVIDUAL
- CORPORATE OFFICER
- _____
TITLE(S)
- PARTNER(S)
- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/CONSERVATOR
- OTHER: _____

DESCRIPTION OF ATTACHED DOCUMENT

Collateral Bond
TITLE OR TYPE OF DOCUMENT
1
NUMBER OF PAGES

DATE OF DOCUMENT

OTHER

SIGNER IS REPRESENTING:
NAME OF PERSON(S) OR ENTITY(IES)

RIGHT THUMBPRINT
OF
SIGNER

August 24, 2004

Mr. Ed Bonner
State of Utah
School and Institutional Trust
Lands Administration
675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818

Re: Mid-Power Resource Corporation
Bonding Requirement Changes

Dear Ed:

In response to TLA's bonding requirement changes, we have reviewed and verified that our bonding requirements are in compliance with the new rules.

Our findings indicate that a cash deposit in the amount of \$20,000 was accepted by TLA on September 11, 2002 as surety to cover operations of the Utah Mineral State Well and the Oman 2-20 Well under lease ML1256. Those two wells are also covered under our bond with DOGM for plugging and abandonment.

Since the new rules require operators to post a performance bond with TLA in the amount of \$5,000 per well, we request that the cash balance of \$10,000 be release back to Mid-Power Resource Corporation.

Please feel free to contact me should you have any questions concerning this matter. I can be reached at 702-838-0716.

Sincerely,

Susan Trimboli

CC: Earlene Russell – DOGM – Fax Number 801-358-3940
Mark Roedell –Mid-Power Service Corporation

waiting for check



School and Institutional
TRUST LANDS ADMINISTRATION

Olene S. Walker
Governor
Kevin S. Carter
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

May 4, 2004

MID-POWER RESOURCES CORPORATION
3753 HOWARD HUGES PARKWAY
SUITE 200
LAS VEGAS, NV 89109

RE: Bonding Requirement Changes
Effective: February 24, 2004

Dear Sir or Madam:

Effective February 24, 2004, School and Institutional Trust Lands Administration ("TLA") entered into an agreement with the Board of Oil, Gas and Mining ("DOGM") to transfer to DOGM the responsibility of maintaining a sufficient performance bond to plug each dry or abandoned well, repair each well causing pollution, and maintain and restore each well site, if necessary. In the past, operators have been required to post bonds in various amounts with TLA to cover their operations on lands owned and administered by TLA; with DOGM if the company had operations on fee lands in Utah; and, still another, if its operations were on federal lands. Under our new agreement with DOGM, TLA will no longer require operators to post a plugging and reclamation bond with this office. All plugging and reclamation bonds for operations on TLA lands or fee lands will now be administered by DOGM under their rule R649-3-1, as revised July 1, 2003. If you currently have a bond in place with DOGM, please check with their office as it may be sufficient to cover operations on trust lands and no additional bond may be required. The DOGM rules can be viewed and bond forms can be downloaded from the DOGM website at <http://ogm.utah.gov/oilgas>.

Operators will be required, however, to post a performance bond in the amount of \$5,000 per well or \$15,000 statewide with TLA to cover lease obligations on TLA lands not otherwise covered by the DOGM bond. Delinquent or unpaid royalties would be examples of deficiencies that could be remedied by the bond. The surety sources are the same as set out in TLA's current rules at R850-20-2800.

Your company has 120 days from the date of this letter or until September 1, 2004, to verify and update your bonding to come into compliance with the new rules. Should you need assistance or have compliance questions, please contact the following people for help:

At TLA – Ed Bonner (801/538-5151 or edbonner@utah.gov)
At DOGM – Earlene Russell (801/538-5336 or earlenerussell@utah.gov)

As soon as TLA is provided evidence by your company that: (1) it has sufficient bonding with DOGM to cover plugging and reclamation operations; (2) your company has no outstanding obligations with TLA that would be remedied by your bond, and, (3) your company provides TLA

Release
\$10,000

Utah!
Where ideas connect™

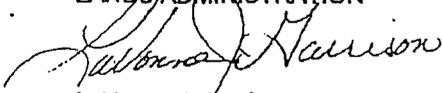
~~with the appropriate well or statewide replacement bond for future lease obligations in the~~
appropriate amount, your current bond will be released. If you would like your bond with TLA to
be transferred to DOGM's ownership, and if the Instrument allows for such a transfer, please
make arrangements with your surety and with DOGM. No bonds will be released by TLA until
sufficient evidence is provided that all required bonding is in place and that there are no
outstanding obligations to TLA.

There will be a transition period, but TLA sees this as a positive move for the industry that will
simplify your statewide bonding requirements in the State of Utah.

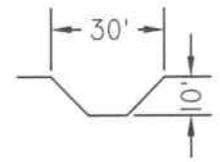
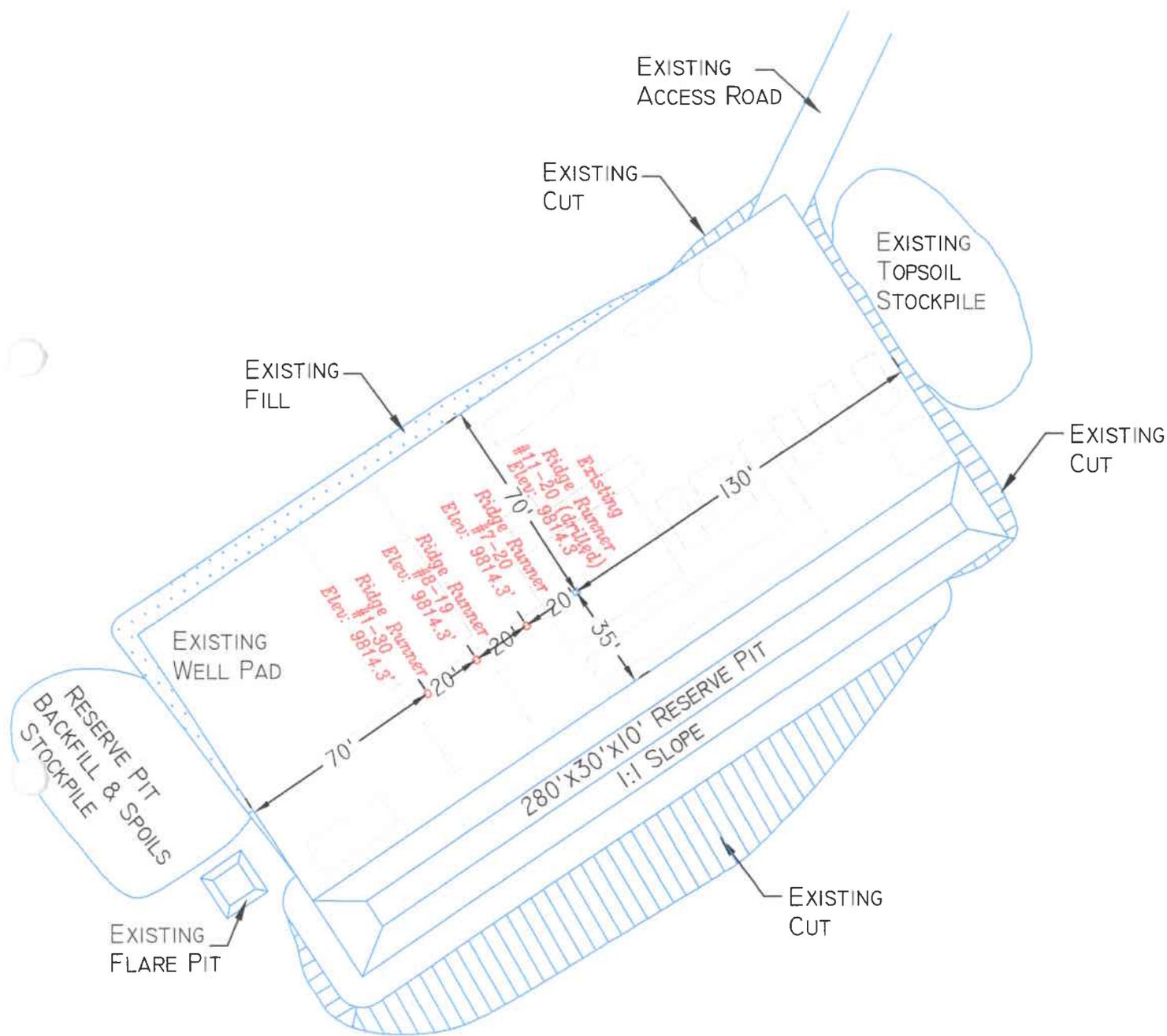
We appreciate your assistance with these changes and look forward to hearing from you.

Yours very truly,

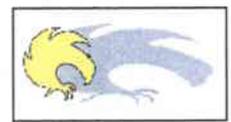
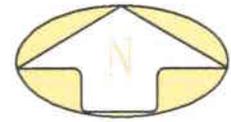
SCHOOL AND INSTITUTIONAL TRUST
LANDS ADMINISTRATION



LaVonne J. Garrison
Assistant Director/Oil & Gas



PIT SECTION
 APPROXIMATE CUT
 = 1965 CU YDS.

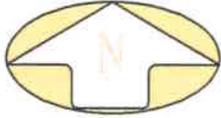
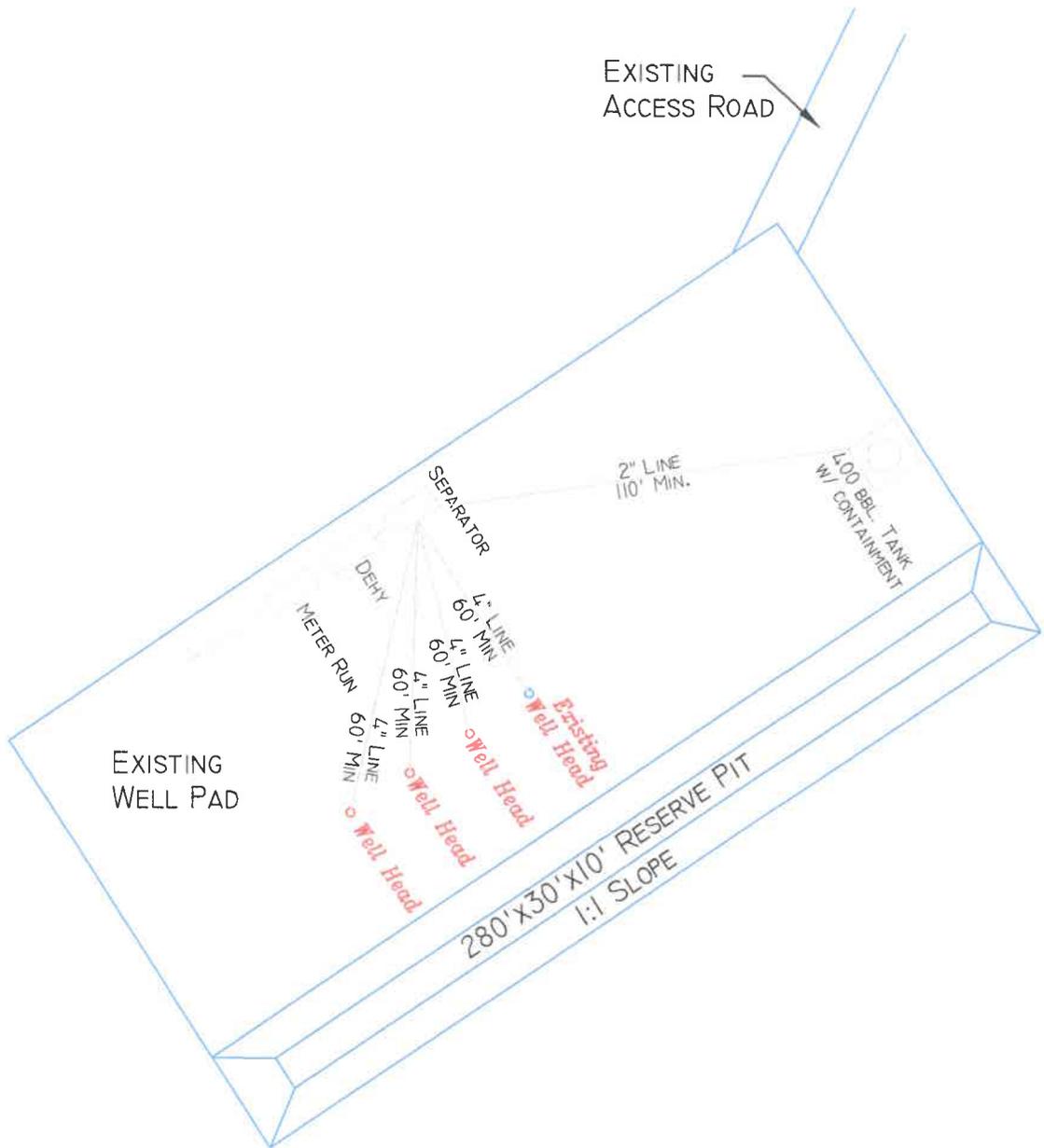


TALON RESOURCES, INC.
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 Fax (435)687-5311
 E-Mail talonaetv.net

Marion Energy Inc.

**LOCATION LAYOUT
 ON EXISTING WELL PAD
 Section 20, T14S, R7E, S.L.B.&M.
 RIDGE RUNNER #1-30**

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 4/12/06
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 2395



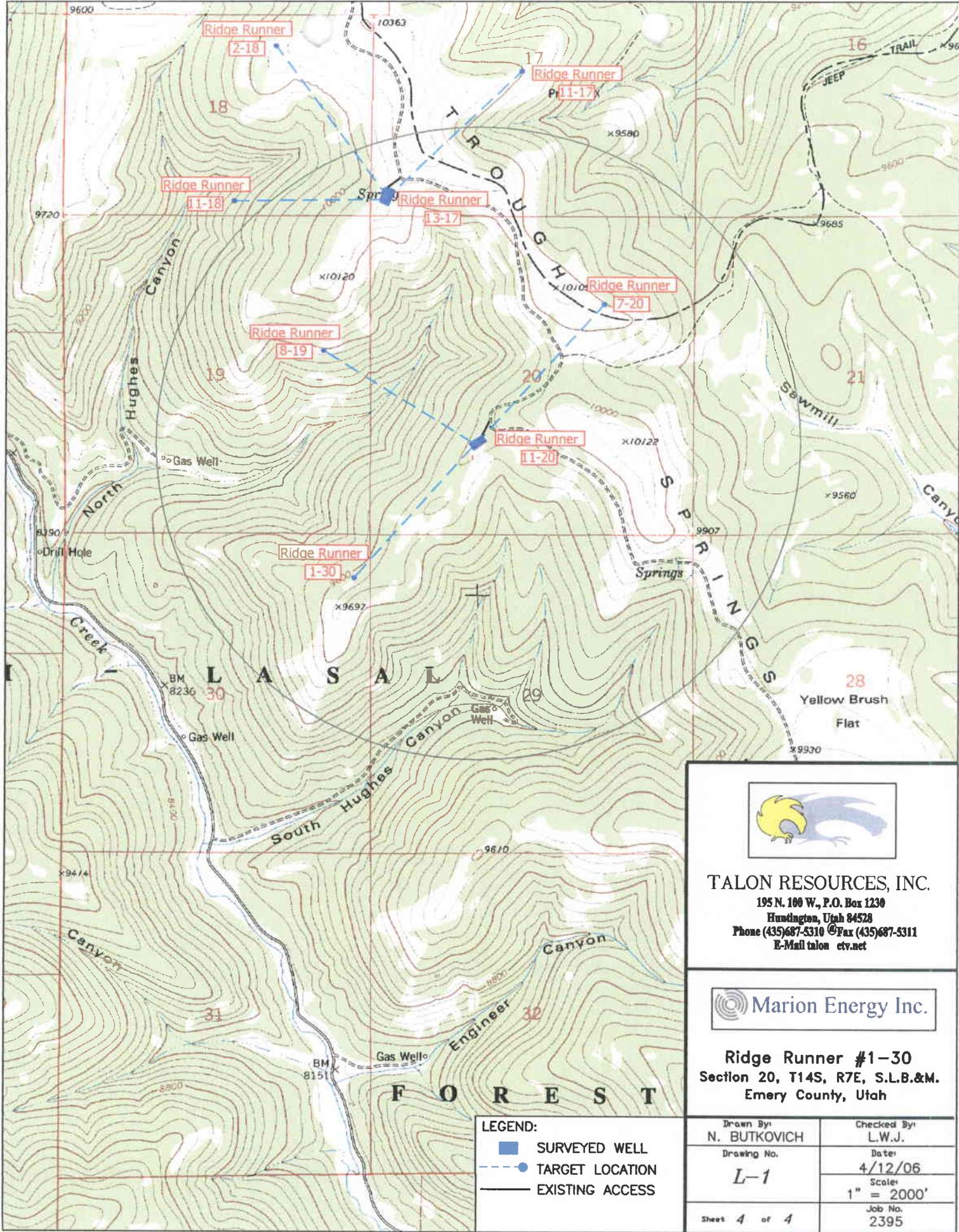
TALON RESOURCES, INC.

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



**PRODUCTION FACILITY LAYOUT
 ON EXISTING WELL PAD**
 Section 20, T14S, R7E, S.L.B.&M.
 RIDGE RUNNER #1-30

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-3	Date: 4/12/06
	Scale: 1" = 50'
Sheet 3 of 4	Job No. 2395



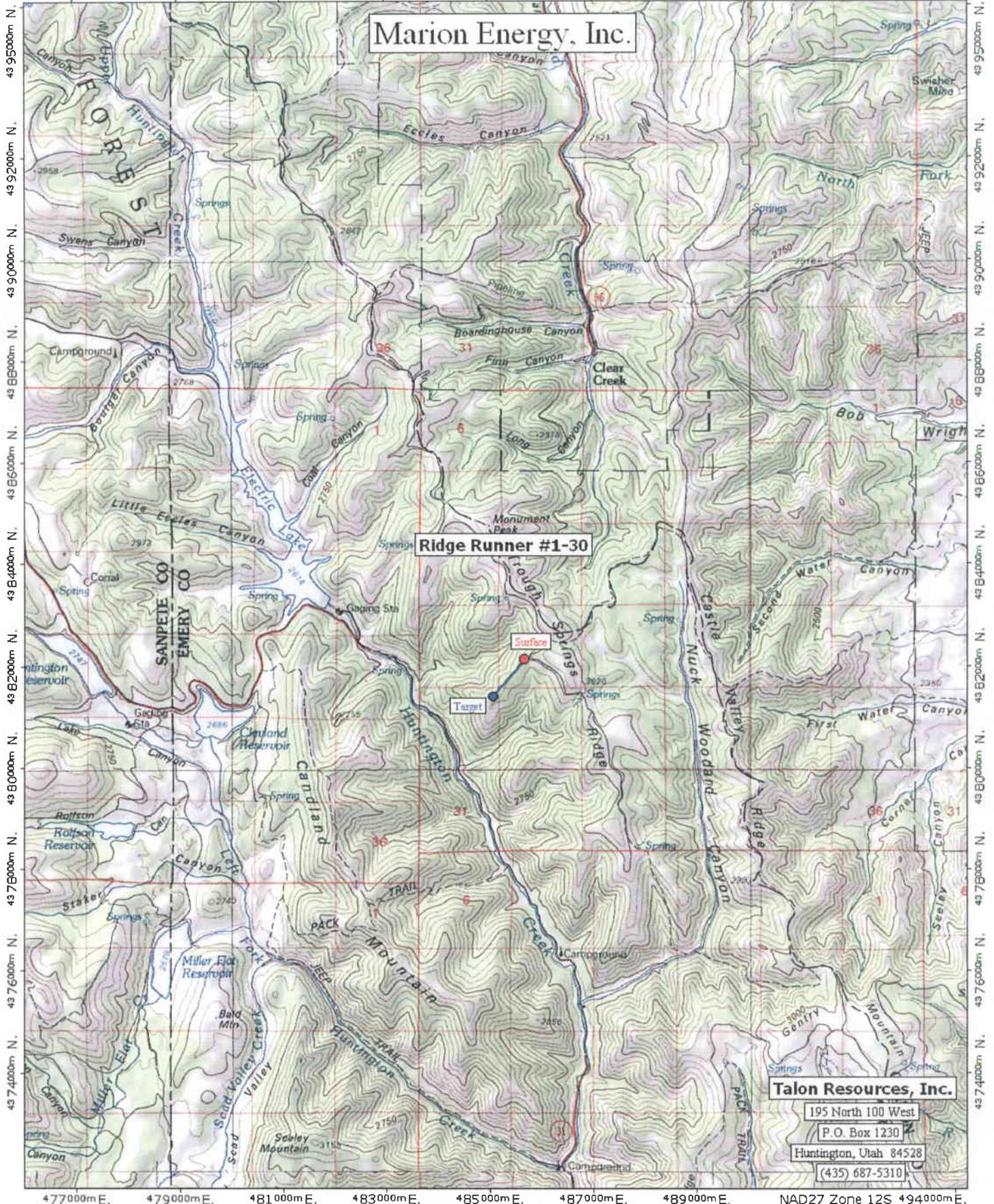
TALON RESOURCES, INC.
 195 N. 100 W., P.O. Box 1230
 Huntington, Utah 84528
 Phone (435)687-5310 © Fax (435)687-5311
 E-Mail talon etv.net



Ridge Runner #1-30
 Section 20, T14S, R7E, S.L.B.&M.
 Emery County, Utah

LEGEND:
 SURVEYED WELL
 TARGET LOCATION
 EXISTING ACCESS

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. L-1	Date: 4/12/06
Sheet 4 of 4	Scale: 1" = 2000'
	Job No. 2395



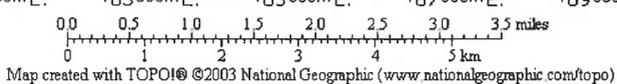
Marion Energy, Inc.

Ridge Runner #1-30

Talon Resources, Inc.

