

# 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 #11-18: 292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E (Surface)  
270ft FSL, 2471.83ft FEL / SE/4 S18 14S-7E (bottom hole)  
Emery County, UT.

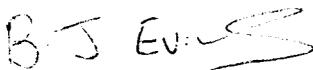
Dear Ms. Whitney

Pursuant to the filing of Mid-Power Resource Corporation's Application for Permit to Drill the above referenced well on January 5<sup>th</sup> 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 #11-18 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,



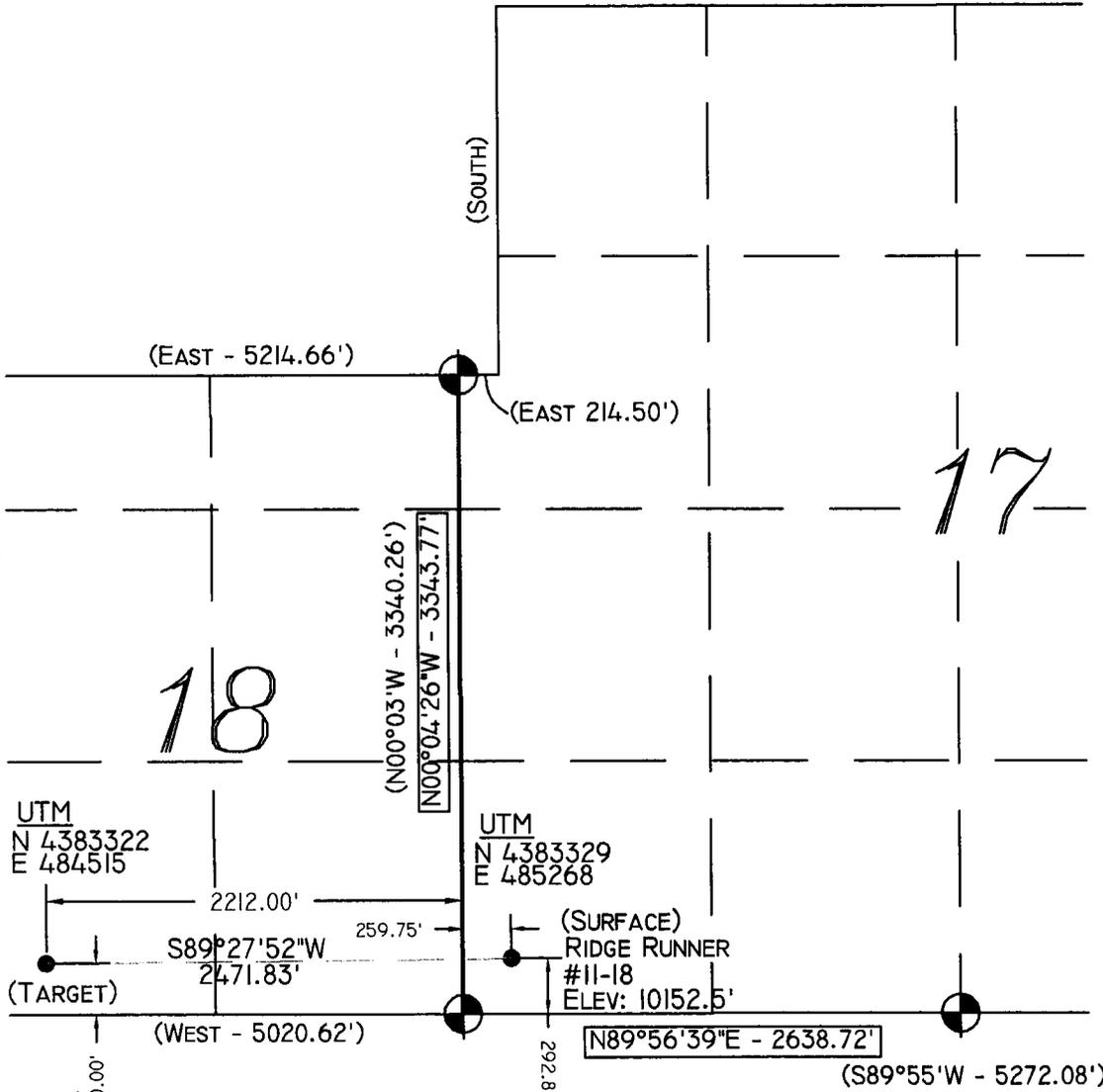
Benjamin Evans  
Landman  
Marion Energy Inc.  
(Agent for Mid-Power Resource Corp.)



# Range 7 East

(S89°55'W - 5024.58')

Township 14 South



UTM  
N 4383322  
E 484515

UTM  
N 4383329  
E 485268

(TARGET)  
270.00'  
S89°27'52"W  
2471.83'

(SURFACE)  
RIDGE RUNNER  
#11-18  
ELEV: 10152.5'

N89°56'39"E - 2638.72'

(S89°55'W - 5272.08')

- 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°36'05.239"N
111°10'17.722"W

TARGET
LAT / LONG
39°36'04.964"N
111°10'49.295"W

**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.

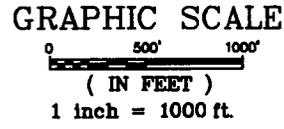
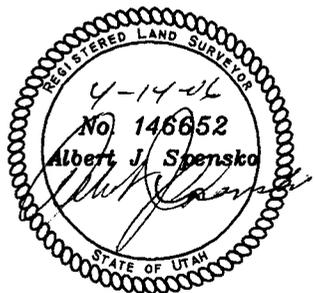
**Basis of Elevation:**  
Basis of Elevation of 10452' being at the Southeast Section Corner of Section 7, Township 14 South, Range 7 East, Salt Lake Base and Meridian, as shown on the Candland Mountain Quadrangle 7.5 minute series map.

**Description of Location:**

Surface Location  
Proposed Drill Hole located in the SW/4 SW/4 of Section 17, T14S, R7E, S.L.B.&M., being 292.85' North and 259.75' East from the Southwest Section Corner of Section 17, T14S, R7E, Salt Lake Base & Meridian.

Target Location  
Proposed Target located in the SW/4 SE/4 of Section 18, T14S, R7E, S.L.B.&M., being 270.00' North and 2212.00' West from the Southeast Section Corner of Section 18, 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.



**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@etv.net

**Marion Energy Inc.**

**Ridge Runner #11-18**  
Sections 17&18, T14S, R7E, S.L.B.&M.  
Emery County, Utah

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J./A.J.S.</b>
Drawing No. <b>A-1</b>	Date: <b>4/13/06</b>
	Scale: <b>1" = 1000'</b>
Sheet 1 of 4	Job No. <b>2392</b>

**Drilling Plan**  
**Mid-Power Resource Corporation**  
**Ridge Runner II-18**

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	2100ft	2111ft	Gas
Top of Blue Gate	3400ft	3607ft	Gas
Top of Ferron	5713ft	6422ft	Gas
TD	6413ft	7272ft	

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 H<sub>2</sub>S 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 II-18

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 1/2:1 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 1/2:1 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 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. Doug Endsley  
2901 East 20<sup>th</sup> Street, Suite 106  
Farmington, New Mexico 87402  
(505) 564-8005

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



Date

## Mid-Power Resource Corporation

8280 West Sahara Avenue, Suite 188  
Las Vegas, Nevada 89117  
702-838-0718 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

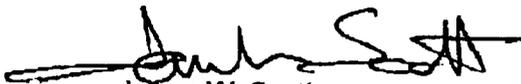
Dear Mr. Clarke:

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

<b>PERFORMANCE BOND</b> <i>(See Instructions on reverse)</i>	DATE BONDS EXECUTED (After last name or after third date of contract)	OMB No.: 8000-0045
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Public reporting burden for this collection of information is estimated to average 26 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, GSA, Washington, DC 20405.

PRINCIPAL (Legal name and business address)  Mid-Power Resource Corporation 3888 Howard Hughes Parkway #850 Las Vegas, Nevada 89109 89117	TYPE OF ORGANIZATION (X) <input type="checkbox"/> Individual <input type="checkbox"/> Partnership <input type="checkbox"/> Joint Venture <input checked="" type="checkbox"/> Corporation STATE OF INCORPORATION
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SURETY(IES) (Name(s) and business address(es)) In lieu of surety(ies) hereon, I/We the undersigned principal(s) deposit the penal sum of this bond in the sum of \$ <u>103,000.00</u> cash. Said deposit is pledged as security for performance and fulfillment of the contract designated hereon.	PENAL SUM OF BOND <table border="1"> <tr> <th>MILLIONS</th> <th>THOUSANDS</th> <th>HUNDREDS</th> <th>CENTS</th> </tr> <tr> <td></td> <td>103</td> <td>000</td> <td>00</td> </tr> </table>	MILLIONS	THOUSANDS	HUNDREDS	CENTS		103	000	00
MILLIONS	THOUSANDS	HUNDREDS	CENTS						
	103	000	00						
	CONTRACT DATE: 9/6/02 CONTRACT NO.: RNF 10410-03-13								

**OBLIGATION:**  
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 above specified 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. 2708-2709, 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 date.

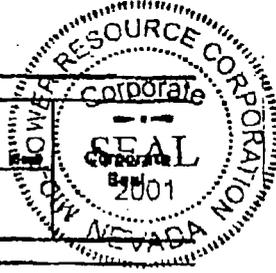
PRINCIPAL		
SIGNATURE(S)	1. <i>[Signature]</i>	2. (Seal)
NAME(S) & TITLE(S) (If any)	1.	2.

INDIVIDUAL SURETY(IES)		
SIGNATURE(S)	1.	2. (Seal)
NAME(S)	1.	2. (Seal)

CORPORATE SURETY(IES)			
SURETY A	NAME & ADDRESS	STATE OF INC.	LIABILITY LIMIT
SIGNATURE(S)	1.	2.	Corporate Seal
NAME(S) & TITLE(S) (If any)	1.	2.	

AUTHORIZED FOR LOCAL REPRODUCTION (Previous edition not available) STANDARD FORM 25 (REV. 8-88) Prescribed by GSA-FAR (48 CFR) 53.226-6

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, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

- Blanket Bond: To cover all wells drilled in the State of Utah  
(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, 20 05

(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

(6/2002)

**COPY**

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**ALL-PURPOSE ACKNOWLEDGMENT**

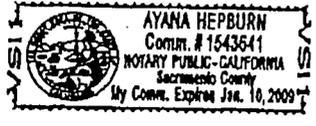
State of California

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 signature(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 801-359-3940  
Mark Roedell - Mid-Power Service Corporation

*waiting for check*



School and Institutional  
TRUST LANDS ADMINISTRATION

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

Olene S. Walker  
Governor  
Kevin S. Carter  
Director

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](mailto:edbonner@utah.gov))  
At DOGM - Earlene Russell (801/538-5336 or [earlenerussell@utah.gov](mailto: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*



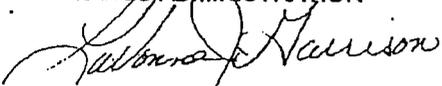
~~with the appropriate well or statewide replacement bond for future lease obligations in the~~  
appropriate amount, your current bond will be released. If you would like your bond with TLA to  
be transferred to DOGM's ownership, and if the instrument allows for such a transfer, please  
make arrangements 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.

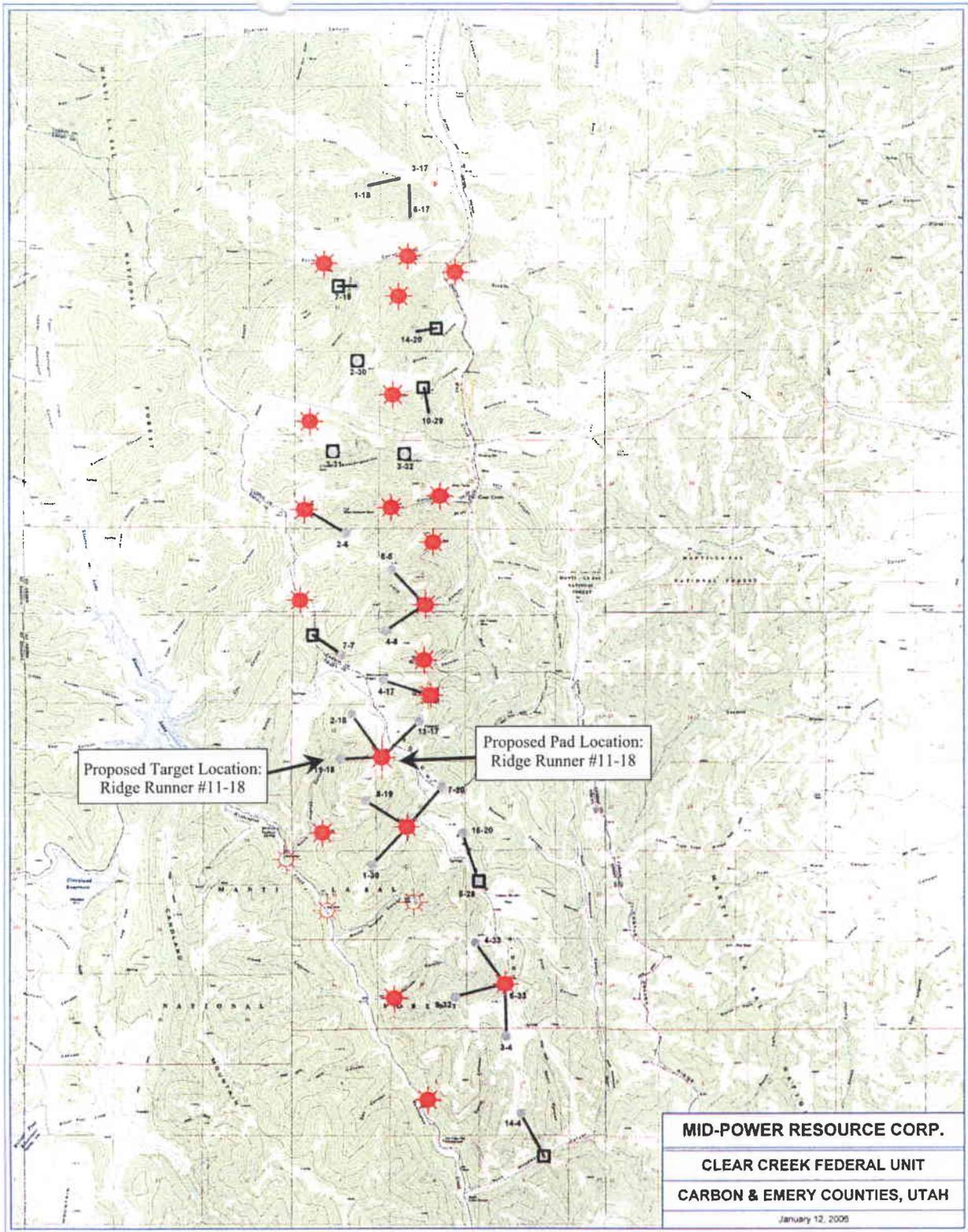
We appreciate your assistance with these changes and look forward to hearing from you.

Yours very truly,

SCHOOL AND INSTITUTIONAL TRUST  
LANDS ADMINISTRATION



LaVonne J. Garrison  
Assistant Director/Oil & Gas



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 #11-18  
 SW Section 17 T. 14S., R 7 E., S.L.B.  
 Surface Location: 292.85R FSL, 259.75R FWL /SW/4 S17 14S-7E  
 SE Section 18 T. 14S., R. 7E., S.L.B.  
 Target Location: 270R FSL, 2471.83R FEL / SE/4 S18 14S-7E



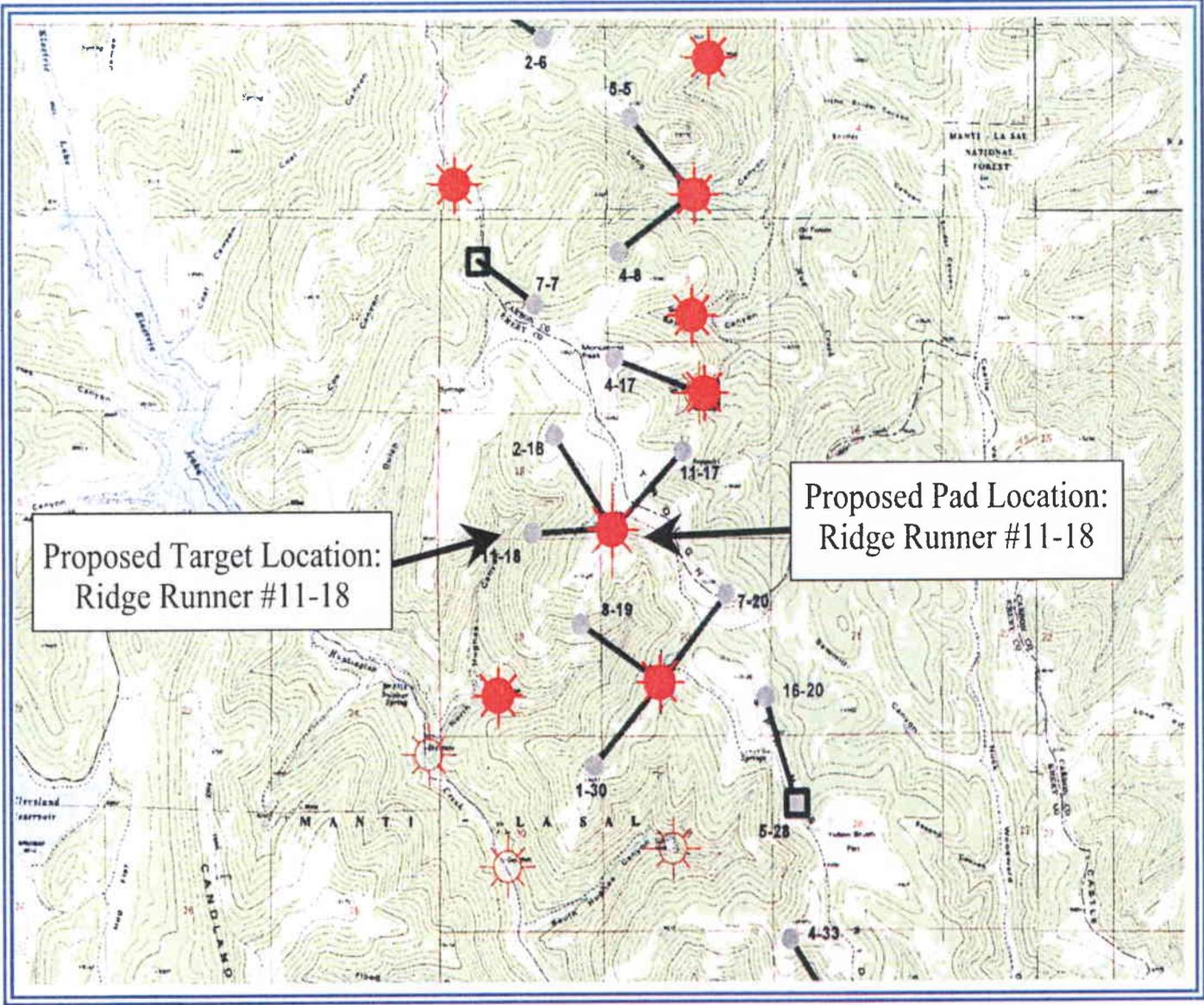
8290 W. Sahara Avenue Ste. 186  
 Las Vegas, NV, 89117  
 Tel: (702) 838-0716  
 Fax: (702) 838-5087

**Topographic Map**

Created on January 12th 2006

Created by John Pinkerton

Revised: MM-DD-YY



Proposed Target Location:  
Ridge Runner #11-18

Proposed Pad Location:  
Ridge Runner #11-18

**LEGEND**

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



**Mid-Power Resource Corp**

Directional Well - Ridge Runner #11-18  
 SW Section 17 T. 14S., R 7 E., S.L.B.  
 Surface Location: 292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E  
 SE Section 18 T. 14S., R. 7E., S.L.B.  
 Target Location: 270ft FSL, 2471.83ft FEL / SE/4 S18 14S-7E

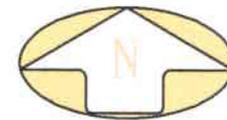
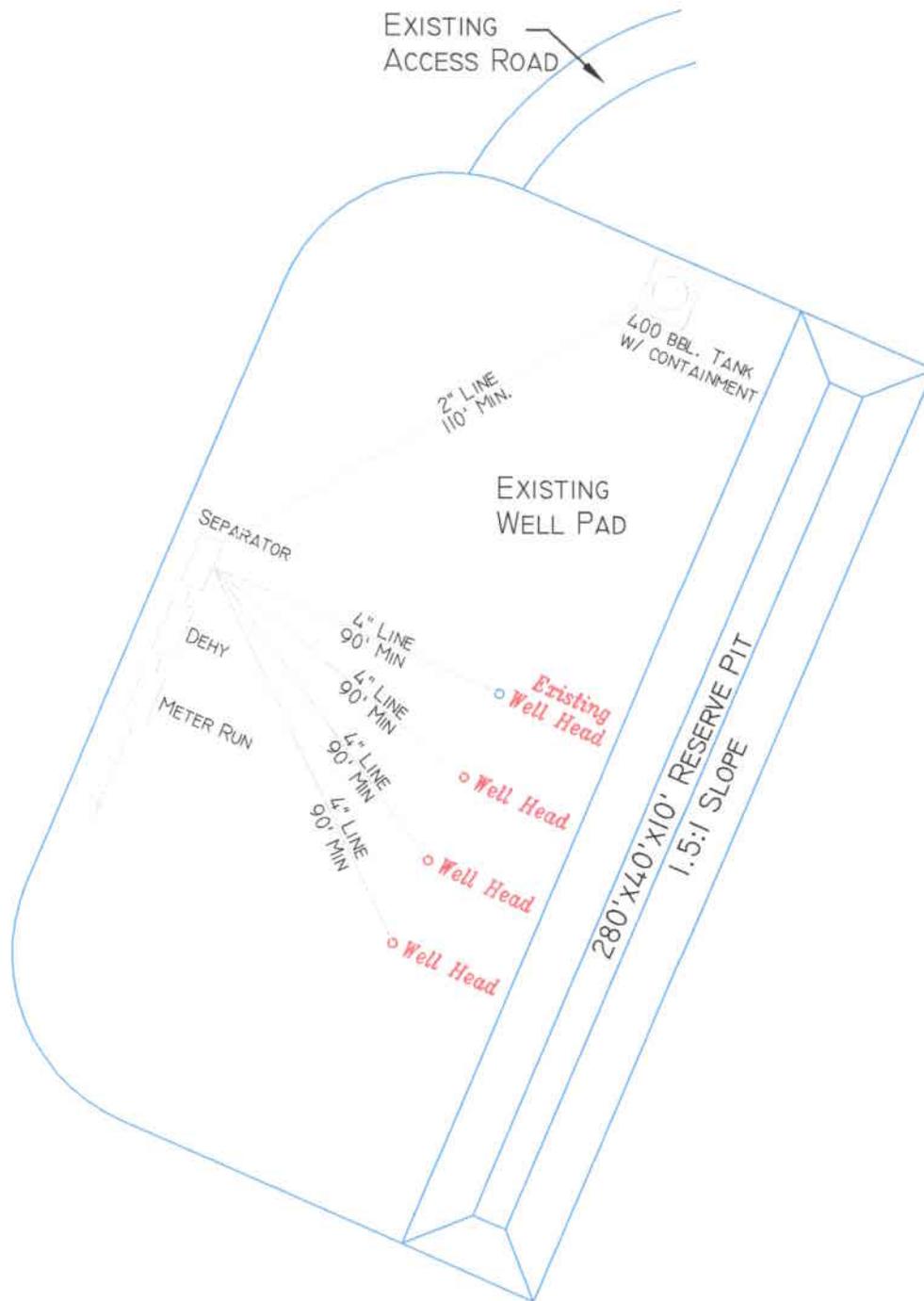
8290 W. Sahara Avenue Ste. 186  
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 Tel: (702) 838-0716  
 Fax: (702) 838-5087

**Topographic Map**

Created on January 12th 2006

Created by John Pinkerton      Revised: MM-DD-YY





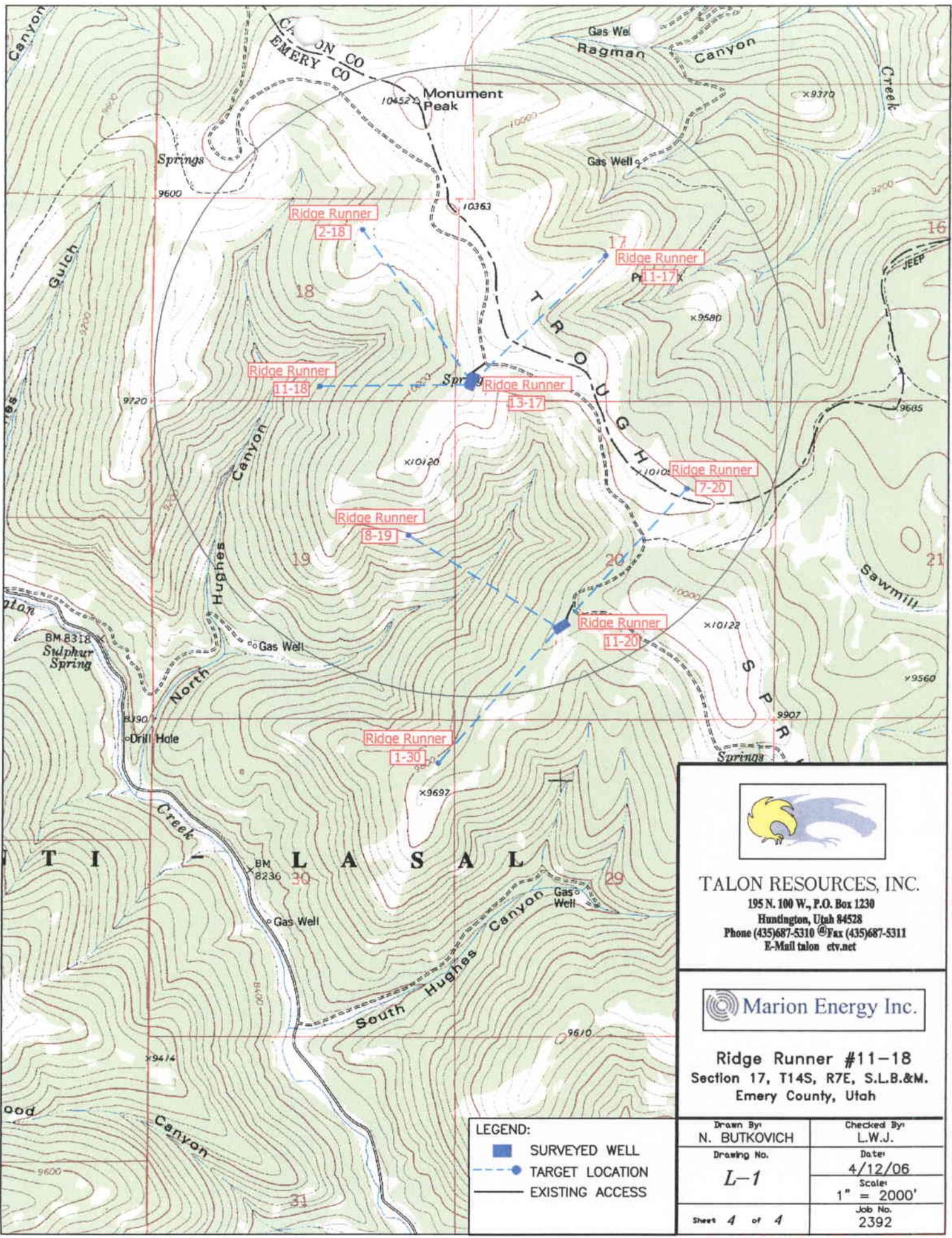
**TALON RESOURCES, INC.**

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

 **Marion Energy Inc.**

**PRODUCTION FACILITY LAYOUT  
 ON EXISTING WELL PAD  
 Section 17, T14S, R7E, S.L.B.&M.  
 RIDGE RUNNER #11-18**

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. 2392



**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

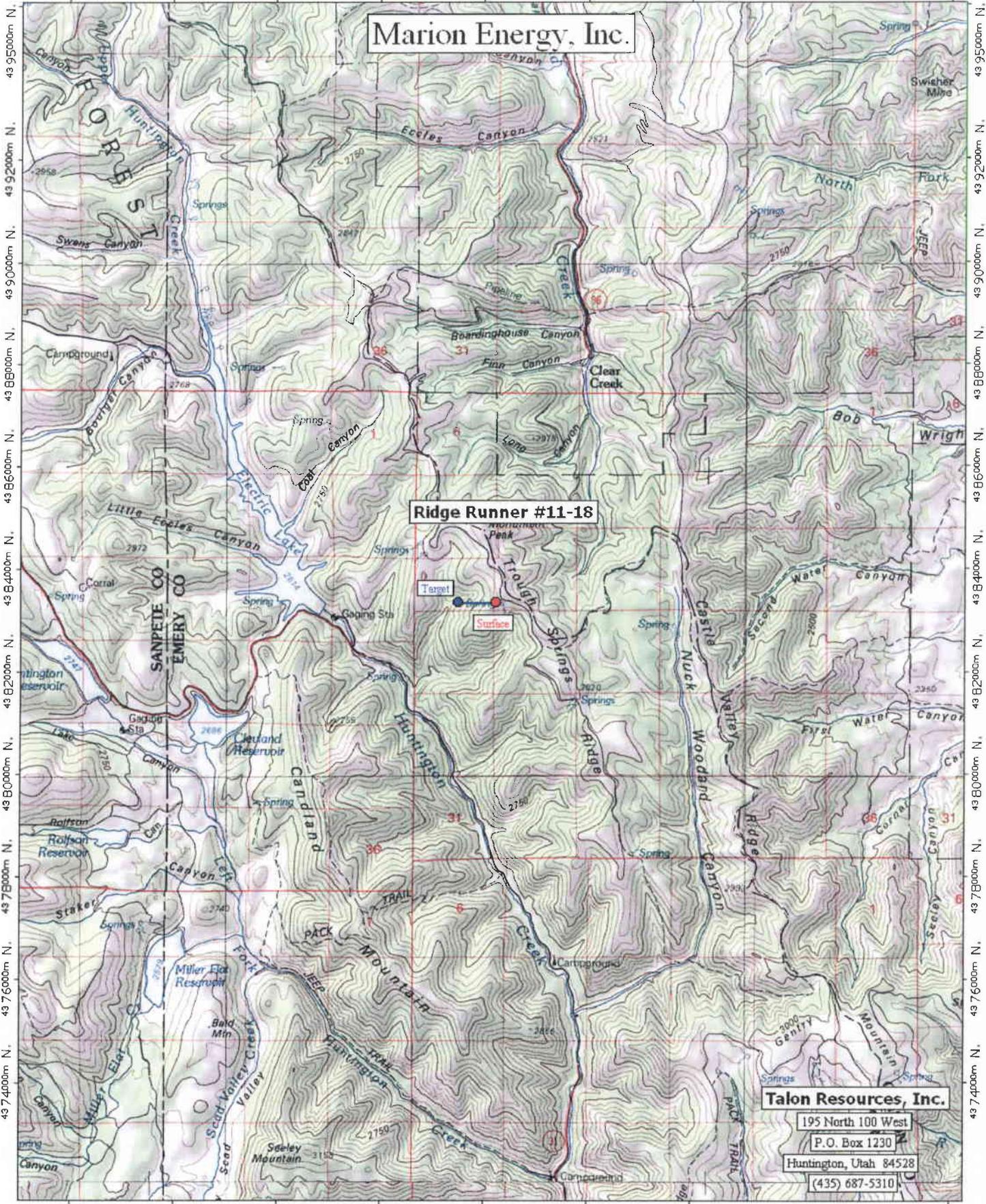


**Ridge Runner #11-18**  
 Section 17, T14S, R7E, S.L.B.&M.  
 Emery County, Utah

**LEGEND:**  
 ■ SURVEYED WELL  
 -●- TARGET LOCATION  
 — EXISTING ACCESS

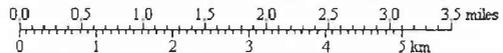
Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. <b>L-1</b>	Date: 4/12/06
	Scale: 1" = 2000'
Sheet 4 of 4	Job No. 2392

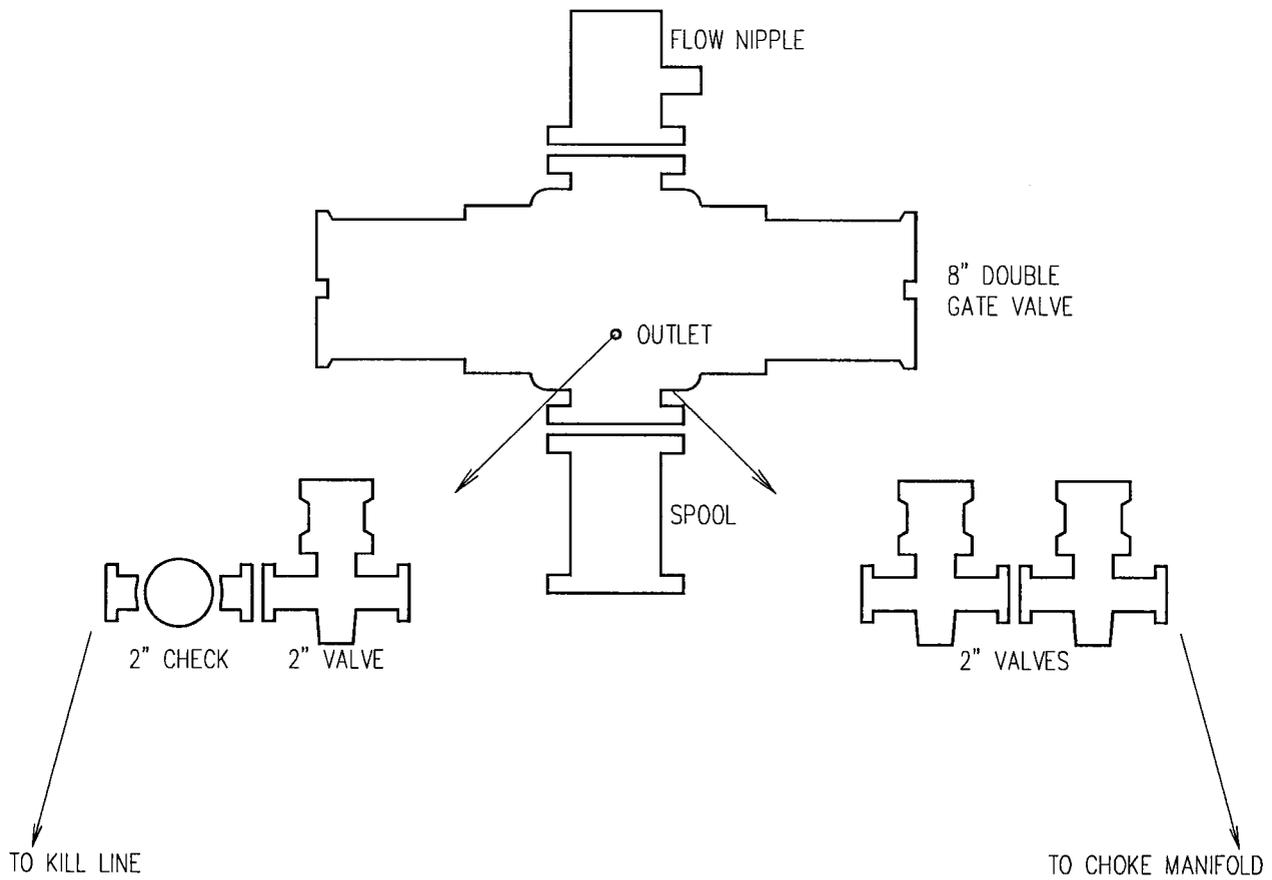
477000mE, 479000mE, 481000mE, 483000mE, 485000mE, 487000mE, 489000mE, NAD27 Zone 12S 494000mE