195 North 100 West
 P.O. Box 1230
 Huntington, Utah 84528
 (435) 687-5310

TN MN 12%



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/18/2006

API NO. ASSIGNED: 43-015-30680

WELL NAME: RIDGE RUNNER 1-30
 OPERATOR: MID-POWER RESOURCE CORP (N2215)
 CONTACT: KERI CLARKE

PHONE NUMBER: 702-838-0716

PROPOSED LOCATION:

NESW 20 140S 070E
 SURFACE: 1502 FSL 1719 FWL
 BOTTOM: 0707 FNL 0246 FEL Sec 30
 COUNTY: EMERY
 LATITUDE: 39.59025 LONGITUDE: -111.1667
 UTM SURF EASTINGS: 485684 NORTHINGS: 4382084
 FIELD NAME: CLEAR CREEK (10)

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

LEASE TYPE: 1 - Federal
 LEASE NUMBER: U-02353
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: FRSD
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 9578030406)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. PRRV)
- RDCC Review (Y/N)
(Date:)
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

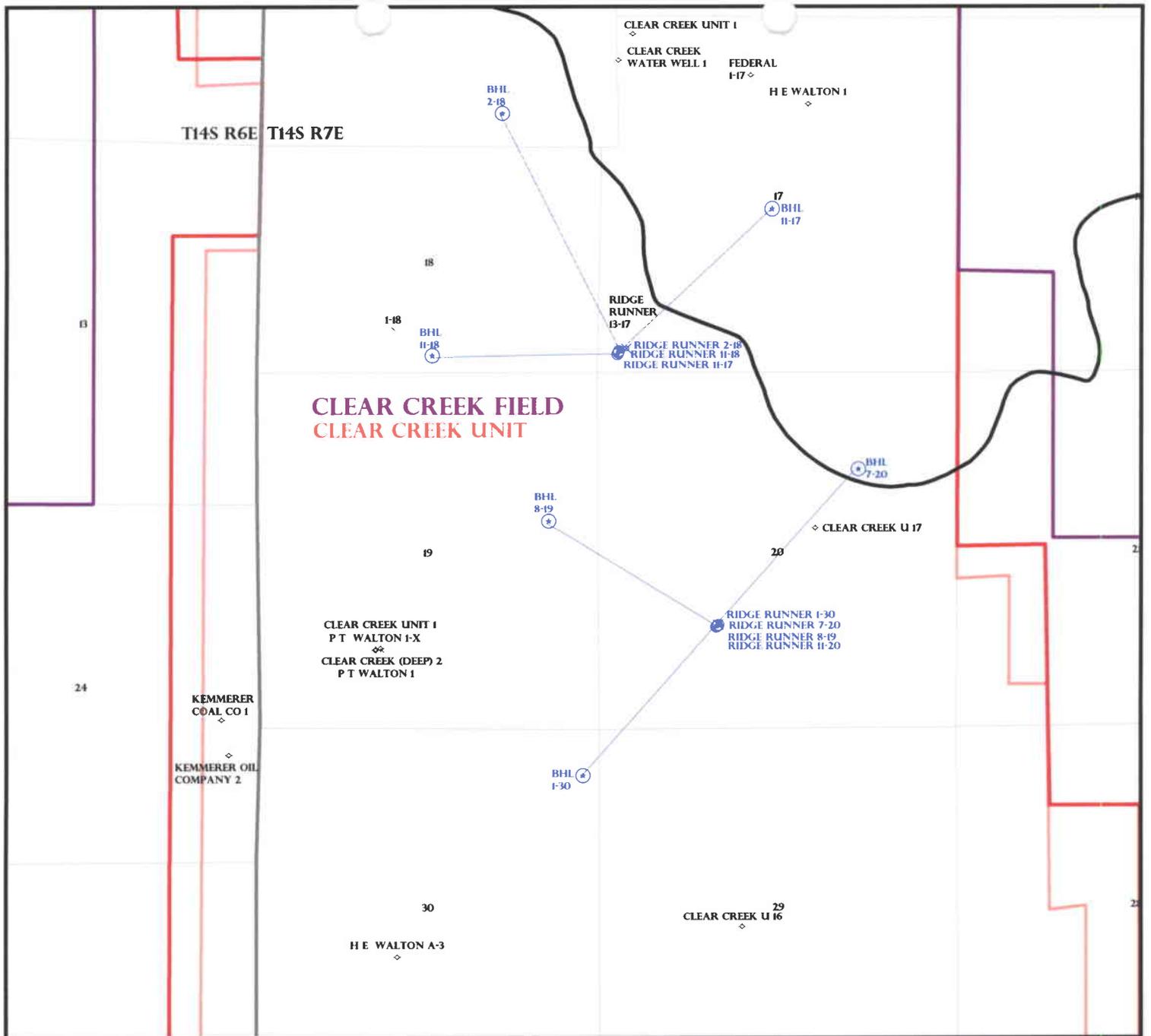
LOCATION AND SITING:

- R649-2-3.
- Unit: CLEAR CREEK
- 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 Strip



OPERATOR: MID-POWER RES (N2215)
 SEC: 17,20 T. 14S R. 7E
 FIELD: CLEAR CREEK (10)
 COUNTY: EMERY
 SPACING: R649-3-11 / DIRECTIONAL DRILLING

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

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

- Wells Status**
- * GAS INJECTION
 - * GAS STORAGE
 - x LOCATION ABANDONED
 - o NEW LOCATION
 - ◇ PLUGGED & ABANDONED
 - * PRODUCING GAS
 - PRODUCING OIL
 - * SHUT-IN GAS
 - SHUT-IN OIL
 - x TEMP. ABANDONED
 - o TEST WELL
 - △ WATER INJECTION
 - WATER SUPPLY
 - ⊕ WATER DISPOSAL
 - ⊕ DRILLING



PREPARED BY: DIANA WHITNEY
 DATE: 25-APRIL-2006

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

April 25, 2006

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2006 Plan of Development Clear Creek Unit Carbon County,
Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2006 within the Clear Unit, Carbon County, Utah.

API#	WELL NAME	LOCATION
43-015-30683	Ridge Runner	2-18 Sec 17 T14S R07E 0338 FSL 0279 FWL
		BHL Sec 18 T14S R07E 0476 FNL 1524 FEL
43-015-30684	Ridge Runner	11-18 Sec 17 T14S R07E 0292 FSL 0259 FWL
		BHL Sec 18 T14S R07E 0270 FSL 2471 FEL
43-015-30685	Ridge Runner	11-17 Sec 17 T14S R07E 0315 FSL 0269 FWL
		BHL Sec 17 T14S R07E 2439 FSL 2470 FWL
43-015-30680	Ridge Runner	1-30 Sec 20 T14S R07E 1502 FSL 1719 FWL
		BHL Sec 30 T14S R07E 0707 FNL 0246 FEL
43-015-30681	Ridge Runner	7-20 Sec 20 T14S R07E 1524 FSL 1752 FWL
		BHL Sec 20 T14S R07E 1434 FNL 1454 FEL
43-015-30682	Ridge Runner	8-19 Sec 20 T14S R07E 1513 FSL 1735 FWL
		BHL Sec 19 T14S R07E 2211 FNL 0747 FEL

This office has no objection to permitting the wells at this time.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

April 26, 2006

Mid-Power Resource Corporation
8290 West Sahara, #186
Las Vegas, NV 89117

Re: Ridge Runner 1-30 Well, Surface Location 1503' FSL, 1719' FWL, NE SW,
Sec. 20, T. 14 South, R. 7 East, Bottom Location 0707' FNL, 0246' FEL,
NE NE, Sec. 30, T. 14 South, R. 7 East, Emery County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-015-30680.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

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

Operator: Mid-Power Resource Corporation
Well Name & Number Ridge Runner 1-30
API Number: 43-015-30680
Lease: USA-U-02353

Surface Location: NE SW **Sec.** 20 **T.** 14 South **R.** 7 East
Bottom Location: NE NE **Sec.** 30 **T.** 14 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.

6. In accordance with Utah Admin. R.649-3-11, Directional Drilling, the operator shall submit a complete angular deviation and directional survey report to the Division within 30 days following completion of the well.

**MID-
POWER**
RESOURCE CORPORATION

May 5, 2006

43-015-30680

Utah Division of Oil Gas and Mining
ATTN: Diana Whitney
1594 West North Temple, Suite 1210
Salt Lake City, Utah
84116

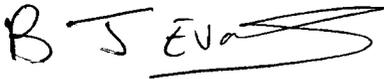
RE: Ridge Runner #11-18, #2-18, #11-17, #8-19, #1-30, #7-20
Mid-Power Resource Corp. Amendment to Surface use and Drilling Plans
Clear Creek Unit 13S-7E and 14S-7E, Carbon and Emery Counties, Utah

Dear Ms. Whitney

Per Tom Lloyd's (USDA Forest Service) request, please find enclosed copies of the amended Surface Use Plans and Drilling Plans that pertain to the above referenced wells that are to be drilled in the Clear Creek Unit located in 13S-7E and 14S-7E, Carbon and Emery Counties, Utah.. I have also included a diagram that depicts the well equipment layout of each pad site.

If you require any further information, please do not hesitate to contact me at (972) 540-2967 ext. 3004 or email bevans@marionenergy.com

Sincerely,



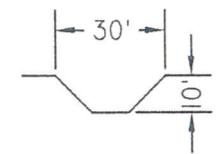
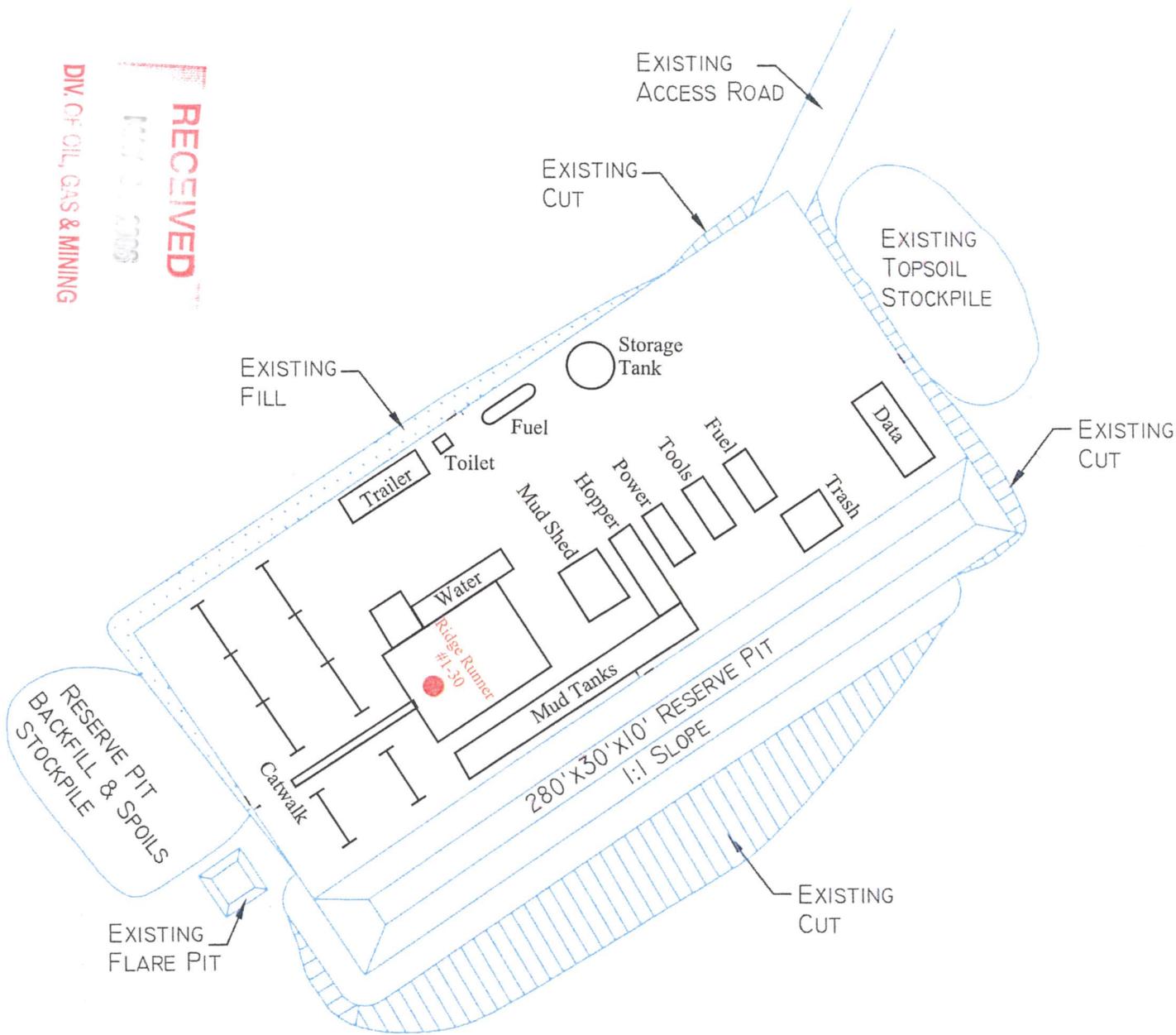
Benjamin Evans
Landman
Marion Energy Inc.
(Agent for Mid-Power Resource Corp.)

RECEIVED
MAY 05 2006

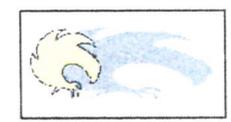
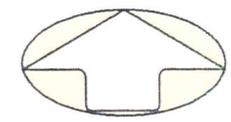
DIV. OF OIL, GAS & MINING

8290 West Sahara Avenue, Suite 186, Las Vegas, Nevada, 89117
Telephone: (702) 838-0716, Fax: (702) 838-5087

RECEIVED
 APR 12 2006
 DIV. OF OIL, GAS & MINING



PIT SECTION
 APPROXIMATE CUT
 = 1965 CU YDS.



TALON RESOURCES, INC.
 195 North 100 West P.O. Box 1230
 Huntington, Utah 84528
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Marion Energy Inc.

LOCATION LAYOUT
ON EXISTING WELL PAD
 Section 20, T14S, R7E, S.L.B.&M.
RIDGE RUNNER # 1-30

Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-4	Date: 4/12/06
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 2395

Surface Use Plan
Mid-Power Resource Corporation
Ridge Runner #1-30

Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located approximately 15 miles south of Scofield, Utah.
- b. Directions to the location from Scofield, Utah are as follows:

From Scofield proceed south on Highway 96 for approximately 2.8 miles. Turn west onto the Eccles Canyon Road (Highway 264) and proceed 4.1 miles. Turn left onto the Forest Service Road (#018) and proceed through a gate and then in a southeasterly direction for approximately 8 miles. Turn right onto the new access road and continue 0.1 miles to the location.
- c. For location of access roads see Maps A & B.
- d. Top map A is the vicinity map showing the access route from Scofield, Utah.
- e. Topo map B shows the proposed access road to each well. It also shows existing roads in the immediate area
- f. Improvement to the existing Forest Service Road will require upgrading as specified by the Forest Service.
- g. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- h. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.
- i. Road use permit # 0410-03-13 which expires June 1st 2006 is currently being renewed/extended. Maintenance of the access road will be conducted according to conditions outlines in the referenced road use permit.

2. Planned Access Roads

- a. The last 7.1 miles of access road will be upgraded to accommodate rig traffic. The road will have a subgrade of 14 feet with a running surface of 12 feet. Four inches of gravel will be placed on portions of the access road.
- b. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location

- a. Water wells – non
- b. Injection wells – none
- c. Producing wells – none
- d. Drilling wells – none
- e. Shut-in wells – Ridge Runner #11-20 & #13-17 (See Location Map L-1)
- f. For reference please see topo map B

4. Location of Tank Batteries and Production Facilities

- a. All permanent structures (onsite for six months or longer) constructed or installed (including pump jacks) will be painted a neutral color to blend with the surrounding environment. The proposed color for this site is Juniper Green unless otherwise stipulated by the Forest Services. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike or sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. All loading lines will be placed inside the berm surrounding the tank battery
- d. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced. All buried pipelines shall be

covered to a depth of 3ft except at road crossings where they shall be covered to a depth of 4ft.

- e. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.
- f. A production facility diagram is attached showing placement of all proposed production facilities. (See survey outline A-3)
- g. Any necessary pits will be properly fenced to prevent any wildlife entry.
- h. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- i. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- j. The road will be maintained in a safe useable condition.
- k. 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.
- l. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.

5. Location and Water Supply

- a. Any water to be used for the drilling of this well will be from the Price River Water Improvement District (an adjudicated industrial water source) and transported by a local trucking company (Nielson Construction).
- b. No water wells are to be drilled.

6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.

- b. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads in the area. No special access other than for drilling operations and pipeline construction is needed.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.
- e. All access roads crossing BLM land is shown on topo map B.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined with a minimum 10mil plastic liner.
- b. The reserve pit will be constructed of sufficient size and capacity for the necessary fluids for drilling and to contain any runoff from the drill site. Pits will not be constructed within intermittent or perennial stream channels.
- c. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill. All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the company representative.
- d. The reserve pit will be constructed in undisturbed material and below the natural ground level.
- e. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling operation and the pit will be fenced during drilling and completion operations.
- f. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- g. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an

application within the time allowed will be considered an incident of noncompliance.

- h. Drill cuttings are to be contained and buried in the reserve pit.
- i. 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.
- j. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.
- k. The produced fluids (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.

8. Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. All cut and fill slopes will be such that stability can be maintained for the life of the activity. The upper edges of all cut banks on the access roads and well pads will be rounded. Cut and fill slopes will be constructed as follows:

<u>Height of Slope</u>	<u>Slope</u>
0-5 feet	3:1
6-10 feet	2:1
Over 10 feet	1-1/2:1

- b. All fills will be free from vegetative materials and will be compacted in lifts no greater than 12 inches in thickness to a minimum of 90 percent Proctor dry density sufficient to prevent excessive settlement.
- c. The working surface of the drill site will be surfaced with crushed gravel to a depth sufficient to support anticipated loads throughout the life of the well. Usually a depth of 12 inches of gravel is anticipated.
- d. A diversion ditch having the minimum dimensions of 3 feet horizontal to 1 foot vertical (3:1 ditch), will be constructed around the site to divert surface waters from flowing onto the site. The ditch will be located at the base of the cut slope and around the toe of the fill slopes (see Drawing No. 1 – Construction Requirements of Typical Well Sites). A straw dike will be constructed in the ditch outflow to trap any sediment produced from the raw slopes. A culvert will be necessary where the access road enters the site.

- e. A berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be a minimum of 18 inches high, 12 inches wide at the top, and having 1-1/2:1 side slopes. The site surface will be graded to drain to the reserve pit. The drainage pattern to be constructed will be modified for each site, depending on the site specific conditions.
- f. The reserve pit will be located on the east side of the location.
- g. The stockpiled topsoil (first six inches or maximum available) will be stored along the perimeter of the location as shown on the location plat.
- h. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills. (See attached Platt A-4)
- i. The location of mud tanks, reserve pit, trash cage, pipe racks, living facilities and soil stockpiles will be shown on the Location Layout.
- j. All pits will be fenced to prevent wildlife entry.
- k. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

10. Plans for Restoration of Surface

Dry Hole

- a. Rehabilitation of the entire site will be required and will commence immediately after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.
- b. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.
- c. Generally speaking, the standpipe for well identifications will be removed on National Forest lands. A final determination will be made on a case-by-case basis.
- d. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an

approximate uniform, stable thickness consistent with the established contours.

- e. A temporary fence will be constructed around the site until vegetation is established. The fence will then be removed.
- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

Producing Location

- a. Site reclamation for producing wells will be accomplished for portions of the site not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to complement the esthetics of the area. A new site plan will be required encompassing the facilities required for operation and interim reclamation measures.
- b. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- c. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- d. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- e. At the end of drilling operations, drilling fluids will be hauled to an approved disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soil, and gravel, will be buried within a minimum of 2 feet of clean soil as cover or be removed from the Forest.
- f. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- g. The cut and fill slopes and all other disturbed areas not needed for the production operation will be topsoiled and re-vegetated. The berm will be removed and the site graded to drain.
- h. The site will be seeded and/or planted as prescribed by the Forest Service. This prescription will be determined prior to site construction on a site specific basis. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the re-vegetation requirements. Fall seeding will be completed after September, and prior to prolonged ground frost.

- i. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application will be in cooperation with Forest Service personnel.

11. Surface Ownership

Access Roads – All roads are located within the Manti-La Sal National Forest. Portions of the access road are located on private lands.

Well Pad – The well pad is located on lands managed by the Manti-La Sal National Forest.

12. Other Information

- a. A Class III cultural resource inventory will be completed prior to disturbance by a qualified professional archaeologist.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator to:
 - i. whether the materials appear eligible for the National Register of Historic Places;
 - ii. the mitigation measures the operator will likely have to undertake before the site can be used (assuming the site preservation is not necessary); and
 - iii. a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- c. Less than 10,000 pounds of any chemical(s) from the EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) Of 1986, as defined in 40 CFR, would be used, produces, transported, stored, disposed, or associated with the proposed action.
- d. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- e. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- f. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.
- g. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- h. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.
- i. The operator or his contractor shall contact the U.S. Forest Service at 801-637-2817 48 hours prior to construction activities.

13. Lessee's or Operator's Representative and Certification

Permit Matters

Marion Energy Inc./Mid-Power Resource Corp.
Keri Clarke
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McKinney, TX, 75069
(972)540-2967

Drilling & Completion Matters

Marion Energy Inc./Mid-Power Resource Corp.
2901 East 20th Street
Farmington, NM, 87402

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases
Ridge Runner #1-30

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

<u>Name</u>	<u>TVD</u>	<u>TD</u>	<u>Production Phase</u>
Top of Emery	1875ft	1849ft	Gas
Top of Blue Gate	3100ft	3413ft	Gas
Top of Ferron	5319ft	6350ft	Gas
TD	6019ft	7276ft	

2. Estimated Depth of Oil, Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Ferron	5319'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sand will be reported to the BLM in Moab, Utah. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP Equipment

Marion Energy Inc's minimum specifications for pressure to control equipment are as follows:

Ram Type: 11" Hydraulic double, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approve stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 60 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 40-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable and designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The Price River Resource Area Office shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 3000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. Casing and Cementing Program

- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fractured gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
- c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)

- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressured tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- n. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-500'	14 3/4"	10 3/4"	40.5#	J-55	ST&C	New
Intermed.	0-3450'	9 7/8"	7-5/8"	26.4#	J-55	LT&C	New
Produc.	0-7250'	7 7/8"	5-1/2"	17#	J-55	LT&C	New

- o. Casing design subject to revision based on geologic conditions encountered.

- p. Please refer to DOGM Form 3 for the Cement program associated with this well.
- q. The price River Resource Area Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature of bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- t. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. Mud Program

- a. The purpose circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-500'	Spud Mud				
500-3450'	LSND	8.8-9.2	32-40	8-15	---

3450'-T.D. Air/Foam N/A N/A N/A ---

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- b. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. Evaluation Program

The anticipated type of amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a DIL-SFL-GR-SP and BHC Sonic_GR_CAL will be run from surface to 5710'. A DIL-SFL-GR-SP,

ASPN-LDT-DR-CAL, Digital Dipole shear Sonic-GR-CAL and FMI-GR will be run from 5710' to T.D.

- c. 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 no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. 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. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- d. The anticipated completion program is as follows:

Perforate Ferron w/ 3-3/8" casing gun @ 6 jspf using 23 gram charges. Break down formation with 2000 gallons of Formic acid. Fracture stimulate formation w/ 25# Cross linked x-Linked Gel and 200,000lbs of 16/30 mesh sand.

1. Anticipated Pressures and H,S

- a. The expected bottom hole pressure is 1200 psi. Low pressures are anticipated.
- b. No hydrogen sulfide gas is anticipated.

2. Other Information and Notification Requirements

- a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- c. The data on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

- d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lesser for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No.3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that “not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.”

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109 (3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- h. Drilling will commence on approximately June 30, 1996 to avoid wither operations within the forest.
- i. It is anticipated that the drilling of this well will take approximately 30 days.
- j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be

suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

- k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, and application for approval of the permanent disposal method, along with the required water analysis and other information must be submitted to the District Engineer.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO> A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative or the appropriate Surface Managing Agency.

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

Request to Transfer Application or Permit to Drill

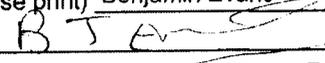
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Ridge Runner # 1-30
API number:	4301530680
Location:	Qtr-Qtr: <u>NESW</u> Section: <u>20</u> Township: <u>14S</u> Range: <u>7E</u>
Company that filed original application:	Mid-Power Resource Corporation
Date original permit was issued:	04/26/2006
Company that permit was issued to:	Mid-Power Resource Corporation

Check one	Desired Action:
	Transfer pending (unapproved) Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		✓
If so, has the surface agreement been updated?		
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		✓
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		✓
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		✓
Has the approved source of water for drilling changed?		✓
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		✓
Is bonding still in place, which covers this proposed well? Bond No. <u>B001617</u>	✓	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Benjamin Evans Title Landman
 Signature  Date 05/09/2006
 Representing (company name) Marion Energy Inc.

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

(3/2004)

MAY 09 2006



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



IN REPLY REFER TO
3180
UT-922

May 9, 2006

Marion Energy Inc.
119 South Tennessee, Suite 200
McKinney, Texas 75069

Re: Clear Creek Unit
Carbon & Emery Counties, Utah

Gentlemen:

On May 8, 2006, we received an indenture dated April 28, 2006, whereby Mid-Power Resource Corporation resigned as Unit Operator and Marion Energy Inc. was designated as Successor Unit Operator for the Clear Creek Unit, Carbon & Emery Counties, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective May 9, 2006. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under the Clear Creek Unit Agreement.

Your Utah statewide oil and gas bond No. UTB000179 will be used to cover all federal operations within the Clear Creek Unit.

It is requested that you notify all interested parties of the change in unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ James A. Fouts

for Douglas F. Cook
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
SITLA
Division of Oil, Gas & Mining
File - Clear Creek Unit (w/enclosure)
Agr. Sec. Chron
Reading File
Central Files

RECEIVED

MAY 11 2006

UT922:TAThompson:tt:5/9/06

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-063018X
2. NAME OF OPERATOR: Mid-Power Resource Corporation		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: # 8290 W. SAHARA AVE, 186 CITY LAS VEGAS STATE NV ZIP 89117		7. UNIT or CA AGREEMENT NAME: CLEAR CREEK UNIT
4. LOCATION OF WELL FOOTAGES AT SURFACE: NA		8. WELL NAME and NUMBER:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NA		9. API NUMBER:
		10. FIELD AND POOL, OR WILDCAT: CLEAR CREEK FEDERAL UNIT
		COUNTY: CARBON AND EMERY
		STATE: UTAH

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

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

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

Mid-Power Resource Corporation, the designated operator of the unit, resigns as unit operator, effective upon the approval of the successor unit operator, MARION ENERGY INC. Mid-Power Resource acknowledges AND approves this change.

Please refer to ALL documents submitted by MARION ENERGY AS successor unit operator AND ON BEHALF OF Mid-Power Resource regarding this change.

NAME (PLEASE PRINT) <u>SUSAN TIMBOLI</u>	TITLE <u>Company Representative</u>
SIGNATURE <u>Susan Timboli</u>	DATE <u>May 9, 2006</u>

(This space for State use only)

APPROVED 5/18/06

(5/2000)

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

(See Instructions on Reverse Side)

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MAY 12 2006

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
UTU-063018X

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:
Clear Creek Unit

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
See Attachment "A"

2. NAME OF OPERATOR:
Marion Energy Inc. (N2740)

9. API NUMBER:

3. ADDRESS OF OPERATOR:
119 S Tennessee Ste #200 CITY **McKinney** STATE **TX** ZIP **75069**

PHONE NUMBER:
(972) 540-2967

10. FIELD AND POOL, OR WLD/CAT:
Clear Creek Federal unit

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **N/A**

COUNTY: **Carbon and Emery**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **N/A**

STATE: **UTAH**

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

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

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

Marion Energy Inc. will take over operation of the Clear Creek Federal Unit which is currently operated by Mid-Power Resource Corporation, and is located in both Carbon and Emery Counties Utah.

N2215

Please See attachment "A" for well Names, API numbers, and legal descriptions

*BLM Bond = UTB000179
Special Bond = B002775
State + Fee Bond = B001617
Effective 4/28/2006*

NAME (PLEASE PRINT) **Keri Clarke**

TITLE **Vice President Land (Marion Energy Inc)**

SIGNATURE _____

DATE **5/4/06**

(This space for State use only)

APPROVED *5/18/06*
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(5/2000)

(See Instructions on Reverse Side)

DIV. OF OIL, GAS & MINING

RECEIVED

**Attachment A
Marion Energy Inc.**

**Clear Creek Unit
Carbon and Emery Counties, Utah**

Wells

<u>Well Name</u>	<u>API Number</u>	<u>Status</u>	<u>Section Township Range</u>
Utah Fuel No. 1	43-007-16009-00-00	Shut-in	S. 5 T14S R7E
Utah Fuel No. 2	43-007-16010-00-00	Shut-in	S. 32 T13S R7E
Utah Fuel No. 3	43-007-16011-00-00	Shut-in	S. 32 T13S R7E
Utah Fuel No. 4	43-007-16012-00-00	Shut-in	S. 30 T13S R7E
Utah Fuel No. 5	43-007-16013-00-00	Plugged and Abandoned	S. 31 T13S R7E
Utah Fuel No. 8	43-007-16015-00-00	Shut-in	S. 19 T13S R7E
Utah Fuel No. 10	43-007-16016-00-00	Shut-in	S. 5 T14S R7E
Utah State M.L. 1256-1	43-007-30102-00-00	Shut-in	S. 29 T13S 7E
Oman 2-20	43-007-30289-00-00	Shut-in	S. 20 T13S R7E
Utah Fuel A-1	43-015-16021-00-00	Plugged and Abandoned	S. 6 T14S R7E
Alpine School District #6-17	43-007-31181-00-00	Permit not yet Approved	S. 17 T13S R7E
Alpine School District #3-17	43-007-31182-00-00	Permit not yet Approved	S. 17 T13S R7E
Ridge Runner 11-20	43-015-30271-00-00	Shut-in	S. 20 T14S R7E
Ridge Runner 13-17	43-015-30269-00-00	Shut-in	S. 17 T14S R7E
Ridge Runner #1-30	43-015-30680-00-00	Approved APD (NYS)*	S. 20 T14S R7E
Ridge Runner #7-20	43-015-30681-00-00	Approved APD (NYS)*	S. 20 T14S R7E
Ridge Runner #8-19	43-015-30682-00-00	Approved APD (NYS)*	S. 20 T14S R7E
Ridge Runner #2-18	43-015-30683-00-00	Approved APD (NYS)*	S. 17 T14S R7E
Ridge Runner #11-18	43-015-30684-00-00	Approved APD (NYS)*	S. 17 T14S R7E
Ridge Runner #11-17	43-015-30685-00-00	Approved APD (NYS)*	S. 17 T14S R7E

* Not Yet Spudded

Plugged Wells or Abandoned Well Sites in area (noted but not changed)

Clear Creek 1	43-007-20068-00-00	Plugged and Abandoned	S. 17 T14S R7E
Clear Creek Unit No. 16	43-015-16018-00-00	Plugged and Abandoned	S. 29 T14S R7E
Clear Creek Unit No. 17	43-015-30053-00-00	Plugged and Abandoned	S. 20 T14S R7E
G W Deck A-1	43-007-16008-00-00	Plugged and Abandoned	S. 8 T14S R7E
Gov't 1-17	43-007-11179-00-00	Plugged and Abandoned	S.17 T14S R7E
Kearns A-1	43-015-11217-00-00	Plugged and Abandoned	S. 32 T14S R7E
Kemmerer Coal 1	43-015-10897-00-00	Plugged and Abandoned	S. 24 T14S R6E
Kemmerer Coal 2	43-015-10304-00-00	Plugged and Abandoned	S. 24 T14S R6E
C. K. Steiner A-1	43-015-10306-00-00	Plugged and Abandoned	S. 5 T15S R7E
Utah Fuel No. 7	43-007-16014-00-00	Plugged and Abandoned	S. 17 T13S R7E
H. E. Walton No. 1	43-007-16017-00-00	Plugged and Abandoned	S. 17 T14S R7E
H.E. Walton A-3	43-015-16023-00-00	Plugged and Abandoned	S. 30 T14S R7E
P. T. Walton No. 1-X	43-015-16024-00-00	Plugged and Abandoned	S. 19 T14S R7E
Clear Creek Water Well 1	43-007-20119-00-00	Plugged and Abandoned	S. 17 T14S R7E
Deck 1	43-007-20356-00-00	Location Abandoned	S. 8 T14S R7E
Clear Creek U 18	43-007-30043-00-00	Location Abandoned	S. 20 T13S R7E
1-18	43-015-20300-00-00	Location Abandoned	S. 18 T14S R7E
P.T. Walton 1	43-015-20302-00-00	Plugged and Abandoned	S. 19 T14S R7E
Clear Creek Unit 1	43-015-30090-00-00	Plugged and Abandoned	S. 19 T14S R7E
Clear Creek (Deep) 2	43-015-30307-00-00	Location Abandoned	S. 19 T14S R7E

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 5/9/2006 BIA n/a

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: not yet

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- 1. Changes entered in the **Oil and Gas Database** on: 5/18/2006
- 2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 5/18/2006
- 3. Bond information entered in RBDMS on: 5/18/2006
- 4. Fee/State wells attached to bond in RBDMS on: 5/18/2006
- 5. Injection Projects to new operator in RBDMS on: n/a
- 6. Receipt of Acceptance of Drilling Procedures for APD/New on: 5/9/2006

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000179

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

- 1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- 2. The **FORMER** operator has requested a release of liability from their bond on: _____
The Division sent response by letter on: n/a

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

COMMENTS:

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: USA-U-02353	6. SURFACE: Federal
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: Clear Creek Unit	
2. NAME OF OPERATOR: Mid-Power Resource Corporation			9. WELL NAME and NUMBER: Ridge Runner # 1-30	
3. ADDRESS OF OPERATOR: 8290 W. Sahara, # 186 CITY Las Vegas STATE NV ZIP 89117		PHONE NUMBER: (702) 838-0716	10. FIELD AND POOL, OR WILDCAT: Wildcat	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1719.25 FWL 1502.88ft FSL /SW/4 Section 20 14S-7E AT PROPOSED PRODUCING ZONE: 246ft FEL 707ft FNL/NE Section 30 14S-7E			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESW 20 14S 7E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approx 5 miles south of Clear Creek			12. COUNTY: Emery	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) Surface 1674ft Bottom Hole 707ft		16. NUMBER OF ACRES IN LEASE: 2375.28	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) Surface 20ft Bottom Hole 2950ft		19. PROPOSED DEPTH: 6,050	20. BOND DESCRIPTION: See Attached Bond Document	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 9,815 GR		22. APPROXIMATE DATE WORK WILL START: 7/1/2006	23. ESTIMATED DURATION: 30 days	

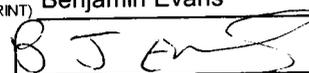
PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
17 1/2"	13 3/8"	J-55	61#	500	Premium "G"	420 sks	1.25 cuft/sk	14.2 ppg
12 1/4"	8 5/8"	J-55	36#	3,450	Lead: Prem. Lite	320 sks	3.82 cuft/sk	11 ppg
					Tail: 50/50 Poz	755 sks	1.25 cuft/sk	14.2 ppg
7 7/8"	5 1/2"	J-55	17#	7,250	Lead: Prem. Lite	496 sks	3.82 cuft/sk	11 ppg
					Tail: 50/50 Poz	275 sks	1.25 cuft/sk	14.2 ppg

ATTACHMENTS

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

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) Benjamin Evans TITLE Landman
SIGNATURE  DATE 5/19/06

(This space for State use only)

API NUMBER ASSIGNED: 43-015-30680

APPROVAL:

RECEIVED
MAY 22 2006

DIV. OF OIL, GAS & MINING

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases
Ridge Runner #1-30

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Estimated Tops/Geologic Markers

The estimated tops of important geologic markers are as follows:

<u>Name</u>	<u>TVD</u>	<u>TD</u>	<u>Production Phase</u>
Top of Emery	1875ft	1849ft	Gas
Top of Blue Gate	3100ft	3413ft	Gas
Top of Ferron	5319ft	6350ft	Gas
TD	6019ft	7276ft	

2. Estimated Depth of Oil, Gas Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Ferron	5319'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sand will be reported to the BLM in Moab, Utah. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. BOP Equipment

Marion Energy Inc's minimum specifications for pressure to control equipment are as follows:

Ram Type: 11" Hydraulic double, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approve stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 60 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 40-day intervals

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers (if used) shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., and individual components shall be operable and designed. Chart recorders shall be used for all pressure tests.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log. Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request. Pressure tests shall apply to all related well control equipment.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The Price River Resource Area Office shall be notified, at least 24 hours prior to initiating the pressure test, in order to have a BLM representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 11", 3000 psi working pressure blowout preventor.
 - b. A choke line and a kill line are to be properly installed. The kill line is not to be used as a fill-up line.
 - c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
 - d. Drill string safety valve(s), to fit all tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.
4. Casing and Cementing Program
- a. The proposed casing and cementing program shall be conducted as approved to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth shall be based on all relevant factors, including; presence/absence of hydrocarbons; fractured gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported
 - b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
 - c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)

- d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
- e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
- f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
- g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
- h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
- i. Three centralizers will be run on the bottom three joints of surface casing with a minimum of one centralizer per joint starting with the shoe joint.
- j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolate the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
- k. All casing strings below the conductor shall be pressured tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not to exceed 70 percent of the minimum internal yield. If pressure declines more than 10 percent in 30 minutes, corrective action shall be taken.
- m. On all exploratory wells, and on that portion of any well approved for 5M BOPE system or greater, a pressure integrity test of each casing shoe shall be performed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
- n. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>New or Used</u>
Surface	0-500'	17 1/2"	13 3/8"	61#	J-55	ST&C	New
Intermed.	0-3450'	12 1/4"	8-5/8"	36#	J-55	LT&C	New
Produc.	0-7250'	7 7/8"	5-1/2"	17#	J-55	LT&C	New

- o. Casing design subject to revision based on geologic conditions encountered.

- p. Please refer to DOGM Form 3 for the Cement program associated with this well.
- q. The price River Resource Area Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.
- r. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- s. The following reports shall be filed with the District Manager within 30 days after the work is completed.
 - 1. Progress reports, Form 3160-5 (formerly 9-331) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature of bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- t. Auxiliary equipment to be used is as follows:
 - 1. Kelly cock
 - 2. No bit float is deemed necessary.
 - 3. A sub with a full opening valve.

5. Mud Program

- a. The purpose circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-500'	Spud Mud				
500-3450'	LSND	8.8-9.2	32-40	8-15	---

3450'-T.D. Air/Foam N/A N/A N/A ---

There will be sufficient mud on location to control a blowout should one occur.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- b. Mud monitoring equipment to be used is as follows:
 - 1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing or completion operations.

6. Evaluation Program

The anticipated type of amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if DST's are run, the following requirements will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DSTs may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program will consist of a DIL-SFL-GR-SP and BHC Sonic_GR_CAL will be run from surface to 5710'. A DIL-SFL-GR-SP,

ASPN-LDT-DR-CAL, Digital Dipole shear Sonic-GR-CAL and FMI-GR will be run from 5710' to T.D.

- c. 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 no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. 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. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).
- d. The anticipated completion program is as follows:

Perforate Ferron w/ 3-3/8" casing gun @ 6 jspf using 23 gram charges. Break down formation with 2000 gallons of Formic acid. Fracture stimulate formation w/ 25# Cross linked x-Linked Gel and 200,000lbs of 16/30 mesh sand.

1. Anticipated Pressures and H,S

- a. The expected bottom hole pressure is 1200 psi. Low pressures are anticipated.
- b. No hydrogen sulfide gas is anticipated.

2. Other Information and Notification Requirements

- a. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, not later than 5 days following the date on which the well is placed on production.
- b. Production data shall be reported to the MMS pursuant to 30 CFR 216.5 using form MMS/3160.
- c. The data on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or the date on which gas is first measured through permanent metering facilities, whichever first occurs.

- d. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- e. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or the operator shall be required to compensate the lesser for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.
- f. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 and Onshore Order No.3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- g. Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that “not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed.”

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109 (3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

- h. Drilling will commence on approximately June 30, 1996 to avoid winter operations within the forest.
- i. It is anticipated that the drilling of this well will take approximately 30 days.
- j. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be

suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

- k. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.
- l. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, and application for approval of the permanent disposal method, along with the required water analysis and other information must be submitted to the District Engineer.
- n. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the SO> A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative or the appropriate Surface Managing Agency.

Surface Use Plan
Mid-Power Resource Corporation
Ridge Runner #1-30

Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located approximately 15 miles south of Scofield, Utah.
- b. Directions to the location from Scofield, Utah are as follows:

From Scofield proceed south on Highway 96 for approximately 2.8 miles. Turn west onto the Eccles Canyon Road (Highway 264) and proceed 4.1 miles. Turn left onto the Forest Service Road (#018) and proceed through a gate and then in a southeasterly direction for approximately 8 miles. Turn right onto the new access road and continue 0.1 miles to the location.
- c. For location of access roads see Maps A & B.
- d. Top map A is the vicinity map showing the access route from Scofield, Utah.
- e. Topo map B shows the proposed access road to each well. It also shows existing roads in the immediate area
- f. Improvement to the existing Forest Service Road will require upgrading as specified by the Forest Service.
- g. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- h. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.
- i. Road use permit # 0410-03-13 which expires June 1st 2006 is currently being renewed/extended. Maintenance of the access road will be conducted according to conditions outlines in the referenced road use permit.

2. Planned Access Roads

- a. The last 7.1 miles of access road will be upgraded to accommodate rig traffic. The road will have a subgrade of 14 feet with a running surface of 12 feet. Four inches of gravel will be placed on portions of the access road.
- b. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location

- a. Water wells – non
- b. Injection wells – none
- c. Producing wells – none
- d. Drilling wells – none
- e. Shut-in wells – Ridge Runner #11-20 & #13-17 (See Location Map L-1)
- f. For reference please see topo map B

4. Location of Tank Batteries and Production Facilities

- a. All permanent structures (onsite for six months or longer) constructed or installed (including pump jacks) will be painted a neutral color to blend with the surrounding environment. The proposed color for this site is Juniper Green unless otherwise stipulated by the Forest Services. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.
- b. If storage facilities/tank batteries are constructed on this lease, the facility/battery or the wellpad shall be surrounded by a containment dike or sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. All loading lines will be placed inside the berm surrounding the tank battery
- d. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced. All buried pipelines shall be

covered to a depth of 3ft except at road crossings where they shall be covered to a depth of 4ft.

- e. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil and Gas Order No. 4 for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.
- f. A production facility diagram is attached showing placement of all proposed production facilities. (See survey outline A-3)
- g. Any necessary pits will be properly fenced to prevent any wildlife entry.
- h. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- i. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- j. The road will be maintained in a safe useable condition.
- k. 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.
- l. The area used to contain the proposed production facilities will be built using native materials. If these materials are not acceptable, then other arrangements will be made to acquire them from private sources. These facilities will be constructed using bulldozers, graders, and workman crews to construct and place the proposed facilities.

5. Location and Water Supply

- a. Any water to be used for the drilling of this well will be from the Price River Water Improvement District (an adjudicated industrial water source) and transported by a local trucking company (Nielson Construction).
- b. No water wells are to be drilled.

6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.

- b. No construction materials are needed for drilling operations. In the event of production, the small amount of gravel needed for facilities will be hauled in by truck from a local gravel pit over existing access roads in the area. No special access other than for drilling operations and pipeline construction is needed.
- c. The use of materials under BLM jurisdiction will conform with 43 CFR 3610.2.3. Construction material will not be located on lease.
- d. No construction materials will be removed from Federal land.
- e. All access roads crossing BLM land is shown on topo map B.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge. The reserve pit will be lined with a minimum 10mil plastic liner.
- b. The reserve pit will be constructed of sufficient size and capacity for the necessary fluids for drilling and to contain any runoff from the drill site. Pits will not be constructed within intermittent or perennial stream channels.
- c. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. Garbage and trash will be collected in a trash cage and its contents hauled to a sanitary landfill. All wastes caused by the construction activities shall be promptly removed and disposed of in a sanitary landfill or as directed by the company representative.
- d. The reserve pit will be constructed in undisturbed material and below the natural ground level.
- e. A minimum 2-foot freeboard will be maintained in the pit at all times during the drilling operation and the pit will be fenced during drilling and completion operations.
- f. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal sight.
- g. After first production, produced waste water will be confined to a unlined pit or storage tank for a period not to exceed ninety (90) days. During the 90-day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the AO's approval. Failure to file an

application within the time allowed will be considered an incident of noncompliance.