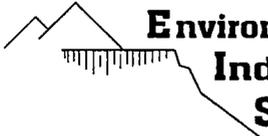
**Talon Resources, Inc.**  
 195 North 100 West  
 P.O. Box 1230  
 Huntington, Utah 84528  
 (435) 687-5310

TN MN  
 12°





REVISIONS		
#	DATE	BY


  
**Environmental  
Industrial  
Services**
  
*Environmental & Engineering Consulting*
  
 31 NORTH MAIN STREET
   
 (435) 472-3814 HELPER, UTAH 84526

**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

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 04/18/2006

API NO. ASSIGNED: 43-015-30684

WELL NAME: RIDGE RUNNER 11-18  
 OPERATOR: MID-POWER RESOURCE CORP ( N2215 )  
 CONTACT: KERI CLARKE

PHONE NUMBER: 702-838-0716

PROPOSED LOCATION:

SWSW 17 140S 070E  
 SURFACE: 0292 FSL 0259 FWL  
 BOTTOM: 0270 FSL 2471 FEL *Sec 18*  
 COUNTY: EMERY  
 LATITUDE: 39.60142 LONGITUDE: -111.1719  
 UTM SURF EASTINGS: 485239 NORTHINGS: 4383325  
 FIELD NAME: CLEAR CREEK ( 10 )

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

LEASE TYPE: 1 - Federal  
 LEASE NUMBER: U-01740  
 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)

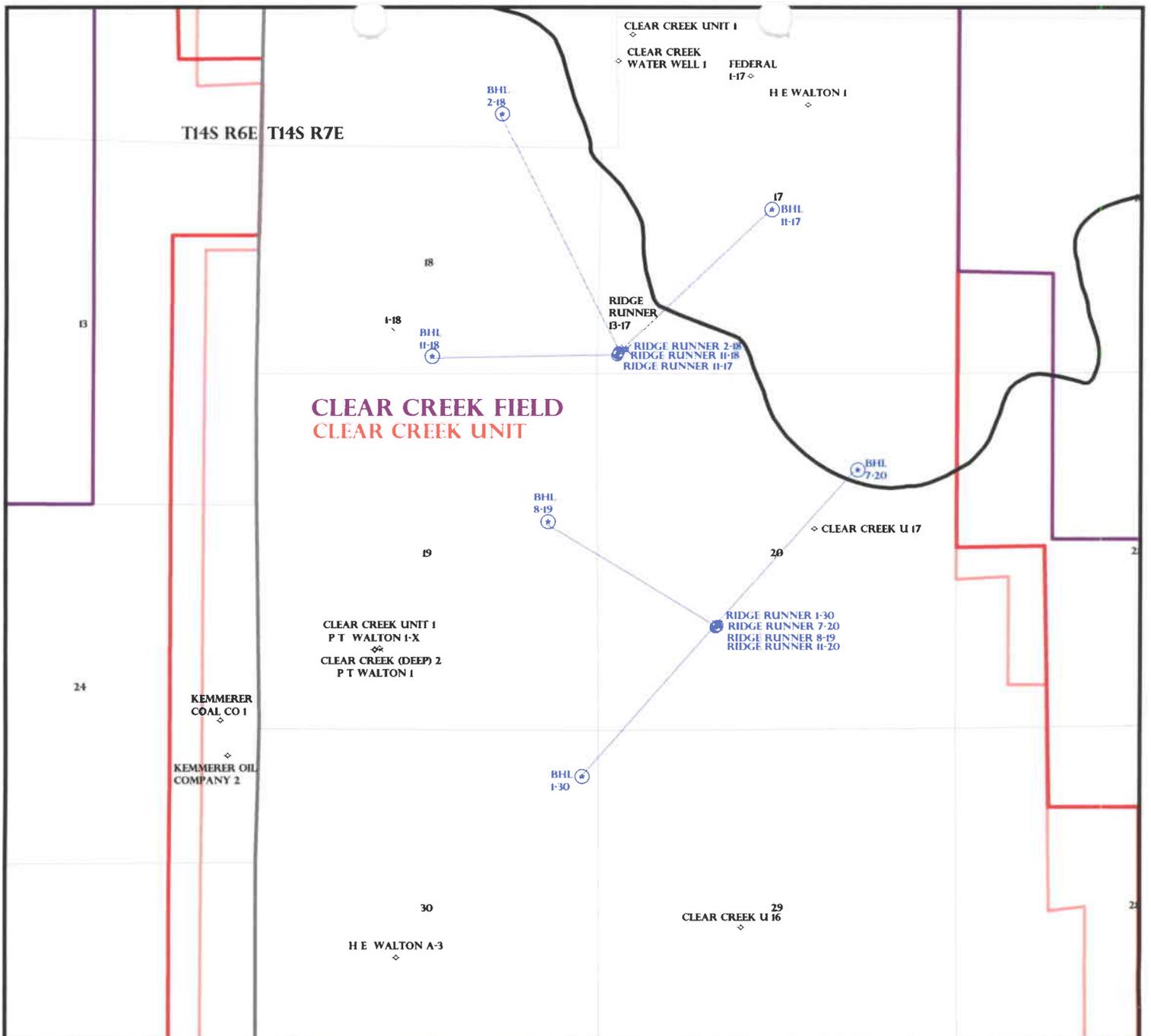
LOCATION AND SITING:

- 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 Slip



OPERATOR: MID-POWER RES (N2215)

SEC: 17,20 T. 14S R. 7E

FIELD: CLEAR CREEK (10)

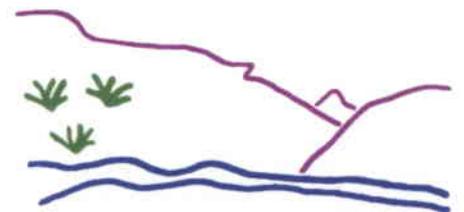
COUNTY: EMERY

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



Utah Oil Gas and Mining



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
(Proposed PZ Ferron)		
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 11-18 Well, Surface Location 0293' FSL, 0260' FWL, SW SW,  
Sec. 17, T. 14 South, R. 7 East, Bottom Location 0270' FSL, 2472' FEL,  
SW SE, Sec. 18, 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 43-015-30684.

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 11-18  
**API Number:** 43-015-30684  
**Lease:** USA-U-01740

**Surface Location:** SW SW      **Sec.** 17      **T.** 14 South      **R.** 7 East  
**Bottom Location:** SW SE      **Sec.** 18      **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

43-015-30684

May 5, 2006

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

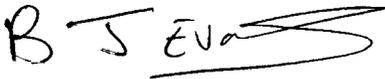
RE: Ridge Runner #11-18, #2-18, #11-17, #8-19, #1-30, #7-20  
Mid-Power Resource Corp. Amendment to Surface use and Drilling Plans  
Clear Creek Unit 13S-7E and 14S-7E, Carbon and Emery Counties, Utah

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](mailto:bevans@marionenergy.com)

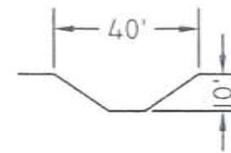
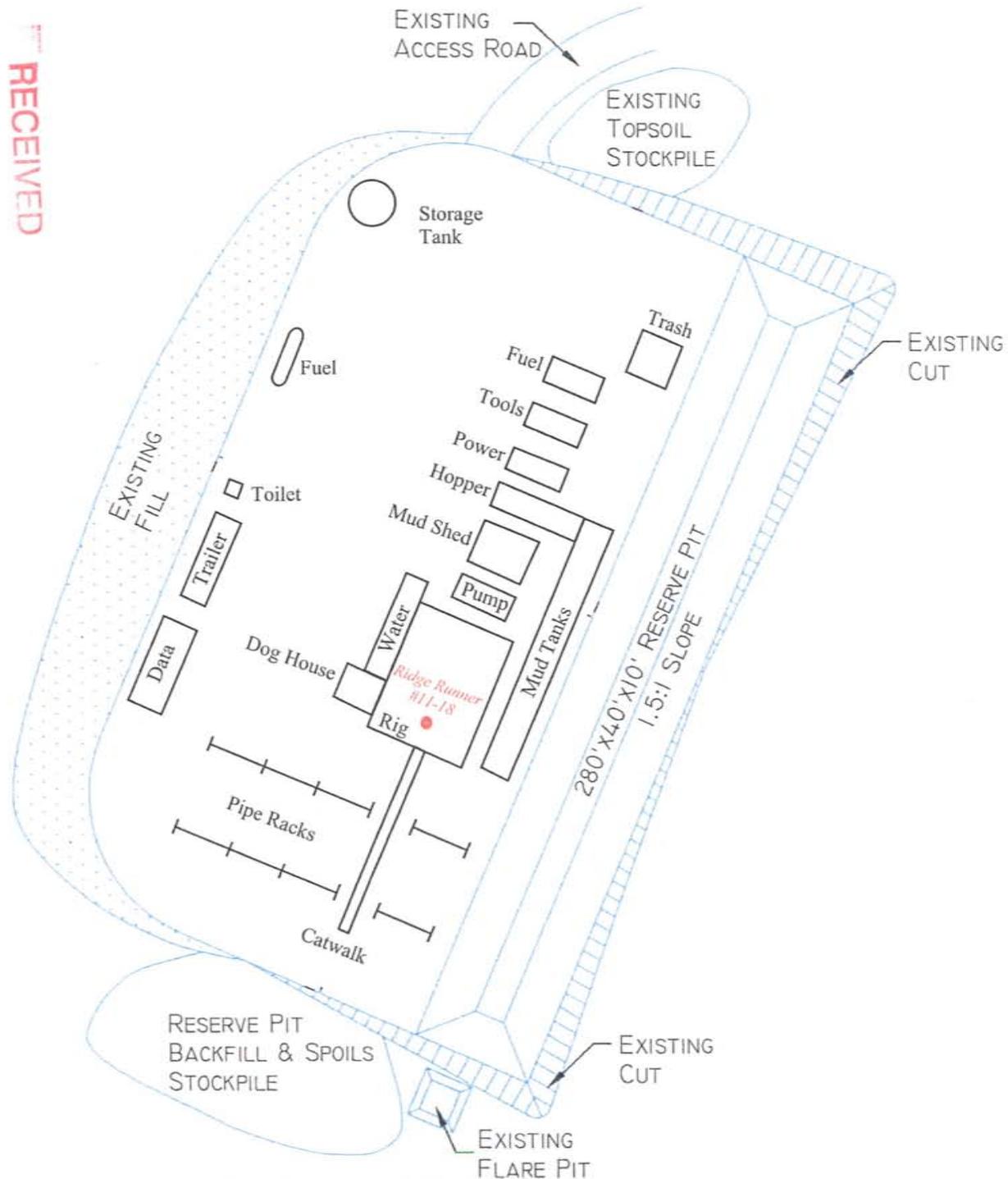
Sincerely,



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

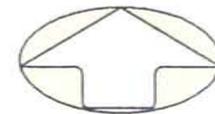
RECEIVED

DIV. OF OIL, GAS & MINING



PIT SECTION

APPROXIMATE CUT  
= 2300 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 talonnetv.net



**LOCATION LAYOUT  
ON EXISTING WELL PAD**  
Section 17, T14S, R7E, S.L.B.&M.  
**RIDGE RUNNER #11-18**

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. 2390

Surface Use Plan  
Mid-Power Resource Corporation  
**Ridge Runner #11-18**

Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located approximately 14 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 7.1 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 1<sup>st</sup> 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 platt.
- 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 20<sup>th</sup> 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 Anschutz Exploration Corp. 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.

5-5-06

Date



Name

ONSHORE OIL & GAS ORDER NO. 1  
Approval of Operations on Onshore  
Federal and Indian Oil and Gas Leases  
**Ridge Runner #11-18**

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	2100ft	2111ft	Gas
Top of Blue Gate	3400ft	3607ft	Gas
Top of Ferron	5713ft	6422ft	Gas
TD	6413ft	7272ft	

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	5713'

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.	0-3650'	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				
500-3650'	LSND	8.8-9.2	32-40	8-15	---

3650'-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 the following log suites: Induction with Gamma Ray and Spontaneous Potential, Compensated Epi-Thermal

Neutron/Density with Photo Electric Caliper, and Ultrasonic Gas detector with Temperature. Logs will be run from TD back to surface pipe.

- 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<sub>2</sub>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 5<sup>th</sup> 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.



May 12, 2006

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

RE: *43.015.30684*  
Ridge Runner #11-18, #2-18, #11-17, #8-19, #1-30, #7-20  
Marion Energy Inc., Sundry Notice  
Clear Creek Unit 13S-7E and 14S-7E, Carbon and Emery Counties, Utah

Dear Ms. Whitney

Please find enclosed a sundry notices pertaining to the above referenced wells. The sundry notice is being filed due to a typing error found in the casing specifications on the Form 3. The same error was present in the drilling plan. This sundry notice serves to correct this error.

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

RECEIVED

MAY 15 2006

DIV. OF OIL, GAS & MINING

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

**SUNDRY NOTICES AND REPORTS ON WELLS**

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

<b>1. TYPE OF WELL</b> OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b> USA-U-01740
<b>2. NAME OF OPERATOR:</b> Marion Energy Inc.		<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
<b>3. ADDRESS OF OPERATOR:</b> 119 S. Tennessee Ste. 200 CITY McKinney STATE TX ZIP 75069		<b>7. UNIT or CA AGREEMENT NAME:</b> Clear Creek Unit
<b>4. LOCATION OF WELL</b> FOOTAGES AT SURFACE: 292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 17 14S 7E		<b>8. WELL NAME and NUMBER:</b> Ridge Runner #11-18
PHONE NUMBER: (972) 540-2967		<b>9. API NUMBER:</b> 4301530684
COUNTY: Emery		<b>10. FIELD AND POOL, OR WILDCAT:</b> 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"/> <b>NOTICE OF INTENT</b> (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"/> <b>SUBSEQUENT REPORT</b> (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>Correct typing error on APD form 3</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.

Please find attached to this sundry, a copy of a corrected APD form 9. The correction pertains to a typing error found in the specifications for casing in item number 24 on the form 9. The new amended report reflects the corrected specifications.

Please also find the corrected specifications in the drilling plan that is also attached.

In the final paragraph of the original surface use plan, there was reference made to Anchutz Exploration Corp, this has now been removed and Marion Energy Inc. has been replaced.

6-8-06  
CJD

NAME (PLEASE PRINT) <u>Benjamin Evans</u>	TITLE <u>Landman</u>
SIGNATURE <u>B J Evans</u>	DATE <u>5/12/2006</u>

(This space for State use only)

Accepted by the  
Utah Division of  
Oil, Gas and Mining

Federal Approval Of This  
Action Is Necessary

RECEIVED  
MAY 15 2006

Date: 6/6/06  
By: [Signature]  
(See Instructions on Reverse Side)



Surface Use Plan  
Mid-Power Resource Corporation  
**Ridge Runner #11-18**

Thirteen Point Surface Use Plan

1. Existing Roads

- a. The proposed well site is located approximately 14 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 7.1 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 1<sup>st</sup> 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 platt.
- 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 20<sup>th</sup> 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

BOS  
Name

ONSHORE OIL & GAS ORDER NO. 1  
Approval of Operations on Onshore  
Federal and Indian Oil and Gas Leases  
**Ridge Runner #11-18**

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	2100ft	2111ft	Gas
Top of Blue Gate	3400ft	3607ft	Gas
Top of Ferron	5713ft	6422ft	Gas
TD	6413ft	7272ft	

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	5713'

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 as 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.	0-3650'	12 1/4"	5-5/8"	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				
500-3650'	LSND	8.8-9.2	32-40	8-15	---

3650'-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 the following log suites: Induction with Gamma Ray and Spontaneous Potential, Compensated Epi-Thermal

Neutron/Density with Photo Electric Caliper, and Ultrasonic Gas detector with Temperature. Logs will be run from TD back to surface pipe.

- 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 5<sup>th</sup> 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.

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 Special No. **USA-U-01740** 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 #2-19**

2. Name of Operator  
**Mid-Power Resource Corporation**

9. API Well No.  
**1301530684**

3a. Address **8290 W. Sahara, #186, Las Vegas, Nevada 89117**

3b. Phone No. (include area code)  
**(702)838-0716**

10. Field and Pool, or Exploratory  
**Exploratory**

4. Location of Well (Report location clearly and in accordance with any State requirements.)  
At surface **292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E**  
At proposed prod. zone **265ft FNL, 2485ft FWL /NW/4 S19 14S-7E (Bottom Hole)**

11. Sec., T. R. M. or Blk. and Survey or Area  
**S17 14S-7E**

14. Distance in miles and direction from nearest town or post office\*  
**Approx 4 1/2 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 259.75ft**  
**Bottom Hole 265ft**

16. No. of acres in lease  
**1208.99**

17. Spacing Unit dedicated to this well  
**40 acres**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
**Bottom Hole 2455ft**

19. Proposed Depth  
**6420**

20. BLM/BIA Bond No. on file  
**See attached bond document**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**10153 GR**

22. Approximate date work will start\*  
**07/01/2006**

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:

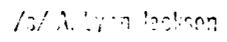
- |  |   |
|--|---|
| 1. Well plat certified by a registered surveyor.   | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 3. A Surface Use Plan (if the location is on National Forest System Lands,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

25. Signature 

Name (Printed/Typed)  
**Benjamin Evans**

Date  
**07/14/2006**

Title  
**Landman**

Approved by (Signature) 

Name (Printed/Typed)  
**A. Lynn Jackson**

Date  
**7/24/06**

Title  
**Assistant Field Manager,  
Division of Resources**

Office  
**Division of Resources  
Moab Field Office**

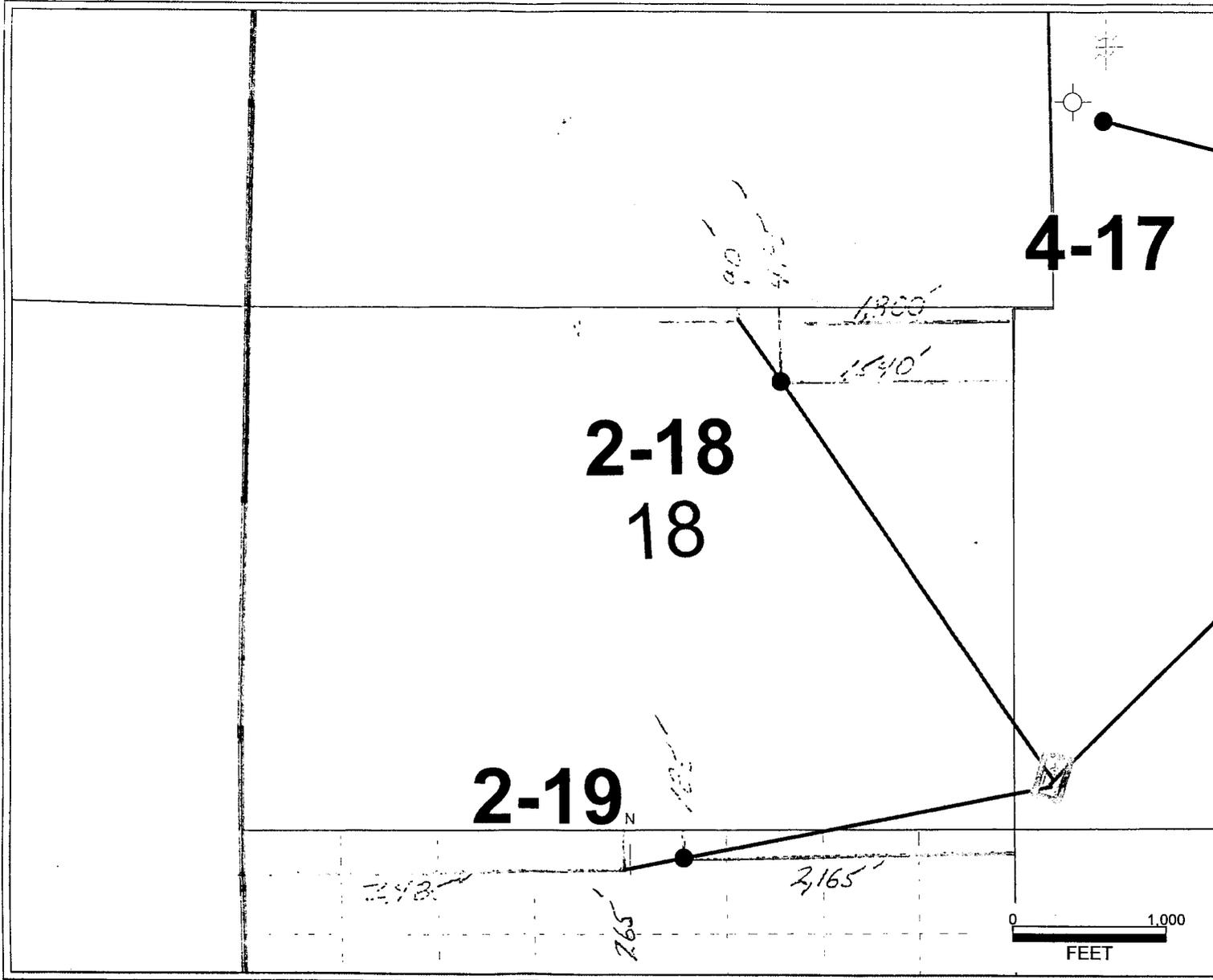
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

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**

**JUL 28 2006**



Ridge Runner #2-19  
Amendment to Bottom Hole  
Explanation

**\*\* Please note that the name of the Ridge Runner #11-18 has been changed to the Ridge Runner #2-19 due to the change in bottom hole location, which is now located in Section 19 14S-7E\*\***

To avoid the terminus of this well concluding in a certain tract within the Clear Creek Unit (SW/4 Section 18 14S-7E) it has been ascertained that the well path and bottom hole would have to be amended.

All aspects of the current well design currently on file at the BLM will remain the same for the well, however, the azimuth will be changed from 270 degrees to 259.5 degrees. The result of the change will be such that the well path will deviate 10.5 degrees to the south.

The lease designated on the BLM form 3160-3 will remain the same.

Ridge Runner #2-19  
Footage Calls

Surface: 292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E

Ferron Point of Penetration: 185ft FNL 2165ft FEL /NE/4 Section 19 14S-7E

Terminus (Bottom Hole): 265ft FNL, 2485ft FWL /NW/4 S19 14S-7E

Marion Energy, Inc.

**Ridge Runner 2-19**

Clear Creek Unit

Lease, Surface: UTU01740

Bottom-hole: UTU01740

Location, Surface: SW/SW Sec. 17, T14S, R7E

Bottom-hole: NWNE Sec. 19, T14S, R7E

(Located on the existing Ridge Runner #13-17 well pad with proposed wells #11-17 and #2-18)  
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.

## 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 (DOGGM) 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.

## 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

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
<del>Yellow Sweet Clover - Melilotus officinalis</del>	<del>1</del>
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

- 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.

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

### 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.

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

**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: USA-U-01740
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: Clear Creek Unit
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Ridge Runner 2-19
2. NAME OF OPERATOR: Marion Energy, Inc		9. API NUMBER: 4301530684
3. ADDRESS OF OPERATOR: 119 So. Tennessee #200 CITY: McKinney STATE: TX ZIP: 75069	PHONE NUMBER: (972) 540-2967	10. FIELD AND POOL, OR WILDCAT: Exploratory
4. LOCATION OF WELL FOOTAGES AT SURFACE: 292.85ft FSL, 259.75ft FWL COUNTY: Carbon QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 17 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: 8/12/2006	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Spud Sundry
	<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.

The Ridge Runner 2-19 was spudded at 1:30am on 8-12-2006

NAME (PLEASE PRINT) <u>Doug Endsley</u>	TITLE <u>VP Operations</u>
SIGNATURE	DATE <u>8/15/2006</u>

(This space for State use only)

AUG 21 2006

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

FORM 6

**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
4301530684	Ridge Runner #2-19		SWSW	17	14S	7E	Emery
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	2550	8/10/2006			8/30/06	
Comments: <u>FRSD</u>							

**Well 2**

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

**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: <div style="text-align: center;">                       AUG 25 2006                 </div>							

**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)

DIV. OF OIL, GAS & MINING

BEN EVANS  
Name (Please Print)  
[Signature]  
Signature  
L. ANDMAN  
Title \_\_\_\_\_ Date \_\_\_\_\_



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:**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>UTU-063018X</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Clear Creek Unit</b>
2. NAME OF OPERATOR: <b>Marion Energy Inc. (N2740)</b>		8. WELL NAME and NUMBER: <b>See Attachment "A"</b>
3. ADDRESS OF OPERATOR: <b>119 S Tennessee Ste #200</b> CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		9. API NUMBER:
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>N/A</b>  QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>N/A</b>		10. FIELD AND POOL, OR WLD/CAT: <b>Clear Creek Federal unit</b>  COUNTY: <b>Carbon and Emery</b>  STATE: <b>UTAH</b>

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) <u>Keri Clarke</u>	TITLE <u>Vice President Land (Marion Energy Inc)</u>
SIGNATURE	DATE <u>5/2/06</u>

(This space for State use only)

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

(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
Keams 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

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

**Request to Transfer Application or Permit to Drill**

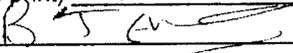
(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

<b>Well name:</b>	Ridge Runner # 11-18
<b>API number:</b>	4301530684
<b>Location:</b>	Qtr-Qtr SWSW Section 17 Township 14S Range 7E
<b>Company that filed original application:</b>	Mid-Power Resource Corporation
<b>Date original permit was issued:</b>	04/26/2006
<b>Company that permit was issued to:</b>	Mid-Power Resource Corporation

Check one	Desired Action:
<input type="checkbox"/>	<b>Transfer pending (unapproved) Application for Permit to Drill to new operator</b>
	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"/>	<b>Transfer approved Application for Permit to Drill to new operator</b>
	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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If so, has the surface agreement been updated?	<input type="checkbox"/>	<input type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>B001617</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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)

ELECTRONIC

MAY 09 2006

DIVISION OF OIL, GAS AND MINING



# 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

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:  
**CLEAR CREEK UNIT**

8. WELL NAME and NUMBER:

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:  
**CLEAR CREEK FEDERAL UNIT**

**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:  
**Mid-Power Resource Corporation**

3. ADDRESS OF OPERATOR: #  
**8290 W. SAHARA AVE, 186** CITY **LAS VEGAS** STATE **NV** ZIP **89117** PHONE NUMBER: **(702) 838-0714**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **NA**  
COUNTY: **CARBON AND EMERY**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NA** STATE: **UTAH**

**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
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	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input 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) SUSAN TRIMBOLI TITLE Company Representative

SIGNATURE Susan Trimboli DATE May 9, 2006

(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)

RECEIVED

MAY 12 2006

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**

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		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>USA-U-01740</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>Clear Creek Unit</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Ridge Runner 2-19</b>
2. NAME OF OPERATOR: <b>Marion Energy, Inc</b>		9. API NUMBER: <b>4301530684</b>
3. ADDRESS OF OPERATOR: <b>119 So. Tennessee #200</b> CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		10. FIELD AND POOL, OR WILDCAT: <b>Exploratory</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>292.85ft FSL, 259.75ft FWL</b>		COUNTY: <b>Carbon</b>
CTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>17 14S 7E</b>		STATE: <b>UTAH</b>

**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
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	<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: <b>8/22/2006</b>	<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: <b>Ammended Spud Sundry</b>
	<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.  
The Ridge Runner 2-19 was spudded at 2:00am on 8-10-2006. It was inadvertently reported as 1:30am on 8-12-2006.

NAME (PLEASE PRINT) <b>Doug Endsley</b>	TITLE <b>VP Operations</b>
SIGNATURE	DATE <b>8/22/2006</b>

(This space for State use only)

RECEIVED  
**AUG 28 2006**

**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.

<b>1. TYPE OF WELL</b>			<b>5. LEASE DESIGNATION AND SERIAL NUMBER:</b>
OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			USA-U-01740
<b>2. NAME OF OPERATOR:</b>			<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>
Marion Energy, Inc			
<b>3. ADDRESS OF OPERATOR:</b>		<b>PHONE NUMBER:</b>	<b>7. UNIT or CA AGREEMENT NAME:</b>
119 So. Tennessee #200	CITY McKinney STATE TX ZIP 75069	(972) 540-2967	Clear Creek Unit
<b>4. LOCATION OF WELL</b>			<b>8. WELL NAME and NUMBER:</b>
FOOTAGES AT SURFACE: 292.85ft FSL, 259.75ft FWL			Ridge Runner 2-19
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 17 14S 7E			<b>9. API NUMBER:</b>
			4301530684
			<b>10. FIELD AND POOL, OR WILDCAT:</b>
			Exploratory
COUNTY: Carbon			
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: 9/7/2006	<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>Drilling Update,</u> <u>cementing casing</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.

As of 9/7/2006 current activity is waiting on cement.

180 joints, 9 5/8", 36# casing. Shoe joint set at 3488'. End of pipe at 3510' with 400 sacks of Hi-Seal cement, 11 #, yeild 3.82. Tail cement: 225 sacks 15.5 # Hi-Seal cement, yeild 1.15

We plan to test the BOP on 9/7/2006 and drill out the 9 5/8" casing once the BOP's are tested.

NAME (PLEASE PRINT) <u>Doug Endsley</u>	TITLE <u>VP Operations</u>
SIGNATURE <u>Doug Endsley by Charlotte Blum</u>	DATE <u>9/7/2006</u>

(This space for State use only)

**RECEIVED**  
**SEP 11 2006**

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>USA-U-01740</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Clear Creek Unit</b>
2. NAME OF OPERATOR: <b>Marion Energy, Inc</b>		8. WELL NAME and NUMBER: <b>Ridge Runner 2-19</b>
3. ADDRESS OF OPERATOR: <b>119 So. Tennessee #200</b> CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		9. API NUMBER: <b>4301530684</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>292.85ft FSL, 259.75ft FWL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Exploratory</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>17 14S 7E</b>		COUNTY: <b>Carbon</b>
		STATE: <b>UTAH</b>

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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion: <b>9/7/2006</b>	<input type="checkbox"/> ACIDIZE <input checked="" type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>Remedial Cement Sundry</u>

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

On Wednesday, 9-7-2006 @ 3:00am 9 5/8" casing was run and cemented. Cement was not circulated to surface as per BLM instructions. Once the Ridge Runner 2-19 has been drilled to total depth remedial cement operations will be commenced prior to completion of the well.

It is our intention to alter the casing plan by running either 7" or 5 1/2" as a liner, depending upon hole conditions.

NAME (PLEASE PRINT) <u>Doug Endsley</u>	TITLE <u>VP Operations</u>
SIGNATURE <u>Doug Endsley</u>	DATE <u>9/7/2006</u>

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>USA-U-01740</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Marion Energy Inc. (N2740)</b>		8. WELL NAME and NUMBER: <b>Ridge Runner #2-19</b>
3. ADDRESS OF OPERATOR: 119 S. Tennessee Ste 200 CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		9. API NUMBER: <b>4301530684</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>292.85ft FSL, 259.73ft FWL /SW/4 S17 14S-7E</b> QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 17 14S 07E</b>		10. FIELD AND POOL, OR WLD/CAT: <b>Wildcat</b> COUNTY: <b>Emery</b> STATE: <b>UTAH</b>

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 checked="" type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Change Bottom Hole Location</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.

This Sundry notice serves to amend the name of the Ridge Runner #11-18 to the Ridge Runner #2-19. This is due to a change in the bottom hole location which is explained below.

The bottom hole location of this directional well has been amended and is referenced below:

265ft FNL, 2485ft FWL / NW/4 Section 19 14S-7E

484381 X      39.599881  
4383156 Y      -111.181919

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

Date: 08-16-06  
By: [Signature]

NAME (PLEASE PRINT) <u>Benjamin Evans</u>	TITLE <u>Landman</u>
SIGNATURE <u>[Signature]</u>	DATE <u>8/1/2006</u>

RECEIVED

AUG 02 2006

DIV. OF OIL, GAS & MINING

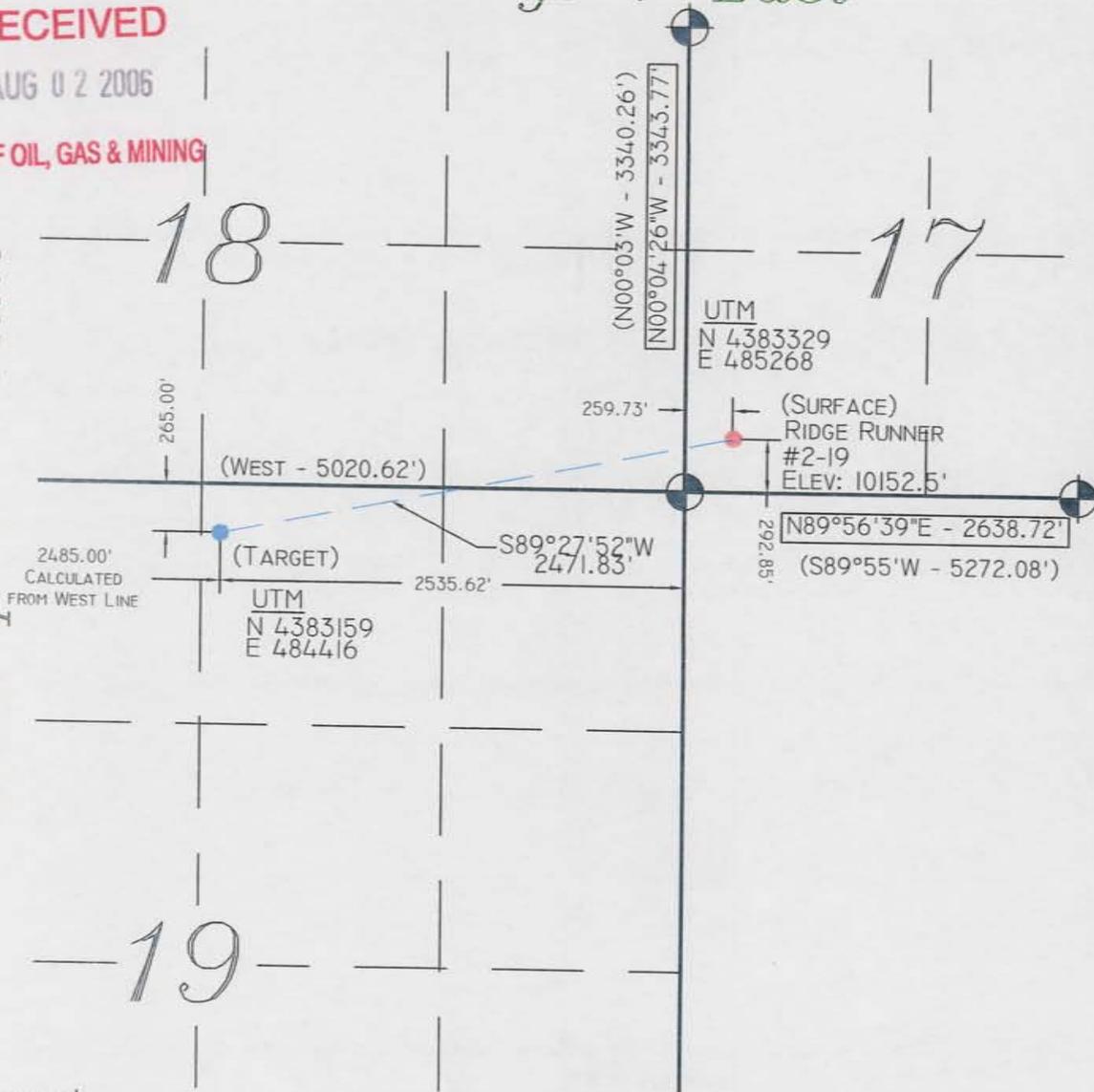
Range 7 East

Township 14 South

18

17

19



**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 SW/4 SW/4 of Section 17, T14S, R7E, S.L.B.&M., being 292.85' North and 259.75' East from the Southwest Section Corner of Section 17, T14S, R7E, Salt Lake Base & Meridian.