- h. Drill cuttings are to be contained and buried in the reserve pit.
- i. 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.
- j. Sewage will be placed in a portable chemical toilet or holding tank and disposed of in accordance with state and county regulations.
- k. The produced fluids (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.

8 Ancillary Facilities

There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. All cut and fill slopes will be such that stability can be maintained for the life of the activity. The upper edges of all cut banks on the access roads and well pads will be rounded. Cut and fill slopes will be constructed as follows:

<u>Height of Slope</u>	<u>Slope</u>
0-5 feet	3:1
6-10 feet	2:1
Over 10 feet	1-1/2:1

- b. All fills will be free from vegetative materials and will be compacted in lifts no greater than 12 inches in thickness to a minimum of 90 percent Proctor dry density sufficient to prevent excessive settlement.
- c. The working surface of the drill site will be surfaced with crushed gravel to a depth sufficient to support anticipated loads throughout the life of the well. Usually a depth of 12 inches of gravel is anticipated.
- d. A diversion ditch having the minimum dimensions of 3 feet horizontal to 1 foot vertical (3:1 ditch), will be constructed around the site to divert surface waters from flowing onto the site. The ditch will be located at the base of the cut slope and around the toe of the fill slopes (see Drawing No. 1 – Construction Requirements of Typical Well Sites). A straw dike will be constructed in the ditch outflow to trap any sediment produced from the raw slopes. A culvert will be necessary where the access road enters the site.

- e. A berm will be constructed around the perimeter of the site to contain all precipitation, spills, and other fluids from leaving the site. The berm will be a minimum of 18 inches high, 12 inches wide at the top, and having 1-1/2:1 side slopes. The site surface will be graded to drain to the reserve pit. The drainage pattern to be constructed will be modified for each site, depending on the site specific conditions.
- f. The reserve pit will be located on the east side of the location.
- g. The stockpiled topsoil (first six inches or maximum available) will be stored along the perimeter of the location as shown on the location plat.
- h. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills. (See attached Platt A-4)
- i. The location of mud tanks, reserve pit, trash cage, pipe racks, living facilities and soil stockpiles will be shown on the Location Layout.
- j. All pits will be fenced to prevent wildlife entry.
- k. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup. Reclamation will be undertaken no later than the fall of the year after all drilling activity has ceased.

10. Plans for Restoration of Surface

Dry Hole

- a. Rehabilitation of the entire site will be required and will commence immediately after the drilling is complete. The site will be restored as nearly practical to its original condition. Cut and fill slopes will be reduced and graded to conform to the adjacent terrain.
- b. Drainages will be reestablished and temporary measures will be required to prevent erosion to the site until vegetation is established.
- c. Generally speaking, the standpipe for well identifications will be removed on National Forest lands. A final determination will be made on a case-by-case basis.
- d. After final grading and before the replacement of topsoil, the entire surface of the site shall be scarified to eliminate slippage surfaces and to promote root penetration. Topsoil will then be spread over the site to achieve an

approximate uniform, stable thickness consistent with the established contours.

- e. A temporary fence will be constructed around the site until vegetation is established. The fence will then be removed.
- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment.

Producing Location

- a. Site reclamation for producing wells will be accomplished for portions of the site not required for the continued operation of the well. All disturbed surface will be treated to prevent erosion and to complement the esthetics of the area. A new site plan will be required encompassing the facilities required for operation and interim reclamation measures.
- b. Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- c. Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- d. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- e. At the end of drilling operations, drilling fluids will be hauled to an approved disposal site. All polluting substances or contaminated materials, such as oil, oil-saturated soil, and gravel, will be buried within a minimum of 2 feet of clean soil as cover or be removed from the Forest.
- f. Once the reserve pit is dry, the reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours.
- g. The cut and fill slopes and all other disturbed areas not needed for the production operation will be topsoiled and re-vegetated. The berm will be removed and the site graded to drain.
- h. The site will be seeded and/or planted as prescribed by the Forest Service. This prescription will be determined prior to site construction on a site specific basis. Nutrients and soil amendments will be applied to the redistributed surface soil later as necessary to meet the re-vegetation requirements. Fall seeding will be completed after September, and prior to prolonged ground frost.

- i. Annual or noxious weeds shall be controlled on all disturbed areas. Method of control shall be by approved mechanical method or an Environmental Protection Agency (EPA) registered herbicide. All herbicide application will be in cooperation with Forest Service personnel.

11. Surface Ownership

Access Roads – All roads are located within the Manti-La Sal National Forest. Portions of the access road are located on private lands.

Well Pad – The well pad is located on lands managed by the Manti-La Sal National Forest.

12. Other Information

- a. A Class III cultural resource inventory will be completed prior to disturbance by a qualified professional archaeologist.
- b. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator to:
 - i. whether the materials appear eligible for the National Register of Historic Places;
 - ii. the mitigation measures the operator will likely have to undertake before the site can be used (assuming the site preservation is not necessary); and
 - iii. a time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

- c. Less than 10,000 pounds of any chemical(s) from the EPA's Consolidated list of Chemicals Subject to Reporting Under Title III of the Superfund Amendments and Reauthorization Act (SARA) Of 1986, as defined in 40 CFR, would be used, produces, transported, stored, disposed, or associated with the proposed action.
- d. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- e. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.
- f. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.h.
- g. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.
- h. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expiration of the original approval period.
- i. The operator or his contractor shall contact the U.S. Forest Service at 801-637-2817 48 hours prior to construction activities.

13. Lessee's or Operator's Representative and Certification

Permit Matters

Marion Energy Inc./Mid-Power Resource Corp.
Keri Clarke
119 S. Tennessee Suite 200
McKinney, TX, 75069
(972)540-2967

Drilling & Completion Matters

Marion Energy Inc./Mid-Power Resource Corp.
2901 East 20th Street
Farmington, NM, 87402

Doug Endsley – V P Operations
(505)564-8005

Certification

I hereby certify that I, or Persons under my direct supervision, have inspected the proposed drill site and access rout; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Marion Energy Inc. and it's contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18.U.S.C. 1001 for the filing of a false statement.

5/10/06
Date

B J Endsley
Name

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

RECEIVED
FORM APPROVED OFFICE
OMB No. 1004-0137
Expires March 31, 2007

5. Lease Serial No. **USA-U-02353** JUL 17 P 2:07

6. If Indian, Allottee or Tribe Name

1a. Type of work: DRILL REENTER

7. If Unit or CA Agreement, Name and No.
Clear Creek Unit

1b. Type of Well: Oil Well Gas Well Other Single Zone Multiple Zone

8. Lease Name and Well No.
Ridge Runner #1-30

2. Name of Operator
Mid-Power Resource Corporation *Marion Energy Inc.*

9. API Well No.
43-015-30680

3a. Address **8290 W. Sahara #106 Las Vegas, NV 89117** *119 S. Tennessee St. McKinny, TX 75069* 3b. Phone No. (include area code) **(702) 838-0716** *972-540-2967*

10. Field and Pool, or Exploratory
Exploratory

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface **1719.25ft FWL 1502.88ft FSL /SW/4 Section 20 14S-7E**
At proposed prod. zone **700ft FEL 1095 FNL /NE/4 Section 30 14S-7E (Bottom Hole)**

11. Sec., T. R. M. or Blk. and Survey or Area
NESW 20 14S 7E

14. Distance in miles and direction from nearest town or post office*
Approx 5 miles South West of Clear Creek

12. County or Parish
Emery

13. State
UT

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any)
Surface 1719.25ft
Bottom Hole 1095ft

16. No. of acres in lease
2375.28

17. Spacing Unit dedicated to this well
40

18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.
Surface 20ft BH 2950'

19. Proposed Depth
6,050 ft

20. BLM/BIA Bond No. on file
See attached Bond Document

21. Elevations (Show whether DF, KDB, RT, GL, etc.)
9815' GR

22. Approximate date work will start*
07/15/2006

23. Estimated duration
30 Days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, must be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- 5. Operator certification
- 6. Such other site specific information and/or plans as may be required by the BLM.

25. Signature *BE*

Name (Printed/Typed)
Benjamin Evans

Date
07/14/2006

Title
Landman

Approved by (Signature) *[Signature]*

Name (Printed/Typed)

Date
8/1/06

Title
Assistant Field Manager, Division of Resources

Office
Division of Resources Moab Field Office

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, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

*(Instructions on page 2)

CONDITIONS OF APPROVAL ATTACHED

Accepted by the
Utah Division of
Oil, Gas and Mining
[Signature]

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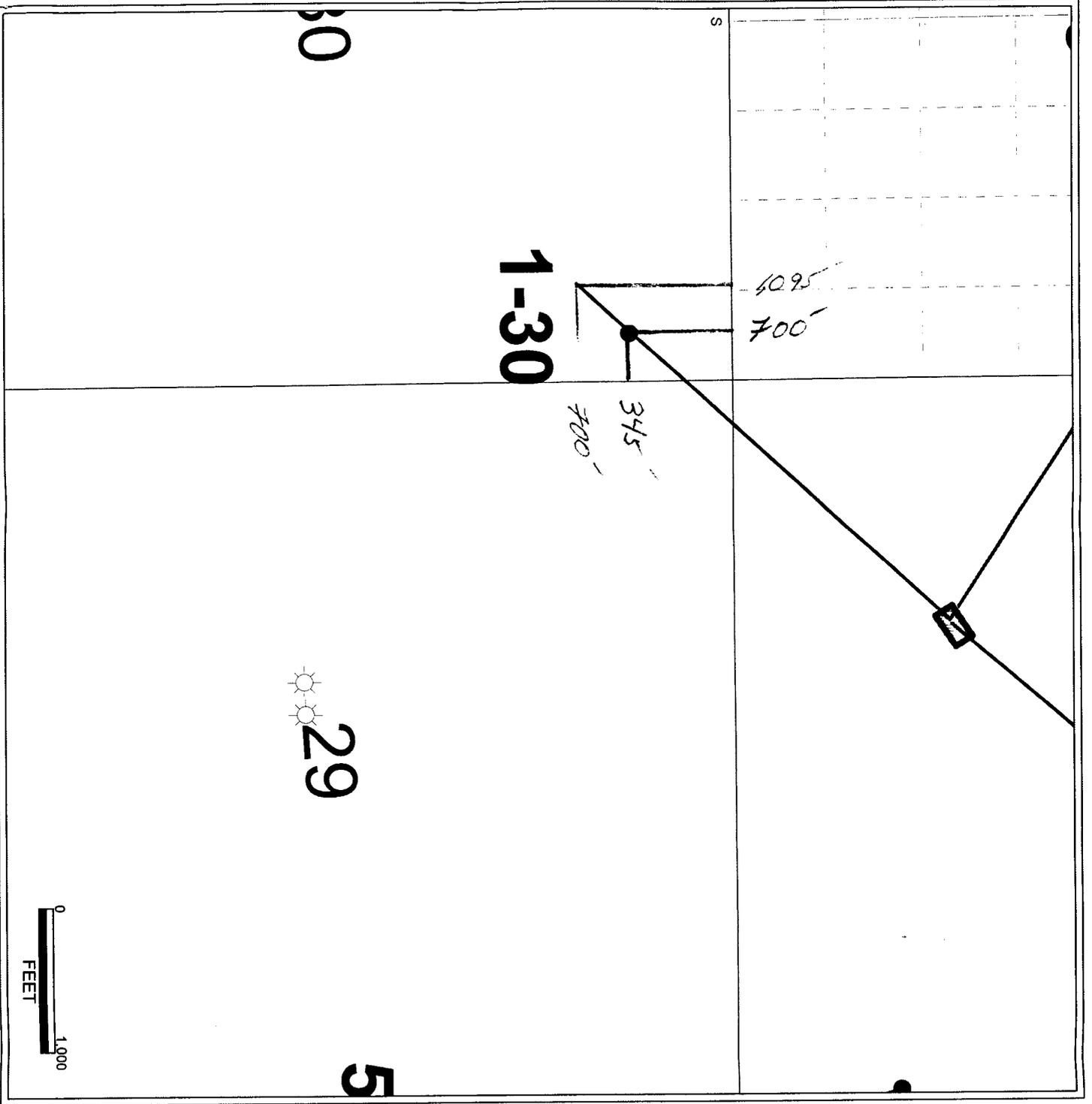
Ridge Runner #1-30
Footage Calls

Surface: 1719.25ft FWL 1502.88ft FSL /SW/4 Section 20 14S-7E

Ferron Point of Penetration: 345ft FEL 700ft FNL /NE/4 Section 30 14S-7E

Terminus (Bottom Hole): 700ft FEL 1095 FNL /NE/4 Section 30 14S-7E

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Marion Energy, Inc.

Ridge Runner No. 1-30

Clear Creek Unit

Lease, Surface: UTU-02353

Bottom-hole: UTU-02353

Location, Surface: NE/SW Sec. 20, T14S, R7E

Bottom-hole: NE/NE Sec. 30, T14S, R7E

(Located on the existing Ridge Runner #11-20 well pad with proposed wells #7-20 and #8-19)
Carbon 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 Marion Energy, Inc. 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 **UTB000179** (Principal – Marion Energy, Inc.) 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.

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A. DRILLING PROGRAM

1. The proposed 3M BOP system is adequate for anticipated conditions. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent approval from the State of Utah, Division of Oil, Gas & Mining (DOGM) is required before conducting any surface disturbing activities.
3. Surface casing shall be cemented to surface.
4. The intermediate casing shall be cemented into place such that the top-of-cement extends a minimum of 100 feet into the surface casing, leaving no annular space exposed to open-hole above the intermediate casing shoe. The top-of-cement shall be verified by a cement bond log (CBL), temperature survey or other appropriate tool for determining top-of-cement, unless cement is circulated to surface.
5. If logging reveals that the cementing objectives were not met, remedial cementing will be required.
6. The requirements for air drilling, found in Onshore Oil and Gas Order No. 2, part III, E (Special Drilling Operations), shall be followed. This section requires, at a minimum, the use of the following equipment not mentioned in the application:
 - Rotating Head
 - Spark arresters
 - Blooie line discharge 100 feet from wellbore
 - Straight blooie line
 - Deduster equipment
 - Float valve above bit
 - Automatic igniter on the blooie line
7. A directional survey shall be submitted within 30-days of reaching total depth of the well.

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B. SURFACE

1. The Forest must be notified 48 hours in advance that heavy equipment will be moved onto National Forest System lands and that surface disturbing activities will commence.
2. The Forest Service must be notified of any proposed alterations to the plan of operations. Any changes to the existing plan are subject to Forest Service review and approval.
3. The licensee/permittee/lessee must comply with all the rules and regulations of the Secretary of Agriculture set forth at Title 36, Chapter II, of the Code of Federal Regulations governing the use and management of the National Forest System (NFS) when not inconsistent with the rights and regulations must be complied with for (1) all use and occupancy of the NFS prior to approval of a permit/operation plan by the Secretary of the Interior, (2) uses of all existing improvements, such as Forest Development Roads, within and outside the area licensed, permitted or leased by the Secretary of the Interior, and (3) use and occupancy of the NFS not authorized by a permit/operating plan approved by the Secretary of the Interior.
4. All merchantable timber removed or destroyed by construction or other project related activities will be purchased by the operator at fair market value. The Forest Service will conduct a timber cruise and appraisal after the final clearing limits have been staked. Slash burning will be conducted only at locations approved by the Forest Service under authorization or a burning permit. Burning of garbage and debris is prohibited.
5. All accidents or mishaps resulting in resource damage and/or serious personal injury must be reported to the Forest Service as soon as possible.
6. Section corners, survey markers and claim corners in the project area must be located and flagged by the operator prior to operations. The removal or disturbance of identified markers must be approved by the proper authority.
7. All surface-disturbing activities, including reclamation, must be supervised by a qualified, responsible official or representative of the designated operator who is aware of the terms and conditions of the APD/SUPO and specifications in the approved plans.
8. In the event of a discovery, a revised surface-use plan must be submitted to the Forest Service showing all needed production facilities. Production facilities will be subject to further environmental analyses and approval by the Forest Service.
9. Establishment of campsites on the pad or at other locations on National Forest System lands by the operator or his contractors is subject to Forest Service approval.
10. Fire suppression equipment must be available to all personnel working at the project site. Equipment must include at least one hand tool per crew member consisting of shovels and pulaskis and one properly rated fire extinguisher per vehicle and/or internal combustion engine.
11. All gasoline, diesel, and steam-powered equipment must be equipped with an

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effective spark arrester or muffler. Spark arresters must meet Forest Service specifications discussed in the "General Purpose and Locomotive (GP/L) Spark Arrester Guide, Volume 1, April, 1988"; and "Multi-position Small Engine (MSE) Spark Arrester Guide, April, 1989". In addition, all electrical equipment must be properly insulated to prevent sparks.

12. Anschutz will be held responsible for damage and suppression costs for fires started as a result of operations. Fires must be reported to the Forest Service as soon as possible.
13. The Forest Service reserves the right to suspend operations during periods of high fire potential.
14. The Memorandum of Understanding with the State of Utah Air Conservation Committee will be implemented. This will assure project implementation activities meet the State and Federal Air quality standards.
15. Reclamation recontouring and reseeding of disturbed areas will be performed as soon as practicable (within the same drilling season).
16. Seeding will be performed using the certified seed mix listed below. The seed mixture must meet or exceed the pure live seed standards of the Utah Seed Law containing a maximum allowable weed content of less than 2 percent with no noxious weed species.

Species	Pounds/Acre
Mountain Brome - Bromus carinatus	2
Intermediate Wheatgrass - Agropyron intermedium	2
Orchard Grass - Dactylis glomerata	2
Perennial Ryegrass - Lolium perenne	2
Timothy - Phleum pratense	2
Yellow Sweet Clover - Melilotus officinalis	1
Cicer Milkvetch - Astragalus cicer	1/4
 TOTAL	 10-1/4

17. Revegetation will be considered successful when 90% of the pre-disturbance ground cover is re-established over the entire disturbed area. Adjacent undisturbed areas will be used as a base for comparison. Of the vegetative ground cover, at least 90% must consist of seeded or other desirable species. 90% ground cover must be maintained for three years. If the desired ground cover is not established at the end of each 3 year period, an analysis of why the area has not recovered will be performed by the operator and additional treatment and seeding will be required based on the results of the analysis.
18. An erosion and sediment control plan will be prepared as prescribed in the Soil and Water conservation practices Handbook. During operations the operator shall maintain seasonal erosion control structures.
19. All Topsoil must be stripped from areas to be disturbed and stockpiled for reclamation in such a way as to prevent soil loss and contamination.
20. Following completion of the project, the pad and project area must be

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recontoured to blend naturally with the surrounding area. Gravel will be salvaged and stockpiled in an area approved by the Forest Service.

21. The reserve pit must be dry before it is backfilled and reclaimed. Methods for drying the pit, other than natural evaporation, are subject to prior Forest Service approval.
22. The pad area must be fenced (let-down fence) and the project road must be adequately closed off to prevent continued use until the required reclamation standards are successfully achieved.
23. Livestock may be temporarily excluded from disturbed areas through fencing or other appropriate measures in critical sections.
24. The operator is responsible for maintenance of reclamation facilities such as fences, barricades and temporary drainage structures until the desired reclaimed conditions are achieved.
25. The operator shall submit for approval, a maintenance plan for the site, the project road and that portion of any Forest Development Road to be used for project access. A road-use permit must be obtained from the Forest Service authorizing commercial use of Forest Development Roads. Requirements listed in the road-use permit must be followed. In the event of a discovery, an updated maintenance plan will be required.
26. The pad and road designs must be consistent with Forest Service specifications as outlined in the Region 4 Oil and Gas Rooding Guidelines (Attachment 1) and the Manti-La Sal National Forest Oil and Gas Well Site Guidelines (Attachment 2) and are subject to Forest Service approval. No construction operations may begin prior to approval. Any modifications to approved plans are also subject to review and approval.
27. All vehicle traffic will stay on existing roads and new access routes. Unauthorized off-road vehicular travel is prohibited.
28. A pre-construction meeting including the responsible company representative(s), contractors, and the Forest Service must be conducted at the project site prior to commencement of surface-disturbing activities. The pad and road work must be construction-staked prior to this meeting. Site-specific requirements will be discussed at this time.
29. The operator must acquire appropriate permission to use roads not identified as Forest Development Roads.
30. The project engineer and surveyors must be certified by the State in which they reside or maintain their business.
31. A gate must be constructed on the pad access roads near the intersection with Forest Development Road 50018 to prevent public access to the pads. The gate must be locked at any time that the pad is unoccupied by company personnel. The gate design must be approved by the Forest Service.
32. Surface aggregate will be designed to be stable and meet wear requirements contained in Forest Service Specifications for Construction of Roads and Minor Drainage Structures, section 703.06.
33. Drill pads will be designed to prevent or diminish overland flow from entering the site during precipitation events. Pad sites will be sloped

to drain all spills and on-site precipitation into the reserve pits. If necessary, pits will be pumped out to reduce their content and insure that overflow does not occur. Fluids will be disposed of off-Forest at a Utah State approved disposal site.

34. The operator must take reasonable precautions when setting surface casing to prevent excessive migration of cement in fracture systems that could disrupt the flow and quality of water at springs in the vicinity of the well. Measures such as use of high-viscosity cement and non-polluting additives should be considered.
35. Water needed in support of operations must be properly and legally obtained according to Utah State water laws. The location of diversion, if on National Forest System lands, is subject to Forest Service approval.
36. Sanitary facilities are required on site at all times during operations. The installation of facilities other than self-contained chemical toilets is subject to State and Forest Service approval.
37. Unless otherwise specified in the Forest Service conditions for approval the Surface-Use Plan of Operations, contaminated soils and gravel in the project area and the contents of the reserve pit, including the liner material, will be removed from the National Forest and disposed of at an approved facility. Exceptions may be granted if the operator can demonstrate non-toxicity through testing or isolation through encapsulation.
38. Before construction, reconstruction, or operation activities can commence, the operator must file a spill contingency plan with the Forest Service. The plan must identify the potential for spills to occur, activities that could result in spills, substances that could be spilled, identify appropriate containment/cleanup actions, and identify equipment/materials to be maintained in vehicles and at the drilling pad to contain or neutralize spilled materials. The plan must identify potentially affected parties, required contacts, and time frames for cleanup in the event of a spill. The plan must be consistent with the United States Environmental Protection Agency Region VIII Oil and Hazardous Substances Regional Contingency Plan.
39. Anschutz will monitor water quality. Anschutz will develop and submit a water monitoring plan to be approved by the Forest Service. The plan will identify the monitoring objective(s), items to monitor, monitoring sites, methodology, frequency and duration, analysis and reporting procedures, projected costs, and monitoring responsibility. Project implementation will not be permitted until the monitoring plan is approved.
40. Sediment catchment structures will be added below critical construction areas to reduce sedimentation.
41. Livestock may be temporarily excluded from disturbed areas through let-down fencing or other appropriate measures in critical sections above Burnout and James Canyons.
42. Warning signs will be installed at the entrance to road construction or reconstruction projects, at the junction of Forest development roads and work roads, and near dispersed camp areas 1/4 mile from drilling operations to alert hunters and other Forest users to the presence of working equipment and crews.

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43. Drill rigs and heavy equipment shall NOT be transported in or out of the Trough Springs Ridge area on FDR 50018 during Federal and State holiday weekends. (For example, equipment may not be mobilized on a typical holiday weekend beginning noon on Friday through noon the following Tuesday.)
44. Drill rigs and heavy equipment shall NOT be transported in or out of the Trough Springs Ridge area on FDR 50018 during the opening days of the general elk hunt (on or about September 28 through October 2) and deer hunt (on or about October 14 through 17).
45. Road improvement and pad development activities will not begin until Monday, July 8th to avoid impacts to elk in their spring ranges.
46. Anschutz will construct a traffic barrier, obliterate, and reseed nonsystem roads not needed for future management adjacent to the Trough Springs Road. Approximate miles to be improved include nonsystem ridgeline roads leading into North and South Hughes Canyons (0.25 miles each) and a loop road at the head of Valentine Canyon (0.5 miles). Forest Service will supply and install sign posts to inform the public of road closure.
47. Anschutz shall repair watershed contour furrows damaged during exploration operations as approved by the Forest Service.
48. Drilling operations shall be coordinated with grazing permittees.
49. Gates must be closed after entry unless otherwise specified.
50. Anschutz will be held responsible for all damage to fences, cattleguards, resource improvements, roads, and other structures on National Forest System lands which result from their operations. The Forest Service must be notified of damages as soon as possible.
51. Harassment of livestock and wildlife is prohibited.
52. The operator will assure (certify) all drilling equipment, vehicles, and all fill materials, including road aggregate imported to National Forest System lands for the purpose of construction, operation, and maintenance of the roads and pads must be free of noxious weeds and seeds prior to entering upon Forest Service lands. The operator will be held responsible for control of noxious weed infestations within areas they disturb ie. drill pads and roads.
53. Straw, hay, or feed used on the National Forest's of Utah must be certified weed-free by the State of Utah.
54. Surveys for new goshawk nesting territories will be conducted in areas of suitable habitat the year prior to and during implementation. The operator will be notified of the results of the surveys with any special requirements for protecting them, if any are present.
55. If cultural or paleontological resources are found during implementation of the project, operations will immediately cease at that location and the District Ranger will be notified. Unauthorized excavation, removal, or damage of archaeological resources is subject to fines and other penalties under authority of the Archaeological Resources Protection Act (ARPA) of

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C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Notify the Forest Service, Ferron Ranger District Office at least 48-hours prior to commencing construction of location.

Spud- Notify the BLM Price Field Office 24-hours prior to spud. Submit written notification (Sundry Notice, Form 3160-5) to the BLM Moab Field Office within 24-hours after spud, regardless of whether using a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports that describe the progress and status of the well shall be submitted to the BLM Moab Field Office on at least a weekly basis. This report may be in any format customarily used by the operator.

Oil and Gas Operations Reports (OGORs)- Production from this well shall be reported to Minerals Management Service (MMS) on a monthly basis.

Sundry Notices- Any modification to the proposed drilling program shall be submitted to the BLM Moab Field Office on a Sundry Notice (Form 3160-5). Regulations at 43 CFR 3162.3-2 describe which operations require prior approval, and which require notification.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the BLM 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, immediately notify the Forest Service, Ferron Ranger District Office, and work that might disturb the cultural resources shall cease.

First 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 Forest Service, Ferron Ranger District Office.

Notify the BLM Moab Field Office when the well is placed into production. Initial notification may be verbal, but must be confirmed in writing within five business days. Please include the date production started, the producing formation and production volumes.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, a *Well Completion or Recompletion Report and Log* (Form 3160-4) shall be submitted to the BLM Moab Field Office within thirty-days after completion of the well. 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 BLM Moab Field Office.

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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 BLM Moab Field Office. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered to be shut-in until the gas can be captured or until approval to continue the venting/flaring pursuant to NTL-4A is granted. Compensation shall be due for gas that is vented/flared without approval.

Produced Water- An application for approval of a permanent disposal method and location will be submitted to the BLM 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 BLM Moab Field Office for off-lease measurement, off-lease storage and/or commingling of production prior to the sales measurement point. The term "commingling" describes both the combining of production from different geologic zones and/or combining production from different leases or agreement areas.

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

A "Subsequent Report of Abandonment" (Sundry Notice, Form 3160-5) will be filed with the BLM 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 Forest Service, Ferron Ranger District Office.

TABLE 1

NOTIFICATIONS

Notify Tom Lloyd (435-636-3596) of the Forest Service, Ferron Ranger District; or Walton Willis (435-636-3662) of the BLM Price Field Office for the following:

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

1 day prior to spud; (Willis)

50 feet prior to reaching the surface casing setting depth; (Willis)

3 hours prior to testing BOP equipment. (Willis)

If the person at the above number cannot be reached, notify the BLM Moab Field Office at 435-259-2100.

Well abandonment operations require 24-hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained from:

Eric Jones, Petroleum Engineer

Office: 435-259-2117

Home: 435-259-2214

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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:
~~Clear Creek Unit~~ **U-02353**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
Clear Creek Unit

8. WELL NAME and NUMBER:
Ridge Runner 1-30

9. API NUMBER:
4301530680

10. FIELD AND POOL, OR WILDCAT:
Clear Creek Unit

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Marion Energy, Inc.

3. ADDRESS OF OPERATOR:
119 S. Tennessee CITY McKinney STATE TX ZIP 75069 PHONE NUMBER: (972) 540-2967

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **1508' FSL, 1719' FWL**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NESW 20 14S 7E**

COUNTY: **Emery**
STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: 1 Year APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Marion Energy Inc. is requesting a one year extension of its APD for the Ridge Runner 1-30, API Number 4301530680. We are requesting this because of the availability of rigs.

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: 05-14-07
By: [Signature]

COPY SENT TO OPERATOR
Date: 5-14-07
Initials: em

NAME (PLEASE PRINT) Scott Jacoby TITLE Associate Landman
SIGNATURE [Signature] DATE 4/23/2007

(This space for State use only)

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**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4301530680
Well Name: Ridge Runner 1-30
Location: NESW Sec 20 T14S R7E
Company Permit Issued to: Mid Power Resource Corporation
Date Original Permit Issued: 4/26/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes No

Has the approved source of water for drilling changed? Yes No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No

Is bonding still in place, which covers this proposed well? Yes No


Signature

4/23/2007
Date

Title: Associate Landman

Representing: Marion Energy, Inc.

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APR 24 2007

DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

USU-U-02353

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

Clear Creek Federal Unit

8. WELL NAME and NUMBER:

Ridge Runner #1-30

9. API NUMBER:

4301530680

10. FIELD AND POOL, OR WILDCAT:

Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL

OIL WELL

GAS WELL

OTHER _____

2. NAME OF OPERATOR:

Marion Energy, Inc.

3. ADDRESS OF OPERATOR:

119 S. Tennessee

CITY

McKinney

STATE

TX

ZIP

75069

PHONE NUMBER:

(972) 540-2967

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1502.88' FSL 1719.25 FWL**

COUNTY: **Carbon**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **SW 20 14S 7E**

STATE:

UTAH

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

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

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

Marion Energy Inc. Will be moving a Drilling Rig onto the Ridge Runner #1-30 Pad Location at the earliest of Wednesday August 1, 2007

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JUL 31 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Scott Jacoby

TITLE Associate Landman

SIGNATURE *Scott Jacoby*

DATE 7/31/2007

(This space for State use only)

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
 USU-U-02353

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:
 Clear Creek Unit

8. WELL NAME and NUMBER:
 Ridge Runner 1-30

9. API NUMBER:
 4301530680

10. FIELD AND POOL, OR WILDCAT:
 Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
 Marion Energy, Inc.

3. ADDRESS OF OPERATOR: PHONE NUMBER:
 119 S. Tennessee CITY McKinney STATE TX ZIP 75069 (972) 540-2967

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 1502.88ft FSL 1719.25ft FWL COUNTY: Carbon

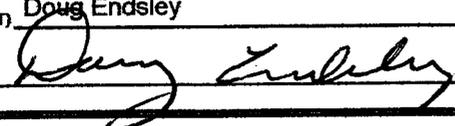
CITRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 20 14S 7E STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Moved in Pete Martin Drilling and set and cemented 40' of 20" conductor. This sundry will serve as spud notification on this well

NAME (PLEASE PRINT) Doug Endsley TITLE VP Operations

SIGNATURE  DATE 8/3/2007

(This space for State use only)

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AUG 10 2007

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MARION ENERGY, INC

Well Name: RIDGE RUNNER 1-30

Api No: 43-015-30680 Lease Type: FEDERAL

Section 20 Township 14S Range 07E County EMERY

Drilling Contractor UNIT DRILLING RIG # 132

SPUDDED:

Date 09/11/07

Time _____

How DRY

Drilling will Commence: _____

Reported by R L TATMAN

Telephone # _____

Date 09/11/07 Signed CHD

ENTITY ACTION FORM

Operator: Marion Energy Inc. Operator Account Number: N 2740
Address: 119 S. Tennessee, Ste. 200
city McKinney
state TX zip 75069 Phone Number: (972) 540-2967

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4301530680	Ridge Runner #1-30		NESW	20	14S	7E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>AB</i>	99999	<i>2550</i>	9/11/2007		<i>10/31/07</i>		
Comments: <i>FRSD BHL = Sec 30 NESW</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4300731229	Kenilworth Railroad #1 SWD		SWSE	16	13S	10E	Carbon
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
<i>A</i>	99999	<i>16456</i>	10/9/2007		<i>10/31/07</i>		
Comments: <i>WINGT</i>							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

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

Benjamin Evans

Name (Please Print)

Benjamin Evans

Signature

Landman

10/31/2007

Title

Date

(5/2000)

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OCT 31 2007

DIV. OF OIL, GAS & MINING

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 15, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 3	
TOTAL DEPTH 530'	Rot. Hrs 2	cum Rot. Hrs 14.5	FOOTAGE DRILLED 0'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" 54.5# J-55 Surface		SET @ 435' RKB	Report No. 5
ACTIVITY AT REPORT TIME Test BOPE						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS Welder Had Problems Getting Well Head Welded							KB TO GL. 15

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	6:30	0.50	Rig Up Cementers Held Safety Meeting
6:30			Cmt 10-jts 435' STC 54.5# J-55 13-3/8" Csg W/ 560sks Class G-Cmt 1.15 yeild 5gal/sk H2O 5bbl Cmt
0:00	7:30	1.00	Returned To Surface Bumped Plug @ 650psi Floats Held
7:30	9:00	1.50	Rig Down Cementers
9:00	13:00	4.00	WOC/ Cut Off Rotating Head, Conductor Pipe, & 13-3/8" Csg
13:00	15:30	2.50	Weld ON Well Head
15:30	16:30	1.00	Let Well Head Cool Off/ Test Well Head Failed @700psi
16:30	18:00	1.50	Reweld Well Head/ Test Well Head Failed @ 400psi
18:00	19:00	1.00	Test Upper & Lower Kelly Valve, FOSV Valve, Inside BOP Valve, High 3000psi 10min Low 250psi 5min
19:00			Install Koomy Remote, Test Back To Pumps Demco Vlave ON Stand Pipe Leaking/ Replace Demco On
0:00	22:30	3.50	On Standpipe And Test Back To Pumps @ 2000psi
22:30	23:00	0.50	Work On Blewie Lines & Flare Lines To Cement Burn Pod
23:00	2:15	3.25	Pre-Heat & Weld On Well Head/ Test Well Head To 1700psi
2:15	3:00	0.75	Prep & Lift Stack Review JSA
3:00	3:30	0.50	Set Stack On Well Head
3:30	6:00	2.50	Nipple Up BOP

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	0.00	FUEL USED	280 Gallons	Boiler Hours	NA	UP	
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours		1500 In	0 Out	DOWN	
TOTAL DAYWORK	24.00	Total H2O used on well & road		1500 Barrels		ROTATE	

MUD RECORD		MUD MATERIALS USED			BIT RECORD	
DEPTH		NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	2	
TIME			Poly Plus	SIZE	12 1/4"	
WEIGHT			Fed Seal	MFG	Smith	
VIS			AL. Sterate	TYPE	PDC	
WL			DAPP	TFA		
PV/YP			Fed-Zan	JET		
MBT			K-600	SERIAL NO.		
CA			Fed 744	DEPTH OUT		
GELS			Duragel	DEPTH IN	530'	
ALK			C-325	TOTAL FEET		
pH			Max Gel	HRS	0.00	
CAKE			Cotton seed hulls	T/B/G		
CL			DAILY COST	WT. ON BIT		
DAPP			PREVIOUS COST	RPM		
%SOLIDS			CUMULATIVE COST	ROP(fph)		

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DIV. OF OIL, GAS & MINING

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
			MAKE	Nat	Nat		
			MODEL	8P80	8P80		
			STROKE	8.50	8.50		

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 17, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 5	
TOTAL DEPTH 620'	Rot. Hrs 2.5	curr Rot. Hrs 17	FOOTAGE DRILLED 90'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" STC 54.5# J-55 Surface		SET @ 435' RKB	Report No. 7
ACTIVITY AT REPORT TIME Drill Actual						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS							KB TO GL. 15

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	9:00	3.00	Weld & Bold Flow Line Together/ Nipple Up Rotating Head, Kill Line, & Fill Up Line
14:00	14:00	5.00	PU BHA & Directional Tools/ Scribe Dir. Tools
14:00	15:30	1.50	LD 9-Jts HWDP
15:30	16:00	0.50	Install Rotating Head Rubber
16:00	16:30	0.50	Kelly Up And Tag Cmt @ 367'
16:30	17:00	0.50	Rig Repair/ Replace Grease Cert In Kelly Swivel
17:00	17:30	0.50	Drill Cmt 367'-389'/Drill Float Collar @ 389'-390'/ Drill Cmt 390'-424'
17:30	19:30	2.00	Drill Plugged Bit TOOH/ Bit Plugged With Cmt
19:30	20:30	1.00	Unplug Bit
20:30	22:00	1.50	TIH
22:00	23:30	1.50	Drill Cmt/ 424'-435'/ Drill Float Shoe 435-437'
23:30	0:00	0.50	Drill Fill/ 437'-452'
0:00	2:30	2.50	Rig Repair/Kelly Spinner Bearing Locked Up/ Take Off Motors & Turn Buckles
2:30	3:30	1.00	Drill Fill/452'-530'
3:30	6:00	2.50	Drill Actual/ 530'-620'

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	3.00	FUEL USED	574 Gallons	Boiler Hours	NA	UP	47
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours		0 In	0 Out	DOWN	46
TOTAL DAYWORK	21.00	Total H2O used on well & road		0	Barrels	ROTATE	43

MUD RECORD		MUD MATERIALS USED			BIT RECORD		
DEPTH		NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	2		
TIME			Poly Plus	SIZE	12 1/4"		
WEIGHT			Fed Seal	MFG	Smith		
VIS			AL. Sterate	TYPE	PDC		
WL			DAPP	TFA	1.33		
PV/YP			Fed-Zan	JET	3-18/3-16		
MBT			K-600	SERIAL NO.	MI616VSPX		
CA			Fed 744	DEPTH OUT	620'		
GELS			Duragel	DEPTH IN	530'		
ALK			C-325	TOTAL FEET	90		
pH			Max Gel	HRS	2.50		
CAKE		DIV. OF OIL, GAS & MINING	Cotton seed hulls	T/B/G			
CL			DAILY COST	WT. ON BIT	5-8k		
DAPP			PREVIOUS COST	RPM	60/100		
%SOLIDS			CUMULATIVE COST	ROP(fph)	36.0		

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	12.25 PDC Bit	1.30	MAKE	Nat	Nat	465'	0.5/358.6
1	NB Stabilizer	7.20	MODEL	8P80	8P80		
1	Mud Mtr	25.12	STROKE	8.50	8.50		

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 18, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 6	
TOTAL DEPTH 1269'	Rot. Hrs 20	cum Rot. Hrs 37	FOOTAGE DRILLED 649'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" STC 54.5# J-55 Surface		SET @ 435' RKB	Report No. 8
ACTIVITY AT REPORT TIME Drill Actual						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS						KB TO GL. 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	11:00	5.00	Drill Actual/ 620'-884'
11:30	11:30	0.50	Survey/MWD Tool Not Sending Signal
11:30	15:00	3.50	Drill Actual/ 884'-1067'
15:00	15:30	0.50	Circulate & Condition Well Bore For TOOH For MWD Failure
15:30	16:00	0.50	Rig Service
16:00	17:00	1.00	TOOH For MWD Tool
17:00	18:00	1.00	Pull MWD Tool/ 12 Missing Bo-Springs/ Found 10-Bo-Springs On Top Of Float IN Mud Mtr.
18:00	19:30	1.50	TIH
19:30	20:00	0.50	Wash & Ream/ 1025'-1067'
20:00	22:30	2.50	Sliding/ 1067'-1082'/ Rotating/ 1082'-1105'
22:30	23:00	0.50	Switch Over To Aeriated Fluid Due To Vibrations On MWD Tool
23:00			Sliding/ 1105'-1120'/ Rotating/ 1120'-1130'/ Sliding/ 1130'-1145'/ Rotating/ 1145'-1160'
	2:00	3.00	Sliding/ 1160'-1175'/ Rotating/ 1175'-1178'
2:00	2:30	0.50	Rig Repair/ Swap Rod Clamp Fell Off #1 Mud Pump/ #2 Mud Pump Clutch Will Not Engage
2:30			Rotating/ 1178'-1191'/ Sliding/ 1191'-1206'/ Rotating/ 1203'-1222'/ Sliding/ 1222'-1237'/
	6:00	3.50	Rotating/ 1237'-1254'/ Sliding/ 1254'-1269'

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	0.50	FUEL USED	1442 Gallons	Boiler Hours	NA	UP	83
Hrs. Mob./Demob	0.00	Bbbs. Water hauled last 24 hours		540 In	0 Out	DOWN	76
TOTAL DAYWORK	23.50	Total H2O used on well & road		0	Barrels	ROTATE	79

MUD RECORD		MUD MATERIALS USED		BIT RECORD	
DEPTH		NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	2
TIME			Poly Plus	SIZE	12 1/4"
WEIGHT			Fed Seal	MFG	Smith
VIS			AL. Sterate	TYPE	PDC
WL			DAPP	TFA	1.33
PV/YP			Fed-Zan	JET	3-18/3-16
MBT			K-600	SERIAL NO.	TX1676
CA			Fed 744	DEPTH OUT	1269'
GELS			Duragel	DEPTH IN	530'
ALK			C-325	TOTAL FEET	739'
pH			Max Gel	HRS	20.00
CAKE			Cotton seed hulls	T/B/G	
CL			DAILY COST	WT. ON BIT	8-12K
DAPP			PREVIOUS COST	RPM	60/100
%SOLIDS			CUMULATIVE COST	ROP(fph)	37.0

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	12.25 PDC Bit	1.30	MAKE	Nat	Nat	465'	0.5/358.6
1	NB Stabilizer	7.20	MODEL	8P80	8P80	558'	0.5/19.2
1	Mud Mtr	25.12	STROKE	8.50	8.50	650'	0.5/45
1	Check Sub	13.75	BITTED SIZE	6.25	6.25	740'	0.5/56.60

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DIV. OF OIL, GAS & MINING

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 19, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 7	
TOTAL DEPTH 1900'	Rot. Hrs 21.5	cum Rot. Hrs 58.5	FOOTAGE DRILLED 631'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" STC 54.5# J-55 Surface		SET @ 435' RKB	Report No. 9
ACTIVITY AT REPORT TIME Drill Actual						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS						KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	6:30	0.50	Drill Actual/ 1269'-1287'
6:30	7:00	0.50	Survey
7:00			Drill Actual/ Rotating/ 1287'-1318'/ Sliding/ 1318'-1331'/ Rotating/ 1331'-1350'/ Sliding/ 1350'-1361'
			Rotating/ 1361'-1381'/ Sliding/ 1381'-1393'/ Rotating/ 1393'-1413'/ Sliding/ 1413'-1425'/ Rotating/ 1425'-1444'
	12:00	5.00	Sliding/ 1444'-1456'/ Rotating/ 1456'-1476'
12:00	12:30	0.50	Rig Service
12:30	13:30	1.00	Drill Actual/ Sliding/ 1476'-1488'/ Rotating/ 1488'-1507'
13:30	14:00	0.50	Survey
14:00			Drill Actual/ Sliding/ 1507'-1519'/ Rotating/ 1519'-1538'/ Sliding/ 1538'-1550'/ Rotating/ 1550'-1570'
			Sliding/ 1570'-1582'/ Rotating/ 1582'-1633'/ Sliding/ 1633'-1648'/ Rotating/ 1648'-1664'/ Sliding/ 1664'-1679'
			Rotating/ 1679'-1694'/ Sliding/ 1694'-1709'/ Rotating/ 1709'-1727'/ Sliding/ 1727'-1740'/ Rotating/ 1740'-1759'
	0:30	10.50	Sliding/1759-1771'/Rotating1771'-1790'
0:30	1:00	0.50	Survey
1:00	5:00	4.00	Drill Actual/ Sliding/ 1790'-1805'/ Rotating/ 1805'-1829'/ Sliding/ 1829'-1844'/ Rotating/ 1844'-1885'
5:00	5:30	0.50	Survey
5:30	6:00	0.50	Drill Actual/ Sliding/ 1885'-1900'

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	0.00	FUEL USED	1759 Gallons	Boiler Hours	NA	UP	103
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours		180 In	0 Out	DOWN	100
TOTAL DAYWORK	24.00	Total H2O used on well & road		0	Barrels	ROTATE	98