**Target Location**  
Proposed Target located in the NW/4 NE/4 of Section 19, T14S, R7E, S.L.B.&M., being 265.00' South and 2485.00' East from the Northwest Section Corner of Section 19, 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.





**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.**

**Ridge Runner #2-19**  
Sections 17&19, 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. 2392

- 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	TARGET
LAT / LONG	LAT / LONG
39°36'05.239"N	39°35'59.670"N
111°10'17.722"W	111°10'53.432"W

**GRAPHIC SCALE**



( IN FEET )  
1 inch = 1000 ft.  
Revision: 7/28/06



# Marion Energy Inc.

August 15, 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 #2-19: 292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E (Surface)  
265ft FNL, 2485ft FWL / NW/4 S19 14S-7E (bottom hole)  
Emery County, UT.

Dear Ms. Whitney

Pursuant to the filing of Marion Energy Inc's Application for Permit to Drill the above referenced well on January 5<sup>th</sup> 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 #2-19 well is located within the Clear Creek Federal Unit Area.
- Marion Energy Inc 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 Marion Energy Inc to minimize surface disturbance that would be otherwise cause by two or more separate pad sites. Marion Energy Inc plans to Drill 3 directional wells from this pad site.
- Marion Energy Inc 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 Marion Energy Inc requests the permit be granted pursuant to R649-3-11.

Sincerely,



Benjamin Evans  
Landman  
Marion Energy Inc.

**RECEIVED**

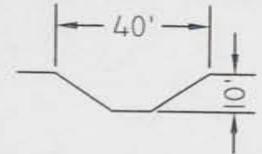
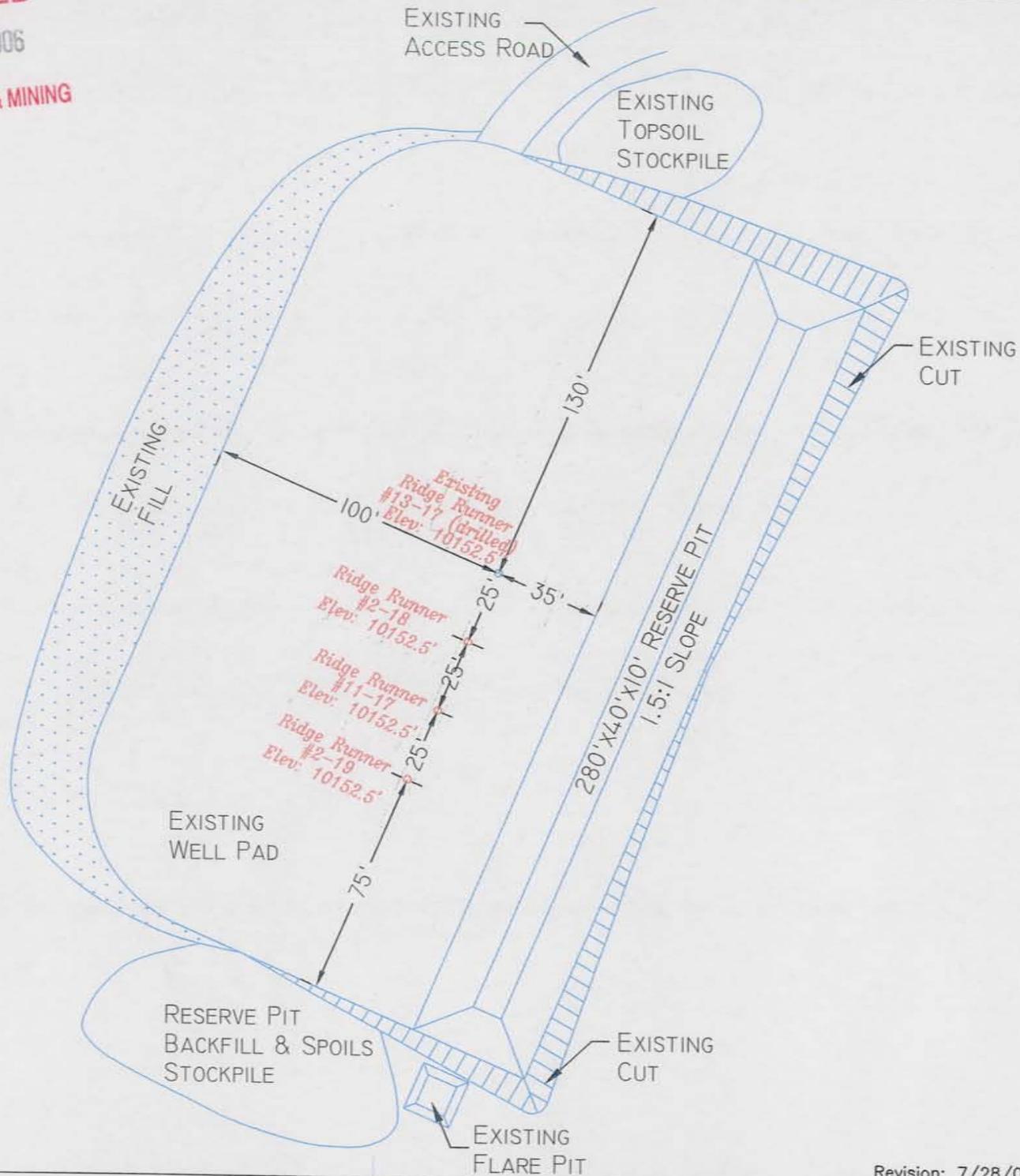
**AUG 16 2006**

DIV. OF OIL, GAS & MINING

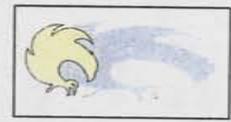
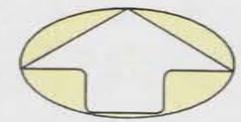
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AUG 02 2006

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PIT SECTION  
 APPROXIMATE CUT  
 = 2300 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 talonsetv.net

**Marion Energy Inc.**

LOCATION LAYOUT  
 ON EXISTING WELL PAD  
 Section 17, T14S, R7E, S.L.B.&M.  
 RIDGE RUNNER #2-19

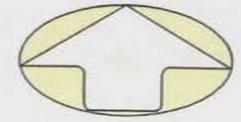
Drawn By: N. BUTKOVICH	Checked By: L.W.J.
Drawing No. A-2	Date: 4/12/06
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 2392

Revision: 7/28/06

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AUG 02 2006

DIV. OF OIL, GAS & MINING



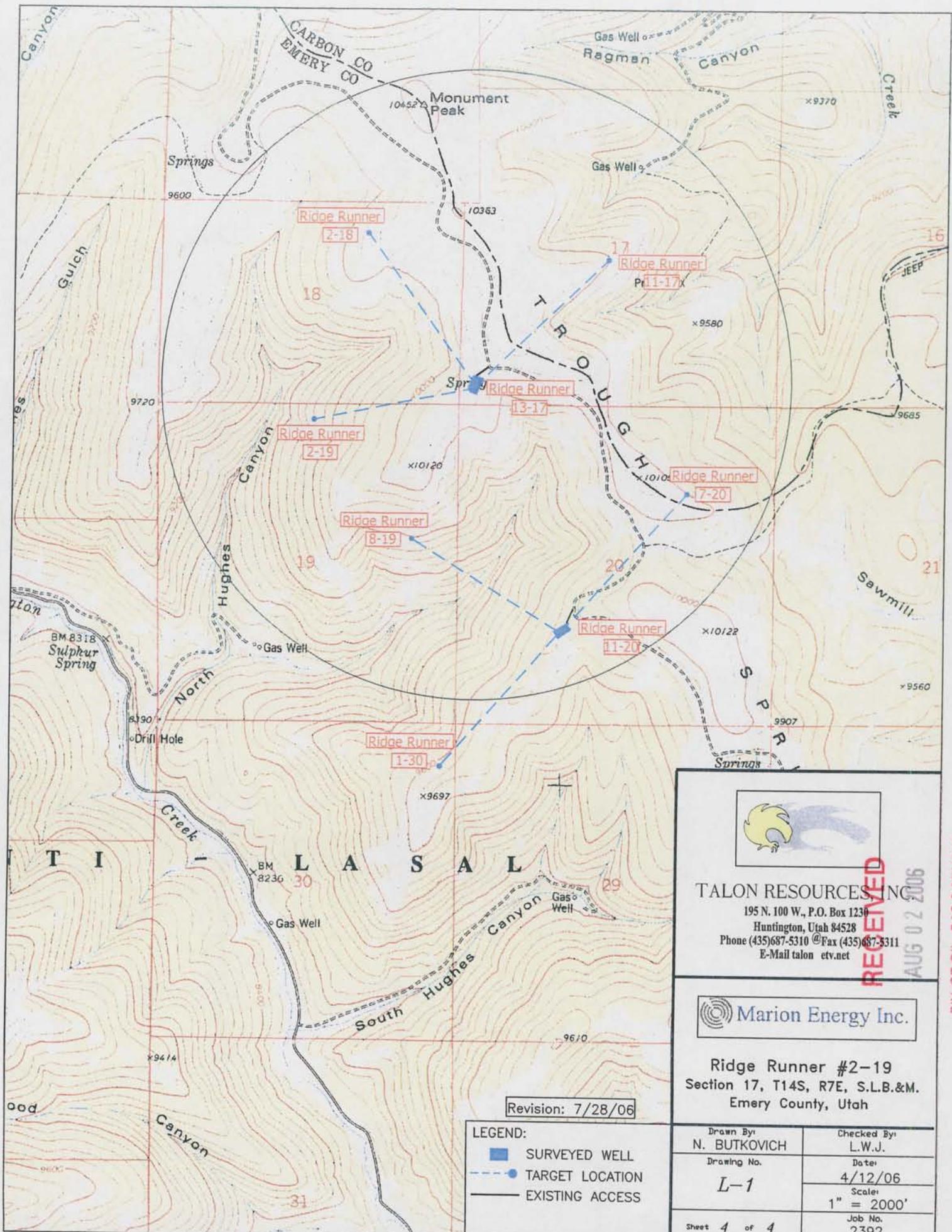
**TALON RESOURCES, INC.**  
 195 North 100 West P.O. Box 1230  
 Huntington, Utah 84528  
 Phone (435)687-5310 Fax (435)687-5311  
 E-Mail talonsetv.net

 **Marion Energy Inc.**

**PRODUCTION FACILITY LAYOUT  
 ON EXISTING WELL PAD**  
 Section 17, T14S, R7E, S.L.B.&M.  
 RIDGE RUNNER #2-19

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>A-3</b>	Date: <b>4/12/06</b>
	Scale: <b>1" = 50'</b>
Sheet <b>3</b> of <b>4</b>	Job No. <b>2392</b>

Revision: 7/28/06




**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

**RECEIVED**  
 AUG 02 2006



**Marion Energy Inc.**

**Ridge Runner #2-19**  
 Section 17, T14S, R7E, S.L.B.&M.  
 Emery County, Utah

Revision: 7/28/06

**LEGEND:**

- SURVEYED WELL
- TARGET LOCATION
- EXISTING ACCESS

Drawn By: <b>N. BUTKOVICH</b>	Checked By: <b>L.W.J.</b>
Drawing No. <b>L-1</b>	Date: <b>4/12/06</b>
	Scale: <b>1" = 2000'</b>
Sheet <b>4</b> of <b>4</b>	Job No. <b>2392</b>

DIV. OF OIL, GAS & MINING

Marion Energy, Inc.

Ridge Runner #2-19

Talon Resources, Inc.

195 North 100 West

P.O. Box 1230

Huntington, Utah 84528

(435) 687-5310

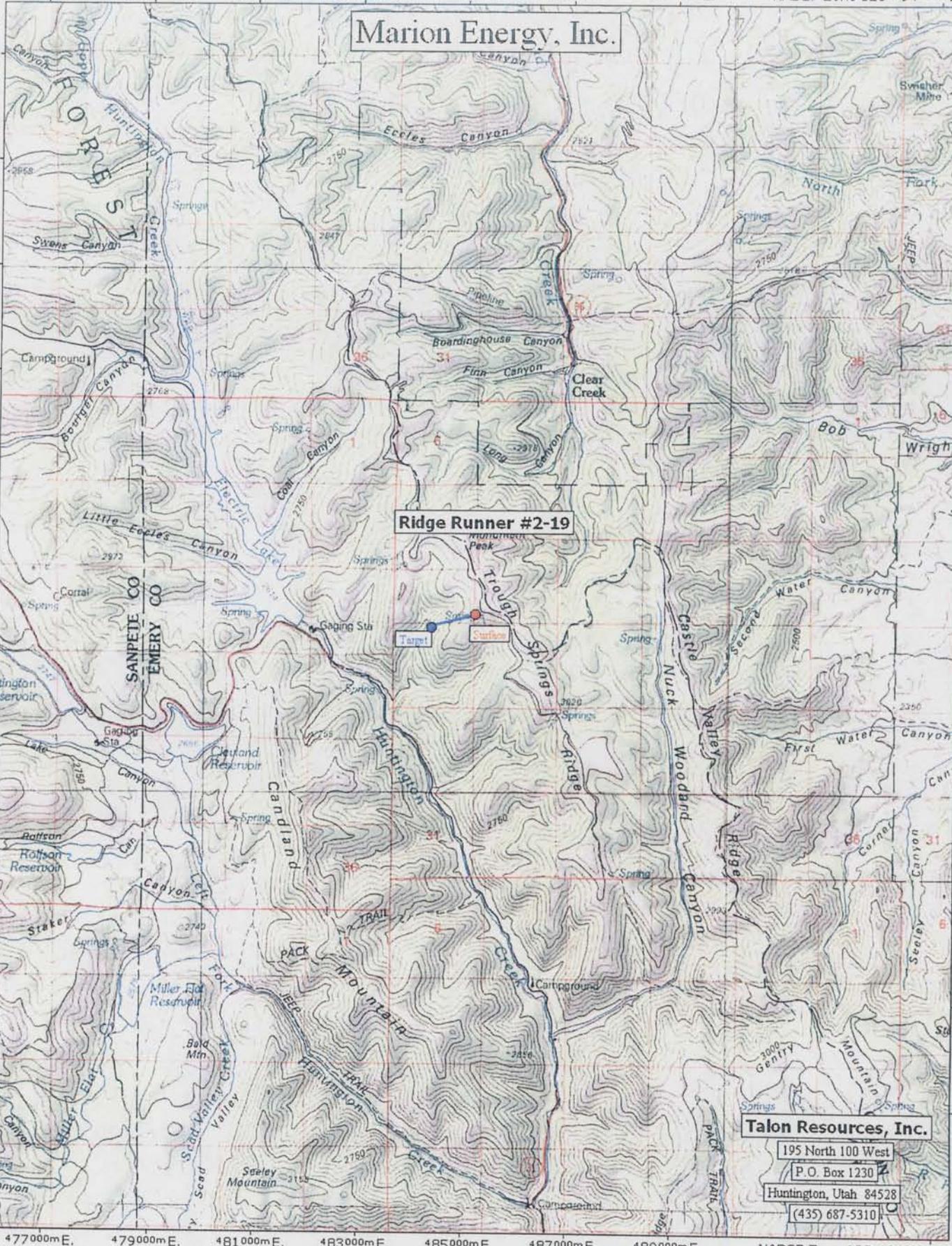
RECEIVED

AUG 02 2006

DIV OF OIL GAS & MINING

43 94000m N. 43 92000m N. 43 90000m N. 43 88000m N. 43 86000m N. 43 84000m N. 43 82000m N. 43 80000m N. 43 78000m N. 43 76000m N. 43 74000m N.

43 94000m N. 43 92000m N. 43 90000m N. 43 88000m N. 43 86000m N. 43 84000m N. 43 82000m N. 43 80000m N. 43 78000m N. 43 76000m N. 43 74000m N.



TN MN 12 1/4°

0.0 0.5 1.0 1.5 2.0 2.5 3.0 3.5 miles

0 1 2 3 4 5 km

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

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

5. Lease/Well No. **USA-D-01740**  
2006-11-17 17:02:00

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 #2-19**

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

9. API Well No.  
**4301530684**

3a. Address: ~~8290 W Sahara #186, Las Vegas, Nevada~~  
~~89117~~ **119 S Tennessee, Suite 200**  
**Midway, UT 84049**

3b. Phone No. (include area code)  
~~(702) 838-0716~~ **972-546-2117**

10. Field and Pool, or Exploratory  
**Exploratory**

4. Location of Well (Report location clearly and in accordance with any State requirements.)  
At surface **292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E**  
At proposed prod. zone **265ft FNL, 2485ft FWL /NW/4 S19 14S-7E (Bottom Hole)**

11. Sec., T. R. M. or Blk. and Survey or Area  
**S17 14S-7E**

14. Distance in miles and direction from nearest town or post office\*  
**Approx 4 1/2 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 259.75ft**  
**Bottom Hole 265ft**

16. No. of acres in lease  
**1208.99**

17. Spacing Unit dedicated to this well  
**40 acres**

18. Distance from proposed location\* to nearest well, drilling, completed, applied for, on this lease, ft.  
**Bottom Hole 2455ft**

19. Proposed Depth  
**6420**

20. BLM/BIA Bond No. on file  
**See attached bond document**

21. Elevations (Show whether DF, KDB, RT, GL, etc.)  
**10153 GR**

22. Approximate date work will start\*  
**07/01/2006**

23. Estimated duration  
**30 Days**

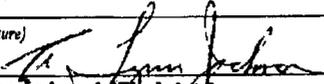
24. Attachments

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.   | 4. Bond to cover the operations unless covered by an existing bond on file (see item 20 above). |
| 2. A Drilling Plan.  | 5. Operator certification   |
| 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). | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature   
Title **Landman**

Name (Printed/Typed) **Benjamin Evans**  
Date **07/14/2006**

Approved by (Signature)   
Title **Assistant Field Manager, Division of Resources**

Name (Printed/Typed) **Lynn Jackson**  
Date **7/24/06**  
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

RECEIVED  
AUG 07 2006

DIV. OF OIL, GAS & MINING

Marion Energy, Inc.

**Ridge Runner 2-19**

Clear Creek Unit

Lease, Surface: UTU01740

Bottom-hole: UTU01740

Location, Surface: SW/SW Sec. 17, T14S, R7E

Bottom-hole: NWNE Sec. 19, T14S, R7E

(Located on the existing Ridge Runner #13-17 well pad with proposed wells #11-17 and #2-18)  
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.

**RECEIVED**

**AUG 02 2006**

**DIV. OF OIL, GAS & MINING**

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 (DOG M) 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.

**RECEIVED**

AUG 07 2005

DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT  
**APPLICATION FOR PERMIT TO DRILL OR REENTER**

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

5. Lease Rental No. 17 P 2:0  
USA-U-01740

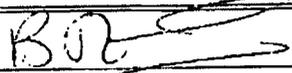
6. If Indian, Allottee or Tribe Name

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER		7. If Unit or CA Agreement, Name and No. Clear Creek Unit	
1b. Type of Well: <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone		8. Lease Name and Well No. Ridge Runner #2-19	
2. Name of Operator <del>Mid-Power Resource Corporation</del> <b>Marion Energy Inc.</b>		9. API Well No. 4301530684	
3a. Address: <del>8190 W Sahara, #186, Las Vegas, Nevada</del> <del>89117</del> <b>119 S. Tennessee, Suite 200</b> <b>McKinney, TX 75069</b>		3b. Phone No. (include area code) <del>(702) 838-0716</del> <b>972-546-2117</b>	
10. Field and Pool, or Exploratory Exploratory		11. Sec., T. R. M. or Blk. and Survey or Area S17 14S-7E	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface <b>292.85ft FSL, 259.75ft FWL /SW/4 S17 14S-7E</b> At proposed prod. zone <b>265ft FNL, 2485ft FWL /NW/4 S19 14S-7E (Bottom Hole)</b>		12. County or Parish Emery	
13. State UT		14. Distance in miles and direction from nearest town or post office* Approx 4 1/2 miles south west of Clear Creek	
15. Distance from proposed* location to nearest property or lease line, ft (Also to nearest drig unit line, if any)	Surface <b>259.75ft</b> Bottom Hole <b>265ft</b>	16. No. of acres in lease <b>1208.99</b>	17. Spacing Unit dedicated to this well <b>40 acres</b>
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	Bottom Hole <b>2455ft</b>	19. Proposed Depth <b>6420</b>	20. BLM/BIA Bond No. on file See attached bond document
21. Elevations (Show whether DF, KDB, RT, GL, etc) <b>10153 GR</b>	22. Approximate date work will start* <b>07/01/2006</b>	23. Estimated duration <b>30 Days</b>	

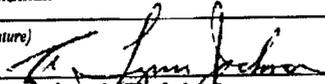
24. Attachments

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.  | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above). |
| 2. A Drilling Plan.   | 5. Operator certification   |
| 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) | 6. Such other site specific information and/or plans as may be required by the BLM.             |

25. Signature 	Name (Printed Typed) <b>Benjamin Evans</b>	Date <b>07/14/2006</b>
---	---	---------------------------

Title  
**Landman**

Approved by (Signature) 	Name (Printed Typed) <b>Sgt. A. Lynn Jackson</b>	Date <b>7/24/06</b>
---	---	------------------------

Title <b>Assistant Field Manager, Division of Resources</b>	Office <b>Division of Resources Moab Field Office</b>
--	--

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**

**RECEIVED**

**AUG 01 2006**

**DIV. OF OIL, GAS & MINING**

Marion Energy, Inc.

**Ridge Runner 2-19**

Clear Creek Unit

Lease, Surface: UTU01740

Bottom-hole: UTU01740

Location, Surface: SW/SW Sec. 17, T14S, R7E

Bottom-hole: NWNE Sec. 19, T14S, R7E

(Located on the existing Ridge Runner #13-17 well pad with proposed wells #11-17 and #2-18)

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.

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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.

**RECEIVED**  
**AUG 6 7 2005**  
**DIV. OF OIL, GAS & MINING**

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.
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  - 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.

RECEIVED  
AUG 02 2005  
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.

		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>USA-U-01740</b>
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME: <b>Clear Creek Unit</b>
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Ridge Runner 2-19</b>
2. NAME OF OPERATOR: <b>Marion Energy, Inc</b>		9. API NUMBER: <b>4301530684</b>
3. ADDRESS OF OPERATOR: <b>119 So. Tennessee #200</b> CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		10. FIELD AND POOL, OR WILDCAT: <b>Exploratory</b>
PHONE NUMBER: <b>(972) 540-2967</b>		

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **292.85ft FSL, 259.75ft FWL** COUNTY: **Carbon**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **17 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: <b>10/4/2006</b>	<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: <b>Casing Sundry</b>
	<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.

Well was drilled to total depth of 7228'. TD was reached 9/20/2006. The well was cased w/ 93 jts, 5 1/2", J-55, 17#/ft liner. Liner top is @ 3236' w/ 250' overlap in the 9 5/8" intermediate. Liner was cemented w/ 285 sks, Premium Lite cement as lead, slurry weight 11.0 ppg and yield of 3.82 cuft/sk, followed by 333 sks 50/50 Poz, slurry weight 14.0 ppg and yield of 1.25 cuft/sk as tail. Landed plug w/ 1000 psi. Float held. Plug down 10:00 am 9/21/2006.

NAME (PLEASE PRINT) <b>Doug Endsley</b>	TITLE <b>VP Operations</b>
SIGNATURE	DATE <b>10/4/2006</b>

(This space for State use only)

**RECEIVED**  
**OCT 10 2006**  
DIV. OF OIL, GAS & MINING

T145 R07E-5-17  
43-015-30684

Rig Phone No.: 435-828-5466 **MORNING REPORT** DATE: 9/23/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 44 OPER. @ RPT. TIME: PREP TO MOVE RIG  
 DEPTH: FTG. LAST 24 Hrs: 0 Ft. AVG. F/Hr. 0.0 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
4.0	CLEAN PITS	1.) RU- TD	20.0	90.5
20.0	RIG DWN AND WINTERIZE RIG TO MOVE ON RIDGE RUNNER 11-17	2.) DRILLING		258.0
		3.) REAMING		16.0
		4.) CORING		0.0
		5.) CIRC.		99.5
		6.) TRIP		185.5
		7.) SERVICE		14.0
		8.) REPAIR		25.0
		9.) CUT DL		2.0
		10.) SURVEY		15.5
		11.) LOGGING		0.0
		12.) CSG & CMT		50.0
		13.) WOC		29.5
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		16.5
		OTHER	4.0	198.0
		Total Hours =	24.0	1061.0
24.0	TOTAL HOURS			

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. 6		BIT NO. 7	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	8 3/4
VISC.		PF/MF		TYPE	EMSCO D50	G-D	PZ8		MFG / TYPE	REED/DSX199	REED
PV		CL		SPM					SIZE	8 3/4	8 3/4
YP		CA		BPS	5.9	2.9			JETS	OPEN	OPEAN
GELS		EX. LIME		PSI					IN / OUT	3535/7007	7007
FL.		LCM		GPM	0.0	0.0			WOB	10	10
CAKE 32nds		ECD		AVDC					RPM	100/40	100/40
% SOLIDS		H2S PPM		AVDP					FEET	3374	221
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	91.5	11.5
% OIL				STKS. BIT TO SUR.					DULL	3	3
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	3	2/16
										RO	A
										WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$594,920.00	\$14,840	\$609,760
MUD & CHEMICALS	\$50,426.00		\$50,426
CEM. SERV & FLT EQU.	\$116,617.00		\$116,617
BITS & BHA TOOLS	\$63,000.00		\$63,000
TRUCKING & DISP.	\$45,197.75		\$45,198
RENTAL EQUIP.	\$262,700.00	\$4,000	\$266,700
CASERS, WELD, LABOR	\$60,074.00		\$60,074
OVERHEAD	\$9,000.00	\$200	\$9,200
DIR. SERVICE / MOTOR	\$306,645.00		\$306,645
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$39,986.00		\$39,986
SUPERVISION	\$58,500.00	\$1,300	\$59,800
WATER	\$51,085.00	\$2,000	\$53,085
DISPOSAL	\$4,077.00		\$4,077
FUEL	\$136,880.10		\$136,880
MUD LOGGER	\$30,700.00		\$30,700
CASING / WELLHEAD	\$24,635.00		\$24,635
	\$0.00		\$0
PREV. CUM =	\$1,943,727		
TOTAL DAILY =		\$22,340	
TOTAL CUM =			\$1,966,067
DAILY MUD COSTS =			ACC. MUD COSTS = \$46,626.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
6475	36.56	263.27	5733	2443	-454	2400
6600	34.56	263.03	5835	2515	-462	2473
6724	33.63	263.52	5937	2585	-470	2542
6849	34.00	262.39	6041	2654	-479	2611
EXT 7007	34.47	260.96	6172	2743	-492	2699
WEIGHT						
STRING WT.	P / U	S / O	TORQUE			
DRILL COLLARS						
NO. 2	Conn	O.D.	6"	I.D.		
NO.	CONN	O.D.	I.D.			
DRILL PIPE						
NO.	CONN	O.D.	I.D.			
NO.	CONN	O.D.	I.D.			
BHA						
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C						
1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB						
20 HWDP, 1 JAR, 10 HWDP						
MUD						
GEL	poly		PAC-R			
BAR:	LCM		MICA			
LIME	1/8					
CAUS						

RECEIVED  
MAY 10 2007

DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/22/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #14

SPUD DATE: 8/10/2006 DFS: 43

OPER. @ RPT. TIME: NIPPLE DWN BOP

DEPTH: FTG. LAST 24 Hr.s: 0 Ft. AVG. FWH: 0.0

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
1.0	SET LINER SLIPS, STING OUT OF LINER	1.) RU- TD		70.5
10.5	WT ON CEMENT CREW TO BRING RIGHT CEMENT OUT	2.) DRILLING		258.0
4.0	RIG UP AND PUMP 50 BBL GEL SWEEP, PUMP LEAD CEMENT @ 11.0#	3.) REAMING		16.0
	285 SKS 3.82 YEILD 193.8 BBLs, TAIL CEMENT @ 14.0# 333SKS 1.25	4.) CORING		0.0
	YEILD 73.5 BBLs	5.) CIRC.		99.5
		6.) TRIP	8.5	185.5
	LAND PLUS WITH 1,000 PSI, FLOATS HELD	7.) SERVICE		14.0
8.5	POOH 30 STANDS, L/D THE REST, TIH & L/D THE REST	8.) REPAIR		25.0
		9.) CUT DL		2.0
		10.) SURVEY		15.5
		11.) LOGGING		0.0
		12.) CSG & CMT	4.0	50.0
		13.) WOC	10.5	29.5
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		16.5
		OTHER	1.0	194.0
		Total Hours =	24.0	1037.0

MUD				PUMPS				BIT RECORD				
WT. IN	PH			NO. 1		NO. 2		BIT NO. 6		BIT NO. 7		
WT. OUT	PM			SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	8 3/4	
VISC.	PF/MF			TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	REED/DSX199	REED		
PV	CL			SPM				SIZE	8 3/4	8 3/4		
YP	CA			BPS	5.9	2.9		JETS	OPEN	OPEAN		
GELS	EX. LIME			PSI				IN / OUT	3535/7007	7007		
FL.	LCM			GPM	0.0	0.0		WOB	10	10		
CAKE 32nds	ECD			AVDC				RPM	100/40	100/40		
% SOLIDS	H2S PPM			AVDP				FEET	3374	221		
% WATER	DAPP/LB/BB			STKS. SUR TO BIT				HOURS	91.5	11.5		
% OIL				STKS. BIT TO SUR.				DULL	3	3	RO	A
% SAND	L.C.M.			REDUCED PUMP RATE				GRADE	3	2/16	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$580,080.00	\$14,840	\$594,920
MUD & CHEMICALS	\$50,426.00		\$50,426
CEM. SERV & FLT EQU.	\$84,772.00	\$31,845	\$116,617
BITS & BHA TOOLS	\$31,000.00	\$32,000	\$63,000
TRUCKING & DISP.	\$45,197.75		\$45,198
RENTAL EQUIP.	\$255,700.00	\$7,000	\$262,700
CASERS, WELD, LABOR	\$60,074.00		\$60,074
OVERHEAD	\$8,800.00	\$200	\$9,000
DIR. SERVICE / MOTOR	\$305,645.00	\$1,000	\$306,645
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$15,243.00	\$24,743	\$39,986
SUPERVISION	\$57,200.00	\$1,300	\$58,500
WATER	\$50,725.00	\$360	\$51,085
DISPOSAL	\$4,077.00		\$4,077
FUEL	\$136,880.10		\$136,880
MUD LOGGER	\$30,700.00		\$30,700
CASING / WELLHEAD	\$24,635.00		\$24,635
	\$0.00		\$0
PREV. CUM =	\$1,830,439		
TOTAL DAILY =		\$113,288	
		TOTAL CUM =	\$1,943,727
DAILY MUD COSTS =		ACC. MUD COSTS =	\$46,626.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
6475	36.56	263.27	5733	2443	-454	2400
6600	34.56	263.03	5835	2515	-462	2473
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6849	34.00	262.39	6041	2654	-479	2611
EXT 7007	34.47	260.96	6172	2743	-492	2699

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN		
	CONN		

BHA	
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C.	
1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB	
20 HWDP, 1 JAR, 10 HWDP	

MUD	
GEL	poly
BAR	LCM
LIME	RECEIVED
CAUS	Carb-t

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/21/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 42 OPER. @ RPT. TIME: TRIPPING  
 DEPTH: FTG. LAST 24 Hrs: -7228 Ft. AVG. FATH: 0.0 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.0	TRIP IN HOLE	1.) RU- TD		70.5
7.0	RIG UP AND L/D DRILL PIPE	2.) DRILLING		258.0
5.0	RIG UP CSG CREW AND RUN 93 JTS CSG, 17# J55 LTC MAVERICK	3.) REAMING		16.0
2.0	RIG DWN CSG CREW, PICK UP JOINT TO HANG LINER	4.) CORING		0.0
7.0	TRIP IN HOLE WITH LINER, MAKE UP CEMENT HEAD ON SINGLE	5.) CIRC.		99.5
		6.) TRIP	17.0	177.0
		7.) SERVICE		14.0
	SHOE @ 7168', LINER TOP 3236', LINER LAP 250', FLOAT COLLAR 7153'	8.) REPAIR		25.0
		9.) CUT DL		2.0
		10.) SURVEY		15.5
		11.) LOGGING		0.0
		12.) CSG & CMT	7.0	46.0
		13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		16.5
		OTHER		193.0
		Total Hours =	24.0	1013.0
24.0	TOTAL HOURS			

MUD			PUMPS				BIT RECORD			
WT. IN	PH		NO. 1		NO. 2		BIT NO. 6		BIT NO. 7	
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	8 3/4
VISC.	PF/MF		TYPE	EMSCO D50	G-D	PZ8		MFG / TYPE	REED/DSX199	REED
PV	CL		SPM					SIZE	8 3/4	8 3/4
YP	CA		BPS	5.9	2.9			JETS	OPEN	OPEAN
GELS	EX. LIME		PSI					IN / OUT	3535/7007	7007
FL	LCM		GPM	0.0	0.0			WOB	10	10
CAKE 32nds	ECD		AVDC					RPM	100/40	100/40
% SOLIDS	H2S PPM		AVDP					FEET	3374	221
% WATER	DAPP/LB/BB		STKS. SUR TO BIT					HOURS	91.5	11.5
% OIL			STKS. BIT TO SUR.					DULL	3	3
% SAND	L.C.M.		REDUCED PUMP RATE					GRADE	3	2/16

DAILY COSTS RECORD				DEVIATION RECORD						
ITEM	PREV. CUM.	DAILY	TOTAL CUM.	DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
LOC., DAMAGES, COND.	\$0.00		\$0	6475	36.56	263.27	5733	2443	-454	2400
MOBILIZATION	\$89,284.00		\$89,284	6600	34.56	263.03	5835	2515	-462	2473
FOOTAGE / DAYWORK	\$567,240.00	\$12,840	\$580,080	6724	33.63	263.52	5937	2585	-470	2542
MUD & CHEMICALS	\$50,426.00		\$50,426	6849	34.00	262.39	6041	2654	-479	2611
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772	EXT 7007	34.47	260.96	6172	2743	-492	2699
BITS & BHA TOOLS	\$31,000.00		\$31,000	WEIGHT						
TRUCKING & DISP.	\$45,197.75		\$45,198	STRING WT.	P / U	S / O	TORQUE			
RENTAL EQUIP.	\$248,700.00	\$7,000	\$255,700	DRILL COLLARS						
CASERS, WELD, LABOR	\$45,190.00	\$14,884	\$60,074	NO. 2	Conn	O.D.	6"	I.D.		
OVERHEAD	\$8,600.00	\$200	\$8,800	NO.	CONN	O.D.	I.D.			
DIR. SERVICE / MOTOR	\$305,645.00		\$305,645	DRILL PIPE						
LOGGING	\$0.00		\$0	NO.	CONN	O.D.	I.D.			
MISC. SERV & SUPP.	\$15,243.00		\$15,243	NO.	CONN	O.D.	I.D.			
SUPERVISION	\$55,900.00	\$1,300	\$57,200	BHA						
WATER	\$50,725.00		\$50,725	BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C						
DISPOSAL	\$4,077.00		\$4,077	1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB						
FUEL	\$136,880.10		\$136,880	20 HWDP, 1 JAR, 10 HWDP						
MUD LOGGER	\$30,700.00		\$30,700	MUD						
CASING / WELLHEAD	\$24,635.00		\$24,635	GEL	poly		PAC-R			
	\$0.00		\$0	BAR:	LCM:		MICA			
PREV. CUM =	\$1,794,215			LIME:	LIG					
TOTAL DAILY =	\$36,224			CAUS	RECEIVED					
TOTAL CUM =			\$1,830,439							
DAILY MUD COSTS =		ACC. MUD COSTS =	\$46,626.00							

MAY 10 2007

DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/20/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #14

SPUD DATE: 8/10/2006 DFS: 41

OPER. @ RPT. TIME: TRIPPING

DEPTH: 7228

FTG. LAST 24 Hr.s: 221 Ft. AVG. FTH: 19.2

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.0	CIRC & CONDITION TO GET RETURNS	1.) RU- TD		70.5
2.0	REAM TO BOTTOM (STRAP OUT ON TRIP 41' OFF, 6966')	2.) DRILLING	11.5	256.0
11.5	D/F 6966' TO 7228'	3.) REAMING	2.0	16.0
2.0	CIRC & CONDITION, UNLOAD CSG	4.) CORING		0.0
4.0	SHORT TRIP OUT FOR FLOAT SUBS	5.) CIRC.	5.0	99.5
1.5	TRIP IN HOLE	6.) TRIP	5.5	160.0
		7.) SERVICE		14.0
		8.) REPAIR		25.0
		9.) CUT DL		2.0
	LITHOLOGY- 90% COAL, 10% SH	10.) SURVEY		15.5
		11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		16.5
		OTHER		193.0
		Total Hours =	24.0	969.0

MUD				PUMPS				BIT RECORD				
WT. IN		PH		NO. 1		NO. 2		BIT NO. 6		BIT NO. 7		
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	8 3/4	
VISC.		PF/MF		TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	REED/DSX199	REED		
PV		CL		SPM	40			SIZE	8 3/4	8 3/4		
YP		CA		BPS	5.9	2.9		JETS	OPEN	OPEAN		
GELS		EX. LIME		PSI				IN / OUT	3535/7007	7007		
FL		LCM		GPM	195.5	0.0		WOB	10	10		
CAKE 32nds		ECD		AVDC				RPM	100/40	100/40		
% SOLIDS		H2S PPM		AVDP				FEET	3374	221		
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	91.5	11.5		
% OIL				STKS. BIT TO SUR.				DULL	3	3	RO	A
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE	3	2/16	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$552,400.00	\$14,840	\$567,240
MUD & CHEMICALS	\$49,426.00	\$1,000	\$50,426
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$31,000.00		\$31,000
TRUCKING & DISP.	\$39,597.75	\$5,600	\$45,198
RENTAL EQUIP.	\$241,700.00	\$7,000	\$248,700
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$8,400.00	\$200	\$8,600
DIR. SERVICE / MOTOR	\$305,645.00		\$305,645
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$15,243.00		\$15,243
SUPERVISION	\$54,600.00	\$1,300	\$55,900
WATER	\$45,725.00	\$5,000	\$50,725
DISPOSAL	\$3,302.00	\$775	\$4,077
FUEL	\$123,360.10	\$13,520	\$136,880
MUD LOGGER	\$29,700.00	\$1,000	\$30,700
CASING / WELLHEAD	\$4,635.00	\$20,000	\$24,635
	\$0.00		\$0
PREV. CUM =	\$1,723,980		
TOTAL DAILY =		\$70,235	
		TOTAL CUM =	\$1,794,215
DAILY MUD COSTS =	\$1,000.00	ACC. MUD COSTS =	\$46,626.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
6475	36.56	263.27	5733	2443	-454	2400
6600	34.56	263.03	5635	2515	-462	2473
6724	33.63	263.52	5937	2585	-470	2542
6849	34.00	262.39	6041	2654	-479	2611
EXT 7007	34.47	260.96	6172	2743	-492	2699

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN		
	CONN		

BHA
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C
1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB
20 HWDP, 1 JAR, 10 HWDP

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS		

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5468

# MORNING REPORT

DATE: 9/19/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 40 OPER. @ RPT. TIME: KELLY UP AND FILL PIPE  
 DEPTH: 7007 FTG. LAST 24 Hr.s: 88 Ft. AVG. FWH: 29.3 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.0	D/F 6919' TO 7007'	1.) RU- TD		70.5
1.0	RIG SERVICE	2.) DRILLING	3.0	246.5
1.0	CIRC & CONDITION	3.) REAMING		14.0
10.0	PULL OUT OF HOLE	4.) CORING		0.0
1.0	L/D DIRECTIONAL TOOLS	5.) CIRC.	1.0	94.5
5.0	TRIP IN HOLE	6.) TRIP	15.0	154.5
1.0	REPAIR SPINNING CHAIN	7.) SERVICE	1.0	14.0
2.0	REPLACE GASKET ON ROTATING HEAD & KELLY UP	8.) REPAIR	1.0	25.0
		9.) CUT DL		2.0
		10.) SURVEY		15.5
		11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
	LITHOLOGY 60%COAL, 45%SH, 5% SS	14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK	1.0	16.5
		OTHER	2.0	193.0
		Total Hours =	24.0	965.0

MUD				PUMPS				BIT RECORD						
WT. IN	PH			NO. 1		NO. 2		BIT NO. 6		BIT NO. 7				
WT. OUT	PM			SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	8 3/4			
VISC.	PF/MF			TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	REED/DSX199	REED				
PV	CL			SPM	32			SIZE	8 3/4	8 3/4				
YP	CA			BPS	5.9	2.9		JETS	OPEN	OPEAN				
GELS	EX. LIME			PSI				IN / OUT	3535/7007	7007				
FL	LCM			GPM	156.4	0.0		WOB	10	10				
CAKE 32nds	ECD			AVDC				RPM	100/40	100/40				
% SOLIDS	H2S PPM			AVDP				FEET	3374					
% WATER	DAPP/LB/BB			STKS. SUR TO BIT				HOURS	91.5					
% OIL				STKS. BIT TO SUR.				DULL	3	3	RO	A		
% SAND	L.C.M.			REDUCED PUMP RATE				GRADE	3	2/16	WO	PR		

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$537,560.00	\$14,840	\$552,400
MUD & CHEMICALS	\$48,426.00	\$1,000	\$49,426
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$31,000.00		\$31,000
TRUCKING & DISP.	\$39,597.75		\$39,598
RENTAL EQUIP.	\$234,700.00	\$7,000	\$241,700
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$8,200.00	\$200	\$8,400
DIR. SERVICE / MOTOR	\$297,145.00	\$8,500	\$305,645
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$15,243.00		\$15,243
SUPERVISION	\$53,300.00	\$1,300	\$54,600
WATER	\$41,725.00	\$4,000	\$45,725
DISPOSAL	\$3,302.00		\$3,302
FUEL	\$123,360.10		\$123,360
MUD LOGGER	\$28,700.00	\$1,000	\$29,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,686,140		
TOTAL DAILY =		\$37,840	
		TOTAL CUM =	\$1,723,980
DAILY MUD COSTS =	\$1,000.00	ACC. MUD COSTS =	\$45,626.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
6475	36.56	263.27	5733	2443	-454	2400
6600	34.56	263.03	5835	2515	-462	2473
6724	33.63	263.52	5937	2585	-470	2542
6849	34.00	262.39	6041	2654	-479	2611
EXT 7007	34.47	260.96	6172	2743	-492	2699

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN		I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN		I.D.
	CONN		I.D.

BHA
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C.
1 EMITER SUB, 1FLEX MONEL, 1 XO, 2 DC, 1XO SUB
20 HWDP, 1 JAR, 10 HWDP

MUD			
GEL	poly	PAC-R	
BAR:	LCM:	MICA	
LIME:	LIG		
CAUS			

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/18/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #14

SPUD DATE: 8/10/2006

DFS: 39

OPER. RPT. TIME: DRILLING

DEPTH: 6919

FTG. LAST 24 Hrs: 622

FL

AVG. F/Hr. 36.6

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
1.0	CIRC & CONDITION ( TIGHT HOLE )	1.) RU- TD		70.5
1.0	D/F 6297' TO 6329'	2.) DRILLING	17.0	243.5
4.5	WASH & REAM HOLE IS CAVING IN ( WORK TIGHT HOLE )	3.) REAMING	4.5	14.0
2.0	D/F 6329' TO 6391'	4.) CORING		0.0
0.5	SURVEY	5.) CIRC.	1.0	93.5
10.5	D/F 6391' TO 6825'	6.) TRIP		139.5
1.0	SURVEY	7.) SERVICE		13.0
3.5	D/F 6825' TO 6919'	8.) REPAIR		24.0
		9.) CUT DL		2.0
		10.) SURVEY	1.5	15.5
	LITHOLOGY 60% COAL, 45% SH, 5% SS	11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		15.5
		OTHER		191.0
		Total Hours =	24.0	941.0
24.0	TOTAL HOURS			

MUD		
WT. IN	PH	
WT. OUT	PM	
VISC.	PF/MF	
PV	CL	
YP	CA	
GELS	EX. LIME	
FL.	LCM	
CAKE 32nds	ECD	
% SOLIDS	H2S PPM	
% WATER	DAPP/LB/BB	
% OIL		
% SAND	L.C.M.	

PUMPS				
	NO. 1		NO. 2	
SIZE	6.0	14.0	8.0	6.0
TYPE	EMSCO D50		G-D P28	
SPM	35			
BPS	5.9		2.9	
PSI				
GPM	171.0		0.0	
AVDC				
AVDP				
STKS. SUR TO BIT				
STKS. BIT TO SUR.				
REDUCED PUMP RATE				

BIT RECORD			
	BIT NO.	6	BIT NO.
SERIAL NO.	110369		
MFG / TYPE	REED/DSX199		
SIZE	8 3/4		
JETS	OPEN		
IN / OUT	3553		
WOB	10		
RPM	100/40		
FEET	3366		
HOURS	88.5		
DULL			
GRADE			

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$522,720.00	\$14,840	\$537,560
MUD & CHEMICALS	\$48,426.00	\$2,000	\$48,426
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$31,000.00		\$31,000
TRUCKING & DISP.	\$39,597.75		\$39,598
RENTAL EQUIP.	\$226,700.00	\$8,000	\$234,700
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$8,000.00	\$200	\$8,200
DIR. SERVICE / MOTOR	\$288,645.00	\$8,500	\$297,145
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$15,243.00		\$15,243
SUPERVISION	\$52,000.00	\$1,300	\$53,300
WATER	\$41,725.00		\$41,725
DISPOSAL	\$3,302.00		\$3,302
FUEL	\$123,360.10		\$123,360
MUD LOGGER	\$26,700.00	\$2,000	\$28,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,649,300		
TOTAL DAILY =		\$36,840	
			\$1,686,140
DAILY MUD COSTS =	\$200.00	ACC. MUD COSTS =	\$44,626.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
6352	38.50	264.64	5635	2368	-446	2326
6475	36.56	263.27	5733	2443	-454	2400
6600	34.56	263.03	5835	2515	-462	2473
6724	33.63	263.52	5937	2585	-470	2542
6849	34.00	262.39	6041	2654	-479	2611

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO. 2	Conn	O.D. 6"	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C
1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB
20 HWDP, 1 JAR, 10 HWDP

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/17/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 38 OPER. @ RPT. TIME: DRILLING  
 DEPTH: 6297 FTG. LAST 24 Hr.s: 591 Ft. AVG. FTHr. 26.9 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
8.0	D/F 5706' TO 5861'	1.) RU- TD		70.5
0.5	SURVEY	2.) DRILLING	22.0	226.5
10.0	D/F 5861' TO 6142'	3.) REAMING		9.5
1.5	SURVEY & AIR OUT PUMP	4.) CORING		0.0
3.5	D/F 6142' TO 6297'	5.) CIRC.		92.5
		6.) TRIP		139.5
		7.) SERVICE		13.0
		8.) REPAIR		24.0
		9.) CUT DL		2.0
		10.) SURVEY	2.0	14.0
	LITHOLOGY- 2% SS, 90% SH, 5% CARB SH, 3% COAL	11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		15.5
		OTHER		191.0
		Total Hours =	24.0	917.0
23.5	TOTAL HOURS			

MUD			PUMPS				BIT RECORD			
WT. IN	PH		NO. 1		NO. 2		BIT NO. 6		BIT NO.	
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	
VISC.	PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/DSX199	
PV	CL		SPM			50		SIZE	8 3/4	
YP	CA		BPS	5.9	2.9		JETS	OPEN		
GELS	EX. LIME		PSI					IN / OUT	3553	
FL.	LCM		GPM	0.0	186.2		WOB	10		
CAKE 32nds	ECD		AVDC					RPM	100/40	
% SOLIDS	H2S PPM		AVDP					FEET	2744	
% WATER	DAPP/LB/BB		STKS. SUR TO BIT					HOURS	71.5	
% OIL			STKS. BIT TO SUR.					DULL		
% SAND	L.C.M.		REDUCED PUMP RATE					GRADE		

DAILY COSTS RECORD				DEVIATION RECORD						
ITEM	PREV. CUM.	DAILY	TOTAL CUM.	DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
LOC., DAMAGES, COND.	\$0.00		\$0	5326	35.19	262.89	4825	1742	-366	-1703
MOBILIZATION	\$89,284.00		\$89,284	5420	34.31	260.14	4902	1795	-374	-1756
FOOTAGE / DAYWORK	\$507,880.00	\$14,840	\$522,720	5512	33.88	259.52	4978	1847	-383	-1807
MUD & CHEMICALS	\$45,426.00	\$1,000	\$46,426	5604	34.88	261.52	5054	1899	-391	-1858
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772	6165	40.25	264.39	5490	2251	-434	-2209
BITS & BHA TOOLS	\$31,000.00		\$31,000	<b>WEIGHT</b>						
TRUCKING & DISP.	\$39,597.75		\$39,598	STRING WT.	P / U	S / O	TORQUE			
RENTAL EQUIP.	\$216,700.00	\$10,000	\$226,700	<b>DRILL COLLARS</b>						
CASERS, WELD, LABOR	\$45,190.00		\$45,190	NO. 2	Conn	O.D.	6"	I.D.		
OVERHEAD	\$7,800.00	\$200	\$8,000	NO.	CONN	O.D.	I.D.			
DIR. SERVICE / MOTOR	\$280,145.00	\$8,500	\$288,645	<b>DRILL PIPE</b>						
LOGGING	\$0.00		\$0	NO.	CONN	O.D.	I.D.			
MISC. SERV & SUPP.	\$15,243.00		\$15,243	NO.	CONN	O.D.	I.D.			
SUPERVISION	\$50,700.00	\$1,300	\$52,000	<b>BHA</b>						
WATER	\$40,725.00	\$1,000	\$41,725	BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C						
DISPOSAL	\$3,302.00		\$3,302	1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB						
FUEL	\$123,360.10		\$123,360	20 HWDP, 1 JAR, 10 HWDP						
MUD LOGGER	\$26,700.00		\$26,700	<b>MUD</b>						
CASING / WELLHEAD	\$4,635.00		\$4,635	GEL	poly		PAC-R			
	\$0.00		\$0	BAR:	LCM:		MICA			
PREV. CUM =	\$1,612,460			LIME:	LIG					
TOTAL DAILY =	\$36,840			CAS	Gels					
TOTAL CUM =	\$1,649,300									
DAILY MUD COSTS =	\$1,000.00	ACC. MUD COSTS =	\$44,426.00							

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/16/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #14

SPUD DATE: 8/10/2006

DFS: 37

OPER. @ RPT. TIME: DRILLING

DEPTH: 5706

FTG. LAST 24 Hr.s: 606 Ft. AVG. FTHr. 27.5

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
10.0	D/F 5100' TO 5335'	1.) RU- TD		70.5
0.5	RIG SERVICE	2.) DRILLING	22.0	204.5
2.5	D/F5335' TO 5448'	3.) REAMING		9.5
1.0	REPAIR GUIDED LINE	4.) CORING		0.0
0.5	SURVEY	5.) CIRC.		92.5
9.5	D/F 5448' TO 5706'	6.) TRIP		139.5
		7.) SERVICE	0.5	13.0
		8.) REPAIR	1.0	24.0
		9.) CUT DL		2.0
	LITHOLOGY- 5% SS, 90% SH, 5% CARB SH.	10.) SURVEY	0.5	12.0
		11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		15.5
		OTHER		191.0
		Total Hours =	24.0	893.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. 6		BIT NO.	
WT. OUT		PM		SIZE 6.0	14.0	8.0	6.0	SERIAL NO. 110369			
VISC.		PF/MF		TYPE EMSCO D50	G-D	PZ8		MFG / TYPE REED/DSX199			
PV		CL		SPM		40		SIZE 8 3/4			
YP		CA		BPS 5.9		2.9		JETS OPEN			
GELS		EX. LIME		PSI				IN / OUT 3553			
FL.		LCM		GPM 0.0		148.9		WOB 10			
CAKE 32nds		ECD		AVDC				RPM 100/40			
% SOLIDS		H2S PPM		AVDP				FEET 1407			
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS 49.5			
% OIL				STKS. BIT TO SUR.				DULL			
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE			

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$493,040.00	\$14,840	\$507,880
MUD & CHEMICALS	\$43,426.00	\$2,000	\$45,426
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00	\$24,000	\$31,000
TRUCKING & DISP.	\$39,597.75		\$39,598
RENTAL EQUIP.	\$206,700.00	\$10,000	\$216,700
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$7,600.00	\$200	\$7,800
DIR. SERVICE / MOTOR	\$271,645.00	\$8,500	\$280,145
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00	\$2,500	\$15,243
SUPERVISION	\$49,400.00	\$1,300	\$50,700
WATER	\$35,500.00	\$5,225	\$40,725
DISPOSAL	\$3,302.00		\$3,302
FUEL	\$123,360.10		\$123,360
MUD LOGGER	\$25,700.00	\$1,000	\$26,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,542,895		
TOTAL DAILY =		\$69,565	
		TOTAL CUM =	\$1,612,460
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$43,426.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
5235	38.13	262.14	4651	1689	-359	-1651
5326	35.19	262.89	4825	1742	-366	-1703
5420	34.31	260.14	4902	1795	-374	-1756
5512	33.88	259.52	4978	1847	-383	-1807
5604	34.88	261.52	5054	1899	-391	-1858

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
138	200	100	

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN	O.D.	I.D.
	CONN	O.D.	I.D.

BHA
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C
1 EMITER SUB, 1FLEX MONEL, 1 XO, 2 DC, 1XO SUB
20 HWDP, 1 JAR, 10 HWDP

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/15/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 36 OPER. @ RPT. TIME: DRILLING  
 DEPTH: 5100 FTG. LAST 24 Hr.s: 664 Ft. AVG. FTHr: 30.9 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
14.5	D/F 4436' TO 4901'	1.) RU- TD		70.5
1.0	PUMP RESERVE PIT DWN	2.) DRILLING	21.5	182.5
2.0	D/F 4391' TO 4992'	3.) REAMING		9.5
1.5	SURVEY	4.) CORING		0.0
5.0	D/F 4332' TO 5100'	5.) CIRC.	1.0	92.5
		6.) TRIP		139.5
		7.) SERVICE		12.5
		8.) REPAIR		23.0
		9.) CUT DL		2.0
		10.) SURVEY	1.5	11.5
	LITHOLOGY - 8% SS, 90% SH, 2% LMST TRACE	11.) LOGGING		0.0
		12.) CSG & CMT		39.0
	BG GAS 20-30u	13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		15.5
		OTHER		191.0
		Total Hours =	24.0	869.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. 6		BIT NO.	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	
VISC.		PF/MF		TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	REED/DSX199		
PV		CL		SPM			50	SIZE	8 3/4		
YP		CA		BPS	5.9		2.9	JETS	OPEN		
GELS		EX. LIME		PSI				IN / OUT	3553		
FL		LCM		GPM	0.0		186.2	WOB	10		
CAKE 32nds		ECD		AVDC				RPM	100/40		
% SOLIDS		H2S PPM		AVDP				FEET	801		
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	27.5		
% OIL				STKS. BIT TO SUR.				DULL			
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE			

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$478,200.00	\$14,840	\$493,040
MUD & CHEMICALS	\$40,673.00	\$2,753	\$43,426
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$39,597.75		\$39,598
RENTAL EQUIP.	\$198,700.00	\$8,000	\$206,700
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$7,400.00	\$200	\$7,600
DIR. SERVICE / MOTOR	\$263,145.00	\$8,500	\$271,645
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$48,100.00	\$1,300	\$49,400
WATER	\$35,500.00		\$35,500
DISPOSAL	\$2,707.00	\$595	\$3,302
FUEL	\$108,814.10	\$14,546	\$123,360
MUD LOGGER	\$24,700.00	\$1,000	\$25,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,491,161		
TOTAL DAILY =		\$61,734	
TOTAL CUM =			\$1,542,895
DAILY MUD COSTS =	\$2,753.00	ACC. MUD COSTS =	\$41,426.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
4581	38.13	249.27	4232	1294	-244	1271
4673	37.50	249.02	4305	1350	-264	1323
4768	37.68	249.64	4380	1407	-285	1378
4862	37.69	250.77	4454	1463	-304	-1432
4956	38.00	253.02	4529	1520	-322	-1487

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
134	155	105	

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN		
	CONN		

BHA	
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C	
1 EMITER SUB, 1FLEX MONEL, 1 XO, 2 DC, 1XO SUB	
20 HWDP, 1 JAR, 10 HWDP	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS	Carb-1 2BBLs SOAP, 12 SHELL TREAT	

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Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/14/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #14

SPUD DATE: 8/10/2006 DFS: 35

OPER. @ RPT. TIME: DRILLING

DEPTH: 4436

FTG. LAST 24 Hrs: 801 Ft. AVG. Ft./Hr. 33.4

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
24.0	D/F 3635' TO 4436'	1.) RU- TD		70.5
		2.) DRILLING	24.0	161.0
		3.) REAMING		9.5
		4.) CORING		0.0
	LITHOLOGY	5.) CIRC.		91.5
	90 % SS, 8% SH, CARB SH 2%	6.) TRIP		139.5
		7.) SERVICE		12.5
		8.) REPAIR		23.0
		9.) CUT DL		2.0
		10.) SURVEY		10.0
		11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
		14.) NU & TEST		38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		22.5
		20.) DIR. WORK		15.5
		OTHER		191.0
		Total Hours =	24.0	845.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. 6		BIT NO.	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	110369	
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/DSX199	
PV		CL		SPM			30		SIZE	8 3/4	
YP		CA		BPS	5.9		2.9		JETS	OPEN	
GELS		EX. LIME		PSI					IN / OUT	3553	
FL.		LCM		GPM	0.0		111.7		WOB	10	
CAKE 32nds		ECD		AVDC					RPM	100/40	
% SOLIDS		H2S PPM		AVDP					FEET	801	
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	27.5	
% OIL				STKS. BIT TO SUR.					DULL		
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE		

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$463,360.00	\$14,840	\$478,200
MUD & CHEMICALS	\$39,673.00	\$1,000	\$40,673
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$39,597.75		\$39,598
RENTAL EQUIP.	\$195,930.00	\$2,770	\$198,700
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$7,200.00	\$200	\$7,400
DIR. SERVICE / MOTOR	\$254,645.00	\$8,500	\$263,145
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$46,800.00	\$1,300	\$48,100
WATER	\$35,500.00		\$35,500
DISPOSAL	\$2,707.00		\$2,707
FUEL	\$108,814.10		\$108,814
MUD LOGGER	\$23,700.00	\$1,000	\$24,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,461,551		
TOTAL DAILY =		\$29,610	
		TOTAL CUM =	\$1,491,161
DAILY MUD COSTS =	\$1,000.00	ACC. MUD COSTS =	\$38,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
3931	37.63	247.64	3723	900	-87.62	-899
4025	38.56	247.64	3796	957	-109	-953
4118	38.56	247.64	3869	1014	-131	1006
4210	38.69	247.64	3941	1070	-153	-1059
4304	38.44	246.27	4015	1127	-176	-1113

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
126	150	100	

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN		
	CONN		

BHA
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C
1 EMITER SUB, 1 FLEX MONEL, 1 XO, 2 DC, 1 XO SUB
20 HWDP, 1 JAR, 10 HWDP

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/13/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 34 OPER. @ RPT. TIME: DRILLING  
 DEPTH: 3635 FTG. LAST 24 Hr.s: 3635 Ft. AVG. Ft./hr. 807.8 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
0.5	TRIP IN HOLE	1.) RU- TD		70.5
0.5	BREAK CIRCULATION, UNLOAD HOLE	2.) DRILLING	4.5	137.0
1.5	DRILLING F/3510-3553	3.) REAMING		9.5
0.5	CIRCULATE	4.) CORING		0.0
3.0	TRIP OUT F/ MOTOR, PDC, & DIR. TOOLS, L/D 8 DRILL COLLARS	5.) CIRC.	2.5	91.5
2.0	CUT DRILLING LINE	6.) TRIP	9.5	139.5
4.0	P/U BHA & CALIBRATE DIRECTIONAL TOOLS	7.) SERVICE	0.5	12.5
2.0	TRIP IN HOLE	8.) REPAIR		23.0
1.0	BREAK CIRCULATION, UNLOAD HOLE	9.) CUT DL	2.0	2.0
2.0	TRIP OUT TO COLLARS	10.) SURVEY		10.0
0.5	P/U 10 JTS HWDP	11.) LOGGING		0.0
0.5	RIG SERVICE	12.) CSG & CMT		39.0
2.0	TRIP IN HOLE	13.) WOC		19.0
1.0	BREAK CIRCULATION, UNLOAD HOLE	14.) NU & TEST		38.5
3.0	DRILL F/3553-3626	15.) INSP. BHA		0.0
		16.) DST		0.0
	BG GAS 20-3-u TRIP GAS 30u HIGH 30u	17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
	LITHOLOGY	19.) FISHING		22.5
	SHALE 10% SANDSTONE 20% CARB SHALE 50% TRACE LMST	20.) DIR. WORK		15.5
		OTHER	5.0	191.0
		Total Hours =	24.0	821.0

MUD				PUMPS				BIT RECORD								
WT. IN		PH		NO. 1		NO. 2		BIT NO.		R-R		BIT NO. 4				
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.			LK4125				
VISC.		PF/MF		TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	REED/QC489		REED/HP44HF					
PV		CL		SPM				SIZE	12 1/4		12.25					
YP		CA		BPS	5.9	2.9		JETS	OPEN		OPEN					
GELS		EX. LIME		PSI				IN / OUT	182		2254					
FL		LCM		GPM	0.0	0.0		WOB	20		36					
CAKE 32nds		ECD		AVDC				RPM	100/45		100/30					
% SOLIDS		H2S PPM		AVDP				FEET	804		1257					
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	42.5		45.5					
% OIL				STKS. BIT TO SUR.				DULL	2	2	FC	N	8	8	LC	A
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE	1	1	LT	DMF	8	4/18	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$448,520.00	\$14,840	\$463,360
MUD & CHEMICALS	\$39,673.00		\$39,673
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$38,652.75	\$945	\$39,598
RENTAL EQUIP.	\$193,160.00	\$2,770	\$195,930
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$7,000.00	\$200	\$7,200
DIR. SERVICE / MOTOR	\$244,945.00	\$9,700	\$254,645
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$45,500.00	\$1,300	\$46,800
WATER	\$35,500.00		\$35,500
DISPOSAL	\$2,115.00	\$592	\$2,707
FUEL	\$108,814.10		\$108,814
MUD LOGGER	\$22,700.00	\$1,000	\$23,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,430,204		
TOTAL DAILY =		\$31,347	
		TOTAL CUM =	\$1,461,551
DAILY MUD COSTS =		ACC. MUD COSTS =	\$37,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
2168	18.75	278.14	2155	115.18	56.61	-127.6
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.69	273.27	2273	152.84	60.97	-166.7
2354	21.00	270.77	2331	173.35	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
120000	136	110	

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
2	Conn	6"	
	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN	O.D.	I.D.

BHA	
BIT, MOTOR, SHOCK SUB, SHORT NMDC, DBL PIN, TOOL C.	

MUD		
GEL	PAC-R	
	poly	
BAR:	LCM:	MICA
LIME:	LIG	
CAUS		

RECEIVED

MAY 10 2007

DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/12/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #14 SPUD DATE: 8/10/2006 DFS: 33 OPER. @ RPT. TIME: DRILLING  
 DEPTH: FTG. LAST 24 Hrs: 0 Ft. AVG. F/HR. 0.0 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
2.0	TRIP OUT W/ FISH	1.) RU- TD		70.5
1.0	P/U MAGNET	2.) DRILLING		132.5
1.5	REPAIR BROKEN TONGS	3.) REAMING		9.5
3.0	TRIP IN HOLE	4.) CORING		0.0
0.5	FISHING	5.) CIRC.	1.0	69.0
2.0	TRIP OUT W/ FISH	6.) TRIP	17.5	130.0
2.5	L/D MAGNET, TRIP IN HOLE W/ RERUN BIT & JUNK BASKET	7.) SERVICE	1.0	12.0
1.0	BREAK CIRCULATION, UNLOAD HOLE	8.) REPAIR	3.0	23.0
0.5	ATTEMPT TO DRILL, MORE IRON IN HOLE	9.) CUT DL		0.0
2.0	TRIP OUT OF HOLE FOR MAGNET	10.) SURVEY		10.0
0.5	P/U MAGNET, TRIP IN HOLE	11.) LOGGING		0.0
0.5	RIG REPAIR	12.) CSG & CMT		39.0
1.5	TRIP IN HOLE	13.) WOC		19.0
0.5	FISHING	14.) NU & TEST		38.5
2.0	TRIP OUT W/ FISH	15.) INSP. BHA		0.0
1.0	TRIP IN W/ RERUN BIT	16.) DST		0.0
1.0	RIG SERVICE	17.) PLUGBACK		0.0
1.0	TRIP IN HOLE	18.) LOST CIRC.		0.0
		19.) FISHING	1.5	22.5
		20.) DIR. WORK		15.5
		OTHER		186.0
		Total Hours =	24.0	797.0

MUD				PUMPS				BIT RECORD									
WT. IN		PH		NO. 1		NO. 2		BIT NO. R-R				BIT NO. 4					
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	LK4125							
VISC.		PF/MF		TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	REED/QC489				REED/HP44HF				
PV		CL		SPM				SIZE	12 1/4				12.25				
YP		CA		BPS	5.9	2.9		JETS	OPEN				OPEAN				
GELS		EX. LIME		PSI				IN / OUT	182				2254				
FL.		LCM		GPM	0.0	0.0		WOB	20				36				
CAKE 32nds		ECD		AVDC				RPM	100/45				100/30				
% SOLIDS		H2S PPM		AVDP				FEET	804				1257				
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	42.5				45.5				
% OIL				STKS. BIT TO SUR.				DULL	2	2	FC	N	8	8	LC	A	
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE	1	1	LT	DMF	8	4/16	WO	PR	

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$435,680.00	\$12,840	\$448,520
MUD & CHEMICALS	\$39,673.00		\$39,673
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$38,652.75		\$38,653
RENTAL EQUIP.	\$190,390.00	\$2,770	\$193,160
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$6,800.00	\$200	\$7,000
DIR. SERVICE / MOTOR	\$239,390.00	\$5,555	\$244,945
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$44,200.00	\$1,300	\$45,500
WATER	\$35,500.00		\$35,500
DISPOSAL	\$2,115.00		\$2,115
FUEL	\$94,561.10	\$14,253	\$108,814
MUD LOGGER	\$21,700.00	\$1,000	\$22,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,392,286		
TOTAL DAILY =		\$37,918	
			\$1,430,204
DAILY MUD COSTS =		ACC. MUD COSTS =	\$37,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
2168	18.75	278.14	2155	115.18	56.61	-127.6
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.69	273.27	2273	152.84	60.97	-166.7
2354	21.00	270.77	2331	173.39	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	Conn		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
BIT, JUNK BASKET, XO, 10 6" COLLARS, XO, 10 HWDP, JAR,	
10 HWDP, FLOAT SUB	
TOTAL BHA=957.56	

MUD		
GEL: poly PAC-R		
BAR: LCM: MICA		
LIME: LIG		
CAUSE: RECEIVED		

MAY 10 2007

Rig Phone No.: 435-828-5486

**MORNING REPORT**

DATE: 9/11/2006

OPERATOR: MARION ENERGY INC.