MUD RECORD		MUD MATERIALS USED			BIT RECORD	
DEPTH		NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	2	
TIME			Poly Plus	SIZE	12 1/4"	
WEIGHT			Fed Seal	MFG	Smith	
VIS			AL. Sterate	TYPE	PDC	
WL			DAPP	TFA	1.33	
PV/YP			Fed-Zan	JET	3-18/3-16	
MBT			K-600	SERIAL NO.	TX1676	
CA			Fed 744	DEPTH OUT	1900'	
GELS			Duragel	DEPTH IN	530'	
ALK			C-325	TOTAL FEET	1370'	
pH			Max Gel	HRS	41.50	
CAKE			Cotton seed hulls	T/B/G		
CL			DAILY COST	WT. ON BIT	12-18K	
DAPP			PREVIOUS COST	RPM	60/100	
%SOLIDS			CUMULATIVE COST	ROP(fph)	33.0	

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DIV. OF OIL, GAS & MINING

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	12.25 PDC Bit	1.30	MAKE	Nat	Nat	1223'	4.7/213.1
1	NB Stabilizer	7.20	MODEL	8P80	8P80	1316'	6.9/222.3
1	Mud Mtr	25.12	STROKE	8.50	8.50	1411'	8.7/225.4
1	Check Sub	12.75	TURNER SIZE	6.25	6.25	1505'	11.1/223.5

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 20, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 8	
TOTAL DEPTH 2460'	Rot. Hrs 22	cum Rot. Hrs 78.5	FOOTAGE DRILLED 560'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" STC 54.5# J-55 Surface		SET @ 435' RKB	Report No. 10
ACTIVITY AT REPORT TIME Drill Actual						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS						KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00			Drill Actual/ Rotating/ 1900'-1916'/ Sliding/ 1916'-1931'/ Rotating/ 1931'-1947'/ Sliding/ 1947'-1959'
			Rotating/ 1959'-1979'/ Sliding/ 1979'-1994'/ Rotating/ 1994'-2010'/ Sliding/ 2010'-2025'/ Rotating/ 2025'-2041'
	12:00	6.00	Sliding/ 2041'-2056'/ Rotating/ 2056'-2072'/ Sliding/ 2072'-2087'
12:00	12:30	0.50	Survey
12:30	14:00	1.50	Drill Actual/ Rotating/ 2087'-2105'/ Sliding/ 2105'-2110'/ Rotating/ 2110'-2134'
14:00	14:30	0.50	Rig Service
14:30			Drill Actual/ Rotating/ 213'-2220'/ Sliding/ 2220'-2227'/ Rotating/ 2227'-2231'/ Sliding/ 2231'-2246'
	19:00	4.50	Rotating/ 2246'-2260'
19:00	19:30	0.50	Survey
19:30	23:00	3.50	Drill Actual/ Sliding/ 2260'-2275'/ Rotating/ 2275'-2291'/ Sliding/ 2291'-2307'/ Rotating/ 2307'-2354'
23:00	23:30	0.50	Survey
23:30			Drill Actual/ Sliding/ 2354'-2357'/ Rotating/ 2357'-2386'/ Sliding/ 2386'-2400'/ Rotating/ 2400'-2417'
	6:00	6.50	Sliding/ 2417'-2424'/ Rotating/ 2424'-2460'

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	0.00	FUEL USED	1943 Gallons	Boiler Hours	NA	UP	110
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours		90 In	0 Out	DOWN	90
TOTAL DAYWORK	24.00	Total H2O used on well & road		0	Barrels	ROTATE	106

MUD RECORD		MUD MATERIALS USED		BIT RECORD	
DEPTH	2072	NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	2
TIME	11:00	4	Poly Plus	SIZE	12 1/4"
WEIGHT	8.4		Fed Seal	MFG	Smith
VIS	28	1	AL. Sterate	TYPE	PDC
WL		230	DAPP	TFA	1.33
PV/YP		7	Fed-Zan	JET	3-18/3-16
MBT			K-600	SERIAL NO.	TX1676
CA	20		Fed 744	DEPTH OUT	2460'
GELS			Duragel	DEPTH IN	530'
ALK	0.0/0.4		C-325	TOTAL FEET	1930'
pH	7		Max Gel	HRS	63.50
CAKE			Sawdust	T/B/G	
CL	1,200		DAILY COST	WT. ON BIT	12-18K
DAPP	6.0		PREVIOUS COST	RPM	60/100
%SOLIDS	0.00		CUMULATIVE COST	ROP(fph)	30.4

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	12.25 PDC Bit	1.30	MAKE	Nat	Nat	1882'	19.20/222.40
1	NB Stabilizer	7.20	MODEL	8P80	8P80	2006'	22.90/220.60
1	Mud Mtr	25.12	STROKE	8.50	8.50	2101'	25.00/217.80
1	Shock Sub	12.75	STROKE	6.25	6.25	2165'	24.40/217.00

Marion Energy inc.

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DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creak		DATE September 21, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 9	
TOTAL DEPTH 2671	Rot. Hrs 12.5	cum Rot. Hrs 93	FOOTAGE DRILLED 211'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" STC 54.5# J-55 Surface		SET @ 435' RKB	Report No. 11
ACTIVITY AT REPORT TIME TIH						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS Outer Guage & Cutters Wore Out On Bit #2 Would Not Slide/ TOOH						KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	6:30	0.50	Work On Fuel Lines For Air Package
6:30			Drill Actual/ Sliding/ 2460'-2465'/ Rotating/ 2465'-2481'/ Sliding/ 2481'-2493'/ Rotating/ 2493'-2512'
	11:00	4.50	Sliding/ 2512'-2521'/ Rotating/ 2521'-2543'
11:00	11:30	0.50	Survey
11:30	15:30		Drill Actual/ Sliding/ 2543'-2559'/ Rotating/ 2559'-2575'/ Sliding/ 2575'-2590'/ Rotating/ 2590'-2606'
	15:30	4.00	Sliding/ 2606'-2620'/ Rotating/ 2620'-2622'
15:30	16:30	1.00	Repair Leak In Flow Line
16:30	20:30	4.00	Drill Actual/ Rotating/ 2622'-2637'/ Sliding/ 2637'-2657'/ Rotating/ 2657'-2669'/ Sliding/ 2669'-2671'
20:30	21:30	1.00	Circulate Btms. Up & Clean Well Bore
21:30	23:00	1.50	TOOH For Bit #2
23:00	0:00	1.00	Rig Service
0:00	0:30	0.50	Replace Kelly Spinners
0:30	1:00	0.50	TOOH For Bit #2
1:00	4:30		Dir. Work/ LD MWD Tool/ Pony Monel/ Air Mtr/ 12-1/8" Stabilizer/ Break Bit/ PU Air Mud Mtr Would Not
	4:30	3.50	Break To Set At 2.12/ LD Air Mud Mtr/ PU Mud Mtr Set At 2.12/ MU Bit/ PU MWD/ Scribe
4:30	6:00	1.50	TIH W/ Bit #3

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	0.50	FUEL USED	1100 Gallons	Boiler Hours	NA	UP	110
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours		90 In	0 Out	DOWN	90
TOTAL DAYWORK	23.50	Total H2O used on well & road		0	Barrels	ROTATE	106

MUD RECORD		MUD MATERIALS USED		BIT RECORD		
DEPTH	2671	NO. OF SACKS/LBS		BIT NO.	2	3
TIME	21:00		2	SIZE	12 1/4"	12 1/4"
WEIGHT	8.4			MFG	Smith	Reed
VIS	28		1	TYPE	PDC	
WL			160	TFA	1.33	1.325
PV/YP			3	JET	3-18/3-16	3 - 24'S
MBT		RECEIVED		K-600	SERIAL NO.	TX1676
CA	15			Fed 744	DEPTH OUT	2671'
GELS		SEP 27 2007		Duragel	DEPTH IN	530'
ALK	0.0/0.25			C-325	TOTAL FEET	2141
pH	7	DIV. OF OIL GAS & MINING		Max Gel	HRS	78.50
CAKE				Sawdust	T/B/G	1-CT-3-CT-BC-2
CL	1,400			DAILY COST	\$5,188.00	WT. ON BIT
DAPP	9.0			PREVIOUS COST	\$8,640.00	RPM
%SOLIDS	0.00			CUMULATIVE COST	\$13,828.00	ROP(fph)
						28.2

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	12.25 PDC Bit	1.30	MAKE	Nat	Nat	2448'	29.5/214.10
1	Mud Mtr	27.59	MODEL	8P80	8P80	2541'	30.9/213.5
1	Shock Sub	13.75	STROKE	8.50	8.50		

Marion Energy inc.

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McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 22, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	days from spud 10	
TOTAL DEPTH 3039'	Rot. Hrs 14.5	cum Rot. Hrs 107.5	FOOTAGE DRILLED 368'	LAST CASING SIZE, WEIGHT, GRADE 13-3/8" STC 54.5# J-55 Surface		SET @ 435' RKB	Report No. 12
ACTIVITY AT REPORT TIME Drill Actual						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS Washed & Reamed Last 240' To Btm						KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	8:00	2.00	TIH W/ Bit #3/ Install Rotating Head Rubber & Break Down 5-jts
8:00	9:00	1.00	Reaming/ 2058'-2130'
9:00	10:00	1.00	TIH W/ Bit #3/ 2529'/ Tight Hole Lay Down 6-Jts
10:00	14:00	4.00	Reaming/ 2529'-2671'
14:00	14:30	0.50	Rig Service
14:30			Drill Actual/ Rotating/ 2671'-2695'/ Sliding/ 2695'-2715'/ Rotating/ 2715'-2727'/ Sliding/ 2727'-2747'
	20:00	5.50	Rotating/ 2747'-2758'/ Sliding/ 2758'-2777'/ Rotating/ 2777'-2788'/ Sliding/ 2788'-2809'/ Rotating/ 2809'-2818'
20:00	20:30	0.50	Survey
20:30			Drill Actual/ Sliding/ 2818'-2831'/ Rotating/ 2831'-2851'/ Sliding/ 2851'-2871'/ Rotating/ 2871'-2886'
	1:30	5.00	Sliding/ 2886'-2906'/ Rotating/ 2906'-2913'
1:30	2:00	0.50	Survey
2:00	6:00		Drill Actual/ Rotating/ 2913'-2918'/ Sliding/ 2913'-2938'/ Rotating/ 2938'-2950'/ Sliding/ 2950'-2970'
	6:00	4.00	Rotating/ 2970'-3039'

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	0.00	FUEL USED	1100 Gallons	Boiler Hours	NA	UP	110
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours	540	In	0	DOWN	90
TOTAL DAYWORK	24.00	Total H2O used on well & road	0	Barrels		ROTATE	106

MUD RECORD		MUD MATERIALS USED			BIT RECORD	
DEPTH	2671	NO. OF SACKS/LBS		PRODUCT NAME	BIT NO.	3
TIME	12:00		1	Poly Plus	SIZE	12 1/4"
WEIGHT	8.4			Fed Seal	MFG	Reed
VIS	28			AL. Sterate	TYPE	Insert
WL			40	DAPP	TFA	1.325
PV/YP			2	Fed-Zan	DET	3-24'S
MBT				K-600	SERIAL NO.	LD6458
CA	10			Fed 744	DEPTH OUT	3039'
GELS				Duragel	DEPTH IN	2671'
ALK	0.0/0.2			C-325	TOTAL FEET	368'
pH	7		4	Max Gel	HRS	14.50
CAKE				Sawdust	T/B/G	
CL	1,200	DAILY COST		\$1,963.00	WT. ON BIT	38-45K
DAPP	7.5	PREVIOUS COST		\$13,828.00	RPM	60/100
%SOLIDS	0.00	CUMULATIVE COST		\$15,791.00	ROP(fph)	25.4

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DRILLING ASSEMBLY			PUMP DATA				DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth	
1	12.25 PDC Bit	1.30	MAKE	Nat	Nat	2634'	32.50/213.30	
1	Mud Mtr	27.59	MODEL	8P80	8P80	2727'	33.70/211.50	
1	Shock Sub	13.75	STROKE	8.50	8.50	2822'	35.90/210.90	
1	Pony NMDC	9.89	LINER SIZE	6.25	6.25	2918'	38.30/211.70	
1	Sick NMDC	31.10	SPM	65				

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office

P.O. Box 45155

Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:

3160

(UT-922)

October 4, 2007

Memorandum

To: Assistant Field Office Manager Resources,
Moab Field Office

From: Michael Coulthard, Petroleum Engineer

Subject: 2007 Plan of Development Clear Creek Unit
Carbon County, Utah.

Pursuant to email between Eric Jones, Moab Field office, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the wells surface and or bottom hole locations have been modified. The following are the new locations (see our April 25, 2006 and July 18, 2006 memos for previous locations).

API#	WELL NAME	LOCATION
43-015-30680	Ridge Runner 1-30 Sec 20	T14S R07E 1514 FSL 1736 FWL
	BHL Sec 30	T14S R07E 1315 FNL 0172 FEL
43-015-30682	Ridge Runner 8-19 Sec 19	T14S R07E 1513 FSL 1735 FWL
	BHL Sec 19	T14S R07E 2926 FSL 1292 FEL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Clear Creek Unit
Division of Oil Gas and Mining
Central Files
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:10-4-07

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 26, 2007
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 14
TOTAL DEPTH 3940'	Rot. Hrs 0	cum Rot. Hrs 138	FOOTAGE DRILLED 0	LAST CASING SIZE, WEIGHT, GRADE 9 5/8" STC 36# J-55		SET @ 3934.11' RKB
ACTIVITY AT REPORT TIME Trip in hole to drill out.					REPORTED BY Richard L Tatman	
REMARKS Bumped Plug @ 01:30 with 350 psi over FCP of 550 psi @ 3 Bpm					KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	12:00	6.00	Runing 9 5/8" casing from Surface to 3900' tag up tag up on soft fill with 20,000 (set down wt)
12:00	14:00	2.00	Rig up circulating swedge, and fill pipe, break circulation (no returns with 320 gpm) work pipe
14:00	15:00	1.00	Make up Landing mandrel and landing joint / Wash down casing From 3900 to 3934'
15:00	18:00	3.00	Circulate casing with no returns / rig down casers, Rig up cementers,
18:00	19:00	1.00	Big 4 Cement truck cemented up on last job, unable to do the job with this truck / Call for new truck.
19:00	23:00	4.00	Circulate Casing slowly and wait on Pump truck / Rig up pump truck / 5 min. Prejob safety meeting
23:00	1:30	2.50	Pump Cement and displace with Pit water.(300 bbls.) cement as per below
1:30	2:00	0.50	Rig down Cementers.
2:00			Break out landing joint, change out elevators pick up 1 jt. DP and set secondary pack off ring and test to
	4:00	2.00	1500 PSI For 15 min.
4:00	6:00	2.00	Pick up Directional tools and Scribe
Shoe set at 3934.11' RKB / Float set at 3890.61' RKB			
Cement Specifications: Lead Slurry: 500sx with 16% gel, 3% salt, 3 #/sx GR3, 1/4 sx flocele, 10#/sx			
Gisonite @ 11 ppg with a yeild of 3.82			
Tail slurry : 450 sx 50/50 poz10% salt Bwow, 1/4 #/sx flocele @ 14.52 ppg with a yeild of 1.31			
Pumped 600 bbls ahead with some returns, no returns during job Bumped plug with 300 psi over circulating pressure of 550 psi. Plug down at : 01:30			

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS			STRING WT	
Hrs. Rig Repair	0.00	FUEL USED	336 Gallons	Boiler Hours	NA	UP
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours	1080 In		0 Out	DOWN
TOTAL DAYWORK	24.00	Total H2O used on well & road	0 Barrels			ROTATE

MUD RECORD		MUD MATERIALS USED		BIT RECORD	
DEPTH	3882	NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	5 RR
TIME	12:00		Poly Plus	SIZE	8 3/4
WEIGHT	8.3+		Fed Seal	MFG	Smith
VIS	27		AL Sterate	TYPE	M 516LKHPX
WL			DAPP	TFA	1.63
PV/YP			Fed-Zan	JET	3x20/2x18/2x13
MBT			K-600	SERIAL NO.	JW3042
CA	15		Fed 744	DEPTH OUT	
GELS			Duragel	DEPTH IN	3940'
ALK	0.0/0.15		C-325	TOTAL FEET	2239'
pH	7		Max Gel	HRS	54.50
CAKE			Sawdust	T/B/G	
CL	900	DAILY COST		WT. ON BIT	
DAPP	6.0	PREVIOUS COST	\$22,276.00	RPM	
%SOLIDS	0.00	CUMULATIVE COST	\$22,276.00	ROP(fph)	

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DRILLING ASSEMBLY			PUMP DATA		DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH
1	BIT	1.00	MAKE	Nat	Nat	
1	MOTOR	27.75	MODEL	8P80	8P80	
1	PONY NMDC	10.02	STROKE	8.50	8.50	
1	SLICK NMDC	30.04	LINER SIZE	6.25	6.25	
						Inclination / Azimuth

Marion Energy inc.

119 S Tennessee, Ste
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DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creek		DATE September 28, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 16	
TOTAL DEPTH 4768	Rot. Hrs 13.5	cum Rot. Hrs 157	FOOTAGE DRILLED 556'	LAST CASING SIZE, WEIGHT, GRADE 9 5/8" STC 36# J-55		SET @ 3934.11' RKB	Report No. 19
ACTIVITY AT REPORT TIME Directional Drilling @ 4768'						REPORTED BY Richard L Tatman	
REMARKS Drilling / rotating 70' Then 20' corrective slide every 90'						KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	9:30	3.50	Lay down tools and clean out plugged directional tools and pick up directional tools and scribe / Trip in hole
9:30	10:00	0.50	Kelly up test motor and make sure pumps are running right.
10:00	11:00	1.00	Lubricate rig / inspect Drum and remove line guide.
11:00	13:00	2.00	Trip in hole to 4150'
13:00	13:30	0.50	Instal rotating head
13:30	14:00	0.50	Lay down 1Jt and wash to bottom
14:00	15:30	1.50	Rig repairs / work on # 1 pump motor.
15:30	16:30	1.00	Circulate Unload hole with 1200 cfm
16:30	6:00	13.50	Directional Drilling 8 3/4" From 4212' to 4768' with 1800 cfm then 2400 cfm 20' corrective slides every 70'
<div style="border: 1px solid black; padding: 5px; width: fit-content; margin: 0 auto;"> <p style="margin: 0;">RECEIVED</p> <p style="margin: 0;">OCT 10 2007</p> <p style="margin: 0;">DIV. OF OIL, GAS & MINING</p> </div>			

Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	9.50	FUEL USED	704/344 Gallons	Boiler Hours	NA	UP	137,000
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours		300 In	0 Out	DOWN	97,000
TOTAL DAYWORK	14.50	Total H2O used on well & road		0	Barrels	ROTATE	127,000

MUD RECORD		MUD MATERIALS USED		BIT RECORD	
DEPTH	4153	NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	5 RR
TIME	17:00		Poly Plus	SIZE	8 3/4
WEIGHT	8.5		Fed Seal	MFG	Smith
VIS	28		AL. Sterate	TYPE	M 516LKHPX
WL			DAPP	TFA	1.63
PV/YP			Fed-Zan	JET	3x20/2x18/2x13
MBT			K-600	SERIAL NO.	JW3042
CA	140		Fed 744	DEPTH OUT	4768'
GELS			Duragel	DEPTH IN	3940'
ALK	.2/1.8		C-325	TOTAL FEET	828
pH	9		Max Gel	HRS	19.00
CAKE			Sawdust	T/B/G	
CL	1,600	DAILY COST		WT. ON BIT	5-15
DAPP	1.0	PREVIOUS COST	\$22,276.00	RPM	75/65
%SOLIDS	0.00	CUMULATIVE COST	\$22,276.00	ROP(fph)	43.6

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	BIT	1.00	MAKE	Nat	Nat	4006'	33.2 / 213.4
1	MOTOR	27.75	MODEL	8P80	8P80	4099'	34.30 / 214.4
1	PONY NMDC	10.02	STROKE	8.50	8.50	4192'	35.4 / 216.4
1	SLICK NMDC	30.04	LINER SIZE	6.25	6.25	4285'	37.20 / 216.3

Marion Energy inc.

119 S Tennessee, Ste
McKinney, Texas 75069

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creak		DATE September 30, 2007	
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 18	
TOTAL DEPTH 6303'	Rot. Hrs 8	cum Rot. Hrs 188.5	FOOTAGE DRILLED 439'	LAST CASING SIZE, WEIGHT, GRADE 9 5/8" STC 36# J-55		SET @ 3934.11' RKB	Report No. 20
ACTIVITY AT REPORT TIME TIH With Bit #6						REPORTED BY C.E. Crow/ R. M. Crow	
REMARKS						KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	14:00		Drill Actual/ Sliding/ 5864'-5978'/ Rotating/ 5978'-6115'/ Sliding/ 6115'-6135'/ Rotating/ 6135'-6210'
	14:00	8.00	Sliding/ 6210'-6240'/ Rotating/ 6240'-6303'
14:00	15:00	1.00	Circulate Wellbore Clean
15:00	15:30	0.50	Survey
15:30	16:00	0.50	Circulate After Survey To Equalize Annulus
16:00	20:00	4.00	TOOH
20:00	21:00	1.00	Break Bit/ LD Mud Mtr/ Change O-Ring Rotating Head
21:00	21:30	0.50	Make Up Bit/ MU Mud Mtr/ Instal MWD Tool
21:30	23:00	1.50	TIH With Bit #6
23:00	0:00	1.00	Rig Repair/ Install Crown O Matic Control
0:00	1:30	1.50	TIH With Bit #6 To 4076'
1:30	4:00	2.50	Install Rotating Head Rubber/ Kelly Up/ Break Circulation/ Break Kelly/ Blow Down Kelly/ Set Back Kelly
4:00	6:00	2.00	TIH With Bit #6

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Total Hours	24.00	FUEL AND WATER USE / BOILER HOURS				STRING WT	
Hrs. Rig Repair	1.00	FUEL USED	827/540 Gallons	Boiler Hours	NA	UP	158K
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours	1300	In	0	DOWN	110K
TOTAL DAYWORK	23.00	Total H2O used on well & road	0	Barrels		ROTATE	138K

MUD RECORD		MUD MATERIALS USED		BIT RECORD		
DEPTH	4829'	NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	6	5 RR
TIME	7:00	2	Poly Plus	SIZE	8 3/4"	8 3/4
WEIGHT	8.4		Fed Seal	MFG	Security	Smith
VIS	28		AL. Sterate	TYPE	EBX526SR	M 516LKHPX
WL		160	DAPP	TFA	Open	1.63
PV/YP			Fed-Zan	JET	Open	3x20/2x18/2x13
MBT			K-600	SERIAL NO.	10874724	JW3042
CA	20		Fed 744	DEPTH OUT		6303'
GELS			Duragel	DEPTH IN	6303'	3940'
ALK	.0/1.3		C-325	TOTAL FEET		2363'
pH	7		Max Gel	HRS		50.50
CAKE			Sawdust	T/B/G		
CL	1,500	DAILY COST	\$4,312.00	WT. ON BIT		10-20
DAPP	4.0	PREVIOUS COST	\$22,276.00	RPM		65/85
%SOLIDS	0.00	CUMULATIVE COST	\$26,588.00	ROP(fph)		46.8

DRILLING ASSEMBLY			PUMP DATA			DEVIATION RECORD	
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	BIT	1.00	MAKE	Nat	Nat	5881'	44.20/209.80
1	MOTOR	22.83	MODEL	8P80	8P80	5976'	47.10/211.60
1	PONY NMDC	10.02	STROKE	8.50	8.50	6069'	46.10/211.80
1	SLICK NMDC	30.04	LINER SIZE	6.25	6.25	6164'	45.00/209.70

Marion Energy inc.