LEASE &amp; WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #14

SPUD DATE: 8/10/2006

DFS: 32

OPER. @ RPT. TIME: TRIPPING

DEPTH: FTG. LAST 24 Hr.s: -3515 Fl. AVG. F/HR. 0.0

REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
2.0	TRIP IN HOLE W/MAGNET	1.) RU- TD		70.5
0.5	FISHING	2.) DRILLING		132.5
2.5	TRIP OUT	3.) REAMING		9.5
1.0	RIG SERVICE	4.) CORING		0.0
2.5	TRIP IN W/ BIT	5.) CIRC.	0.5	88.0
0.5	BREAK CIRCULATION, UNLOAD HOLE	6.) TRIP	17.5	112.5
1.0	FISHING	7.) SERVICE	1.0	11.0
2.5	TRIP OUT F/ MAGNET	8.) REPAIR		20.0
1.0	L/D BIT, P/U MAGNET	9.) CUT DL		0.0
2.5	TRIP INHOLE	10.) SURVEY		10.0
0.5	FISHING	11.) LOGGING		0.0
2.5	TRIP OUT	12.) CSG & CMT		39.0
1.0	RIG SERVICE	13.) WOC		19.0
2.5	TRIP IN W/ RERUN BIT	14.) NU & TEST		38.5
1.5	FISHING	15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING	3.5	21.0
		20.) DIR. WORK		15.5
		OTHER	1.5	186.0
		Total Hours =	24.0	773.0
24.0	TOTAL HOURS			

MUD				PUMPS				BIT RECORD									
WT. IN		PH			NO. 1	NO. 2			BIT NO.		R-R		BIT NO. 4				
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	LK4125							
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/QC489		REED/HP44HF					
PV		CL		SPM					SIZE	12 1/4		12.25					
YP		CA		BPS	5.9		2.9		JETS	OPEN		OPEAN					
GELS		EX. LIME		PSI					IN / OUT	182		2254					
FL.		LCM		GPM	0.0		0.0		WOB	20		36					
CAKE 32nds		ECD		AVDC					RPM	100/45		100/30					
% SOLIDS		H2S PPM		AVDP					FEET	804		1257					
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	42.5		45.5					
% OIL				STKS. BIT TO SUR.					DULL	2	2	FC	N	8	8	LC	A
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	1	1	LT	DMF	8	4/16	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$423,200.00	\$12,480	\$435,680
MUD & CHEMICALS	\$39,673.00		\$39,673
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$38,049.00	\$604	\$38,653
RENTAL EQUIP.	\$187,620.00	\$2,770	\$190,390
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$6,600.00	\$200	\$6,800
DIR. SERVICE / MOTOR	\$233,835.00	\$5,555	\$239,390
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$42,900.00	\$1,300	\$44,200
WATER	\$35,500.00		\$35,500
DISPOSAL	\$2,115.00		\$2,115
FUEL	\$94,561.10		\$94,561
MUD LOGGER	\$20,700.00	\$1,000	\$21,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,368,377		
TOTAL DAILY =		\$23,909	
TOTAL CUM =			\$1,392,286
DAILY MUD COSTS =			ACC. MUD COSTS = \$37,673.00

DEVIATION RECORD							
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W	
2168	18.75	278.14	2155	115.18	58.81	-127.8	
2230	18.31	277.02	2214	133.91	59.22	-147.1	
2292	18.69	273.27	2273	152.84	60.97	-166.7	
2354	21.00	270.77	2331	173.39	61.89	-187.7	
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5	
WEIGHT							
STRING WT.	P / U	S / O	TORQUE				
DRILL COLLARS							
NO. 10	Conn	O.D.		I.D.			
NO.	CONN	O.D.		I.D.			
DRILL PIPE							
NO. 23	CONN	O.D.		I.D.			
NO.	CONN	O.D.		I.D.			
BHA							
8 3/4 MAGNET, JUNK BASKET XO, 10 6" COLLARS, XO, 10 HW							
10 HWDP, FLOAT SUB							
TOTAL BHA=957.56							
MUD							
GEL	poly	PAC-R					
BAR:	LCM:	MICA					
LIME:	LIG						
CAUS:	Carb-N						

RECEIVED

MAY 10 2007

DIV. OF OIL, GAS &amp; MINING

Rig Phone No.: 435-828-5486

# MORNING REPORT

DATE: 9/10/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 31

OPER. @ RPT. TIME:

DEPTH: 3515

FTG. LAST 24 Hr.s: 3 Ft. AVG. FTH. 0.0

REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.5	MILL ON JUNK	1.) RU- TD		70.5
1.5	TRIP OUT OF HOLE	2.) DRILLING		132.5
2.0	SWITCH OUT AIR COMPRESSOR	3.) REAMING		9.5
2.5	TRIP IN W/ BIT	4.) CORING		0.0
1.0	REPAIR AIRLINE	5.) CIRC.	0.5	87.5
0.5	TRIP IN W/ BIT	6.) TRIP	11.0	95.0
0.5	BREAK CIRCULATION	7.) SERVICE	0.5	10.0
1.5	FISHING	8.) REPAIR	2.0	20.0
2.5	TRIP OUT F/ MAGNET	9.) CUT DL		0.0
0.5	P/U MAGNET	10.) SURVEY		10.0
2.0	TRIP IN W/ MAGNET	11.) LOGGING		0.0
0.5	KELLY UP, REAM 2' TO BOTTOM	12.) CSG & CMT		39.0
0.5	GET ON FISH W/ MAGNET (RETRIEVED ONE CONE)	13.) WOC		19.0
3.5	CHAIN OUT OF HOLE	14.) NU & TEST		38.5
0.5	RIG SERVICE	15.) INSP. BHA		0.0
1.0	TRIP IN W/ MAGNET	16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING	4.0	17.5
		20.) DIR. WORK		15.5
		OTHER	6.0	184.5
		Total Hours =	24.0	749.0
24.0	TOTAL HOURS			

MUD			PUMPS				
WT. IN	PH		NO. 1		NO. 2		
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF		TYPE	EMSCO D50	G-D	PZ8	
PV	CL		SPM				
YP	CA		BPS	5.9		2.9	
GELS	EX. LIME		PSI				
FL.	LCM		GPM	0.0		0.0	
CAKE 32nds	ECD		AVDC				
% SOLIDS	H2S PPM		AVDP				
% WATER	DAPP/LB/BB		STKS. SUR TO BIT				
% OIL			STKS. BIT TO SUR.				
% SAND	L.C.M.		REDUCED PUMP RATE				

BIT RECORD									
		BIT NO.		R-R		BIT NO. 4			
SERIAL NO.						LK4125			
MFG / TYPE		REED/QC489				REED/HP44HF			
SIZE		12 1/4				12.25			
JETS		OPEN				OPEAN			
IN / OUT		182				2254			
WOB		20				36			
RPM		100/45				100/30			
FEET		804				1257			
HOURS		42.5				45.5			
DULL	2	2	FC	N	8	8	LC	A	
GRADE	1	1	LT	DMF	8	4/16	WO	PR	

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$410,360.00	\$12,840	\$423,200
MUD & CHEMICALS	\$39,673.00		\$39,673
CEM. SERV & FLT EQU.	\$84,772.00		\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$38,049.00		\$38,049
RENTAL EQUIP.	\$184,995.00	\$2,625	\$187,620
CASERS, WELD, LABOR	\$45,190.00		\$45,190
OVERHEAD	\$6,400.00	\$200	\$6,600
DIR. SERVICE / MOTOR	\$228,280.00	\$5,555	\$233,835
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$41,600.00	\$1,300	\$42,900
WATER	\$35,500.00		\$35,500
DISPOSAL	\$2,115.00		\$2,115
FUEL	\$94,561.10		\$94,561
MUD LOGGER	\$19,700.00	\$1,000	\$20,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,344,857		
TOTAL DAILY =		\$23,520	
TOTAL CUM =			\$1,368,377
DAILY MUD COSTS =		ACC. MUD COSTS =	\$37,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
2188	18.75	278.14	2155	115.18	56.61	-127.8
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.69	273.27	2273	152.84	60.97	-168.7
2354	21.00	270.77	2331	173.39	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO. 10	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO. 23	CONN	O.D.	I.D.

BHA
8 3/4 MAGNET, JUNK BASKET XO, 10 6" COLLARS, XO, 10 HW
10 HWDP, FLOAT SUB
TOTAL BHA=957.56

MUD		
GEL: poly PAC-R		
BAR: LCM: MICA		
LIME: LIG		
CAUS: Carb-N		

RECEIVED

MAY 10 2007

DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/9/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 30 OPER. @ RPT. TIME: MILLING  
 DEPTH: 3512 FTG. LAST 24 Hr.s: 1 FL. AVG. Ft/Hr. 0.0 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
2.0	MILL ON JUNK	1.) RU- TD		70.5
1.5	BUILD VOLUME IN PITS	2.) DRILLING		132.5
4.0	TRIP OUT F/MILL	3.) REAMING	1.0	9.5
0.5	CHANGE OUT MILL	4.) CORING		0.0
2.5	TRIP IN W/ MILL#2	5.) CIRC.		87.0
1.0	KELLY UP, BREAK CIRC. & UNLOAD HOLE	6.) TRIP	13.0	84.0
0.5	REAM F/3460-3491	7.) SERVICE	1.0	9.5
0.5	WORK TIGHT SPOT	8.) REPAIR	1.5	18.0
0.5	REAM F/3491-3512	9.) CUT DL		0.0
0.5	MIL ON JUNK	10.) SURVEY		10.0
1.5	WORK ON PUMPS & AIR COMPRESSOR	11.) LOGGING		0.0
1.0	RIG SERVICE	12.) CSG & CMT		39.0
0.5	PUT AIR ON HOLE AND ATTEMPT TO CIRCULATE	13.) WOC		19.0
3.0	TRIP OUT F/AIRLOCK	14.) NU & TEST		38.5
2.5	TRIP IN HOLE, RABBIT EACH STD	15.) INSP. BHA		0.0
0.5	KELLY UP, BREAK CIRC. & UNLOAD HOLE	16.) DST		0.0
1.0	TRIP IN, BREAK CIRC.	17.) PLUGBACK		0.0
0.5	MILL ON JUNK	18.) LOST CIRC.		0.0
		19.) FISHING	1.0	13.5
		20.) DIR. WORK		15.5
		OTHER	6.5	178.5
		Total Hours =	24.0	725.0
24.0	TOTAL HOURS			

MUD			PUMPS				
WT. IN	PH		NO. 1		NO. 2		
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF		TYPE	EMSCO D50	G-D PZ8		
PV	CL		SPM				
YP	CA		BPS	5.9	2.9		
GELS	EX. LIME		PSI				
FL.	LCM		GPM	0.0	0.0		
CAKE 32nds	ECD		AVDC				
% SOLIDS	H2S PPM		AVDP				
% WATER	DAPP/LB/BB		STKS. SUR TO BIT				
% OIL			STKS. BIT TO SUR.				
% SAND	L.C.M.		REDUCED PUMP RATE				

BIT RECORD										
		BIT NO.			R-R		BIT NO.			4
SERIAL NO.		LK4125								
MFG / TYPE		REED/QC489			REED/HP44HF					
SIZE		12 1/4			12.25					
JETS		OPEN			OPEAN					
IN / OUT		182			2254					
WOB		20			36					
RPM		100/45			100/30					
FEET		804			1257					
HOURS		42.5			45.5					
DULL	2	2	FC	N	8	8	LC	A		
GRADE	1	1	LT	DMF	8	4/16	WO	PR		

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$397,520.00	\$12,840	\$410,360
MUD & CHEMICALS	\$39,673.00		\$39,673
CEM. SERV & FLT EQU.	\$83,580.00	\$1,192	\$84,772
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$37,403.00	\$646	\$38,049
RENTAL EQUIP.	\$176,885.00	\$8,310	\$184,995
CASERS, WELD, LABOR	\$41,640.00	\$3,550	\$45,190
OVERHEAD	\$6,200.00	\$200	\$6,400
DIR. SERVICE / MOTOR	\$222,725.00	\$5,555	\$228,280
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$12,743.00		\$12,743
SUPERVISION	\$40,300.00	\$1,300	\$41,600
WATER	\$34,100.00	\$1,400	\$35,500
DISPOSAL	\$1,520.00	\$595	\$2,115
FUEL	\$94,561.10		\$94,561
MUD LOGGER	\$18,700.00	\$1,000	\$19,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,308,269		
TOTAL DAILY =		\$36,588	
TOTAL CUM =			\$1,344,857
DAILY MUD COSTS =		ACC. MUD COSTS =	\$37,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
2188	18.75	278.14	2155	115.18	56.61	-127.8
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.69	273.27	2273	152.84	60.97	-166.7
2354	21.00	270.77	2331	173.39	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
101	126	90	

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

**BHA**  
 8 3/4 MILL, XO, 10 6" COLLARS, XO, 10 HWDP, JAR,  
 10 HWDP, FLOAT SUB  
 TOTAL BHA=957.56

MUD		
GEL	PAC-R	
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-N	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/8/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 29

OPER. @ RPT. TIME: FISHING

DEPTH: 3511

FTG. LAST 24 Hr.s: 3511 Ft. AVG. FTH: 0.0

REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
2.0	NIPPLE UP BOP	1.) RU- TD		70.5
5.0	CEMENT BACK SIDE OF CASING, WELD FLOW & CHOKE LINES	2.) DRILLING		132.5
1.0	PRESSURE TEST BACK SIDE CASING	3.) REAMING		8.5
2.0	WAIT ON WELDER	4.) CORING		0.0
2.0	TEST BOP TO 3000#	5.) CIRC.		87.0
2.5	TRIP IN W/ MILL	6.) TRIP	2.5	71.0
1.5	KELLY UP, TAG CEMENT @ 3397	7.) SERVICE		8.5
4.0	DRILL CEMENT, FLOAT COLLAR, & SHOE	8.) REPAIR		16.5
4.0	WASH TO BOTTOM, MILL CONES	9.) CUT DL		0.0
		10.) SURVEY		10.0
		11.) LOGGING		0.0
		12.) CSG & CMT		39.0
		13.) WOC		19.0
		14.) NU & TEST	5.0	38.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.	0.0	0.0
		19.) FISHING	4.0	12.5
		20.) DIR. WORK		15.5
		OTHER	12.5	172.0
		Total Hours =	24.0	701.0

MUD				PUMPS				BIT RECORD									
WT. IN		PH		NO. 1		NO. 2		BIT NO. R-R				BIT NO. 4					
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	LK4125							
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/QC489 REED/HP44HF							
PV		CL		SPM					SIZE	12 1/4 12.25							
YP		CA		BPS	5.9		2.9		JETS	OPEN OPEAN							
GELS		EX. LIME		PSI					IN / OUT	182 2254							
FL		LCM		GPM	0.0		0.0		WOB	20 36							
CAKE 32nds		ECD		AVDC					RPM	100/45 100/30							
% SOLIDS		H2S PPM		AVDP					FEET	804 1257							
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	42.5 45.5							
% OIL				STKS. BIT TO SUR.					DULL	2	2	FC	N	8	8	LC	A
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	1	1	LT	DMF	8	4/18	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$384,680.00	\$12,840	\$397,520
MUD & CHEMICALS	\$37,673.00	\$2,000	\$39,673
CEM. SERV & FLT EQU.	\$83,580.00		\$83,580
BITS & BHA TOOLS	\$7,000.00		\$7,000
TRUCKING & DISP.	\$37,403.00		\$37,403
RENTAL EQUIP.	\$169,685.00	\$7,000	\$176,685
CASERS, WELD, LABOR	\$41,640.00		\$41,640
OVERHEAD	\$6,000.00	\$200	\$6,200
DIR. SERVICE / MOTOR	\$217,170.00	\$5,555	\$222,725
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$10,768.00	\$1,975	\$12,743
SUPERVISION	\$39,000.00	\$1,300	\$40,300
WATER	\$34,100.00		\$34,100
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$94,561.10		\$94,561
MUD LOGGER	\$17,700.00	\$1,000	\$18,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,276,399		
TOTAL DAILY =		\$31,870	
TOTAL CUM =			\$1,308,269
DAILY MUD COSTS =			ACC. MUD COSTS = \$37,673.00

DEVIATION RECORD							
DEPTH	INCL.	AZIMUTH	TVD	SEC.	NVS	EW	
2168	18.75	278.14	2155	115.16	56.61	-127.6	
2230	18.31	277.02	2214	133.91	59.22	-147.1	
2292	18.69	273.27	2273	152.84	60.97	-166.7	
2354	21.00	270.77	2331	173.39	61.69	-187.7	
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5	

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	Conn		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
8 3/4 MILL, XO, 10 6" COLLARS, XO, 10 HWDP, JAR,	
10 HWDP, FLOAT SUB	
TOTAL BHA=957.56	

MUD			
GEL	poly		PAC-R
BAR:	LCM:		MICA
LIME:	LIG		
CAUS	Carb-		

RECEIVED  
MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/5/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 26

OPER. @ RPT. TIME: WT. ON CASING

DEPTH: 3511

FTG. LAST 24 Hrs: 32 FL AVG. FmHr. 0.0

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
2.0	FINISH TRIP OUT HOLE L/D DIR. TOOLS	1.) RU- TD		70.5
1.0	SERVICE RIG & AIR PAC	2.) DRILLING		132.5
4.0	WT ON FISHING TOOLS	3.) REAMING		8.5
3.0	MAKE UP MAGNET & TIH	4.) CORING		0.0
2.0	KELLY UP PUT AIR BACK ON HOLE, GET RETURNS BACK	5.) CIRC.	9.0	85.0
7.0	CIRC TO GET DWN WITH MAGNET TO 3434', WORK THREW TIGHT SPOT	6.) TRIP	5.0	63.5
	GO TO 3465' WORK OVER TIGHT SPOT, GET DWN TO 3491' WORK	7.) SERVICE	1.0	7.5
	TO GET THREW. ( COULD NOT GET TO BOTTOM WITH MAG NET )	8.) REPAIR		16.5
3.0	POOH ,CHAIN OUT GOT BACK SMALL PIECES & SHAVINGS BUT NO CONES	9.) CUT DL		0.0
1.5	BREAK DWN TOOLS	10.) SURVEY		10.0
0.5	WT ON CASING	11.) LOGGING		0.0
		12.) CSG & CMT		24.5
		13.) WOC		9.5
		14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING	8.5	8.5
		20.) DIR. WORK		15.5
		OTHER	0.5	146.5
		Total Hours =	24.0	629.0

MUD				PUMPS				BIT RECORD									
WT. IN		PH		NO. 1		NO. 2		BIT NO.		R-R		BIT NO. 4					
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.			LK4125					
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/QC489		REED/HP44HF					
PV		CL		SPM					SIZE	12 1/4		12.25					
YP		CA		BPS	5.9		2.9		JETS	OPEN		OPEAN					
GELS		EX. LIME		PSI					IN / OUT	182		2254					
FL		LCM		GPM	0.0		0.0		WOB	20		36					
CAKE 32nds		ECD		AVDC					RPM	100/45		100/30					
% SOLIDS		H2S PPM		AVDP					FEET	804		1257					
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	42.5		45.5					
% OIL				STKS. BIT TO SUR.					DULL	2	2	FC	N	8	8	LC	A
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	1	1	LT	DMF	8	4/18	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$346,200.00	\$12,800	\$359,000
MUD & CHEMICALS	\$33,673.00	\$1,000	\$34,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$5,000.00		\$5,000
TRUCKING & DISP.	\$37,403.00		\$37,403
RENTAL EQUIP.	\$145,790.00	\$7,000	\$152,790
CASERS,WELD,LABOR	\$37,640.00		\$37,640
OVERHEAD	\$5,400.00	\$200	\$5,600
DIR. SERVICE / MOTOR	\$190,115.00	\$5,500	\$195,615
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$5,568.00		\$5,568
SUPERVISION	\$35,100.00	\$1,300	\$36,400
WATER	\$24,300.00		\$24,300
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$79,089.10		\$79,089
MUD LOGGER	\$14,700.00	\$1,000	\$15,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,105,520		
TOTAL DAILY =		\$28,800	
		TOTAL CUM =	\$1,134,320
DAILY MUD COSTS =	\$1,000.00	ACC. MUD COSTS =	\$34,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
2168	18.75	278.14	2155	115.18	58.61	-127.6
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.60	273.27	2273	152.84	60.97	-166.7
2354	21.00	270.77	2331	173.36	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	Conn		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
BIT, MOTOR, X.O., SHOCK SUB, NMDC, X/O SUB, MULESHOE	
DOUBLE PIN, MWD TOOL CARRIER, MWD EMITTER SUB,	
SHOCK SUB, FLEX NMDC, XO SUB, 10 8" DC, X/O SUB, 10	
HWDP 1JAR, 10 HWDP	TOTAL BHA=1091.54

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS	Carb	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/4/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 25

OPER. RPT. TIME: TRIPPING

DEPTH: 3479

FTG. LAST 24 Hr.s: 249 Ft. AVG. FWH: 19.2

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
2.5	D/F 3230' TO 3292'	1.) RU- TD		70.5
0.5	RIG SERVICE	2.) DRILLING	13.0	132.5
4.0	D/F 3292' TO 3386'	3.) REAMING		8.5
2.0	PUMP RESERVE PIT DWN	4.) CORING		0.0
4.0	D/F 3386' TO 3479'	5.) CIRC.	4.5	76.0
2.5	PUMP RESERVE PIT DWN	6.) TRIP	3.5	58.5
2.5	D/F 3479' TO 3511'	7.) SERVICE	0.5	6.5
2.5	WORK TIGHT HOLE	8.) REPAIR		16.5
3.5	POOH ( LOST 2 CONE'S ON BIT)	9.) CUT DL		0.0
		10.) SURVEY		10.0
		11.) LOGGING		0.0
		12.) CSG & CMT		24.5
	LITHOLOGY-COAL 5%, SH 15%, SS 80%	13.) WOC		9.5
		14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		15.5
		OTHER	2.5	148.0
		Total Hours =	24.0	605.0

MUD				PUMPS				BIT RECORD								
WT. IN		PH		NO. 1		NO. 2		BIT NO.		R-R		BIT NO. 4				
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.			LK4125				
VISC.		PF/MF		TYPE	EMSCO D50	G-D PZ8		MFG / TYPE	REED/QC489		REED/HP44HF					
PV		CL		SPM				SIZE	12 1/4		12.25					
YP		CA		BPS	5.9	2.9		JETS	OPEN		OPEAN					
GELS		EX. LIME		PSI				IN / OUT	182		2254					
FL		LCM		GPM	0.0	0.0		WOB	20		36					
CAKE 32nds		ECD		AVDC				RPM	100/45		100/30					
% SOLIDS		H2S PPM		AVDP				FEET	804		1257					
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	42.5		45.5					
% OIL				STKS. BIT TO SUR.				DULL	2	2	FC	N	8	8	LC	A
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE	1	1	LT	DMF	8	4/16	WO	PR

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$333,400.00	\$12,800	\$346,200
MUD & CHEMICALS	\$31,673.00	\$2,000	\$33,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$4,000.00	\$1,000	\$5,000
TRUCKING & DISP.	\$37,403.00		\$37,403
RENTAL EQUIP.	\$138,790.00	\$7,000	\$145,790
CASERS,WELD,LABOR	\$37,640.00		\$37,640
OVERHEAD	\$5,200.00	\$200	\$5,400
DIR. SERVICE / MOTOR	\$184,560.00	\$5,555	\$190,115
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$5,568.00		\$5,568
SUPERVISION	\$33,800.00	\$1,300	\$35,100
WATER	\$24,300.00		\$24,300
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$79,089.10		\$79,089
MUD LOGGER	\$13,700.00	\$1,000	\$14,700
CASING / WELLHEAD	\$4,635.00		\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,074,665		
TOTAL DAILY =		\$30,855	
		TOTAL CUM =	\$1,105,520
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$33,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
2168	18.75	278.14	2155	115.18	58.61	-127.6
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.69	273.27	2273	152.84	60.97	-166.7
2354	21.00	270.77	2331	173.39	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	Corn		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
BIT, MOTOR, X.O., SHOCK SUB, NMDC, X/O SUB, MULESHOE	
DOUBLE PIN, MWD TOOL CARRIER, MWD EMITTER SUB,	
SHOCK SUB, FLEX NMDC, X/O SUB, 10 6" DC, X/O SUB, 10	
HWDP '1JAR, 10 HWDP	TOTAL BHA=1091.54

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS	Carb-1	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 3/3/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 24 OPER. @ RPT. TIME: DRILLING  
 DEPTH: 3230 FTG. LAST 24 Hr.s: 778 Ft. AVG. FWH: 34.5 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
2.5	D/F 2479' TO 2573'	1.) RU- TD		70.5
1.0	SERVICE RIG & AIR PACK	2.) DRILLING	22.5	119.5
1.5	D/F 2573' TO 2667'	3.) REAMING		8.5
0.5	CHANGE OUT GASKET ON ROT HEAD	4.) CORING		0.0
18.5	D/F 2667' TO 3230'	5.) CIRC.		71.5
		6.) TRIP		55.0
		7.) SERVICE	1.0	6.0
	LITHOLOGY- COAL 10%, SH 10%, SS 80% , 20-30u BG GAS	8.) REPAIR	0.5	16.5
		9.) CUT DL		0.0
		10.) SURVEY		10.0
		11.) LOGGING		0.0
		12.) CSG & CMT		24.5
		13.) WOC		9.5
		14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		15.5
		OTHER		143.5
			Total Hours =	24.0
				581.0

MUD				PUMPS				BIT RECORD					
WT. IN		PH		NO. 1		NO. 2		BIT NO.		R-R		BIT NO.	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	LK4125			
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/QC489		REED/HP44HF	
PV		CL		SPM					SIZE	12 1/4		12.25	
YP		CA		BPS	5.9		2.9		JETS	OPEN		OPEAN	
GELS		EX. LIME		PSI					IN / OUT	182		2254	
FL		LCM		GPM	0.0		0.0		WOB	20		36	
CAKE 32nds		ECD		AVDC					RPM	100/45		100/30	
% SOLIDS		H2S PPM		AVDP					FEET	804		976	
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	42.5		32.5	
% OIL				STKS. BIT TO SUR.					DULL	2	2	FC	N
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	1	1	LT	DMF

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$320,560.00	\$12,840	\$333,400
MUD & CHEMICALS	\$29,673.00	\$2,000	\$31,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$3,000.00	\$1,000	\$4,000
TRUCKING & DISP.	\$37,403.00		\$37,403
RENTAL EQUIP.	\$131,790.00	\$7,000	\$138,790
CASERS, WELD, LABOR	\$35,859.00	\$1,781	\$37,640
OVERHEAD	\$5,000.00	\$200	\$5,200
DIR. SERVICE / MOTOR	\$179,005.00	\$5,555	\$184,560
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$5,568.00		\$5,568
SUPERVISION	\$32,500.00	\$1,300	\$33,800
WATER	\$24,300.00		\$24,300
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$48,145.10	\$30,944	\$79,089
MUD LOGGER	\$11,800.00	\$1,900	\$13,700
CASING / WELLHEAD	\$0.00	\$4,635	\$4,635
	\$0.00		\$0
PREV. CUM =	\$1,005,510		
TOTAL DAILY =		\$69,155	
		TOTAL CUM =	\$1,074,665
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$31,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
2168	18.75	278.14	2155	115.18	56.61	-127.6
2230	18.31	277.02	2214	133.91	59.22	-147.1
2292	18.69	273.27	2273	152.84	60.97	-166.7
2354	21.00	270.77	2331	173.39	61.69	-187.7
EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	CONN		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
BIT, MOTOR, X.O., SHOCK SUB, NMDC, X/O SUB, MULESHOE	
DOUBLE PIN, MWD TOOL CARRIER, MWD EMITTER SUB,	
SHOCK SUB, FLEX NMDC, X/O SUB, 10 6" DC, X/O SUB, 10	
HWDP 1JAR, 10 HWDP	TOTAL BHA=1091.54

MUD			
GEL	poly	PAC-R	
BAR:	LCM:	MICA	
LIME:	LIG		
CAUS	Carb	2 SOAP, 1 SHELL TREAT	

RECEIVED  
MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/2/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006

DFS: 23

OPER. @ RPT. TIME: TRIPPING

DEPTH: 2454

FTG. LAST 24 Hr.s:

200

Fl.

AVG. Ft/Hr.

19.0

REPORT BY: MIKE LINDSAY

## ACTIVITY LAST 24 HOURS

## DESCRIPTIVE HOURLY BREAKDOWN

HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
1.0	TIH	1.) RU- TD		70.5
2.0	WASH & REAM TO BOTTOM	2.) DRILLING	10.5	97.0
4.0	D/F 2241' TO 2365'	3.) REAMING	2.0	8.5
1.0	SURVEY	4.) CORING		0.0
6.5	D/F 2365' TO 2454'	5.) CIRC.	1.0	71.5
0.5	SURVEY	6.) TRIP	7.5	55.0
1.0	SHUT DWN AIR PAC & PUMP DWN RESERVE PIT ( TOOL FAILUR )	7.) SERVICE		5.0
1.5	POOH	8.) REPAIR		16.0
1.5	L/D DIR TOOLS & SHOCK SUBS	9.) CUT DL		0.0
2.0	PICK UP 8" M/M, FOUR 8" DC	10.) SURVEY	1.5	10.0
3.0	TIH, PUT ON ROT RUBBER	11.) LOGGING		0.0
		12.) CSG & CMT		24.5
		13.) WOC		9.5
	LITHOLOGY SH 10%, SS 90% BG GAS 20u	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK	1.5	15.5
		OTHER		143.5
		Total Hours =	24.0	557.0

24.0 TOTAL HOURS

### MUD

### PUMPS

### BIT RECORD

WT. IN	PH	NO. 1	NO. 2	BIT NO.	R-R	BIT NO.	4
WT. OUT	PM	SIZE	6.0   14.0   8.0   6.0	SERIAL NO.		LK4125	
VISC.	PF/MF	TYPE	EMSCO D50   G-D PZ8	MFG / TYPE	REED/QC489	REED/HP44HF	
PV	CL	SPM		SIZE	12 1/4	12.25	
YP	CA	BPS	5.9   2.9	JETS	OPEN	OPEAN	
GELS	EX. LIME	PSI		IN / OUT	182	2254	
FL	LCM	GPM	0.0   0.0	WOB	20	36	
CAKE 32nds	ECD	AVDC		RPM	100/45	100/30	
% SOLIDS	H2S PPM	AVDP		FEET	804	200	
% WATER	DAPP/LB/BB	STKS. SUR TO BIT		HOURS	42.5	10.5	
% OIL		STKS. BIT TO SUR.		DULL	2   2   FC   N		
% SAND	L.C.M.	REDUCED PUMP RATE		GRADE	1   1   LT   DMF		

### DAILY COSTS RECORD

### DEVIATION RECORD

ITEM	PREV. CUM.	DAILY	TOTAL CUM.	DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
LOC., DAMAGES, COND.	\$0.00		\$0	2168	18.75	278.14	2155	115.18	56.61	-127.6
MOBILIZATION	\$89,284.00		\$89,284	2230	18.31	277.02	2214	133.91	59.22	-147.1
FOOTAGE / DAYWORK	\$307,720.00	\$12,840	\$320,560	2292	18.69	273.27	2273	152.84	60.97	-166.7
MUD & CHEMICALS	\$27,673.00	\$2,000	\$29,673	2354	21.00	270.77	2331	173.39	61.69	-187.7
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103	EXT 2427	23.72	267.83	2399	200.75	61.31	-215.5
BITS & BHA TOOLS	\$2,000.00	\$1,000	\$3,000	<b>WEIGHT</b>						
TRUCKING & DISP.	\$34,403.00	\$3,000	\$37,403	STRING WT.	P / U	S / O	TORQUE			
RENTAL EQUIP.	\$116,790.00	\$15,000	\$131,790	115	117	112				
CASERS, WELD, LABOR	\$34,859.00	\$1,000	\$35,859	<b>DRILL COLLARS</b>						
OVERHEAD	\$4,800.00	\$200	\$5,000	NO. 10	CONN	O.D.	I.D.			
DIR. SERVICE / MOTOR	\$168,305.00	\$10,700	\$179,005	NO.	CONN	O.D.	I.D.			
LOGGING	\$0.00		\$0	<b>DRILL PIPE</b>						
MISC. SERV & SUPP.	\$4,468.00	\$1,100	\$5,568	NO. 23	CONN	O.D.	I.D.			
SUPERVISION	\$31,200.00	\$1,300	\$32,500	NO.	CONN	O.D.	I.D.			
WATER	\$20,000.00	\$4,300	\$24,300	<b>BHA</b>						
DISPOSAL	\$1,520.00		\$1,520	BIT, MOTOR, X.O., SHOCK SUB, NMDC, X/O SUB, MULESHOE						
FUEL	\$48,145.10		\$48,145	DOUBLE PIN, MWD TOOL CARRIER, MWD EMITTER SUB,						
MUD LOGGER	\$11,700.00	\$100	\$11,800	SHOCK SUB, FLEX NMDC, X/O SUB, 10 6" DC, X/O SUB, 10						
CASING / WELLHEAD	\$0.00		\$0	HWDP 1JAR, 10 HWDP TOTAL BHA=1091.54						
	\$0.00		\$0	<b>MUD</b>						
PREV. CUM =	\$952,970			GEL	poly	PAC-R				
TOTAL DAILY =	\$52,540			BAR:	LCM:	MICA				
TOTAL CUM =	\$1,005,510			LIME:	LIG					
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$29,673.00	CAUS	Carb-1 2BBL SOAP, 1 SHELL TREAT					

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 9/1/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 22 OPER. @ RPT. TIME: TRIPPING  
 DEPTH: FTG. LAST 24 Hr.s: -2097 FL. AVG. FVHr. -246.7 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HRS
2.0	DRILLING & SLIDING /F2097' TO 2128'	1.) RU- TD		70.5
0.5	SURVEY	2.) DRILLING	8.5	86.5
1.0	DRILLING & SLIDING / F: 2128' TO 2159	3.) REAMING		8.5
0.5	RIG SERVICE	4.) CORING		0.0
2.0	DRILLING & SLIDING /F 2159' TO 2191'	5.) CIRC.	1.0	70.5
1.0	PUMP RESERVE PIT DWN	6.) TRIP	6.5	47.5
3.5	DRILLING/F 2191' TO 2254'	7.) SERVICE	0.5	5.0
0.5	SERVEY	8.) REPAIR		16.0
1.5	WORK ON DIR. TOOLS	9.) CUT DL		0.0
3.5	POOH	10.) SURVEY	1.0	8.5
2.5	L/D DIR. TOOLS	11.) LOGGING		0.0
1.5	L/D 8" DC IN DERRICK	12.) CSG & CMT		24.5
2.5	ALIGN DIR. TOOLS	13.) WOC		9.5
1.5	TIH	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
	LITHOLOGY SH 30%, SS 70%	17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK	6.5	14.0
		OTHER		143.5
		Total Hours =	24.0	533.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. R-R		BIT NO. 4	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	LK4125	
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	REED/QC489 REED/HP44HF	
PV		CL		SPM					SIZE	12 1/4 12.25	
YP		CA		BPS	5.9		2.9		JETS	OPEN OPEAN	
GELS		EX. LIME		PSI					IN/OUT	182 2254	
FL		LCM		GPM	0.0		0.0		WOB	20	
CAKE 32nds		ECD		AVDC					RPM	100/45	
% SOLIDS		H2S PPM		AVDP					FEET	804	
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	42.5	
% OIL				STKS. BIT TO SUR.					DULL	2 2 FC N	
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	1 1 LT DMF	

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$294,880.00	\$12,840	\$307,720
MUD & CHEMICALS	\$25,673.00	\$2,000	\$27,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00	\$2,000	\$2,000
TRUCKING & DISP.	\$31,903.00	\$2,500	\$34,403
RENTAL EQUIP.	\$106,790.00	\$10,000	\$116,790
CASERS, WELD, LABOR	\$33,783.00	\$1,076	\$34,859
OVERHEAD	\$4,600.00	\$200	\$4,800
DIR. SERVICE / MOTOR	\$159,705.00	\$8,600	\$168,305
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$29,900.00	\$1,300	\$31,200
WATER	\$19,095.00	\$905	\$20,000
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$48,145.10		\$48,145
MUD LOGGER	\$10,700.00	\$1,000	\$11,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$910,549		
TOTAL DAILY =		\$42,421	
		TOTAL CUM =	\$952,970
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$27,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
1842	9.00	276.77	1839	41.73	45.37	50.85
1904	11	276.06	1900	52.03	45.56	-61.55
1966	12.94	280.39	1961	64.19	48.44	-74.26
2028	14.25	277.39	2021	77.94	50.67	-88.66
2091	16.00	279.52	2082	93.48	53.11	-104.91

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
112	115	110	

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	Conn		
	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN	O.D.	I.D.