119 S Tennessee, Ste
Mckinney, Texas 75069

T145 R07E S-26

43-015-30688

DAILY DRILLING REPORT

LEASE NAME & WELL NO. Ridge Runner 1-30				FIELD Clear Creak		DATE October 4, 2007
RIG NAME AND NUMBER Unit Drilling Corp. Rig 132				COUNTY Emery	STATE Utah	Days from spud 22
TOTAL DEPTH 7050'	Rot. Hrs 0	cum Rot. Hrs 214.8	FOOTAGE DRILLED 0	LAST CASING SIZE, WEIGHT, GRADE 9 5/8" STC 36# J-55		SET @ 3934.11' RKB
ACTIVITY AT REPORT TIME Laying Down Drill String					Report No. 24	
REMARKS Hole Stuffing & Running Sands					REPORTED BY C.E. Crow/ R. M. Crow	
					KB TO GL 15	

TIME LOG			ACTIVITY DETAIL
FROM	TO	HOURS	
6:00	7:00	1.00	Cut & Slip 120' Drilling Line
7:00	8:30	1.50	TIH To 4000'
8:30	9:30	1.00	P/U Kelly & Break Circulation
9:30	10:30	1.00	TIH 10-Stds To 5000' Break Circulation
10:30	11:00	0.50	Rig Service
11:00	11:30	0.50	Rig Repair/ Replace Rotary Chain
11:30	13:00	1.50	TIH 10-Stds TO 6000' Break Circ./ TIH 10-Stds To 6870' Break Circ.
13:00	15:30	2.50	Wash & Ream Last 180' To Btm/ 6870'-7050'
15:30	17:00	1.50	Circulate Btms Up/ Circ. Well Bore Clean For Laying Down Drill String
17:00	18:00	1.00	RIG Up Lay Down Crew/ Safety Meeting Rig Personnel & Lay Down Crew
18:00	18:30	0.50	Lay Down 3-Jts Drill Pipe/ Hole Stuffing In/ Work Tight Hole
18:30	19:00	0.50	Break Circ/ Clean Up Hole/ Est. Returns Hole Freed Up
19:00	19:30	0.50	Set Back Kelly & Blow Down/ Tight Hole Pulling 80-90K Over String Wt.
19:30	22:00	2.50	Kelly Up/ Est. Returns/ Pump Soap Sweeps/ Hole Cleaned Up
22:00	0:00	2.00	Set Back Kelly/ Lay Down 3-Jts Drill Ppe/ Hole Pulling Tight/ Hole Stuffing/ Pulling 100k Over String Wt.
0:00	3:00	3.00	Condition Mud/ Pump Gel & Poly Sweeps/ Hole Cleaned Up/ Unloaded Sluffing & Running Sand
3:00	6:00	3.00	Lay Down Drill String

Total Hours	23.50	FUEL AND WATER USE / BOILER HOURS			STRING WT	
Hrs. Rig Repair	0.50	FUEL USED	840/800 Gallons	Boiler Hours	NA	UP 187K
Hrs. Mob./Demob	0.00	Bbls. Water hauled last 24 hours	200		0 Out	DOWN 114K
TOTAL DAYWORK	24.00	Total H2O used on well & road	200		Barrels	ROTATE 131K

MUD RECORD		MUD MATERIALS USED		BIT RECORD	
DEPTH	7050'	NO. OF SACKS/LBS	PRODUCT NAME	BIT NO.	7
TIME	10:00		Poly Plus	SIZE	8 3/4"
WEIGHT	8.3+		Fed Seal	MFG	Reed
VIS	28		AL. Sterate	TYPE	HP 53
WL			Pac-R	TFA	Open
PV/YP			Myacide	JET	Open
MBT			Hulls	SERIAL NO.	DA3768
CA	20		Magma Fiber	DEPTH OUT	
GELS			Duragel	DEPTH IN	7050'
ALK	0.0/2.4		C-325	TOTAL FEET	0
pH	7		Max Gel	HRS	0.00
CAKE			Sawdust	T/B/G	
CL	2,600	DAILY COST	\$0.00	WT. ON BIT	
DAPP	5.0	PREVIOUS COST	\$49,434.00	RPM	DIV. OF OIL, GAS & MINER
%SOLIDS	TR.	CUMULATIVE COST	\$49,434.00	ROP(fph)	

RECEIVED
OCT 12 2007

DRILLING ASSEMBLY			PUMP DATA				
NO.	DESCRIPTION	LENGTH - FT	PUMP NO.	1	2	DEPTH	Inclination / Azimuth
1	BIT	1.00	MAKE	Nat	Nat	6841'	43.90/207.90
4	6" DC	123.51	MODEL	8P80	8P80	6936'	42.90/208.00
9	HWDP	277.33	STROKE	8.50	8.50	7008'	41.90/208.30
1	JARS HMJ	29.74	LINER SIZE	6.25	6.25		

NOTICE

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

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

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

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

Operator: Marion Energy, Inc Today's Date: 02/14/2008

Well: API Number: Drilling Commenced:

See Attachment

43 OIS 30680
RIDGE RUNNER I-30
14S 7E 2D

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

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

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

cc: Well File
Compliance File

Well:		API Number:	Commenced:
Cordingly Cyn 10-1	drlg rpts/wcr	4300731173	05/19/2006
Ballpark Cyn 17-2	drlg rpts/wcr	4300731169	05/30/2006
Alpine School Dist 6-17	drlg rpts/wcr	4300731181	06/26/2006
Alpine School Dist 3-17	drlg rpts/wcr	4300731182	06/26/2006
Kenilworth RR 15-4	drlg rpts/wcr	4300731170	07/05/2006
Kenilworth RR 9-1	drlg rpts/wcr	4300731172	07/06/2006
Ridge Runner 2-19	wcr	4301530684	08/10/2006
Ridge Runner 2-18	drlg rpts/wcr	4301530683	08/12/2006
Ridge Runner 8-19	drlg rpts/wcr	4301530682	08/13/2007
Ridge Runner 1-30	drlg rpts/wcr	4301530680	09/11/2007

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: USU-U-02353
2. NAME OF OPERATOR: Marion Energy, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069		7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1487 ft FSL 1695 ft FWL 1514 1736 20 QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SW 18 14S 7E		8. WELL NAME and NUMBER: Ridge Runner 1-30
PHONE NUMBER: (972) 540-2967		9. API NUMBER: 4301530680
COUNTY: Carbon Emery		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

NAME (PLEASE PRINT) <u>Charlotte Parker</u>	TITLE <u>Secretary</u>
SIGNATURE <u>Charlotte Parker</u>	DATE <u>4/4/2008</u>

(This space for State use only)

RECEIVED
APR 14 2008
DIV. OF OIL, GAS & MINING

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

RECEIVED

MAY 27 2008

AMENDED REPORT FORM 8
(highlight changes)

DIV. OF OIL, GAS & MINING

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
USU-U-02353

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
Clear Creek Unit

8. WELL NAME and NUMBER:
Ridge Runner 1-30

9. API NUMBER:
4301530680

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SW 10 14S 7E
ZO

12. COUNTY
Emery

13. STATE
UTAH

1a. TYPE OF WELL: OIL WELL GAS WELL DRY OTHER _____

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

2. NAME OF OPERATOR:
Marion Energy, Inc.

3. ADDRESS OF OPERATOR:
119 S. Tennessee #200 CITY **McKinney** STATE **TX** ZIP **75069** PHONE NUMBER: **(972) 540-2967**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: ~~1487 ft FSL 1695 ft FWL~~ **1514 fsl 1736 fwl**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **1487 ft FSL 1695 ft FWL**
AT TOTAL DEPTH: **1487 ft FSL 1695 ft FWL** **1338 fsl 1111 fel** *per D&D*

14. DATE SPUDDED: **9/13/2007** 15. DATE T.D. REACHED: **10/6/2007** 16. DATE COMPLETED: **2/16/2008** ABANDONED READY TO PRODUCE *review*

17. ELEVATIONS (DF, RKB, RT, GL):
9815 GR

18. TOTAL DEPTH: MD **7,048.50** TVD **5831** 19. PLUG BACK T.D.: MD **7,028** TVD **5821** 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)
DIL, CNL, FDC, CBL

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
17 1/4"	13 3/8 K55	54.50	0	540					
12 1/4"	9 5/8 J-55	36#	0	3,891		5050Po: 950		Surface	
12 1/4"	7" N-80	23#	0	7,028	5,885	5050Po: 230 PremLit 655		Surface	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	6,800							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron	6,378	6,930			6,476 6,664	.43	208	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input checked="" type="checkbox"/>

27. PERFORATION RECORD

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6476-6514	Frac'd w/ 750 gals 15% HCL, 40,000 # 20/40 sd & 37,386 gals Amborgel 1020
6566-6664	Frac'd w/ 750 gals 15% HCL, 50,000 # 20/40 sd & 44,200 gals Amborgel 1020

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

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

30. WELL STATUS:
P

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 4/22/2008		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL – BBL: 0	GAS – MCF: 300	WATER – BBL: 220	PROD. METHOD: Pump
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 300	WATER – BBL: 220	INTERVAL STATUS: SI	

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.)

Vented

33. SUMMARY OF POROUS ZONES (Include Aquifers):

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

34. FORMATION (Log) MARKERS:

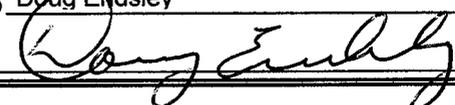
Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Bluegate	6,159	6,378	Shale Sand, Gas, & Water Shale	Bluegate	6,159
Ferron	6,378	6,930		Ferron	6,378
Tunuck	6,930			Tunuck	6,930

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) Doug Endsley

TITLE VP Operations

SIGNATURE 

DATE 3/20/2008

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

MARION ENERGY, INC.

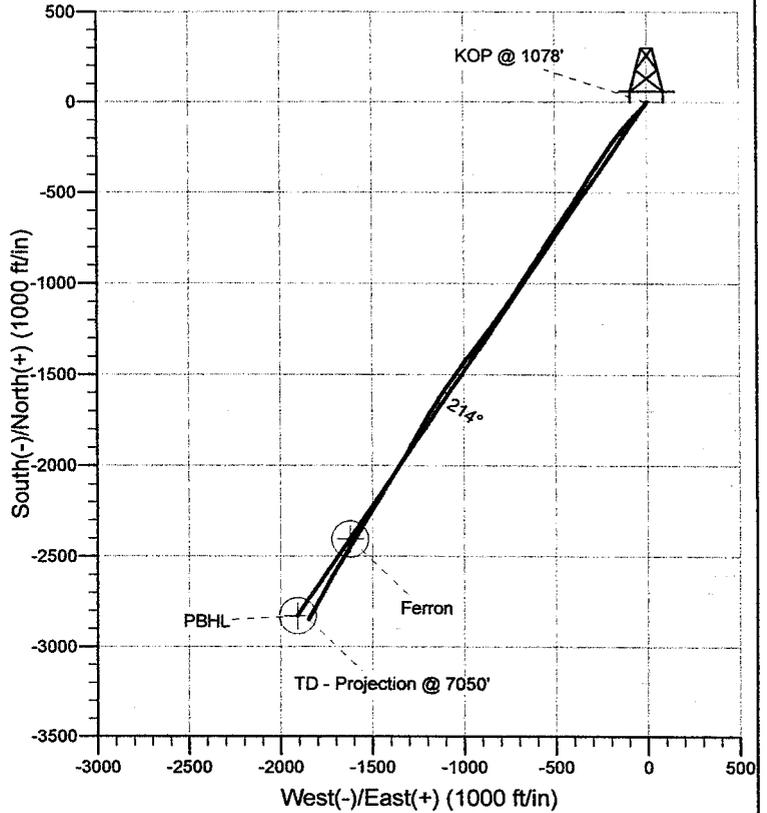
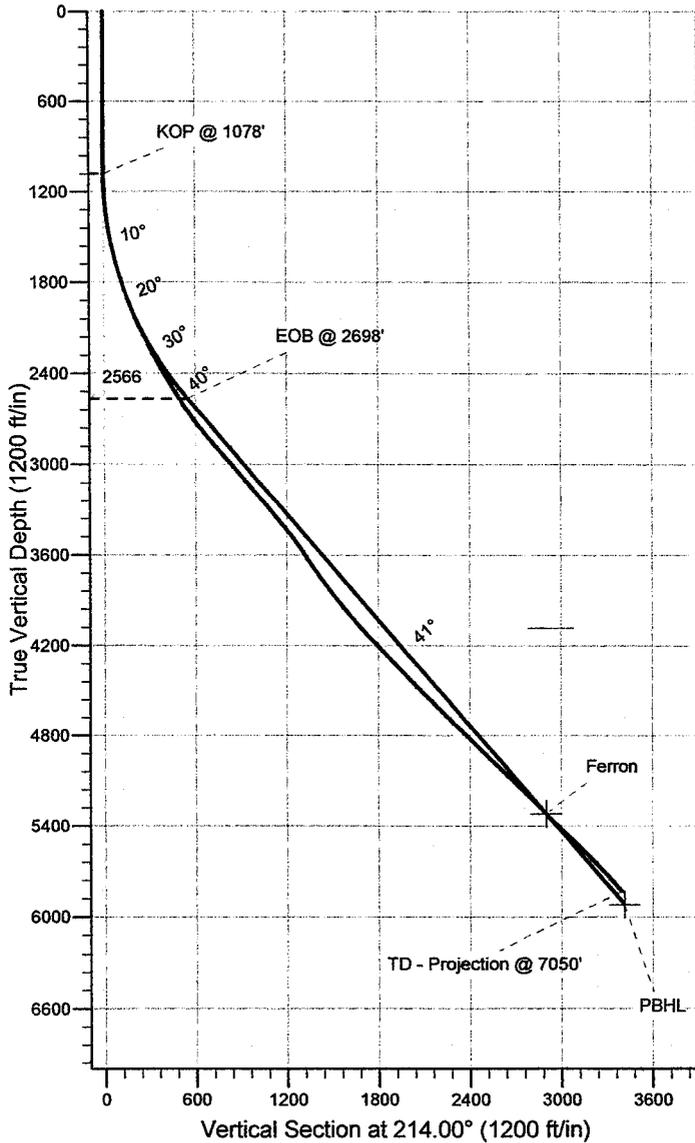
Plan #1

Ridge Runner #1-30
 Sec. 30, T14S, R7E
 Emery County, Utah

SECTION DETAILS

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.0	0.00	0.00	0.0	0.0	0.0	0.00	0.00	0.0	
2	1050.0	0.00	0.00	1050.0	0.0	0.0	0.00	0.00	0.0	
3	1078.0	0.00	0.00	1078.0	0.0	0.0	0.00	0.00	0.0	
4	2698.0	40.50	214.00	2566.5	-455.2	-307.1	2.50	214.00	549.1	
5	6317.9	40.50	214.00	5319.0	-2404.2	-1621.7	0.00	0.00	2900.0	
6	7106.9	40.50	214.00	5919.0	-2829.0	-1908.2	0.00	0.00	3412.4	

As Drilled
10/2/07
Final



WELLBORE TARGET DETAILS

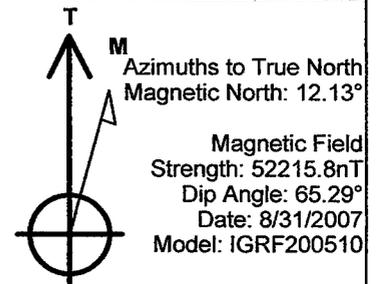
Name	TVD	+N/-S	+E/-W	Shape
Ferron	5319.0	-2404.2	-1621.7	Circle (Radius: 100.0)
PBHL	5919.0	-2829.0	-1908.2	Circle (Radius: 100.0)

PROJECT DETAILS: Emery County

Geodetic System: US State Plane 1927 (Exact solution)
 Datum: NAD 1927 (NADCON CONUS)
 Ellipsoid: Clarke 1866
 Zone: Utah Central 4302
 System Datum: Mean Sea Level

SITE DETAILS: Ridge Runner 1-30

Site Centre Latitude: 39° 35' 24.976 N
 Longitude: 111° 10' 0.266 W
 Positional Uncertainty: 0.0
 Convergence: 0.21



MARION ENERGY, INC.

**Emery County
Ridge Runner 1-30
Ridge Runner 1-30
Original Hole**

Survey: As Drilled

Standard Survey Report

02 October, 2007

Nevis

Survey Report

Company: MARION ENERGY, INC.	Local Co-ordinate Reference: Well Ridge Runner 1-30
Project: Emery County	TVD Reference: WELL @ 9829.0ft (Original Well Elev)
Site: Ridge Runner 1-30	MD Reference: WELL @ 9829.0ft (Original Well Elev)
Well: Ridge Runner 1-30	North Reference: True
Wellbore: Original Hole	Survey Calculation Method: Minimum Curvature
Design: Original Hole	Database: EDM 2003.14 Single User Db

Project	Emery County, Sec. 30, T14S, R7E		
Map System:	US State Plane 1927 (Exact solution)	System Datum:	Mean Sea Level
Geo Datum:	NAD 1927 (NADCON CONUS)		
Map Zone:	Utah Central 4302		

Site Ridge Runner 1-30			
Site Position:		Northing:	457,984.41 ft
From:	Lat/Long	Easting:	2,093,916.18 ft
Position Uncertainty:	0.0 ft	Slot Radius:	"
		Latitude:	39° 35' 24.976 N
		Longitude:	111° 10' 0.266 W
		Grid Convergence:	0.21 °

Well Ridge Runner 1-30			
Well Position	+N-S	0.0 ft	Northing: 457,984.41 ft
	+E-W	0.0 ft	Easting: 2,093,916.18 ft
Position Uncertainty	0.0 ft	Wellhead Elevation:	ft
		Latitude:	39° 35' 24.976 N
		Longitude:	111° 10' 0.266 W
		Ground Level:	9,814.0 ft

Wellbore Original Hole					
Magnetics	Model Name	Sample Date	Declination	Dip Angle	Field Strength
	IGRF200510	8/31/2007	(°)	(°)	(nT)
			12.13	65.29	52,216

Design Original Hole					
Audit Notes:					
Version:	1.0	Phase:	ACTUAL	Tie On Depth:	
Vertical Section:	Depth From (TVD)	+N-S	+E-W	Direction	
	(ft)	(ft)	(ft)	(°)	
	0.0	0.0	0.0	214.00	

Survey Program Date 10/2/2007					
From	To	Survey (Wellbore)	Tool Name	Description	
(ft)	(ft)				
400.0	7,050.0	As Drilled (Original Hole)			

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N-S (ft)	+E-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
400.0	0.00	0.00	400.0	0.0	0.0	0.0	0.00	0.00	0.00
465.0	0.50	358.60	465.0	0.3	0.0	-0.2	0.77	0.77	0.00
558.0	0.50	19.20	558.0	1.1	0.1	-1.0	0.19	0.00	22.15
650.0	0.50	45.00	650.0	1.7	0.5	-1.7	0.24	0.00	28.04
742.0	0.50	56.60	742.0	2.2	1.2	-2.5	0.11	0.00	12.61
834.0	0.60	70.10	834.0	2.6	1.9	-3.3	0.18	0.11	14.67
926.0	0.50	83.30	926.0	2.8	2.8	-3.9	0.17	-0.11	14.35
1,034.0	0.60	90.00	1,034.0	2.9	3.8	-4.5	0.11	0.09	6.20
1,128.0	1.60	202.40	1,128.0	1.7	3.8	-3.5	2.03	1.06	119.57
1,222.0	4.70	213.10	1,221.8	-2.8	1.2	1.6	3.34	3.30	11.38
1,316.0	6.90	222.30	1,315.3	-10.2	-4.7	11.1	2.53	2.34	9.79
1,411.0	8.70	225.40	1,409.4	-19.4	-13.6	23.7	1.95	1.89	3.26
1,505.0	11.10	223.50	1,502.0	-31.0	-24.9	39.6	2.58	2.55	-2.02

Nevis

Survey Report

Company:	MARION ENERGY, INC.	Local Co-ordinate Reference:	Well Ridge Runner 1-30
Project:	Emery County	TVD Reference:	WELL @ 9829.0ft (Original Well Elev)
Site:	Ridge Runner 1-30	MD Reference:	WELL @ 9829.0ft (Original Well Elev)
Well:	Ridge Runner 1-30	North Reference:	True
Wellbore:	Original Hole	Survey Calculation Method:	Minimum Curvature
Design:	Original Hole	Database:	EDM 2003.14 Single User Db