BHA	
BIT, MOTOR, X.O., SHOCK SUB, NMDC, X/O SUB, MULESHOE	
DOUBLE PIN, MWD TOOL CARRIER, MWD EMITTER SUB,	
SHOCK SUB, FLEX NMDC, X/O SUB, 10" DC, X/O SUB, 10	
HWDP 1JAR, 10 HWDP	TOTAL BHA=1091.54

MUD			
GEL	25 GEL	poly	PAC-R
BAR:		LCM:	MICA
LIME:		LIG	
CALS	Carb	3BBL SOAP, 2 SHELL TREAT	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5468

# MORNING REPORT

DATE: 8/31/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 21 OPER. @ RPT. TIME: DRILLING  
 DEPTH: 2097 FTG. LAST 24 Hr.s: 301 Ft. AVG. P.M.H.: 22.3 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.0	BUILD VOLUME GEL UP TO 35 VIS & LCM TO 25 %	1.) RU-TD		70.5
1.5	POOH	2.) DRILLING	13.5	78.0
2.5	PICK BHA UP, WORK ON MWD TOOLS	3.) REAMING		6.5
1.0	TIH	4.) CORING		0.0
6.5	D/F 1796' TO 1942'	5.) CIRC.	3.0	69.5
0.5	SURVEY	6.) TRIP	2.5	41.0
3.0	D/F 1942' TO 2004'	7.) SERVICE		4.5
1.5	DIR. WORK	8.) REPAIR		16.0
4.0	D/F 2004' TO 2097'	9.) CUT DL		0.0
0.5	SURVEY	10.) SURVEY	1.0	7.5
		11.) LOGGING		0.0
	BG GAS 20-30U, CONN GAS 0, TRIP GAS 30U	12.) CSG & CMT		24.5
		13.) WOC		9.5
	LITHOLOGY- SH 1000%, SS 90%,	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK	4.0	7.5
		OTHER		143.5
		Total Hours =	24.0	509.0
24.0	TOTAL HOURS			

MUD				PUMPS				
WT. IN	PH			NO. 1		NO. 2		
WT. OUT	PM			SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF			TYPE	EMSCO D50		G-D PZ8	
PV	CL			SPM				
YP	CA			BPS	5.9		2.9	
GELS	EX. LIME			PSI				
FL	LCM			GPM	0.0		0.0	
CAKE 32nds	ECD			AVDC				
% SOLIDS	H2S PPM			AVDP				
% WATER	DAPP/LB/BB			STKS. SUR TO BIT				
% OIL				STKS. BIT TO SUR.				
% SAND	L.C.M.			REDUCED PUMP RATE				

BIT RECORD								
	BIT NO. 2				BIT NO. R-R			
SERIAL NO.	1083912				12.5			
MFG / TYPE	HTC / MX1				REED/QC489			
SIZE	17.5				12 1/4			
JETS	OPEN				OPEN			
IN / OUT	15				182			
WOB	20				20			
RPM	100/45				100/45			
FEET	520				804			
HOURS	8				42.5			
DULL	0	0	NO	0				
GRADE	0	1	NO	DP				

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$282,040.00	\$12,840	\$294,880
MUD & CHEMICALS	\$23,673.00	\$2,000	\$25,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$21,913.00	\$9,990	\$31,903
RENTAL EQUIP.	\$99,790.00	\$7,000	\$106,790
CASERS, WELD, LABOR	\$28,946.00	\$4,837	\$33,783
OVERHEAD	\$4,400.00	\$200	\$4,600
DIR. SERVICE / MOTOR	\$152,105.00	\$7,600	\$159,705
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$28,600.00	\$1,300	\$29,900
WATER	\$18,595.00	\$500	\$19,095
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$48,145.10		\$48,145
MUD LOGGER	\$9,700.00	\$1,000	\$10,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$863,282		
TOTAL DAILY =		\$47,267	
		TOTAL CUM =	\$910,549
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$25,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
1718	6.44	279.89	1716	26.21	43.26	-34.68
1779	7.38	276.77	1777	33.16	44.31	-41.91
1842	9.00	276.77	1839	41.73	45.37	50.85
1904	11	276.06	1900	52.03	45.56	-61.55
1966	12.94	280.39	1961	64.19	48.44	-74.26

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	Conn		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
BIT, MOTOR, X.O., SHOCK SUB, NMDC, X/O SUB, MULESHOE	
DOUBLE PIN, MWD TOOL CARRIER, MWD EMITTER SUB,	
FLEX NMDC, X/O SUB, 10 6.25 DC, X/O SUB, 10 HWDP,	
1JAR, 10 HWDP	TOTAL BHA=1091.54

MUD			
GEL	poly		PAC-R
BAR:	LCM:		MICA
LIME:	LIG	2 BBL SOAP, 2 BBL SHELL TREAT	

RECEIVED

MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 8/30/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 20

OPER. @ RPT. TIME:

DEPTH: 1796

FTG. LAST 24 Hr.s: 1796 FL. AVG. FMH: 598.7

REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
12.0	WAIT ON DIRECTIONAL TOOLS	1.) RU- TD		70.5
1.0	MAKE UP DIRECTIONAL TOOLS	2.) DRILLING	3.0	64.5
1.5	TRIP IN HOLE	3.) REAMING	0.5	6.5
0.5	WASH & REAM 40' (20' FILL)	4.) CORING		0.0
2.0	DRILL F/1745-1780	5.) CIRC.	0.5	66.5
0.5	SURVEY	6.) TRIP	2.5	38.5
1.0	DRILL F/1780-1796, DIRECTIONAL TOOL FAILED	7.) SERVICE	0.5	4.5
0.5	CIRCULATE, CLEAN HOLE	8.) REPAIR		16.0
0.5	WORK TIGHT HOLE	9.) CUT DL		0.0
1.0	TRIP OUT 5 STANDS	10.) SURVEY	0.5	6.5
3.5	SHUT IN PITS, MIX LCM & LIGHT MUD UP	11.) LOGGING		0.0
		12.) CSG & CMT		24.5
	BG GAS 20-30u CONN GAS 0u TRIP GAS 30u HIGH GAS 30u	13.) WOC		9.5
	DN TIME GAS 0u	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
	LITHOLOGY	16.) DST		0.0
	SHALE 10%, SANDSTONE 90%	17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	16.5	143.5
		Total Hours =	24.0	485.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. 2		BIT NO. R-R	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	1083912	12.5
VISC.		PF/MF		TYPE	MSCO D50		G-D PZ8		MFG / TYPE	HTC / MX1	REED/QC489
PV		CL		SPM					SIZE	17.5	12 1/4
YP		CA		BPS	5.9	2.9			JETS	OPEN	OPEN
GELS		EX. LIME		PSI					IN / OUT	15	182
FL.		LCM		GPM	0.0	0.0			WOB	20	20
CAKE 32nds		ECD		AVDC					RPM	100/45	100/45
% SOLIDS		H2S PPM		AVDP					FEET	520	503
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	8	29.5
% OIL				STKS. BIT TO SUR.					DULL	0	0
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	0	1

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$269,200.00	\$12,840	\$282,040
MUD & CHEMICALS	\$23,673.00		\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$21,913.00		\$21,913
RENTAL EQUIP.	\$92,790.00	\$7,000	\$99,790
CASERS, WELD, LABOR	\$28,946.00		\$28,946
OVERHEAD	\$4,200.00	\$200	\$4,400
DIR. SERVICE / MOTOR	\$144,505.00	\$7,600	\$152,105
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$27,300.00	\$1,300	\$28,600
WATER	\$18,595.00		\$18,595
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$33,770.10	\$14,375	\$48,145
MUD LOGGER	\$8,700.00	\$1,000	\$9,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$818,967		
TOTAL DAILY =		\$44,315	
		TOTAL CUM =	\$863,282
DAILY MUD COSTS =		ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
1402	.56	16.64	1400.9	14.51	37.68	-21.74
1496	1.56	282.27	1494.9	15.48	38.4	-22.96
1560	2.5	313.89	1588.9	17.86	40.09	-25.59
1684	5.44	251.01	1682.7	23.46	40.06	-31.28

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
101000	103000	100000	

DRILL COLLARS			
NO.	CONN	O.D.	I.D.
10	CONN		
	CONN		

DRILL PIPE			
NO.	CONN	O.D.	I.D.
23	CONN		
	CONN		

BHA	
BIT, MOTOR, X.O., MULESHOE SUB, DOUBLE PIN,	
TOOL CARRIER, EMITTER SUB, FLEX MONEL, X.O., 10 6" DC	
X.O., 10HWDP, JAR, 10HWDP	
TOTAL BHA=1048.17	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 8/29/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 19 OPER. @ RPT. TIME:  
 DEPTH: FTG. LAST 24 Hr.s: -1460 Ft. AVG. FWH: -112.3 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTMNTY	HOURS	ACC. HR.S
3.0	LAY DOWN 8" COLLAR, PICK UP DIRECTIONAL TOOLS	1.) RU- TD		70.5
1.5	TRIP IN HOLE	2.) DRILLING	13.0	61.5
0.5	CALIBRATE TOOLS & SURVEY	3.) REAMING		6.0
8.0	DRILL F/1462-1650	4.) CORING		0.0
0.5	SURVEY	5.) CIRC.	0.5	66.0
4.5	DRILL F/1650-1739	6.) TRIP	4.0	36.0
1.5	ATTEMPT TO SURVEY	7.) SERVICE		4.0
0.5	DRILL F/1739-1745	8.) REPAIR		16.0
1.0	WORK ON MWD	9.) CUT DL		0.0
0.5	CIRCULATE CLEAN HOLE	10.) SURVEY	2.0	6.0
2.5	TRIP OUT FOR FAILED TOOL	11.) LOGGING		0.0
		12.) CSG & CMT		24.5
	BG GAS 10-20u CONN, TRIP, & DNTIME GAS 0u HIGH GAS 24u	13.) WOC		9.5
		14.) NU & TEST		30.5
	LITHOLOGY	15.) INSP. BHA		0.0
	SHALE 10% SANDSTONE 90%	16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	4.5	127.0
		Total Hours =	24.0	461.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO. 2		BIT NO. R-R	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	1083912	12.5
VISC.		PF/MF		TYPE	EMSCO D50		G-D PZ8		MFG / TYPE	HTC / MX1	REED / QC489
PV		CL		SPM					SIZE	17.5	12 1/4
YP		CA		BPS	5.9	2.9			JETS	OPEN	OPEN
GELS		EX. LIME		PSI					IN / OUT	15	182
FL		LCM		GPM	0.0	0.0			WOB	20	20
CAKE 32nds		ECD		AVDC					RPM	100/45	100/45
% SOLIDS		H2S PPM		AVDP					FEET	520	503
% WATER		DAPP/LB/BB		STKS. SUR TO BIT					HOURS	8	26.5
% OIL				STKS. BIT TO SUR.					DULL	0	0
% SAND		L.C.M.		REDUCED PUMP RATE					GRADE	0	1

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$256,360.00	\$12,840	\$269,200
MUD & CHEMICALS	\$23,673.00		\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$21,433.00	\$480	\$21,913
RENTAL EQUIP.	\$87,450.00	\$5,340	\$92,790
CASERS, WELD, LABOR	\$28,946.00		\$28,946
OVERHEAD	\$4,000.00	\$200	\$4,200
DIR. SERVICE / MOTOR	\$136,905.00	\$7,600	\$144,505
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$26,000.00	\$1,300	\$27,300
WATER	\$17,500.00	\$1,095	\$18,595
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$33,770.10		\$33,770
MUD LOGGER	\$7,700.00	\$1,000	\$8,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$789,112		
TOTAL DAILY =		\$29,855	
		TOTAL CUM =	\$818,967
DAILY MUD COSTS =		ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
1028	2.31	325.14	1027.4	15.38	29.18	-21.05
1121	1.81	338.77	1120.0	16.43	32.09	-22.65
1183	1.63	358.39	1182.0	16.5	33.88	-23.08
1246	1.88	27.27	1245.0	15.76	35.7	-22.65
1371	.06	283.64	1369.9	14.57	37.53	-21.77

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.

BHA			
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB			
1 NMDC, 9 8" DC, 5 6" DC			

MUD			
GEL	poly		PAC-R
BAR:	LCM:		MICA
LIME:	LIG		
CAUS	Carb-		

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 8/28/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 18 OPER. @ RPT. TIME: P/U DIR. TOOLS  
 DEPTH: 1480 FTG. LAST 24 Hr.s: 8 FL. AVG. FVHr. 16.0 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
5.0	WAIT ON DIRECTIONAL TOOLS	1.) RU- TD		70.5
2.0	TRIP IN HOLE	2.) DRILLING	0.5	48.5
0.5	SURVEY	3.) REAMING		6.0
0.5	DRILL F/1452-1460	4.) CORING		0.0
1.5	TRIP OUT FOR FAILED DIRECTIONAL TOOL	5.) CIRC.		65.5
14.5	WAIT ON DIRECTIONAL TOOLS	6.) TRIP	3.5	32.0
		7.) SERVICE		4.0
		8.) REPAIR		16.0
		9.) CUT DL		0.0
		10.) SURVEY	0.5	4.0
	BG GAS 10-15 u CONN, TRIP, & DNTIME GAS 0 u HIGH GAS 16u	11.) LOGGING		0.0
		12.) CSG & CMT		24.5
	LITHOLOGY	13.) WOC		9.5
	SHALE 30%, SANDSTONE 60%, SILTSTONE 10%	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	19.5	122.5
		Total Hours =	24.0	437.0

MUD				PUMPS				BIT RECORD				
WT. IN		PH		NO. 1		NO. 2		BIT NO. 2		BIT NO. R-R		
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	1083912	12.5	
VISC.		PF/MF		TYPE	EMSCO D50	G-D	PZ8	MFG / TYPE	HTC/ MX1	REED/QC489		
PV		CL		SPM				SIZE	17.5	12 1/4		
YP		CA		BPS	5.9	2.9		JETS	OPEN	OPEN		
GELS		EX. LIME		PSI				IN / OUT	15	182		
FL.		LCM		GPM	0.0	0.0		WOB	20	20		
CAKE 32nds		ECD		AVDC				RPM	100/45	100/45		
% SOLIDS		H2S PPM		AVDP				FEET	520	503		
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	8	26.5		
% OIL				STKS. BIT TO SUR.				DULL	0	0	NO	0
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE	0	1	NO	DP

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$243,520.00	\$12,840	\$256,360
MUD & CHEMICALS	\$23,673.00		\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$20,786.50	\$647	\$21,433
RENTAL EQUIP.	\$80,450.00	\$7,000	\$87,450
CASERS,WELD,LABOR	\$28,946.00		\$28,946
OVERHEAD	\$3,800.00	\$200	\$4,000
DIR. SERVICE / MOTOR	\$135,405.00	\$1,500	\$136,905
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$24,700.00	\$1,300	\$26,000
WATER	\$16,600.00	\$900	\$17,500
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$24,609.00	\$9,161	\$33,770
MUD LOGGER	\$6,700.00	\$1,000	\$7,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$754,565		
TOTAL DAILY =		\$34,548	
TOTAL CUM =			\$789,112
DAILY MUD COSTS =		ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
1028	2.31	325.14	1027.4	15.38	29.18	-21.05
1121	1.81	338.77	1120.04	16.43	32.09	-22.65
1183	1.83	356.39	1182.04	16.5	33.88	-23.08
1246	1.88	27.27	1245.0	15.76	35.7	-22.65
1371	.06	283.64	1369.94	14.57	37.53	-21.77

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
10000	102000	98000	

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA	
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 9 8" DC, 5 6" DC	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-N	

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 DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-828-5486

# MORNING REPORT

DATE: 8/27/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 17 OPER. @ RPT. TIME: WAIT ON DIR. TOOLS  
 DEPTH: 1452 FTG. LAST 24 Hr.s: 207 FL. AVG. Ft/Hr. 34.5 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.5	DRILLING F/1245-1359	1.) RU- TD		70.5
0.5	CIRCULATE, CLEAN HOLE FOR TRIP	2.) DRILLING	6.0	48.0
1.5	TRIP OUT F/ MOTOR	3.) REAMING	0.5	6.0
1.0	CHANGE OUT MUD MOTOR	4.) CORING		0.0
1.5	TRIP IN HOLE	5.) CIRC.	0.5	65.5
0.5	WASH & REAM TO BOTTOM	6.) TRIP	5.5	28.5
1.5	DRILLING F/1359-1389	7.) SERVICE		4.0
0.5	REPAIR FLOW LINE	8.) REPAIR	0.5	16.0
0.5	DRILLING F/1389-1421	9.) CUT DL		0.0
0.5	SURVEY	10.) SURVEY	1.0	3.5
0.5	DRILLING F/1421-1452	11.) LOGGING		0.0
0.5	SURVEY (MWD TOOL FAILURE)	12.) CSG & CMT		24.5
2.5	TRIP OUT F/ MWD TOOL	13.) WOC		9.5
9.0	WAIT ON DIRECTIONAL TOOLS	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
	BG GAS 10-15u CONN GAS 0u TRIP GAS 0u DNTIME GAS 0u HIGH GAS 16u	16.) DST		0.0
	1452	17.) PLUGBACK		0.0
	SHALE 30%, SANDSTONE 60%, SILTSTONE 10%	18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	10.0	103.0
		Total Hours =	24.0	413.0
24.0	TOTAL HOURS			

MUD				PUMPS			
WT. IN	PH			NO. 1		NO. 2	
WT. OUT	PM			SIZE 6.0	14.0	8.0	6.0
VISC.	PF/MF			TYPE	EMSCO D50	G-D	PZ8
PV	CL			SPM			
YP	CA			BPS	5.9	2.9	
GELS	EX. LIME			PSI			
FL.	LCM			GPM	0.0	0.0	
CAKE 32nds	ECD			AVDC			
% SOLIDS	H2S PPM			AVDP			
% WATER	DAPP/LB/BB			STKS. SUR TO BIT			
% OIL				STKS. BIT TO SUR.			
% SAND	L.C.M.			REDUCED PUMP RATE			

BIT RECORD			
	BIT NO. 2	BIT NO. R-R	
SERIAL NO.	1083912	12.5	
MFG / TYPE	HTC/ MX1	REED/QC489	
SIZE	17.5	12 1/4	
JETS	OPEN	OPEN	
IN / OUT	15	182	
WOB	20	20	
RPM	100/45	100/45	
FEET	520	503	
HOURS	8	26	
DULL	0 0 NO 0		
GRADE	0 1 NO DP		

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$230,880.00	\$12,840	\$243,520
MUD & CHEMICALS	\$23,673.00		\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$18,651.50	\$2,135	\$20,787
RENTAL EQUIP.	\$74,020.00	\$6,430	\$80,450
CASERS, WELD, LABOR	\$28,946.00		\$28,946
OVERHEAD	\$3,600.00	\$200	\$3,800
DIR. SERVICE / MOTOR	\$127,805.00	\$7,600	\$135,405
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$23,400.00	\$1,300	\$24,700
WATER	\$14,950.00	\$1,650	\$16,600
DISPOSAL	\$1,520.00		\$1,520
FUEL	\$24,609.00		\$24,609
MUD LOGGER	\$5,700.00	\$1,000	\$6,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$721,410		
TOTAL DAILY =	\$33,155		
TOTAL CUM =			\$754,565
DAILY MUD COSTS =		ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
1028	2.31	325.14	1027.4	15.38	29.18	-21.05
1121	1.81	338.77	1120.0	16.43	32.09	-22.65
1183	1.63	356.39	1182.0	16.5	33.88	-23.08
1246	1.88	27.27	1245.0	15.78	35.7	-22.65
1371	.06	283.84	1369.9	14.57	37.53	-21.77

WEIGHT			
STRING WT.	P / U	S / O	TORQUE
100000	102000	98000	

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA	
BIT, MM, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 9 8" DC, 5 6" DC	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-N	

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DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-928-5466

# MORNING REPORT

DATE: 8/26/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 16 OPER. @ RPT. TIME: DRILLING  
 DEPTH: 1245 FTG. LAST 24 Hr.s: 1245 Ft. AVG. Ft/Hr. 124.5 REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
0.5	TRIP IN WITH NEW MOTOR & BIT	1.) RU- TD		70.5
1.0	RIG SERVICE	2.) DRILLING	10.0	42.0
1.0	ATTEMPT TO CALIBRATE DIRECTIONAL TOOLS	3.) REAMING	0.5	5.5
1.5	TRIP OUT TO REPAIR DIRECTIONAL TOOL	4.) CORING		0.0
4.5	WORK ON DIRECTIONAL TOOLS	5.) CIRC.	2.0	65.0
1.5	TRIP IN HOLE	6.) TRIP	3.5	23.0
0.5	WASH & REAM 15' TO BOTTOM	7.) SERVICE	1.0	4.0
5.0	DRILL F/969-1078	8.) REPAIR		15.5
0.5	SURVEY	9.) CUT DL		0.0
2.5	DRILL F/1078-1171	10.) SURVEY	1.5	2.5
0.5	SURVEY	11.) LOGGING		0.0
2.5	DRILL F/1171-1245	12.) CSG & CMT		24.5
2.0	CIRCULATE, RIG UP COMPRESSOR & BOOSTER	13.) WOC		9.5
0.5	SURVEY	14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
	BG GAS 10-15u, HIGH 15u	16.) DST		0.0
	SHALE 30%, SANDSTONE 60%, SLTSTN 10%	17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	5.5	93.0
		Total Hours =	24.0	389.0
24.0	TOTAL HOURS			

MUD			PUMPS				
WT. IN	PH		NO. 1		NO. 2		
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF		TYPE	EMSCO D50	G-D	PZ8	
PV	CL		SPM				
YP	CA		BPS	5.9		2.9	
GELS	EX. LIME		PSI				
FL.	LCM		GPM	0.0		0.0	
CAKE 32nds	ECD		AVDC				
% SOLIDS	H2S PPM		AVDP				
% WATER	DAPP/LB/BB		STKS. SUR TO BIT				
% OIL			STKS. BIT TO BUR.				
% SAND	L.C.M.		REDUCED PUMP RATE				

BIT RECORD						
	BIT NO. 2			BIT NO. R-R		
SERIAL NO.	1083912			12.5		
MFG / TYPE	HTC/ MX1			REED/QC489		
SIZE	17.5			12 1/4		
JETS	OPEAN			OPEAN		
IN / OUT	15			182		
WOB	20			25		
RPM	100/45			100/45		
FEET	520			503		
HOURS	8			20		
DULL	0	0	NO	0		
GRADE	0	1	NO	DP		

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$217,840.00	\$12,840	\$230,680
MUD & CHEMICALS	\$23,673.00		\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$16,654.00	\$1,998	\$18,652
RENTAL EQUIP.	\$70,520.00	\$3,500	\$74,020
CASERS, WELD, LABOR	\$28,946.00		\$28,946
OVERHEAD	\$3,400.00	\$200	\$3,600
DIR. SERVICE / MOTOR	\$120,205.00	\$7,600	\$127,805
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$22,100.00	\$1,300	\$23,400
WATER	\$14,050.00	\$900	\$14,950
DISPOSAL	\$0.00	\$1,520	\$1,520
FUEL	\$24,609.00		\$24,609
MUD LOGGER	\$4,700.00	\$1,000	\$5,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$690,552		
TOTAL DAILY =		\$30,858	
		TOTAL CUM =	\$721,410
DAILY MUD COSTS =		ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
910	3.81	326.89	909.31	12.84	23.74	-17.45
967	3.31	326.89	966.2	14.2	28.7	-19.39
1028	2.31	325.14	1027.4	15.38	29.18	-21.05
1121	1.81	338.77	1120.0	16.43	32.09	-22.65
1183	1.83	356.39	1182.0	16.5	33.88	-23.08

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA	
BIT, MM, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 9 8" DC, 5 6" DC	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-N	

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MAY 10 2007

Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 8/26/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: emery

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 15

OPER. @ RPT. TIME: TRIP IN HOLE

DEPTH: 969

FTG. LAST 24 Hr.s: 272 FL. AVG. Ft/Hr. 28.6

REPORT BY: WILLIAM SPROUSE

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
2.0	DRILL OUT CEMENT	1.) RU- TD		70.5
3.0	DRILL F/ 787 TO 807	2.) DRILLING	9.5	41.5
0.5	CIRCULATE & CLEAN HOLE	3.) REAMING		5.0
3.0	DRILL F/807 TO 904	4.) CORING		0.0
1.0	CIRCULATE & CLEAN HOLE	5.) CIRC.	2.5	65.5
2.0	DRILL F/904 TO 960	6.) TRIP	4.5	24.0
1.0	CIRCULATE & CLEAN HOLE	7.) SERVICE		3.0
1.5	DRILL F/960 TO 969	8.) REPAIR		15.5
2.0	TOH F/ MUD MOTOR & BIT	9.) CUT DL		0.0
0.5	L/D MOTOR & BIT	10.) SURVEY		1.0
4.0	WAIT ON NEW MUD MOTOR	11.) LOGGING		0.0
1.0	P/U NEW MOTOR & BIT	12.) CSG & CMT		24.5
2.5	TIH W/NEW MOTOR & BIT	13.) WOC		9.5
		14.) NU & TEST		30.5
	BG GAS 5-10 U, CONN GAS 0, TRIP GAS 0, D.T. GAS 0, HIGH GAS 10U	15.) INSP. BHA		0.0
		16.) DST		0.0
	LITHOLOGY	17.) PLUGBACK		0.0
	SHALE 30%, SANDSTONE 60%, SILTSTONE 10%	18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	7.5	95.0
		Total Hours =	24.0	389.0
24.0	TOTAL HOURS			

MUD				PUMPS				
WT. IN	PH			NO. 1		NO. 2		
WT. OUT	PM			SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF			TYPE	EMSCO D50	G-D	PZ8	
PV	CL			SPM				
YP	CA			BPS	5.9	2.9		
GELS	EX. LIME			PSI				
FL.	LCM			GPM	0.0	0.0		
CAKE 32nds	ECD			AVDC				
% SOLIDS	H2S PPM			AVDP				
% WATER	DAPP/LB/BB			STKS. SUR TO BIT				
% OIL				STKS. BIT TO SUR.				
% SAND	L.C.M.			REDUCED PUMP RATE				

BIT RECORD			
	BIT NO.	R-R	BIT NO.
			3
SERIAL NO.	12.5		LX8758
MFG / TYPE	REED/QC489		REED/EHP44H
SIZE	12 1/4		12 1/4
JETS	OPEN		OPEN
IN / OUT	182/969		969
WOB	25		
RPM	100/45		100/45
FEET	503		
HOURS	18.5		
DULL	2	7	BT G
GRADE	E	2/16	NO DMF

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$217,840.00	\$12,840	\$230,680
MUD & CHEMICALS	\$23,673.00		\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$16,654.00	\$1,784	\$18,438
RENTAL EQUIP.	\$70,520.00	\$3,500	\$74,020
CASERS, WELD, LABOR	\$28,946.00		\$28,946
OVERHEAD	\$3,400.00	\$200	\$3,600
DIR. SERVICE / MOTOR	\$120,205.00	\$8,500	\$128,705
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$22,100.00	\$1,300	\$23,400
WATER	\$14,050.00	\$1,700	\$15,750
DISPOSAL	\$0.00		\$0
FUEL	\$24,609.00		\$24,609
MUD LOGGER	\$4,700.00	\$1,000	\$5,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$690,552		
TOTAL DAILY =		\$30,824	
		TOTAL CUM =	\$721,376
DAILY MUD COSTS =		ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
415	1.81	332.89	414.95	2.59	3.42	-3.27
543	2.63	326.84	542.85	4.31	7.67	-3.27
698	2.88	324.39	697.67	7.35	13.81	-10.03
849	3.56	321.89	848.43	11.16	20.58	-15.16E
910	3.81	326.89	909.31	12.84	23.74	-17.45E

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA	
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 3 8" DC, 8 6" DC, XO, 13 HWDP	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-	

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MAY 10 2007

Rig Phone No.: 435-828-5468

# MORNING REPORT

DATE: 8/24/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 14

OPER. @ RPT. TIME: DRILLING

DEPTH: FTG. LAST 24 Hr.s: 272 FL. AVG. Ft/Hr. 0.0

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
1.0	FINISH L/D 8" DCS	1.) RU- TD		70.5
1.0	RIG SERVICE & EQUIPMENT	2.) DRILLING		32.0
2.0	RIG REPAIR , WORK ON PUMP	3.) REAMING		5.0
0.5	MAKE UP BHA	4.) CORING		0.0
2.5	PUT TRIPLEX BACK TOGETHER	5.) CIRC.		63.0
1.0	DRILL OUT FLOAT & SHOE TAG CEMENT @182'	6.) TRIP	1.5	19.5
18.0	DRILL OUT CEMENT REPORT TIME DEPTH 695'	7.) SERVICE	1.0	3.0
		8.) REPAIR	4.5	15.5
		9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		24.5
		13.) WOC		9.5
		14.) NU & TEST		30.5
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	17.0	87.5
		Total Hours =	24.0	365.0
24.0	TOTAL HOURS			

MUD			PUMPS				
WT. IN	PH		NO. 1		NO. 2		
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF		TYPE	EMSCO D50		G-D PZ8	
PV	CL		SPM			70	
YP	CA		BPS	5.9			2.9
GELS	EX. LIME		PSI				
FL.	LCM		GPM	0.0			280.6
CAKE 32nds	ECD		AVDC				
% SOLIDS	H2S PPM		AVDP				
% WATER	DAPP/LB/BB		STKS. SUR TO BIT				
% OIL			STKS. BIT TO SUR.				
% SAND	L.C.M.		REDUCED PUMP RATE				

BIT RECORD			
	BIT NO. 2		BIT NO. R-R
SERIAL NO.	1083912		12.5
MFG / TYPE	HTC/ MX1		REED/QC489
SIZE	17.5		12 1/4
JETS	OPEAN		OPEAN
IN / OUT	15		182
WOB	20		25
RPM	100/45		100/45
FEET	520		503
HOURS	8		10
DULL	0	0	NO 0
GRADE	0	1	NO DP

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$89,284.00		\$89,284
FOOTAGE / DAYWORK	\$205,000.00	\$12,840	\$217,840
MUD & CHEMICALS	\$22,673.00	\$1,000	\$23,673
CEM. SERV & FLT EQU.	\$50,103.00		\$50,103
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$15,835.00	\$819	\$16,654
RENTAL EQUIP.	\$67,020.00	\$3,500	\$70,520
CASERS,WELD,LABOR	\$28,946.00		\$28,946
OVERHEAD	\$3,200.00	\$200	\$3,400
DIR. SERVICE / MOTOR	\$111,705.00	\$8,500	\$120,205
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$20,800.00	\$1,300	\$22,100
WATER	\$12,750.00	\$1,300	\$14,050
DISPOSAL	\$0.00		\$0
FUEL	\$24,609.00		\$24,609
MUD LOGGER	\$3,700.00	\$1,000	\$4,700
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$660,093		
TOTAL DAILY =		\$30,459	
TOTAL CUM =			\$690,552
DAILY MUD COSTS =	\$1,000.00	ACC. MUD COSTS =	\$23,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
483	1.81					
543	2.83					

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA	
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 9 8" DC, 5 6" DC	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	1BBL SOAP, 1BBL SHEEL TREAT
CAUS:	Carb-A	

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MAY 10 2007









Rig Phone No.: 435-828-5488

# MORNING REPORT

DATE: 8/19/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 9

OPER. @ RPT. TIME: DRILLING

DEPTH: FTG. LAST 24 Hr.s: 272 Ft. AVG. FTHr. 0.0

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.0	FINISH NIPPLE UP AIR BOWL	1.) RU- TD	6.5	70.5
6.5	RIGGING UP AIR PACK, AND RIG UP MIST TANK, CHAIN OFF AIR BOWL	2.) DRILLING		32.0
14.5	DRLG OUT NEW CMT/ F 15' TO 343'	3.) REAMING		1.0
		4.) CORING		0.0
		5.) CIRC.		56.5
		6.) TRIP		9.5
		7.) SERVICE		2.0
		8.) REPAIR		11.0
		9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC		4.0
		14.) NU & TEST	3.0	3.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	14.5	51.0
		Total Hours =	24.0	245.0
24.0	TOTAL HOURS			

MUD			PUMPS				
WT. IN	PH		NO. 1		NO. 2		
WT. OUT	PM		SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF		TYPE	EMSCO D50	G-D	PZ8	
PV	CL		SPM	45			
YP	CA		BPS	5.9	2.9		
GELS	EX. LIME		PSI	350			
FL.	LCM		GPM	219.9	0.0		
CAKE 32nds	ECD		AVDC				
% SOLIDS	H2S PPM		AVDP				
% WATER	DAPP/LB/BB		STKS. SUR TO BIT				
% OIL			STKS. BIT TO SUR				
% SAND	L.C.M.		REDUCED PUMP RATE				

BIT RECORD				
	BIT NO.	BIT NO. 2		
SERIAL NO.	QC489	1083912		
MFG / TYPE	REED/ TD 52H	HTC/ MX1		
SIZE	12 1/4	17.5		
JETS	OPEAN	OPEAN		
IN / OUT	40	15		
WOB	30	20		
RPM	100/45	100/45		
FEET	732	328		
HOURS	32	4.5		
DULL	0	0	NO	0
GRADE	0	1	NO	DP

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$0.00	\$89,284	\$89,284
FOOTAGE / DAYWORK	\$140,800.00	\$12,840	\$153,640
MUD & CHEMICALS	\$20,673.00	\$2,000	\$22,673
CEM. SERV & FLT EQU.	\$0.00		\$0
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$11,068.00	\$3,370	\$14,438
RENTAL EQUIP.	\$39,520.00	\$13,500	\$53,020
CASERS, WELD, LABOR	\$5,948.00	\$4,600	\$10,548
OVERHEAD	\$2,200.00	\$200	\$2,400
DIR. SERVICE / MOTOR	\$87,955.00	\$9,600	\$97,555
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$14,300.00	\$1,300	\$15,600
WATER	\$10,750.00	\$800	\$11,350
DISPOSAL	\$0.00		\$0
FUEL	\$0.00		\$0
MUD LOGGER	\$0.00	\$2,000	\$2,000
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$337,682		
TOTAL DAILY =		\$139,294	
TOTAL CUM =			\$476,976
DAILY MUD COSTS =	\$2,000.00	ACC. MUD COSTS =	\$22,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	E/W
145	.38					
WEIGHT						
STRING WT.	P / U	S / O	TORQUE			
DRILL COLLARS						
NO.	Conn	O.D.	I.D.			
	CONN	O.D.				
DRILL PIPE						
NO.	CONN	O.D.	I.D.			
	CONN	O.D.				
BHA						
BIT, MM, DOUBLE PIN, TOOL CARRIER, EMITTER SUB						
1 NMDC, 9 8" DC, 5 6" DC						
MUD						
GEL	poly	PAC-R				
BAR:	LCM:	MICA				
LIME:	LIG	STABLE FOAM 55 GAL				
CAUS:	Carb-N	SHALE TREAT 55 GAL				

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MAY 10 2007

DIV. OF OIL, GAS & MINING

Rig Phone No.: 435-928-5466

# MORNING REPORT

DATE: 8/18/2006

OPERATOR: MARION ENERGY INC.

LEASE & WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006

DFS: 8

OPER. @ RPT. TIME: PICK UP M/M & BIT

DEPTH: FTG. LAST 24 Hr.s: 272 Ft.

AVG. Ft/Hr. 0.0

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
4.0	WAIT ON CMT	1.) RU- TD		64.0
4.0	CUT OFF OLD FLANGE DRESSED UP NEW	2.) DRILLING		32.0
8.0	RIG UP AIR PACK	3.) REAMING		1.0
8.0	NIPPLE UP AIR BOWL WELD ON HOOKS TO HOLD UP AIR BOWL, RUN	4.) CORING		0.0
	COLLAR THREW TABLE MAKE UP BIT	5.) CIRC.		56.5
		6.) TRIP		9.5
		7.) SERVICE		2.0
		8.) REPAIR		11.0
		9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC	4.0	4.0
		14.) NU & TEST		0.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	20.0	36.5
		Total Hours =	24.0	221.0

MUD				PUMPS				BIT RECORD			
WT. IN		PH		NO. 1		NO. 2		BIT NO.		BIT NO.	
WT. OUT		PM		SIZE	6.0	14.0	8.0	6.0	SERIAL NO.	QC489	
VISC.		PF/MF		TYPE	EMSCO D50	G-D PZ8		MFG / TYPE	REED / TD 52H		
PV		CL		SPM				SIZE	12 1/4		
YP		CA		BPS	5.9	2.9		JETS	OPEAN		
GELS		EX. LIME		PSI				IN / OUT	40		
FL.		LCM		GPM	0.0	0.0		WOB	30		
CAKE 32nds		ECD		AVDC				RPM	100/45		
% SOLIDS		H2S PPM		AVDP				FEET	732		
% WATER		DAPP/LB/BB		STKS. SUR TO BIT				HOURS	32		
% OIL				STKS. BIT TO BUR.				DULL			
% SAND		L.C.M.		REDUCED PUMP RATE				GRADE			

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$0.00		\$0
FOOTAGE / DAYWORK	\$128,000.00	\$12,800	\$140,800
MUD & CHEMICALS	\$18,173.00	\$2,500	\$20,673
CEM. SERV & FLT EQU.	\$0.00		\$0
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$11,068.00		\$11,068
RENTAL EQUIP.	\$36,020.00	\$3,500	\$39,520
CASERS, WELD, LABOR	\$5,948.00		\$5,948
OVERHEAD	\$2,000.00	\$200	\$2,200
DIR. SERVICE / MOTOR	\$84,455.00	\$3,500	\$87,955
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$13,000.00	\$1,300	\$14,300
WATER	\$10,750.00		\$10,750
DISPOSAL	\$0.00		\$0
FUEL	\$0.00		\$0
MUD LOGGER	\$0.00		\$0
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$313,882		
TOTAL DAILY =		\$23,800	
TOTAL CUM =			\$337,682
DAILY MUD COSTS =	\$2,500.00	ACC. MUD COSTS =	\$20,673.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
170	.25					
280	.13					
370	.19					
502	.31					
588	.50					

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
	CONN	O.D.	I.D.

BHA	
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 9 8" DC, 5 6" DC	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-N	

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MAY 10 2007

Rig Phone No.: 435-828-5486

# MORNING REPORT

DATE: 8/17/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 7 OPER. @ RPT. TIME: WT ON CMT, AND PARTS  
 DEPTH: FTG. LAST 24 Hr.s: 272 FL. AVG. Ft/Hr. 0.0 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
2.0	LAY DWN 2 STANDS 6" COLLARS	1.) RU- TD		64.0
1.0	RIG SERVICE	2.) DRILLING		32.0
2.0	CLEAN FLOOR OFF , RIG UP CEMENTERS	3.) REAMING		1.0
19.0	WAIT ON CMT, NIPPLE DWN AIR BOWL & FLOW LINE	4.) CORING		0.0
		5.) CIRC.		56.5
		6.) TRIP	2.0	9.5
		7.) SERVICE	1.0	2.0
	PUMPED 420SK TYPE G CEMENT, 2%CaC12 , GEL2.0% GILSONITE 10%	8.) REPAIR		11.0
	WT @ 13#/GAL 4% SUPER FLAKE CMT TO SURFACE	9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC		0.0
		14.) NU & TEST		0.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		3.5
		OTHER	2.0	16.5
		Total Hours =	5.0	197.0
24.0	TOTAL HOURS			

MUD				PUMPS				
WT. IN	PH			NO. 1		NO. 2		
WT. OUT	PM			SIZE	6.0	14.0	8.0	6.0
VISC.	PF/MF			TYPE	EMSCO D50	G-D	PZ8	
PV	CL			SPM				
YP	CA			BPS	5.9	2.9		
GELS	EX. LIME			PSI				
FL	LCM			GPM	0.0	0.0		
CAKE 32nds	ECD			AVDC				
% SOLIDS	H2S PPM			AVDP				
% WATER	DAPP/LB/BB			STKS. SUR TO BIT				
% OIL				STKS. BIT TO SUR.				
% SAND	L.C.M.			REDUCED PUMP RATE				

BIT RECORD			
	BIT NO.	BIT NO.	
SERIAL NO.	QC489		
MFG / TYPE	REED/ TD 52H		
SIZE	12 1/4		
JETS	OPEAN		
IN / OUT	40		
WOB	30		
RPM	100/45		
FEET	732		
HOURS	32		
DULL			
GRADE			

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$0.00		\$0
FOOTAGE / DAYWORK	\$115,200.00	\$12,800	\$128,000
MUD & CHEMICALS	\$15,034.00	\$3,139	\$18,173
CEM. SERV & FLT EQU.	\$0.00		\$0
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$11,068.00		\$11,068
RENTAL EQUIP.	\$32,520.00	\$3,500	\$36,020
CASERS, WELD, LABOR	\$5,948.00		\$5,948
OVERHEAD	\$1,800.00	\$200	\$2,000
DIR. SERVICE / MOTOR	\$80,955.00	\$3,500	\$84,455
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$11,700.00	\$1,300	\$13,000
WATER	\$10,750.00		\$10,750
DISPOSAL	\$0.00		\$0
FUEL	\$0.00		\$0
MUD LOGGER	\$0.00		\$0
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$289,443		
TOTAL DAILY =		\$24,439	
			\$313,882
DAILY MUD COSTS =	\$3,139.00	ACC. MUD COSTS =	\$18,173.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
170	.25					
280	.13					
370	.19					
502	.31					
598	.50					

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA			
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB			
1 NMDC, 9 8" DC, 5 6" DC			

MUD			
GEL	120	poly	PAC-R 4
BAR:	40	LCM: 150	MICA 6
LIME:		LIG	
CAUS:	4	Carb-N	

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Rig Phone No.: 435-828-5466

# MORNING REPORT

DATE: 8/16/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 6 OPER. @ RPT. TIME: WT ON CEMENTERS  
 DEPTH: FTG. LAST 24 Hr.s: 272 FL. AVG. FVHr. 0.0 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
2.0	WT ON ORDERS	1.) RU- TD		84.0
1.0	RIG SERVICE	2.) DRILLING		32.0
2.0	REALIGN MIXING PUMPS	3.) REAMING		1.0
4.0	CONDITION & CIRC , BUILD VALUME	4.) CORING		0.0
1.5	LAY DOWN DIR. TOOLS	5.) CIRC.	7.5	56.5
2.5	TRIP IN HOLE	6.) TRIP	4.5	7.5
1.0	CIRCULATE	7.) SERVICE	1.0	1.0
4.0	TRIP OUT HOLE	8.) REPAIR		11.0
6.0	WT ON CEMENTERS	9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC		0.0
		14.) NU & TEST		0.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK	1.5	3.5
		OTHER	9.5	14.5
		Total Hours =	24.0	192.0
24.0	TOTAL HOURS			

MUD				PUMPS				BIT RECORD			
WT. IN	9.0	PH	11	NO. 1		NO. 2		BIT NO.		BIT NO.	
WT. OUT		PM	.4/4	SIZE	6.0   14.0	8.0   6.0	SERIAL NO.	QC489			
VISC.	40	PF/MF		TYPE	EMSCO D50	G-D PZ8	MFG / TYPE	REED/ TD 52H			
PV		CL	1000	SPM		120	SIZE	12 1/4			
YP		CA	20	BPS	5.9	2.9	JETS	OPEAN			
GELS		EX. LIME		PSI			IN / OUT	40			
FL.	11	LCM		GPM	0.0	446.8	WOB	30			
CAKE 32nds	2/32	ECD		AVDC			RPM	100/45			
% SOLIDS	1	H2S PPM		AVDP			FEET	732			
% WATER	99	DAPP/LB/BB		STKS. SUR TO BIT			HOURS	32			
% OIL				STKS. BIT TO SUR.			DULL				
% SAND	TRC	L.C.M.	15%	REDUCED PUMP RATE			GRADE				

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$0.00		\$0
FOOTAGE / DAYWORK	\$102,400.00	\$12,800	\$115,200
MUD & CHEMICALS	\$12,034.00	\$3,000	\$15,034
CEM. SERV & FLT EQU.	\$0.00		\$0
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$11,068.00		\$11,068
RENTAL EQUIP.	\$29,020.00	\$3,500	\$32,520
CASERS,WELD,LABOR	\$5,948.00		\$5,948
OVERHEAD	\$1,600.00	\$200	\$1,800
DIR. SERVICE / MOTOR	\$77,455.00	\$3,500	\$80,955
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$4,468.00		\$4,468
SUPERVISION	\$10,400.00	\$1,300	\$11,700
WATER	\$9,150.00	\$1,600	\$10,750
DISPOSAL	\$0.00		\$0
FUEL	\$0.00		\$0
MUD LOGGER	\$0.00		\$0
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$263,543		
TOTAL DAILY =		\$25,900	
TOTAL CUM =			\$289,443
DAILY MUD COSTS =	\$3,000.00	ACC. MUD COSTS =	\$15,034.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
170	.25					
280	.13					
370	.19					
502	.31					
588	.50					
WEIGHT						
STRING WT.	P / U	S / O	TORQUE			
DRILL COLLARS						
NO.	Conn	O.D.	I.D.			
DRILL PIPE						
NO.	CONN	O.D.	I.D.			
BHA						
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB						
1 NMDC, 9 8" DC, 5 6" DC						
MUD						
GEL	100	poly	PAC-R	2		
BAR:	50	LCM:	125	MICA	3	
LIME:		LIG	2			
CAUS:	3	Carb-N-4				

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Rig Phone No.: 435-828-5486

# MORNING REPORT

DATE: 8/15/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 5 OPER. @ RPT. TIME: PUMP SWEEP  
 DEPTH: FTG. LAST 24 Hr.s: 272 FL. AVG. Ft/Hr. 0.0 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
14.5	CIRC & CONDITION HOLE, WORK TIGHT HOLE.	1.) RU- TD		64.0
	SET KELLY BACK, PULLED ONE JOINT HOLE GOT TIGHT	2.) DRILLING		32.0
	KELLY BACK UP AND STARTED TO PUMP, LOST CIRC PUMPED LCM	3.) REAMING		1.0
	SWEEPS TO HEEL HOLE AND GOT NO RETURNS	4.) CORING		0.0
		5.) CIRC.	21.0	49.0
3.0	POOH ( NO HOLE DRAG )	6.) TRIP	3.0	3.0
6.5	PUMPED 40 VIS 9. MUD WITH 30% LCM FALLOWED BUY 5 CANS	7.) SERVICE		0.0
	POLLY SWELL, FALLOWED BUY SAME SWEEP, AND THEN 6 CANS	8.) REPAIR		11.0
	OF POLLY SWEEL, AND THEN PUMP SWEEP #3 ( NO RETURNS )	9.) CUT DL		0.0
	MUD WAS PUMPED THREW FILL UP LINE, POLLSWELL DUMPED	10.) SURVEY		1.0
	THREW TABLE	11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC		0.0
		14.) NU & TEST		0.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		2.0
		OTHER		5.0
			Total Hours =	24.0
24.0	TOTAL HOURS			

MUD				PUMPS			
WT. IN	9	PH	9	NO. 1		NO. 2	
WT. OUT		PM		SIZE	6.0	14.0	8.0
VISC.	40	PF/MF	.2/6	TYPE	EMSCO D50	G-D	PZ8
PV		CL	1000	SPM	55	115	
YP		CA	200	BPS	5.9	2.9	
GELS		EX. LIME		PSI			
FL.	9	LCM		GPM	268.8	428.2	
CAKE 32nds	2/32	ECD		AVDC			
% SOLIDS	1	H2S PPM		AVDP			
% WATER	99	DAPP/LB/BB		STKS. SUR TO BIT			
% OIL				STKS. BIT TO SUR.			
% SAND	TRC	L.C.M.	20	REDUCED PUMP RATE			

BIT RECORD	
SERIAL NO.	QC489
MFG / TYPE	REED/ TD 52H
SIZE	12 1/4
JETS	OPEAN
IN / OUT	40
WOB	30
RPM	100/45
FEET	732
HOURS	32
DULL	
GRADE	

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$0.00		\$0
FOOTAGE / DAYWORK	\$89,600.00	\$12,800	\$102,400
MUD & CHEMICALS	\$8,534.00	\$3,500	\$12,034
CEM. SERV & FLT EQU.	\$0.00		\$0
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$11,068.00		\$11,068
RENTAL EQUIP.	\$25,520.00	\$3,500	\$29,020
CASERS,WELD,LABOR	\$3,100.00	\$2,848	\$5,948
OVERHEAD	\$1,400.00	\$200	\$1,600
DIR. SERVICE / MOTOR	\$68,955.00	\$8,500	\$77,455
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$400.00	\$4,068	\$4,468
SUPERVISION	\$9,100.00	\$1,300	\$10,400
WATER	\$3,300.00	\$5,850	\$9,150
DISPOSAL	\$0.00		\$0
FUEL	\$0.00		\$0
MUD LOGGER	\$0.00		\$0
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$220,977		
TOTAL DAILY =		\$42,566	
			TOTAL CUM = \$263,543
DAILY MUD COSTS =	\$3,500.00	ACC. MUD COSTS =	\$12,034.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
170	.25					
280	.13					
370	.19					
502	.31					
598	.50					

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA			
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB			
1 NMDC, 9 8" DC, 5 6" DC			

MUD			
GEL	200	poly	1
BAR:	121	LCM:	250
LIME:	1	LIG	2
CAUS:	2	Carb-N	POLLY SWELL 11 CANS

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Rig Phone No.: 435-828-5486

# MORNING REPORT

DATE: 8/14/2006

OPERATOR: MARION ENERGY INC. LEASE & WELL: RIDGE RUNNER 2-19  
 PROSPECT: SCOFIELD COUNTY: EMERERY STATE: UTAH  
 RIG: UNION RIG #7 SPUD DATE: 8/10/2006 DFS: 4 OPER. @ RPT. TIME: CIRC & WORK TIGHT HOLE  
 DEPTH: 772 FTG. LAST 24 Hr.s: 272 Fl. AVG. FVHr. 18.8 REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
1.0	CIRC & WORK TIGHT HOLE	1.) RU- TD		64.0
1.0	D/F 521 TO 552	2.) DRILLING	14.5	32.0
2.0	CIRC & WORK TIGHT HOLE	3.) REAMING		1.0
1.0	D/F 552' TO 583'	4.) CORING		0.0
2.0	CIRC & WORK TIGHT HOLE	5.) CIRC.	9.5	28.0
2.0	D/F 583' TO 617'	6.) TRIP		0.0
2.5	CIRC & CONDITION , SET UP NEW MUD LINE	7.) SERVICE		0.0
10.5	D/F 617' TO 772'	8.) REPAIR		11.0
2.0	CIRC , WORK HOLE	9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC		0.0
		14.) NU & TEST		0.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		2.0
		OTHER		5.0
24.0	TOTAL HOURS	Total Hours =	24.0	144.0

MUD			
WT. IN	9.6	PH	9
WT. OUT		PM	
VISC.	45	PF/MF	.2/.6
PV		CL	1000
YP		CA	
GELS		EX. LIME	
FL	10	LCM	
CAKE 32nds	2/32	ECD	
% SOLIDS	1	H2S PPM	
% WATER	99	DAPP/LB/BB	
% OIL			
% SAND	TRC	L.C.M.	8 %

PUMPS			
	NO. 1	NO. 2	
SIZE	6.0   14.0	8.0	6.0
TYPE	EMSCO D50	G-D PZ8	
SPM	59	110	
BPS	59	2.9	
PSI			
GPM	288.3	409.5	
AVDC			
AVDP			
STKS. SUR TO BIT			
STKS. BIT TO SUR.			
REDUCED PUMP RATE			

BIT RECORD			
	BIT NO.	BIT NO.	
SERIAL NO.	QC489		
MFG / TYPE	REED/ TD 52H		
SIZE	12 1/4		
JETS	OPEAN		
IN / OUT	40		
WOB	30		
RPM	100/45		
FEET	732		
HOURS	32		
DULL			
GRADE			

DAILY COSTS RECORD			
ITEM	PREV. CUM.	DAILY	TOTAL CUM.
LOC., DAMAGES, COND.	\$0.00		\$0
MOBILIZATION	\$0.00		\$0
FOOTAGE / DAYWORK	\$76,800.00	\$12,800	\$89,600
MUD & CHEMICALS	\$5,646.00	\$2,888	\$8,534
CEM. SERV & FLT EQU.	\$0.00		\$0
BITS & BHA TOOLS	\$0.00		\$0
TRUCKING & DISP.	\$9,718.00	\$1,350	\$11,068
RENTAL EQUIP.	\$22,020.00	\$3,500	\$25,520
CASERS,WELD,LABOR	\$3,100.00		\$3,100
OVERHEAD	\$1,200.00	\$200	\$1,400
DIR. SERVICE / MOTOR	\$60,455.00	\$8,500	\$68,955
LOGGING	\$0.00		\$0
MISC. SERV & SUPP.	\$0.00	\$400	\$400
SUPERVISION	\$7,800.00	\$1,300	\$9,100
WATER	\$1,200.00	\$2,100	\$3,300
DISPOSAL	\$0.00		\$0
FUEL	\$0.00		\$0
MUD LOGGER	\$0.00		\$0
CASING / WELLHEAD	\$0.00		\$0
	\$0.00		\$0
PREV. CUM =	\$187,939		
TOTAL DAILY =		\$33,038	
TOTAL CUM =			\$220,977
DAILY MUD COSTS =	\$2,888.00	ACC. MUD COSTS =	\$8,534.00

DEVIATION RECORD						
DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW
170	.25					
280	.13					
370	.19					
502	.31					
588	.50					

WEIGHT			
STRING WT.	P / U	S / O	TORQUE

DRILL COLLARS			
NO.	Conn	O.D.	I.D.
NO.	CONN	O.D.	I.D.

DRILL PIPE			
NO.	CONN	O.D.	I.D.
NO.	CONN	O.D.	I.D.

BHA	
BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB	
1 NMDC, 9 8" DC, 5 6" DC	

MUD		
GEL	poly	PAC-R
BAR:	LCM:	MICA
LIME:	LIG	
CAUS:	Carb-N	

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MAY 10 2007

DIV. OF OIL, GAS & MINING.

Rig Phone No.: 435-828-5486

**MORNING REPORT**

DATE: 8/13/2006

OPERATOR: MARION ENERGY INC.

LEASE &amp; WELL: RIDGE RUNNER 2-19

PROSPECT: SCOFIELD

COUNTY: EMERERY

STATE: UTAH

RIG: UNION RIG #7

SPUD DATE: 8/10/2006 DFS: 3

OPER. @ RPT. TIME: WORK TIGHT HOLE

DEPTH: 521

FTG. LAST 24 Hr.s: 272 Ft. AVG. FVHr. 27.2

REPORT BY: MIKE LINDSAY

ACTIVITY LAST 24 HOURS		DESCRIPTIVE HOURLY BREAKDOWN		
HOURS	DESCRIPTION	ACTIVITY	HOURS	ACC. HR.S
3.0	BUILD MUD WT. UP TO 9.5 WT., 45 VIS AND 15% L.C.M.	1.) RU- TD		64.0
5.0	D/F 249' TO 369'	2.) DRILLING	10.0	17.5
1.0	CHANGE OUT ROT RUBBER	3.) REAMING		1.0
2.0	D/F 369' TO 460'	4.) CORING		0.0
8.0	BRING MUD WT. UP TO 9.8, WORK TIGHT HOLE	5.) CIRC.	13.0	18.5
3.0	D/F 460' TO 521'	6.) TRIP		0.0
4.0	MIX LCM & BAR, WORK TIGHT SPOT, KILLED WATER FLOW @ 505'	7.) SERVICE		0.0
		8.) REPAIR		11.0
		9.) CUT DL		0.0
		10.) SURVEY		1.0
		11.) LOGGING		0.0
		12.) CSG & CMT		0.0
		13.) WOC		0.0
		14.) NU & TEST		0.0
		15.) INSP. BHA		0.0
		16.) DST		0.0
		17.) PLUGBACK		0.0
		18.) LOST CIRC.		0.0
		19.) FISHING		0.0
		20.) DIR. WORK		2.0
		OTHER	1.0	5.0
		Total Hours =	24.0	120.0
24.0	TOTAL HOURS			

MUD				PUMPS				BIT RECORD			
WT. IN	9.0	PH	10	NO. 1		NO. 2		BIT NO.		BIT NO.	
WT. OUT		PM		SIZE	6.0   14.0	8.0   6.0	SERIAL NO.	QC489			
VISC.	39	PF/MF	.2/6	TYPE	EMSCO D50	G-D PZ8	MFG / TYPE	REED/ TD 52H			
PV		CL	1000	SPM	59	110	SIZE	12 1/4			
YP		CA	200	BPS	5.9	2.9	JETS	OPEAN			
GELS		EX. LIME		PSI			IN / OUT	40			
FL.	11	LCM		GPM	288.3	409.5	WOB	20			
CAKE 32nds	2/32	ECD		AVDC			RPM	100/45			
% SOLIDS	2	H2S PPM		AVDP			FEET	481			
% WATER	98	DAPP/LB/BB		STKS. SUR TO BIT			HOURS	17.5			
% OIL				STKS. BIT TO SUR.			DULL				
% SAND	TRC	L.C.M.	15%	REDUCED PUMP RATE			GRADE				

DAILY COSTS RECORD				DEVIATION RECORD							
ITEM	PREV. CUM.	DAILY	TOTAL CUM.	DEPTH	INCL.	AZIMUTH	TVD	SEC.	N/S	EW	
LOC., DAMAGES, COND.	\$0.00		\$0	91	.25						
MOBILIZATION	\$0.00		\$0	170	.25						
FOOTAGE / DAYWORK	\$64,000.00	\$12,800	\$76,800	260	.13						
MUD & CHEMICALS	\$2,200.00	\$3,446	\$5,646	370	.19						
CEM. SERV & FLT EQU.	\$0.00		\$0	WEIGHT							
BITS & BHA TOOLS	\$0.00		\$0	STRING WT.	P / U	S / O	TORQUE				
TRUCKING & DISP.	\$9,718.00		\$9,718	DRILL COLLARS							
RENTAL EQUIP.	\$18,520.00	\$3,500	\$22,020	NO.	Conn	O.D.	I.D.				
CASERS, WELD, LABOR	\$3,100.00		\$3,100	NO.	CONN	O.D.	I.D.				
OVERHEAD	\$1,000.00	\$200	\$1,200	DRILL PIPE							
DIR. SERVICE / MOTOR	\$51,955.00	\$8,500	\$60,455	NO.	CONN	O.D.	I.D.				
LOGGING	\$0.00		\$0	NO.	CONN	O.D.	I.D.				
MISC. SERV & SUPP.	\$0.00		\$0	BHA							
SUPERVISION	\$6,500.00	\$1,300	\$7,800	BIT, M/M, DOUBLE PIN, TOOL CARRIER, EMITTER SUB							
WATER	\$1,200.00		\$1,200	1 NMDC, 9 8" DC, 5 6" DC							
DISPOSAL	\$0.00		\$0	MUD							
FUEL	\$0.00		\$0	GEL	400	poly	2	PAC-R	10		
MUD LOGGER	\$0.00		\$0	BAR:	80	LCM:	150	MICA	10		
CASING / WELLHEAD	\$0.00		\$0	LIME:		LIG	5	EMI 744 1BBL			
	\$0.00		\$0	CAUS:	7	Carb-N	WALL NUT PLUG 25				
PREV. CUM =	\$158,193										
TOTAL DAILY =	\$29,746										
		TOTAL CUM =	\$187,939								
DAILY MUD COSTS =	\$3,446.00	ACC. MUD COSTS =	\$5,646.00								

RECEIVED

MAY 10 2007











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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>USA-U-01740</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: <b>Clear Creek Unit</b>
2. NAME OF OPERATOR: <b>Marion Energy, Inc</b>		8. WELL NAME and NUMBER: <b>Ridge Runner 2-19</b>
3. ADDRESS OF OPERATOR: <b>119 So. Tennessee #200</b> CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		9. API NUMBER: <b>4301530684</b>
PHONE NUMBER: <b>(972) 540-2967</b>		10. FIELD AND POOL, OR WILDCAT: <b>Exploratory</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>292.85ft FSL, 259.75ft FWL</b>		COUNTY: <b>Carbon</b>
QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>17 14S 7E</b>		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> (Submit in Duplicate)  Approximate date work will start: <b>9/11/2007</b>	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: _____
<input checked="" type="checkbox"/> <b>SUBSEQUENT REPORT</b> (Submit Original Form Only)  Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
**It is our intention to start selling gas to Questar on 9/11/2007.**

NAME (PLEASE PRINT) <u>Charlotte Parker</u>	TITLE <u>Secretary</u>
SIGNATURE <u><i>Charlotte Parker</i></u>	DATE <u>9/10/2007</u>

(This space for State use only)

**RECEIVED**  
**SEP 13 2007**  
DIV. OF OIL, GAS & MINING

## 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

43 015 30684  
RIDGE RUNNER 2-19  
IAS 7E 17

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

AMENDED REPORT  FORM 8  
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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: 292.85' FSL, 259.75' FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH: 215 fml 2561 fel per DKD review

5. LEASE DESIGNATION AND SERIAL NUMBER: USA-U-01740

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER: Ridge Runner 2-19

9. API NUMBER: 4301530684

10. FIELD AND POOL, OR WILDCAT: Exploratory

11. QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: 17 14S 7E

12. COUNTY: Carbon 13. STATE: UTAH

14. DATE SPUNDED: 8/12/2006 15. DATE T.D. REACHED: 9/20/2006 16. DATE COMPLETED: 6/19/2007 ABANDONED  READY TO PRODUCE  17. ELEVATIONS (DF, RKB, RT, GL): 10153 GR

18. TOTAL DEPTH: MD 7,228 TVD 6356 19. PLUG BACK T.D.: MD 7,183 TVD 6311 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* 21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each): CBL Dual Spaced Neutron

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 (#/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17 1/2	13 3/8 J-55	61	0	225		"G" 685		Surface	
12 1/4"	9 5/8 J-55	36#	0	3,510		50/50 625		Surface	
8 3/4"	5 1/2 J-55	17#	3,236	7,228		50/50 618		Liner	

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 7/8	7,000							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Ferron	6,662	7,062			6,663 6,982	.43	292	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"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6662-6982	Acidized w/ 2500 gals 10%HCL, Frac'd w/ 180,000 # 20/40 Brady sand & 117,000 gals Ambor Gel Max. AIR-35 BPM, ATP 2250 psi, ISIP-1650 psi

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: SI

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 9/10/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 184	WATER - BBL: 300	PROD. METHOD: Flowing
CHOKE SIZE: 1/4"	TBG. PRESS. 125	CSG. PRESS. 300	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 184	WATER - BBL: 300	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.)

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)
Ferron	6,662	7,062	Sand, Coal, Gas & Water	Emery Bluegate Ferron	2,111 3,607 6,662

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 6/19/2007

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 Phone: 801-538-5340  
 1594 West North Temple, Suite 1210  
 Box 145801 Fax: 801-359-3940  
 Salt Lake City, Utah 84114-5801

RIDGE RUNNER 2-19 FINAL SURVEYS.TXT

Weatherford Drilling Services  
Survey Report

Company: Marion Energy, Inc.  
 Time: 08:05:23 Page: 1  
 Field: Emery County, Utah  
 Reference: Well: #2-19, Grid North  
 Site: Ridge Runner #2-19  
 Reference: SITE 10162.5  
 Well: #2-19  
 Reference: Well (0.00N,0.00E,259.50Azi)  
 Wellpath: 1  
 Method: Minimum Curvature Db: Sybase

Date: 9/21/2006  
 Co-ordinate(NE)  
 Vertical (TVD)  
 Section (VS)  
 Survey calculation

Field: Emery County, Utah

Map System: Universal Transverse Mercator  
 UTM Zone 12, North 114W to 108W  
 Geo Datum: NAD27 (Clarke 1866)  
 Well Centre  
 Sys Datum: Mean Sea Level  
 igrf2005

Map Zone:  
 Coordinate System:  
 Geomagnetic Model:

Site: Ridge Runner #2-19

Site Position:	Northing: 14381000.66 ft	Latitude:
39 36 5.239 N		
From: Map	Easting: 1592086.61 ft	Longitude:
111 10 17.722 W		
Position Uncertainty: 0.00 ft		North Reference:
Grid		
Ground Level: 10152.50 ft		Grid Convergence:
-0.11 deg		

Well: #2-19

Slot Name:

Well Position: +N/-S 0.00 ft	Northing: 14381000.66 ft	Latitude:
39 36 5.239 N		
+E/-W 0.00 ft	Easting: 1592086.61 ft	Longitude:
111 10 17.722 W		
Position Uncertainty: 0.00 ft		

Wellpath: 1  
 Surface

Drilled From:  
 Tie-on Depth:

0.00 ft	Height 10162.50 ft	Above System
Current Datum: SITE		
Datum: Mean Sea Level		
Magnetic Data: 7/18/2006		Declination:
12.29 deg		
Field Strength: 52405 nT		Mag Dip Angle:
65.32 deg		
Vertical Section: Depth From (TVD)	+N/-S	+E/-W
Direction	ft	ft
deg		

RIDGE RUNNER 2-19 FINAL SURVEYS.TXT  
 0.00 0.00

259.50

0.00

Survey: WFT MWD  
 9/14/2006

Start Date:

Company: WEATHERFORD DRILLING SERVICES  
 ROBERT H. SCOTT  
 Tool: MWD;MWD - Standard  
 From Surface

Engineer:

Tied-to:

Build	MD	Turn	Incl	Azim	TVD	+N/-S	+E/-W	VS	DLS
deg/100ft	ft	deg/100ft	deg/100ft	deg/100ft	ft	ft	ft	ft	
0.00	0.00	0.00	0.00	259.50	0.00	0.00	0.00	0.00	0.00
0.00	0.00	0.00	0.00	MWD					
144.00	0.38	0.00	0.00	253.64	144.00	-0.13	-0.46	0.48	0.26
0.26	0.00	0.00	0.00	MWD					
415.00	1.81	29.24	0.00	332.89	414.95	3.42	-3.27	2.59	0.66
0.53	2.63	0.00	0.00	MWD					
543.00	2.63	0.00	0.00	326.64	542.85	7.67	-5.81	4.31	0.67
0.64	-4.88	0.00	0.00	MWD					
698.00	2.88	0.00	0.00	324.39	697.67	13.81	-10.03	7.35	0.18
0.16	-1.45	0.00	0.00	MWD					
849.00	3.56	0.00	0.00	321.39	848.43	20.56	-15.16	11.16	0.46
0.45	-1.99	0.00	0.00	MWD					
910.00	3.81	0.00	0.00	326.89	909.31	23.74	-17.45	12.84	0.71
0.41	9.02	0.00	0.00	MWD					
967.00	3.31	0.00	0.00	326.89	966.20	26.70	-19.39	14.20	0.88
-0.88	0.00	0.00	0.00	MWD					
1028.00	2.31	0.00	0.00	325.14	1027.12	29.18	-21.05	15.38	1.65
-1.64	-2.87	0.00	0.00	MWD					
1121.00	1.81	0.00	0.00	338.77	1120.06	32.09	-22.65	16.43	0.75
-0.54	14.66	0.00	0.00	MWD					
1183.00	1.63	0.00	0.00	356.39	1182.04	33.88	-23.06	16.50	0.90
-0.29	28.42	0.00	0.00	MWD					
1246.00	1.88	0.00	0.00	27.27	1245.01	35.70	-22.65	15.76	1.53
0.40	49.02	0.00	0.00	MWD					
1371.00	0.06	0.00	0.00	283.64	1369.99	37.53	-21.77	14.57	1.52
-1.46	-82.90	0.00	0.00	MWD					
1402.00	0.56	0.00	0.00	16.64	1400.99	37.68	-21.74	14.51	1.83
1.61	300.00	0.00	0.00	MWD					
1496.00	1.56	0.00	0.00	282.27	1494.97	38.40	-22.86	15.48	1.81
1.06	-100.39	0.00	0.00	MWD					
1590.00	2.50	0.00	0.00	313.89	1588.92	40.09	-25.59	17.86	1.52
1.00	33.64	0.00	0.00	MWD					
1718.00	6.44	0.00	0.00	279.89	1716.52	43.26	-34.68	26.21	3.58
3.08	-26.56	0.00	0.00	MWD					
1779.00	7.38	0.00	0.00	276.77	1777.08	44.31	-41.94	33.16	1.66
1.54	-5.11	0.00	0.00	MWD					
1842.00	9.00	0.00	0.00	276.77	1839.43	45.37	-50.85	41.73	2.57
2.57	0.00	0.00	0.00	MWD					
1904.00	11.00	0.00	0.00	276.06	1900.49	46.56	-61.55	52.03	3.23
3.23	-1.15	0.00	0.00	MWD					
1966.00	12.94	0.00	0.00	280.39	1961.14	48.44	-74.26	64.19	3.45
3.13	6.98	0.00	0.00	MWD					

RIDGE RUNNER 2-19 FINAL SURVEYS.TXT								
2028.00	14.25		277.39	2021.40	50.67	-88.66	77.94	2.40
2.11	-4.84	MWD						
2091.00	16.00		279.52	2082.21	53.11	-104.91	93.48	2.91
2.78	3.38	MWD						
2168.00	18.75		278.14	2155.69	56.61	-127.63	115.18	3.61
3.57	-1.79	MWD						
2230.00	18.31		277.02	2214.48	59.22	-147.16	133.91	0.91
-0.71	-1.81	MWD						

Weatherford Drilling Services  
Survey Report

Company: Marion Energy, Inc.  
Time: 08:05:23 Page: 2  
Field: Emery County, Utah  
Reference: Well: #2-19, Grid North  
Site: Ridge Runner #2-19  
Reference: SITE 10162.5  
Well: #2-19  
Reference: Well (0.00N,0.00E,259.50Azi)  
Wellpath: 1  
Method: Minimum Curvature Db: Sybase

Date: 9/21/2006  
Co-ordinate(NE)  
Vertical (TVD)  
Section (VS)  
Survey calculation

Survey:	WFT	MWD							
MD	Incl	Azim	TVD	+N/-S	+E/-W	VS	DLS		
Build	Turn	Tool/Comment	ft	ft	ft	ft			
ft	deg	deg							
deg/100ft	deg/100ft	deg/100ft							
2292.00	18.69		273.27	2273.28	60.97	-166.75	152.84	2.01	
0.61	-6.05	MWD							
2354.00	21.00		270.77	2331.59	61.69	-187.78	173.39	3.97	
3.73	-4.03	MWD							
3556.00	30.75		254.64	3413.10	-17.10	-701.31	692.68	0.99	
0.81	-1.34	MWD							
3650.00	31.81		252.64	3493.44	-30.86	-748.13	741.23	1.58	
1.13	-2.13	MWD							
3744.00	34.38		249.64	3572.19	-47.49	-796.67	791.98	3.24	
2.73	-3.19	MWD							
3837.00	36.44		248.77	3647.98	-66.62	-847.04	844.99	2.28	
2.22	-0.94	MWD							
3931.00	37.63		247.64	3723.02	-87.65	-899.60	900.51	1.46	
1.27	-1.20	MWD							
4025.00	38.56		247.64	3796.99	-109.71	-953.23	957.27	0.99	
0.99	0.00	MWD							
4118.00	38.56		247.64	3869.71	-131.77	-1006.85	1014.00	0.00	
0.00	0.00	MWD							
4210.00	38.69		247.64	3941.59	-153.61	-1059.96	1070.20	0.14	
0.14	0.00	MWD							
4304.00	38.44		246.27	4015.09	-176.55	-1113.88	1127.40	0.95	