Survey

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
1,600.0	13.20	224.30	1,594.9	-45.4	-38.8	59.3	2.22	2.21	0.84
1,695.0	15.50	221.10	1,686.9	-62.7	-54.7	82.6	2.56	2.42	-3.37
1,790.0	18.00	220.10	1,777.9	-83.5	-72.5	109.8	2.65	2.63	-1.05
1,882.0	19.20	222.40	1,865.1	-105.6	-91.9	138.9	1.53	1.30	2.50
2,008.0	22.90	220.60	1,982.7	-139.5	-121.8	183.8	2.98	2.94	-1.43
2,101.0	25.00	217.80	2,067.7	-168.8	-145.7	221.4	2.57	2.26	-3.01
2,165.0	25.40	217.90	2,125.6	-190.3	-162.4	248.5	0.63	0.62	0.16
2,259.0	26.60	216.60	2,210.0	-223.1	-187.3	289.7	1.41	1.28	-1.38
2,353.0	28.50	212.50	2,293.4	-258.9	-211.9	333.1	2.85	2.02	-4.36
2,448.0	29.70	214.10	2,376.4	-297.5	-237.3	379.3	1.51	1.26	1.68
2,541.0	30.90	213.50	2,456.7	-336.5	-263.4	426.2	1.33	1.29	-0.65
2,634.0	32.50	213.30	2,535.8	-377.3	-290.3	475.1	1.72	1.72	-0.22
2,727.0	33.70	211.50	2,613.7	-420.2	-317.5	525.9	1.67	1.29	-1.94
2,820.0	35.90	210.90	2,690.1	-465.6	-345.0	578.9	2.39	2.37	-0.65
2,916.0	38.30	211.70	2,766.7	-515.0	-375.1	636.7	2.55	2.50	0.83
3,010.0	40.10	212.90	2,839.5	-565.2	-406.8	696.1	2.08	1.91	1.28
3,104.0	41.20	213.40	2,910.8	-616.5	-440.3	757.3	1.22	1.17	0.53
3,197.0	41.70	213.40	2,980.5	-667.9	-474.2	818.9	0.54	0.54	0.00
3,291.0	41.00	212.70	3,051.1	-720.0	-508.1	881.0	0.89	-0.74	-0.74
3,386.0	40.40	212.00	3,123.1	-772.3	-541.2	942.9	0.79	-0.63	-0.74
3,482.0	39.50	212.80	3,196.7	-824.3	-574.2	1,004.5	1.08	-0.94	0.83
3,577.0	39.70	213.10	3,269.9	-875.2	-607.2	1,065.1	0.29	0.21	0.32
3,668.0	39.80	212.80	3,339.9	-924.0	-638.8	1,123.2	0.24	0.11	-0.33
3,762.0	38.90	212.90	3,412.6	-974.1	-671.1	1,182.8	0.96	-0.96	0.11
3,842.0	37.00	212.90	3,475.6	-1,015.4	-697.9	1,232.0	2.37	-2.37	0.00
4,006.0	33.20	213.40	3,609.8	-1,094.3	-749.4	1,326.3	2.32	-2.32	0.30
4,099.0	34.30	214.40	3,687.1	-1,137.2	-778.2	1,378.0	1.33	1.18	1.08
4,192.0	35.40	216.40	3,763.4	-1,180.5	-809.0	1,431.1	1.71	1.18	2.15
4,285.0	37.20	216.30	3,838.4	-1,224.8	-841.7	1,486.1	1.94	1.94	-0.11
4,380.0	38.70	216.60	3,913.3	-1,271.8	-876.4	1,544.4	1.59	1.58	0.32
4,471.0	40.10	217.90	3,983.6	-1,317.8	-911.3	1,602.1	1.79	1.54	1.43
4,567.0	41.60	217.40	4,056.2	-1,367.5	-949.7	1,664.8	1.60	1.56	-0.52
4,661.0	42.30	215.70	4,126.1	-1,418.0	-987.1	1,727.5	1.42	0.74	-1.81
4,753.0	42.80	215.10	4,193.9	-1,468.7	-1,023.1	1,789.7	0.70	0.54	-0.65
4,848.0	43.80	214.90	4,263.1	-1,522.1	-1,060.5	1,854.9	1.06	1.05	-0.21
4,941.0	43.20	214.30	4,330.5	-1,574.8	-1,096.9	1,918.9	0.78	-0.65	-0.65
5,034.0	43.50	213.40	4,398.1	-1,627.8	-1,132.4	1,982.7	0.74	0.32	-0.97
5,127.0	43.60	211.40	4,465.5	-1,681.9	-1,166.7	2,046.8	1.49	0.11	-2.15
5,222.0	44.10	209.70	4,534.1	-1,738.6	-1,200.2	2,112.5	1.35	0.53	-1.79
5,316.0	44.50	210.20	4,601.3	-1,795.4	-1,233.0	2,178.0	0.56	0.43	0.53
5,411.0	45.00	208.40	4,668.8	-1,853.8	-1,265.7	2,244.6	1.43	0.53	-1.89
5,505.0	45.90	210.60	4,734.7	-1,912.1	-1,298.7	2,311.4	1.92	0.96	2.34
5,600.0	45.50	211.00	4,801.1	-1,970.5	-1,333.5	2,379.3	0.52	-0.42	0.42
5,695.0	45.70	211.00	4,867.6	-2,028.6	-1,368.4	2,447.0	0.21	0.21	0.00
5,787.0	44.50	211.30	4,932.5	-2,084.4	-1,402.2	2,512.1	1.32	-1.30	0.33
5,881.0	44.20	209.80	4,999.7	-2,141.0	-1,435.6	2,577.7	1.16	-0.32	-1.60
5,976.0	47.10	211.60	5,066.1	-2,199.4	-1,470.3	2,645.5	3.34	3.05	1.89
6,069.0	46.10	211.80	5,130.0	-2,256.9	-1,505.8	2,713.0	1.09	-1.08	0.22
6,164.0	45.00	209.70	5,196.6	-2,315.1	-1,540.4	2,780.7	1.96	-1.16	-2.21
6,256.0	45.40	211.20	5,261.4	-2,371.4	-1,573.5	2,845.9	1.24	0.43	1.63
6,337.3	44.34	211.39	5,319.0	-2,420.4	-1,603.3	2,903.2	1.32	-1.31	0.24
Ferron									
6,340.0	44.30	211.40	5,320.9	-2,422.0	-1,604.3	2,905.1	1.32	-1.31	0.24
6,437.0	44.60	211.00	5,390.2	-2,480.1	-1,639.5	2,972.9	0.42	0.31	-0.41

Nevis

Survey Report

Company: MARION ENERGY, INC.	Local Co-ordinate Reference: Well Ridge Runner 1-30
Project: Emery County	TVD Reference: WELL @ 9829.0ft (Original Well Elev)
Site: Ridge Runner 1-30	MD Reference: WELL @ 9829.0ft (Original Well Elev)
Well: Ridge Runner 1-30	North Reference: True
Wellbore: Original Hole	Survey Calculation Method: Minimum Curvature
Design: Original Hole	Database: EDM 2003.14 Single User Db

Measured Depth (ft)	Inclination (°)	Azimuth (°)	Vertical Depth (ft)	+N/-S (ft)	+E/-W (ft)	Vertical Section (ft)	Dogleg Rate (°/100ft)	Build Rate (°/100ft)	Turn Rate (°/100ft)
6,524.0	44.40	211.10	5,452.2	-2,532.4	-1,670.9	3,033.8	0.24	-0.23	0.11
6,621.0	44.90	209.90	5,521.2	-2,591.1	-1,705.5	3,101.8	1.01	0.52	-1.24
6,715.0	44.80	208.80	5,587.9	-2,648.9	-1,738.0	3,167.9	0.83	-0.11	-1.17
6,841.0	43.90	207.90	5,678.0	-2,726.4	-1,779.9	3,255.6	0.87	-0.71	-0.71
6,936.0	42.90	208.00	5,747.0	-2,784.1	-1,810.4	3,320.5	1.06	-1.05	0.11
7,008.0	41.90	208.30	5,800.2	-2,826.9	-1,833.4	3,368.8	1.42	-1.39	0.42
7,050.0	41.90	208.30	5,831.4	-2,851.6	-1,846.6	3,396.7	0.00	0.00	0.00

TD - Projection @ 7050'

Target Name	Dip Angle (°)	Dip Dir. (°)	TVD (ft)	+N/-S (ft)	+E/-W (ft)	Northing (ft)	Easting (ft)	Latitude	Longitude
Ferron	0.00	0.00	5,319.0	-2,404.2	-1,621.7	455,574.19	2,092,303.45	39° 35' 1.212 N	111° 10' 20.980 W
- hit/miss target									
- Shape									
- survey misses by 24.3ft at 6334.3ft MD (5316.8 TVD, -2418.6 N, -1602.2 E)									
- Circle (radius 100.0)									

Measured Depth (ft)	Vertical Depth (ft)	Local Coordinates		Comment
		+N/-S (ft)	+E/-W (ft)	
7,050.0	5,831.4	-2,851.6	-1,846.6	TD - Projection @ 7050'

Checked By: _____ Approved By: _____ Date: _____

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. LEASE DESIGNATION AND SERIAL NUMBER:
USU-U-02353

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME
Clear Creek Unit

8. WELL NAME and NUMBER:
Ridge Runner 1-30

9. API NUMBER:
4301530680

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
SW 19 14S 7E

12. COUNTY
Emery

13. STATE
UTAH

14. DATE SPUDDED: **9/13/2007** 15. DATE T.D. REACHED: **10/6/2007** 16. DATE COMPLETED: **2/16/2008** ABANDONED READY TO PRODUCE 17. ELEVATIONS (DF, RKB, RT, GL):
9815 GR

18. TOTAL DEPTH: MD **7,048** TVD **7,048** 19. PLUG BACK T.D.: MD **7,028** TVD **7,028** 20. IF MULTIPLE COMPLETIONS, HOW MANY? * **1** 21. DEPTH BRIDGE PLUG SET: MD **7,028** TVD **7,028**

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
DIL, CNL, FDC, CBL

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
17 1/4"	13 3/4 K55	54.50	0	540					
12 1/4"	9 5/8 J-55	36#	0	3,891		5050Prem 950		Surface	
12 1/4"	7" N-80	23#	0	7,028	5,885	5050Prem 230		Surface	
						Prem 655		Surface	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	6,800							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron	6,378	6,930			6,476 6,664	.43	208	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6476-6514	Frac'd w/ 750 gals 15% HCL, 40,000 # 20/40 sd & 37,386 gals Amborgel 1020
6566-6664	Frac'd w/ 750 gals 15% HCL, 50,000 # 20/40 sd & 44,200 gals Amborgel 1020

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:
PROD

INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 4/22/2008		HOURS TESTED: 3		TEST PRODUCTION RATES: →		OIL - BBL: 0	GAS - MCF: 110	WATER - BBL: 15	PROD. METHOD: Flowing
CHOKE SIZE: 1/2"	TBG. PRESS. 125	CSG. PRESS. 375	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 876	WATER - BBL: 120	INTERVAL STATUS: Producing	

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.)

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.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Blue Gate	6,159	6,378	Shale Sand, Gas, & Water Shale	Blue Gate Ferron Tunuck	6,159
Ferron	6,378	6,930			6,378
Tunuck	6,930				6,930

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) Doug Endsley TITLE VP Operations
 SIGNATURE *Doug Endsley* DATE 5/4/09

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: Marion Energy, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY McKinney STATE TX ZIP 75069		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>S-20 T14S R07E</u>		8. WELL NAME and NUMBER: Mult-Locations
PHONE NUMBER: (972) 540-2967		9. API NUMBER: <u>4301530680</u>
		10. FIELD AND POOL, OR WILDCAT: Clear Creek
		COUNTY: <u>Carbon</u>
		STATE: <u>UTAH</u>

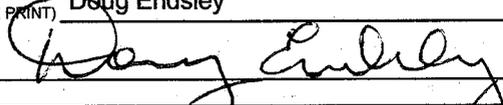
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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

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

Recently Marion Energy conducted a series of short pump-in tests on the wells listed below to determine if the wells were in need of remedial flushing of the Ferron formation. Those tests indicated that the wells were partially plugged with fines. It is now our intention to start a larger series of remedial flush jobs in a cyclical manner consisting of periods of flushing followed by a period of production. The length of each cycle will be determined by individual well response. Marion Energy will be utilizing the necessary pumping equipment to achieve 3-5bbls/min and pressure up to 1800 psi. We anticipate starting these tests as soon as we have removed snow from the access roads.

Ridge Runner 13-17 API # 4301530269, Ridge Runner 11-17 API # 4301530685, Ridge Runner 2-19 API # 4301530684, Ridge Runner 1-30 API # 4301530680, Ridge Runner 11-20 API # 43015302710, ASD 3-17 API # 4300731182, ASD 6-17 API # 4300731181, Oman 2-20 API # 4300730289

NAME (PLEASE PRINT) <u>Doug Endsley</u>	TITLE <u>VP Operations</u>
SIGNATURE 	DATE <u>3/15/2010</u>

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

Date: 3/30/10
By: D. Endsley (See Instructions on Reverse Side)

RECEIVED
MAR 17 2010

(5/2000)

DIV. OF OIL, GAS & MINING

* insufficient information & justification
** short pump in tests were not authorized, please provide details of these tests (i.e. type of fluid and quantity of fluid injected, dates performed, job log etc)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No. **RECEIVED**
MOAB FIELD OFFICE

6. If Indian, Allottee or Tribe Name
2010 MAR 18 AM 9:40

7. If Unit or CA/Agreement, Name and/or No.
UTU-63018

8. Well Name and No.
Multi-Locations

9. API Well No.
43 015 30680

10. Field and Pool, or Exploratory Area
Clear Creek

11. County or Parish, State
Carbon

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
Marion Energy, Inc.

3a. Address
119 S. Tennessee Ste. 200 McKinney, TX 75069

3b. Phone No. (include area code)
972-540-2967

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1514 FSL 1936 FWL
S-20 T14S R07E N4SW

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Remedial Flush Jobs
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Recently Marion Energy conducted a series of short pump-in tests on the wells listed below to determine if the wells were in need of remedial flushing of the Ferron formation. Those tests indicated that the wells were partially plugged with fines. It is now our intention to start a larger series of remedial flush jobs in a cyclical manner consisting of periods of flushing followed by a period of production. The length of each cycle will be determined by individual well response. Marion Energy will be utilizing the necessary pumping equipment to achieve 3-5bbls/min and pressure up to 1800 psi. We anticipate starting these tests as soon as we have removed snow from the access roads.

Ridge Runner 13-17 API # 4301530269, Ridge Runner 11-17 API # 4301530685, Ridge Runner 2-19 API # 4301530684, Ridge Runner 1-30 API # 4301530680, Ridge Runner 11-20 API # 43015302710, ASD 3-17 API # 4300731182, ASD 6-17 API # 4300731181, Oman 2-20 API # 4300730289

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Doug Endsley

Title **VP Operations**

Signature

Doug Endsley

Date

03/15/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

DENIED

Title

Date

AUG 10 2010

Conditions of approval, if any, are attached. Approval of this notice does not constitute a certification that the applicant holds legal or equitable title to the rights in the subject area which would entitle the applicant to conduct operations thereon.

PRICE FIELD OFFICE

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

RECEIVED

AUG 16 2010

UDOGM

COPY

DIV. OF OIL, GAS & MINING

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5. LEASE DESIGNATION AND SERIAL NUMBER: U-02353
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7. UNIT or CA AGREEMENT NAME: CLEAR CREEK
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: RIDGE RUNNER 1-30
2. NAME OF OPERATOR: UTAH GAS OPERATING SOLUTIONS, LLC	9. API NUMBER: 43015306800000
3. ADDRESS OF OPERATOR: 1415 North Loop West, STE 1250, Houston, TX, 77008	PHONE NUMBER: 281 540-0028 Ext
9. FIELD and POOL or WILDCAT: CLEAR CREEK	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1514 FSL 1736 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NESW Section: 20 Township: 14.0S Range: 07.0E Meridian: S	COUNTY: EMERY
	STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT Approximate date work will start: 10/1/2016 <input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: <input type="checkbox"/> SPUD REPORT Date of Spud: <input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> DEEPEN <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> ALTER CASING <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> FRACTURE TREAT <input checked="" type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> OTHER	<input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> PLUG BACK <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> APD EXTENSION OTHER: <input style="width: 100px;" type="text"/>

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

Please see attached procedure to plug and abandon the well

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: September 29, 2016

By: 

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Patrick Merritt	PHONE NUMBER 281 540-0028	TITLE President
SIGNATURE N/A	DATE 9/20/2016	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43015306800000

Plug #2 should be placed above liner top from ~3891' to 3791'.

Note: WCR indicates TOC @ surface. No CBL on file to confirm.

Prior to RIH with CICR, establish circulation through perfs @ 540'.

RIDGE RUNNER 1-30 Plugging Procedure

Well Name: RIDGE RUNNER 1-30

API Number: 43-015-30680

Location: NESW Sec.20-T14S-R7E Emery County, Utah

Surface Csg: 13 3/8" K-55 54.5# set @ 540'

Intermediate. Csg: 9 5/8" J-55 36# set @ 3891'

Prod. Csg: 7"N-80 23# @7,028'

PBTD: 7028'

1. MIRU well service rig. NDWH and NUBOP
2. Release the rods and POH with the rods
3. Release the 7" 45K TAC @6444' and POH with 2 7/8" tubing, anchor and pump barrel
4. TIH w/ wireline set 7" CIBP. Set plug 60' above top perf @ +/-6476'. TIH w/ 2 7/8" tbg and tag plug.
5. Pump cement through 2 7/8" tbg setting a 100' plug from +/-6416 – 6316 (approx. 20sx)
6. TOH w/tbg and TIH w/7" CIBP set at +/- 1800'
7. Pump cement through 2 7/8" tbg setting a 100' plug from +/-1800' – 1700' (approx. 20sx)
8. RU perforators and perforate @ +/-540'. Set a wireline set CICR at +/-525'. Sting into retainer and establish circulation down the 7" csg and back up into the 7" X 9 5/8" & 9 5/8" X 13 3/8" annuli. If circulation cannot be established through perfs sting out of retainer and set a 525' plug (approx.108sx) to surface in the 7" csg. If circulation can be established, pump 84sx cement in the 7 "X 9 5/8" annulus to the surface and 180sx cement in the 9 5/8"X13 3/8" annulus, and sting out of retainer and set a 525' plug (approx.108 sx) to surface in the 7" csg on top of the retainer.
9. All cement should be Type II or Class G or equivalent cement mixed at 5.2 to 5 gal/sk to make a slurry weight of 15.8 ppg.
10. Erect dry hole marker on top of the plug extending 4 feet above the ground with following description:
OPERATOR: UTAH GAS OPERATING SOLUTIONS,LLC
WELL NAME & NUMBER: RIDGE RUNNER 1-30
API NUMBER: 43-015-30680
LOCATION: NESW SEC.20-T14S-R7E EMERY COUNTY, UTAH
11. In case the area is agricultural or cultivated, there is no need for marker and only cut off the casing 3' below the ground level and cap it with above description welded on the cap.

Utah Gas Operating Solutions, LLC
Ridge Runner 1-30 API:43-015-30680
SE NE NE Sec 30 (BHL)
SW NE SW (surface)
Sec. 20 T14S R7E
Emery County, Utah

Spud Date: 9/13/07
 TD Date: 10/6/07
 Comp Date: 2/16/08

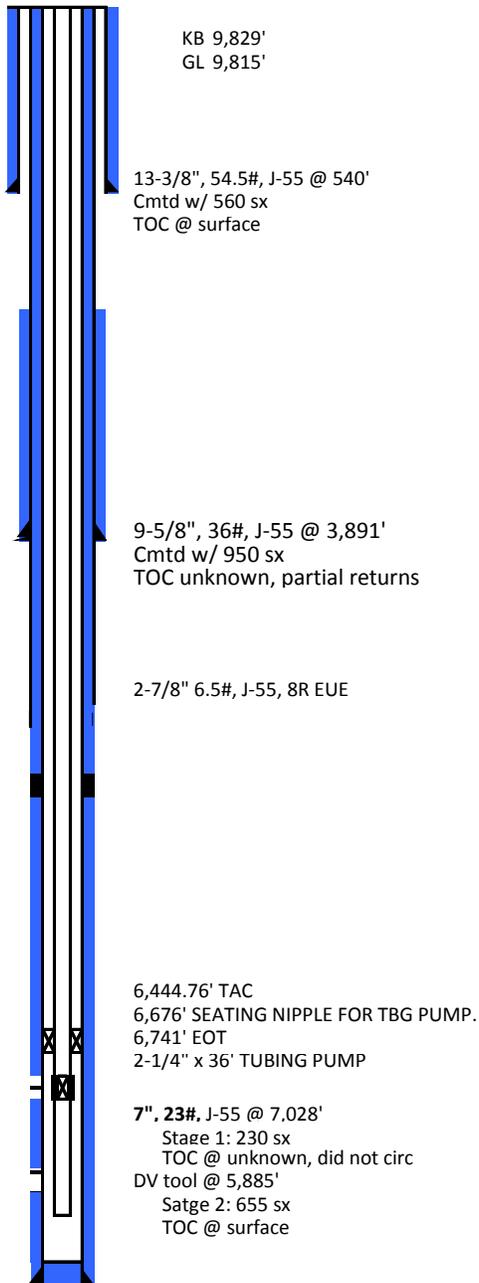
Update 11-24-2015

From Scofield Store in Scofield Utah, go 7.9 miles south on Hwy 96 (264). Note that at mile 3.3 stay right on Hwy 264 toward coal mine. Do not take left to Clear Creek. At 7.9 miles, Turn Left on Trough Springs Ridge Road Might be Skyline Dr. on Google. Follow main road 9.0 miles to Lower Ridge Pad where RR1-30 is located.

Drilling Notes:

Directional Well:
 KOP @ 1,030' +/-, Azim=90 deg
 build 2 deg/100' to 44 deg @ 4,800' +/-,
 and hold to TD @ 7,050', Azim=208 deg
 Drill primarily w/ aireated water
 Tight spots and lost circulation

No DST's or Cores taken



Ferron (2/08)
 6,476'-86', 6,500'-14' (4 spf)
 Treat w/ 750 g 15% HCl, 40,000 #'s 20/40
 & 37,386 g Amborgel 1020
 6,566'-74', 6,622'-36', 6,658'-64' (4 spf)
 Treat: 750 g 15% HCl, 50,000 #'s 20/40
 & 44,200 g Anborgel 1020
 TD = 7,048' MD, 5,831' TVD