RIDGE RUNNER 2-19 FINAL SURVEYS.TXT

-0.27	-1.46	MWD						
4397.00	37.69		245.27	4088.31	-200.08	-1166.17	1183.10	1.04
-0.81	-1.08	MWD						
4488.00	38.81		246.52	4159.77	-223.08	-1217.59	1237.85	1.50
1.23	1.37	MWD						
4581.00	38.13		249.27	4232.59	-244.85	-1271.18	1294.51	1.98
-0.73	2.96	MWD						
4673.00	37.50		249.02	4305.27	-264.93	-1323.89	1350.00	0.70
-0.68	-0.27	MWD						
4768.00	37.69		249.64	4380.54	-285.39	-1378.11	1407.05	0.45
0.20	0.65	MWD						
4862.00	37.69		250.77	4454.93	-304.85	-1432.19	1463.76	0.73
0.00	1.20	MWD						
4956.00	38.00		253.02	4529.16	-322.77	-1487.00	1520.92	1.51
0.33	2.39	MWD						
5051.00	37.44		256.44	4604.32	-338.08	-1543.04	1578.82	2.28
-0.59	3.60	MWD						
5143.00	36.88		258.39	4677.64	-350.20	-1597.27	1634.35	1.42
-0.61	2.12	MWD						
5235.00	36.13		262.14	4751.60	-359.46	-1651.19	1689.05	2.56
-0.82	4.08	MWD						
5326.00	35.19		262.89	4825.53	-366.38	-1703.79	1742.02	1.14
-1.03	0.82	MWD						
5420.00	34.31		260.14	4902.77	-374.27	-1756.77	1795.56	1.91
-0.94	-2.93	MWD						
5512.00	33.88		259.52	4978.96	-383.37	-1807.53	1847.13	0.60
-0.47	-0.67	MWD						
5604.00	34.88		261.52	5054.89	-391.91	-1858.77	1899.06	1.64
1.09	2.17	MWD						
5697.00	36.81		263.64	5130.27	-398.92	-1912.77	1953.43	2.47
2.08	2.28	MWD						
5791.00	39.19		262.77	5204.34	-405.78	-1970.22	2011.18	2.60
2.53	-0.93	MWD						
5884.00	40.81		261.64	5275.58	-413.90	-2029.45	2070.89	1.91
1.74	-1.22	MWD						
5977.00	40.75		263.39	5346.01	-421.81	-2089.67	2131.54	1.23
-0.06	1.88	MWD						
6070.00	39.19		264.02	5417.28	-428.37	-2149.04	2191.12	1.73
-1.68	0.68	MWD						
6165.00	40.25		264.39	5490.35	-434.49	-2209.44	2251.63	1.14
1.12	0.39	MWD						
6259.00	38.50		264.02	5563.01	-440.51	-2268.77	2311.05	1.88
-1.86	-0.39	MWD						
6352.00	38.50		264.64	5635.79	-446.23	-2326.38	2368.74	0.42
0.00	0.67	MWD						
6475.00	36.56		263.27	5733.33	-454.10	-2400.88	2443.44	1.72
-1.58	-1.11	MWD						
6600.00	34.56		263.03	5835.01	-462.77	-2473.06	2515.98	1.60
-1.60	-0.19	MWD						
6724.00	33.63		263.52	5937.70	-470.91	-2542.09	2585.34	0.78
-0.75	0.40	MWD						
6849.00	34.00		262.39	6041.56	-479.45	-2611.12	2654.77	0.58
0.30	-0.90	LAST SURVEY						
7228.00	34.00		262.39	6355.76	-507.51	-2821.19	2866.44	0.00
0.00	0.00	EXT TD						

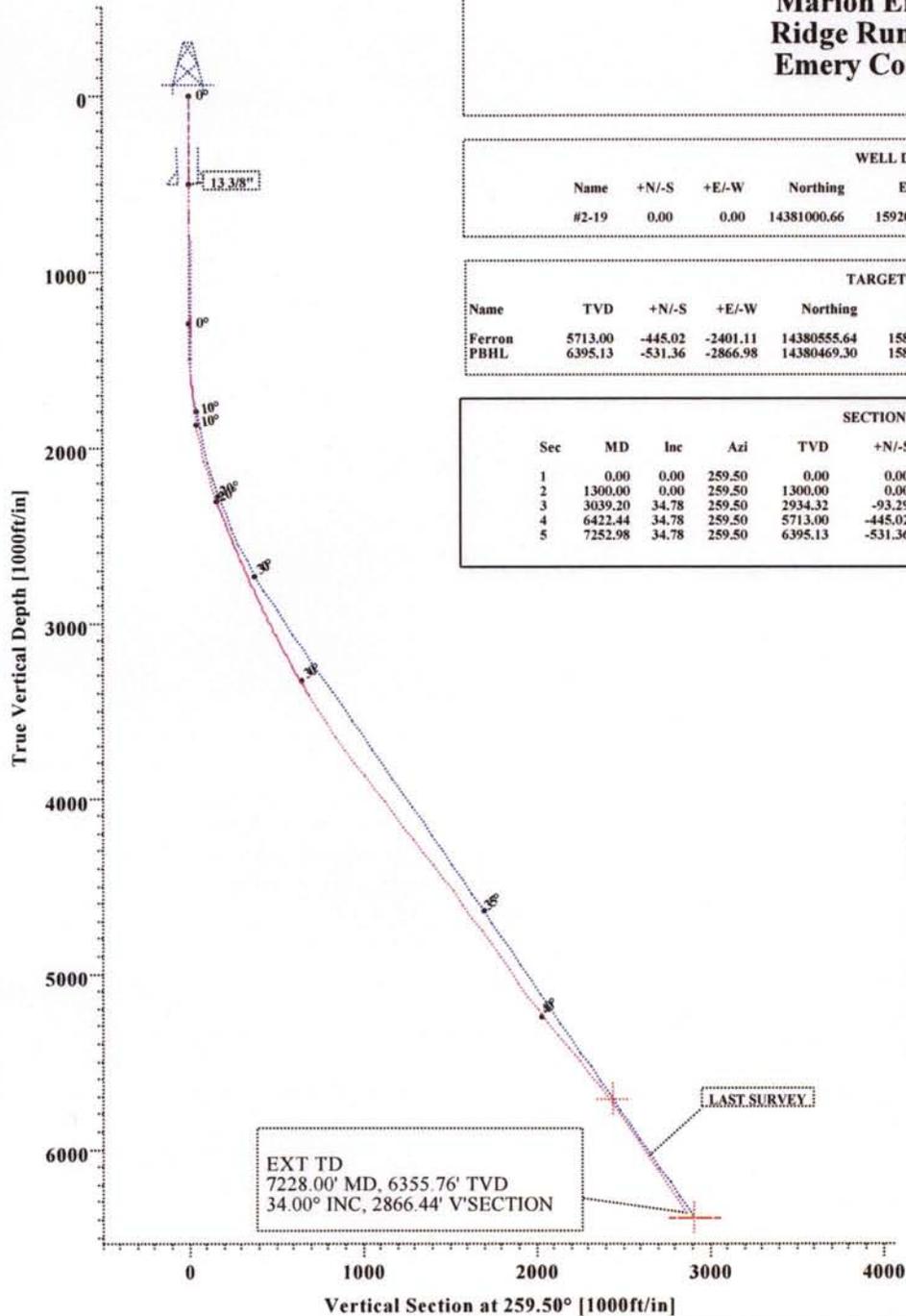
Annotation

MD TVD

ft	ft
6849.00	6041.56
7228.00	6355.76

RIDGE RUNNER 2-19 FINAL SURVEYS.TXT  
LAST SURVEY  
EXT TD

**Marion Energy, Inc.  
Ridge Runner # 2-19  
Emery County, Utah**



**WELL DETAILS**

Name	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Slot
#2-19	0.00	0.00	14381000.66	1592086.61	39°36'05.239N	111°10'17.722W	N/A

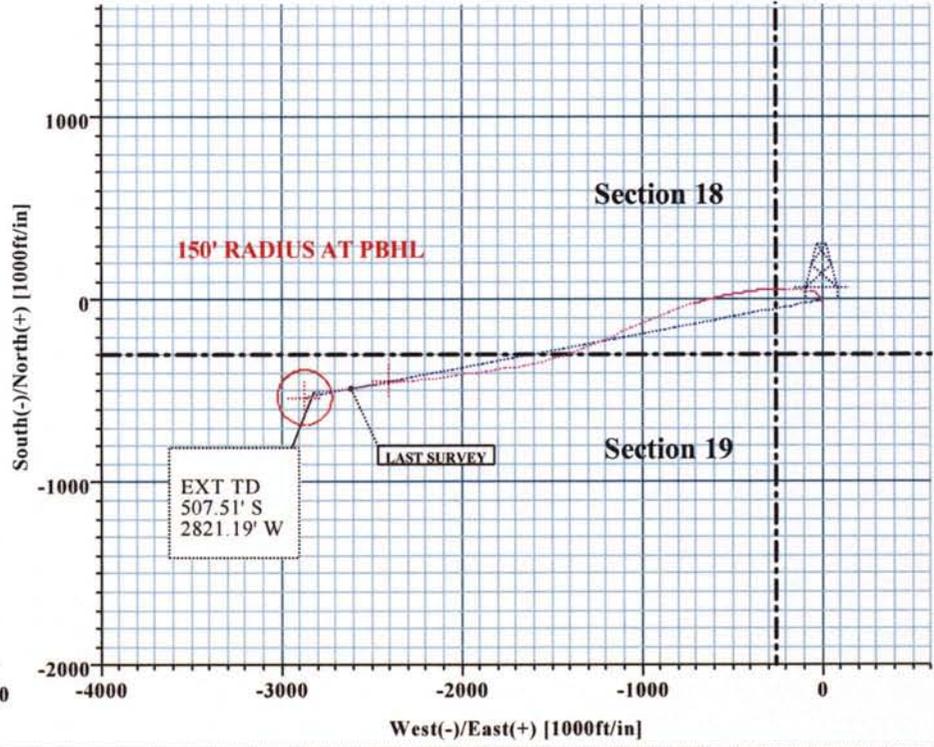
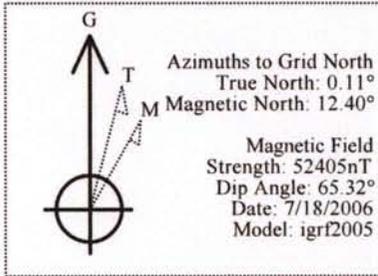
**TARGET DETAILS**

Name	TVD	+N/-S	+E/-W	Northing	Easting	Latitude	Longitude	Shape
Ferron	5713.00	-445.02	-2401.11	14380555.64	1589685.51	39°36'00.793N	111°10'48.397W	Point
PBHL	6395.13	-531.36	-2866.98	14380469.30	1589219.63	39°35'59.930N	111°10'54.349W	Circle (Radius: 150)

**SECTION DETAILS**

Sec	MD	Inc	Azi	TVD	+N/-S	+E/-W	DLeg	TFace	VSec	Target
1	0.00	0.00	259.50	0.00	0.00	0.00	0.00	0.00	0.00	
2	1300.00	0.00	259.50	1300.00	0.00	0.00	0.00	0.00	0.00	
3	3039.20	34.78	259.50	2934.32	-93.29	-503.34	2.00	259.50	511.91	
4	6422.44	34.78	259.50	5713.00	-445.02	-2401.11	0.00	0.00	2442.00	Ferron
5	7252.98	34.78	259.50	6395.13	-531.36	-2866.98	0.00	0.00	2915.81	

**FIELD DETAILS**  
Emery County, Utah  
Geodetic System: Universal Transverse Mercator  
Ellipsoid: NAD27 (Clarke 1866)  
Zone: UTM Zone 12, North 114W to 108W  
Magnetic Model: igrf2005  
System Datum: Mean Sea Level  
Local North: Grid North



# Weatherford Drilling Services

## Survey Report



<b>Company:</b> Marion Energy, Inc.	<b>Date:</b> 9/21/2006	<b>Time:</b> 08:03:55	<b>Page:</b> 1
<b>Field:</b> Emery County, Utah	<b>Co-ordinate(NE) Reference:</b> Well: #2-19, Grid North		
<b>Site:</b> Ridge Runner #2-19	<b>Vertical (TVD) Reference:</b> SITE 10162.5		
<b>Well:</b> #2-19	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,259.50Azi)		
<b>Wellpath:</b> 1	<b>Survey Calculation Method:</b> Minimum Curvature	<b>Db:</b> Sybase	

<b>Field:</b> Emery County, Utah			
<b>Map System:</b> Universal Transverse Mercator	<b>Map Zone:</b> UTM Zone 12, North 114W to 108W		
<b>Geo Datum:</b> NAD27 (Clarke 1866)	<b>Coordinate System:</b> Well Centre		
<b>Sys Datum:</b> Mean Sea Level	<b>Geomagnetic Model:</b> igrf2005		

<b>Site:</b> Ridge Runner #2-19			
<b>Site Position:</b>	<b>Northing:</b> 14381000.66 ft	<b>Latitude:</b> 39 36 5.239 N	
<b>From:</b> Map	<b>Easting:</b> 1592086.61 ft	<b>Longitude:</b> 111 10 17.722 W	
<b>Position Uncertainty:</b> 0.00 ft		<b>North Reference:</b> Grid	
<b>Ground Level:</b> 10152.50 ft		<b>Grid Convergence:</b> -0.11 deg	

<b>Well:</b> #2-19	<b>Slot Name:</b>
<b>Well Position:</b> +N-S 0.00 ft	<b>Northing:</b> 14381000.66 ft
+E-W 0.00 ft	<b>Easting:</b> 1592086.61 ft
<b>Position Uncertainty:</b> 0.00 ft	<b>Latitude:</b> 39 36 5.239 N
	<b>Longitude:</b> 111 10 17.722 W

<b>Wellpath:</b> 1	<b>Drilled From:</b> Surface
<b>Current Datum:</b> SITE	<b>Tie-on Depth:</b> 0.00 ft
<b>Magnetic Data:</b> 7/18/2006	<b>Above System Datum:</b> Mean Sea Level
<b>Field Strength:</b> 52405 nT	<b>Declination:</b> 12.29 deg
<b>Vertical Section:</b> Depth From (TVD) ft	<b>Mag Dip Angle:</b> 65.32 deg
	<b>+N-S ft</b>
0.00	0.00
	<b>+E-W ft</b>
	0.00
	<b>Direction deg</b>
	259.50

<b>Survey:</b> WFT MWD	<b>Start Date:</b> 9/14/2006
<b>Company:</b> WEATHERFORD DRILLING SERVICES	<b>Engineer:</b> ROBERT H. SCOTT
<b>Tool:</b> MWD;MWD - Standard	<b>Tied-to:</b> From Surface

Survey: WFT MWD											
MD	Incl	Azim	TVD	+N-S	+E-W	VS	DLS	Build	Turn	Tool/Comment	
ft	deg	deg	ft	ft	ft	ft	deg/100ft	deg/100ft	deg/100ft		
0.00	0.00	259.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	MWD
144.00	0.38	253.64	144.00	-0.13	-0.46	0.48	0.26	0.26	0.00		MWD
415.00	1.81	332.89	414.95	3.42	-3.27	2.59	0.66	0.53	29.24		MWD
543.00	2.63	326.64	542.85	7.67	-5.81	4.31	0.67	0.64	-4.88		MWD
698.00	2.88	324.39	697.67	13.81	-10.03	7.35	0.18	0.16	-1.45		MWD
849.00	3.56	321.39	848.43	20.56	-15.16	11.16	0.46	0.45	-1.99		MWD
910.00	3.81	326.89	909.31	23.74	-17.45	12.84	0.71	0.41	9.02		MWD
967.00	3.31	326.89	966.20	26.70	-19.39	14.20	0.88	-0.88	0.00		MWD
1028.00	2.31	325.14	1027.12	29.18	-21.05	15.38	1.65	-1.64	-2.87		MWD
1121.00	1.81	338.77	1120.06	32.09	-22.65	16.43	0.75	-0.54	14.66		MWD
1183.00	1.63	356.39	1182.04	33.88	-23.06	16.50	0.90	-0.29	28.42		MWD
1246.00	1.88	27.27	1245.01	35.70	-22.65	15.76	1.53	0.40	49.02		MWD
1371.00	0.06	283.64	1369.99	37.53	-21.77	14.57	1.52	-1.46	-82.90		MWD
1402.00	0.56	16.64	1400.99	37.68	-21.74	14.51	1.83	1.61	300.00		MWD
1496.00	1.56	282.27	1494.97	38.40	-22.86	15.48	1.81	1.06	-100.39		MWD
1590.00	2.50	313.89	1588.92	40.09	-25.59	17.86	1.52	1.00	33.64		MWD
1718.00	6.44	279.89	1716.52	43.26	-34.68	26.21	3.58	3.08	-26.56		MWD
1779.00	7.38	276.77	1777.08	44.31	-41.94	33.16	1.66	1.54	-5.11		MWD
1842.00	9.00	276.77	1839.43	45.37	-50.85	41.73	2.57	2.57	0.00		MWD
1904.00	11.00	276.06	1900.49	46.56	-61.55	52.03	3.23	3.23	-1.15		MWD
1966.00	12.94	280.39	1961.14	48.44	-74.26	64.19	3.45	3.13	6.98		MWD
2028.00	14.25	277.39	2021.40	50.67	-88.66	77.94	2.40	2.11	-4.84		MWD
2091.00	16.00	279.52	2082.21	53.11	-104.91	93.48	2.91	2.78	3.38		MWD
2168.00	18.75	278.14	2155.69	56.61	-127.63	115.18	3.61	3.57	-1.79		MWD

# Weatherford Drilling Services

## Survey Report



<b>Company:</b> Marion Energy, Inc.	<b>Date:</b> 9/21/2006	<b>Time:</b> 08:03:55	<b>Page:</b> 2
<b>Field:</b> Emery County, Utah	<b>Co-ordinate(NE) Reference:</b> Well: #2-19, Grid North		
<b>Site:</b> Ridge Runner #2-19	<b>Vertical (TVD) Reference:</b> SITE 10162.5		
<b>Well:</b> #2-19	<b>Section (VS) Reference:</b> Well (0.00N,0.00E,259.50Azi)		
<b>Wellpath:</b> 1	<b>Survey Calculation Method:</b> Minimum Curvature	<b>Db:</b> Sybase	

Survey: WFT MWD

MD ft	Incl deg	Azim deg	TVD ft	+N-S ft	+E-W ft	VS ft	DLS deg/100ft	Build deg/100ft	Turn deg/100ft	Tool/Comment
2230.00	18.31	277.02	2214.48	59.22	-147.16	133.91	0.91	-0.71	-1.81	MWD
2292.00	18.69	273.27	2273.28	60.97	-166.75	152.84	2.01	0.61	-6.05	MWD
2354.00	21.00	270.77	2331.59	61.69	-187.78	173.39	3.97	3.73	-4.03	MWD
3556.00	30.75	254.64	3413.10	-17.10	-701.31	692.68	0.99	0.81	-1.34	MWD
3650.00	31.81	252.64	3493.44	-30.86	-748.13	741.23	1.58	1.13	-2.13	MWD
3744.00	34.38	249.64	3572.19	-47.49	-796.67	791.98	3.24	2.73	-3.19	MWD
3837.00	36.44	248.77	3647.98	-66.62	-847.04	844.99	2.28	2.22	-0.94	MWD
3931.00	37.63	247.64	3723.02	-87.65	-899.60	900.51	1.46	1.27	-1.20	MWD
4025.00	38.56	247.64	3796.99	-109.71	-953.23	957.27	0.99	0.99	0.00	MWD
4118.00	38.56	247.64	3869.71	-131.77	-1006.85	1014.00	0.00	0.00	0.00	MWD
4210.00	38.69	247.64	3941.59	-153.61	-1059.96	1070.20	0.14	0.14	0.00	MWD
4304.00	38.44	246.27	4015.09	-176.55	-1113.88	1127.40	0.95	-0.27	-1.46	MWD
4397.00	37.69	245.27	4088.31	-200.08	-1166.17	1183.10	1.04	-0.81	-1.08	MWD
4488.00	38.81	246.52	4159.77	-223.08	-1217.59	1237.85	1.50	1.23	1.37	MWD
4581.00	38.13	249.27	4232.59	-244.85	-1271.18	1294.51	1.98	-0.73	2.96	MWD
4673.00	37.50	249.02	4305.27	-264.93	-1323.89	1350.00	0.70	-0.68	-0.27	MWD
4768.00	37.69	249.64	4380.54	-285.39	-1378.11	1407.05	0.45	0.20	0.65	MWD
4862.00	37.69	250.77	4454.93	-304.85	-1432.19	1463.76	0.73	0.00	1.20	MWD
4956.00	38.00	253.02	4529.16	-322.77	-1487.00	1520.92	1.51	0.33	2.39	MWD
5051.00	37.44	256.44	4604.32	-338.08	-1543.04	1578.82	2.28	-0.59	3.60	MWD
5143.00	36.88	258.39	4677.64	-350.20	-1597.27	1634.35	1.42	-0.61	2.12	MWD
5235.00	36.13	262.14	4751.60	-359.46	-1651.19	1689.05	2.56	-0.82	4.08	MWD
5326.00	35.19	262.89	4825.53	-366.38	-1703.79	1742.02	1.14	-1.03	0.82	MWD
5420.00	34.31	260.14	4902.77	-374.27	-1756.77	1795.56	1.91	-0.94	-2.93	MWD
5512.00	33.88	259.52	4978.96	-383.37	-1807.53	1847.13	0.60	-0.47	-0.67	MWD
5604.00	34.88	261.52	5054.89	-391.91	-1858.77	1899.06	1.64	1.09	2.17	MWD
5697.00	36.81	263.64	5130.27	-398.92	-1912.77	1953.43	2.47	2.08	2.28	MWD
5791.00	39.19	262.77	5204.34	-405.78	-1970.22	2011.18	2.60	2.53	-0.93	MWD
5884.00	40.81	261.64	5275.58	-413.90	-2029.45	2070.89	1.91	1.74	-1.22	MWD
5977.00	40.75	263.39	5346.01	-421.81	-2089.67	2131.54	1.23	-0.06	1.88	MWD
6070.00	39.19	264.02	5417.28	-428.37	-2149.04	2191.12	1.73	-1.68	0.68	MWD
6165.00	40.25	264.39	5490.35	-434.49	-2209.44	2251.63	1.14	1.12	0.39	MWD
6259.00	38.50	264.02	5563.01	-440.51	-2268.77	2311.05	1.88	-1.86	-0.39	MWD
6352.00	38.50	264.64	5635.79	-446.23	-2326.38	2368.74	0.42	0.00	0.67	MWD
6475.00	36.56	263.27	5733.33	-454.10	-2400.88	2443.44	1.72	-1.58	-1.11	MWD
6600.00	34.56	263.03	5835.01	-462.77	-2473.06	2515.98	1.60	-1.60	-0.19	MWD
6724.00	33.63	263.52	5937.70	-470.91	-2542.09	2585.34	0.78	-0.75	0.40	MWD
6849.00	34.00	262.39	6041.56	-479.45	-2611.12	2654.77	0.58	0.30	-0.90	LAST SURVEY
7228.00	34.00	262.39	6355.76	-507.51	-2821.19	2866.44	0.00	0.00	0.00	EXT TD

**Annotation**

MD ft	TVD ft	
6849.00	6041.56	LAST SURVEY
7228.00	6355.76	EXT TD

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:  
**USA-U-01740**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:  
**Ridge Runner 2-19**

9. API NUMBER:  
**4301530684**

10. FIELD AND POOL, OR WILDCAT  
**Exploratory**

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:  
**17 14S 7E**

12. COUNTY  
**Carbon**

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: **292.85' FSL, 259.75' FWL**  
AT TOP PRODUCING INTERVAL REPORTED BELOW:  
AT TOTAL DEPTH:

14. DATE SPUDDED: **8/12/2006** 15. DATE T.D. REACHED: **9/20/2006** 16. DATE COMPLETED: **6/19/2007** ABANDONED  READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL):  
**10153 GR**

18. TOTAL DEPTH: MD **7,228** TVD 19. PLUG BACK T.D.: MD **7,183** TVD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \*

21. DEPTH BRIDGE MD PLUG SET: TVD

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)  
**CBL  
Dual Spaced Neutron**

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 (#/L)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
17 1/2	13 3/4 J-55	61	0	225		"G" 685		Surface	
12 1/4"	9 5/8 J-55	36#	0	3,510		50/50 625		Surface	
8 3/4"	5 1/2 J-55	17#	3,236	7,228		50/50 618		Liner	

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 7/8	7,000							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)
(A) Ferron	6,662	7,062		
(B)				
(C)				
(D)				

27. PERFORATION RECORD

INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
6,663 6,982	.43	292	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
			Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
6662-6982	Acidized w/ 2500 gals 10%HCL, Frac'd w/ 180,000 # 20/40 Brady sand & 117,000 gals Ambor Gel Max. AIR-35 BPM, ATP 2250 psi, ISIP-1650 psi

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**

RECEIVED

MAY 20 2009

INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 9/10/2007		HOURS TESTED: 3		TEST PRODUCTION RATES: →	OIL - BBL: 0	GAS - MCF: 127	WATER - BBL: 15	PROD. METHOD: Flowing
CHOKE SIZE: 1/2"	TBG. PRESS. 150	CSG. PRESS. 350	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 1,023	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.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Ferron	6,662	7,062	Sand, Coal, Gas, & Water	Emery Blue Gate Ferron	2,111 3,607 6,662

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.

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: <b>Mult-Locations</b>
2. NAME OF OPERATOR: <b>Marion Energy, Inc.</b>		9. API NUMBER: <b>4301530684</b>
3. ADDRESS OF OPERATOR: 119 S. Tennessee CITY <b>McKinney</b> STATE <b>TX</b> ZIP <b>75069</b>		10. FIELD AND POOL, OR WILDCAT: <b>Clear Creek</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY: <b>Carbon</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWSW 5-17 T14S R09E</b>		STATE: <b>UTAH</b>

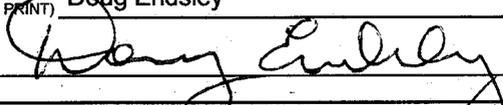
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

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)

\* 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

DIV. OF OIL, GAS & MINING

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**

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  
 Oil Well  Gas Well  Other

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

2. Name of Operator  
**Marion Energy, Inc.**

8. Well Name and No.  
**Multi-Locations**

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

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

9. API Well No.  
**4301530684**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

**0292 R5L0259 FWL**  
**S17 T14S R09E SWSW**

10. Field and Pool, or Exploratory Area  
**Clear Creek**

11. County or Parish, State

**Carbon**

**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 <b>Remedial Flush Jobs</b>
	<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 lands 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**

<b>STATE OF UTAH</b> DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	<b>FORM 9</b>  <b>5.LEASE DESIGNATION AND SERIAL NUMBER:</b> U-01740
<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>  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.	<b>6. IF INDIAN, ALLOTTEE OR TRIBE NAME:</b>  <b>7.UNIT or CA AGREEMENT NAME:</b> CLEAR CREEK
<b>1. TYPE OF WELL</b> Gas Well	<b>8. WELL NAME and NUMBER:</b> RIDGE RUNNER 2-19
<b>2. NAME OF OPERATOR:</b> UTAH GAS OPERATING SOLUTIONS,LLC	<b>9. API NUMBER:</b> 43015306840000
<b>3. ADDRESS OF OPERATOR:</b> 1415 North Loop West, STE 1250 , Houston, TX, 77008	<b>PHONE NUMBER:</b> 281 540-0028 Ext
<b>4. LOCATION OF WELL</b> <b>FOOTAGES AT SURFACE:</b> 0292 FSL 0259 FWL <b>QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:</b> Qtr/Qtr: SWSW Section: 17 Township: 14.0S Range: 07.0E Meridian: S	<b>9. FIELD and POOL or WILDCAT:</b> CLEAR CREEK  <b>COUNTY:</b> EMERY  <b>STATE:</b> UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> <b>NOTICE OF INTENT</b> Approximate date work will start: <b>10/1/2016</b>  <input type="checkbox"/> <b>SUBSEQUENT REPORT</b> Date of Work Completion:  <input type="checkbox"/> <b>SPUD REPORT</b> Date of Spud:  <input type="checkbox"/> <b>DRILLING REPORT</b> 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"/> <b>PLUG AND ABANDON</b> <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:** *Patrick Merritt*

**Please Review Attached Conditions of Approval**

<b>NAME (PLEASE PRINT)</b> Patrick Merritt	<b>PHONE NUMBER</b> 281 540-0028	<b>TITLE</b> President
<b>SIGNATURE</b> N/A	<b>DATE</b> 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 43015306840000**

**Establish circulation through perfs @ 225' prior to RIH w/CICR. Note: TOC from CBL is ~830'.**

## RIDGE RUNNER 2-19 Plugging Procedure

**Well Name:** RIDGE RUNNER 2-19

**API Number:** 43-015-30684

**Location:** SWSW Sec.17-T14S-R7E Emery County, Utah

**Surface Csg:** 13 3/8" J-55 61# set @ 225'

**Intermediate. Csg:** 9 5/8" J-55 36# set @ 3510'

**Prod. Csg:** 5 1/2" J-55 17# @ 3,236'-7,228'

**PBTD:** 7228'

1. MIRU well service rig. NDWH and NUBOP
2. Release the rods and POH with the rods
3. Release the 5-1/2" 45K 1/4 TURN TAC @6627' and POH with 2 7/8" tubing, anchor and pump barrel
4. TIH w/ wireline set 5 1/2" CIBP. Set plug 60' above top perf @ +/-6663'. TIH w/ 2 7/8" tbg and tag plug.
5. Pump cement through 2 7/8" tbg setting a 100' plug from +/-6600 – 6500 (approx. 12sx)
6. TOH w/tbg and TIH w/9 5/8" CIBP set at +/- 1800'
7. Pump cement through 2 7/8" tbg setting a 100' plug from +/-1800' – 1700' (approx. 40sx)
8. RU perforators and perforate @ +/-225'. Set a wireline set CICR at +/-200'. Sting into retainer and establish circulation down the 9 5/8" csg and back up into the 9 5/8" X 13 3/8" annulus. If circulation cannot be established through perfs sting out of retainer and set a 200' plug (approx.80sx) to surface in the 9 5/8" csg. If circulation can be established, pump 85sx cement in the 9 5/8"X13 3/8" annulus to the surface, and sting out of retainer and set a 200' plug (approx.80sx) to surface in the 9 5/8" 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 2-19  
API NUMBER: 43-015-30684  
LOCATION: SWSW SEC.17-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.

9/20/2016

**Present Completion**

API: 43-015-30684  
 GL: 10,153'  
 KB: 10,163'

**Ridge Runner #2-19**

**LOCATION:**

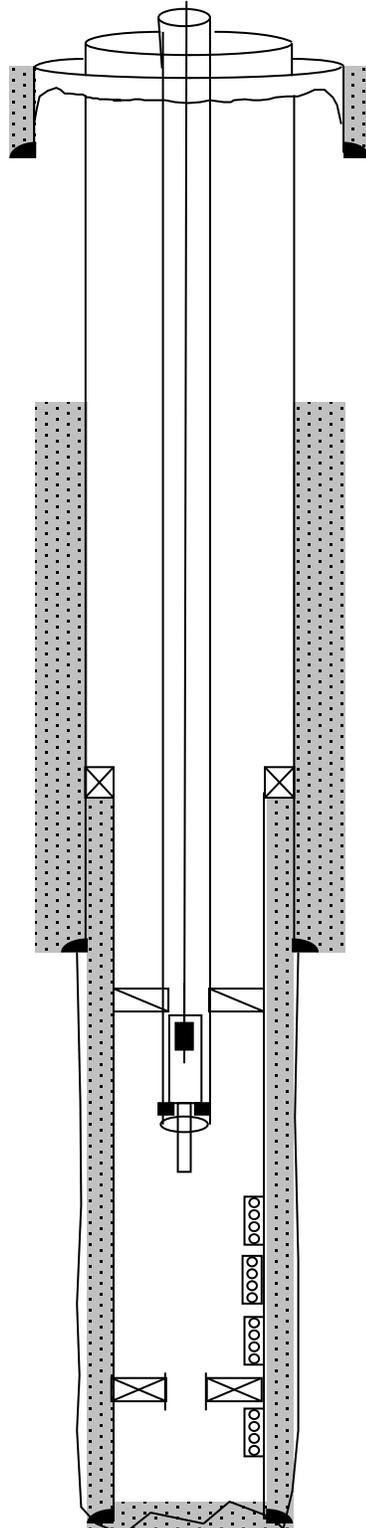
Clear Creek  
 SW SW SW  
 Sec. 17 T14S R7E  
 Emery County, UT

**Casing Strings:**

- 13-3/8"**, 61#, J-55 @ 225'  
 Cmt'd w/ 685 sx  
 TOC @ surface
- 9-5/8"**, 36#, J-55 @ 3,510'  
 Cmt'd w/ 625 sx  
 TOC @ 1,789' estimated
- 5-1/2"**, 17#, J-55 @ 3,236'-7,228'  
 Cmt'd w/ 618 sx  
 TOC @ 3,236' estimated

**Drilling Notes:**

Directional Well:  
 kick off ~ 1,500', 2 degrees/100'  
 Hold ~ 38 degrees @ 3,900'  
 Drill w/ air, foam, mud shallow hole  
 Shallow hole wtr, tight spots  
 No DST's or Cores



**Tubing String:**

EOT@6902.01'  
 TBG ANCHOR @ 6627.03'

**TUBING SETTING**

- 7" TBG HANGER
- 209 - JNTS 2-7/8 TBG
- 5-1/2 45K 1/4 TURN TBG ANCHOR
- 5 JNTS 2-7/8 TBG
- 2-7/8 PUP JNT
- PUMP BARREL
- MECHANICAL SEAT NIPPLE
- 2-7/8" PUP JNT
- MSN WITH 20' DIP TUBE INSIDE
- 2-7/8" PUP JNT
- 3.75 A STANLEY GAS SEPERATOR
- 2 JNT 2 7/8 TBG
- BULL PLUG

**ROD SETTING**

- 1-1/2" X 36' SPRAY METAL POLISH ROD
- 2 - 2' X 1" PONY ROD
- 1 - 4', 6', 8' X 1" PONY
- #8 X 1" PIN SN# 210379
- 6208'-SE #6 JDE SN# 425638 CO ROD
- 500'-SE #7 JDE SN# 425636 CO ROD
- #8 X 1" PIN SN# 210379
- 1 - 1" X 2' STABILIZER
- 1-1/2" X 36' SPRAY METAL POLISH ROD
- 5' X 2-1/4" -.008" PLUNGER
- MECHANICAL HOLD DOWN SV

**Ferron 06/2007**

- 6,663'-70', 92'-96', 6,700'-04' (4 spf)
- 6,713'-17', 22'-24', 32'-38', 44'-51' (4 spf)
- 6,753'-62', 76'-80', 6,795'-6,802' (4 spf)
- 6,830'-34', 44'-48', 62'-66', 77'-81' (4 spf)
- 6,906'-14', 18'-23', 40'-45', 72'-82' (4 spf)

Acidize 6.663'-6.982' w/ 2500g 10% HCl  
 Frac w/ 180,000 # 20/40 & 117,000 g  
 Aborgel max

FISH: Report 9-11-2015  
 fish believed to be packer with tubing stub  
 washed over fish from 6,936' to  
 6,938' with bringing shoe and bailer.

**Spud Date:** 8/10/06  
**TD Date:** 9/20/06  
**Comp. Date:** 6/19/07

**TD = 7,228' MD, 6,356 TVD**