

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

FORM 3

AMENDED REPORT
(highlight changes)

APPLICATION FOR PERMIT TO DRILL		5. LEASE DESIGNATION AND SERIAL NUMBER: Mineral Lease #48456	
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>		7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge #1	
3. ADDRESS OF OPERATOR: 241 N. Robinson CITY Oklahoma City STATE OK ZIP 73102		PHONE NUMBER: (307) 673-1500	9. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 619' FNL 648' FEL AT PROPOSED PRODUCING ZONE: same		10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 8N 8E	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9 miles Northwest of Evanston, Wyoming		11. COUNTY: Rich	12. STATE: UTAH
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 619 feet	15. NUMBER OF ACRES IN LEASE: 812	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 80	
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	18. PROPOSED DEPTH: 4,500	19. BOND DESCRIPTION: SITLA Surety Bond #885708C	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6523' GR	21. APPROXIMATE DATE WORK WILL START: 10/1/2000	22. ESTIMATED DURATION: 15 days	

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4"	9 5/8"	H-40	32.3#	450	G-Poz	125 sx	2.0	12#**
8 3/4"	7"	K-55	23#	4,500	G-50/50 Poz	150sx	2.25	11#lead,* 14.2# tail**
					* Halliburton Hi-Bond	2.56 FT ³ /SK	185 SX	
					**	1.25 FT ³ /SK	85 SX	

** 50/50 Poz. - to use heavier cmt. if no LC 2's

24. ATTACHMENTS per Casey O. 10-11-00

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

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

NAME (PLEASE PRINT) Casey Osborn TITLE Operations Manager
SIGNATURE Casey Osborn DATE 9-8-00

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30045

(5/2000)

Approved by the
Utah Division of
Oil, Gas and Mining

APPROVAL
Date: 10/13/00
By: [Signature]

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DIVISION OF
OIL, GAS AND MINING

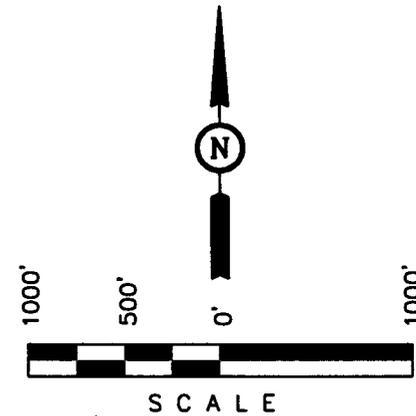
T8N, R8E, S.L.B.&M.

FAT CHANCE OIL & GAS, LLC

Well location, MURPHY RIDGE #1, located as shown in the NE 1/4 NE 1/4 of Section 32, T8N, R8E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

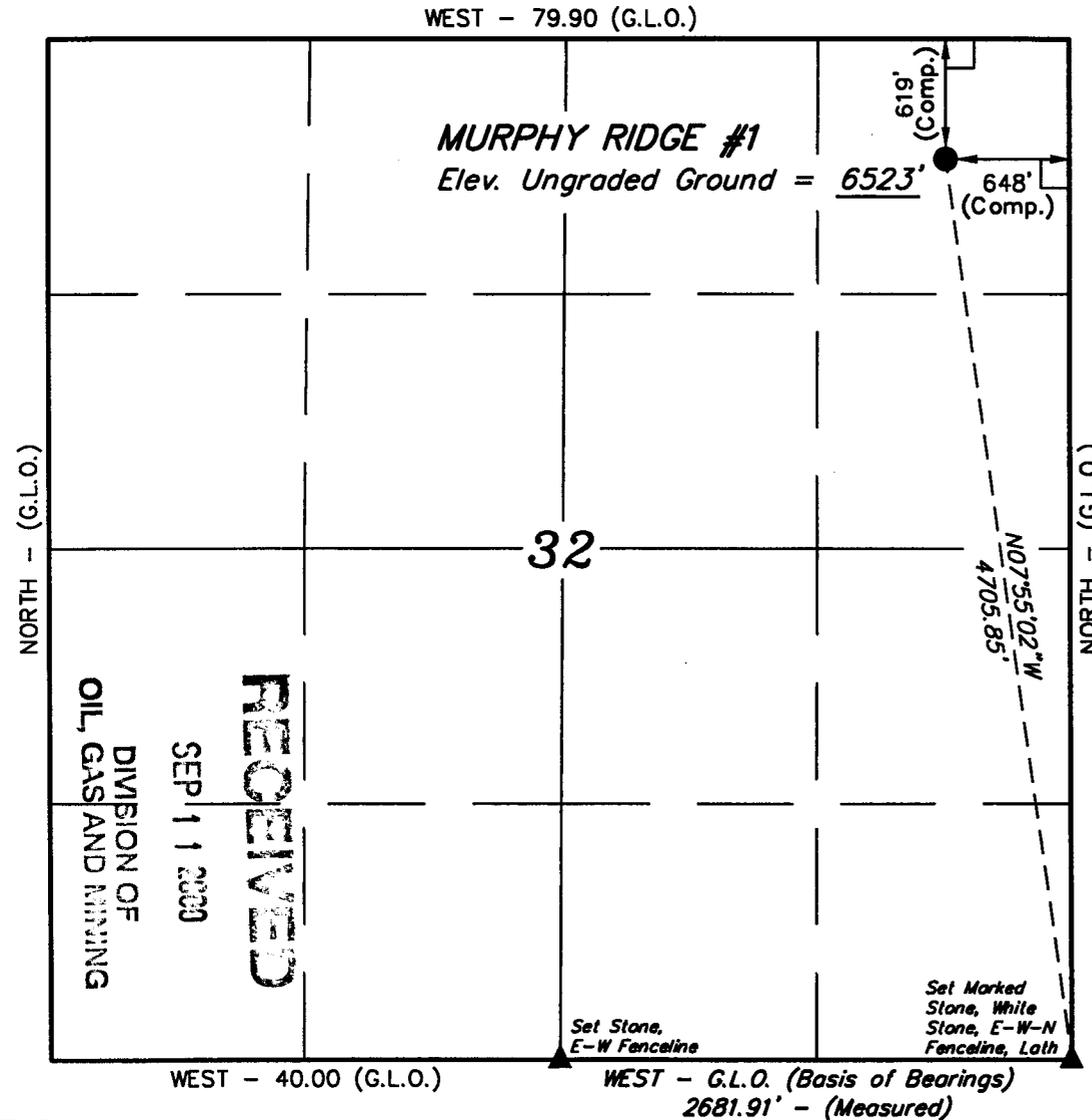
SPOT ELEVATION AT AN INTERSECTION OF TRAILS ON THE WYOMING-UTAH STATE LINE LOCATED IN THE EAST 1/2 OF SECTION 33, T8N, R8E, TAKEN FROM THE NEPONSET RESERVOIR NE, QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6636 FEET.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME, OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH



NORTH - (G.L.O.)

NORTH - (G.L.O.)

32

WEST - 79.90 (G.L.O.)

WEST - 40.00 (G.L.O.)

WEST - G.L.O. (Basis of Bearings)
 2681.91' - (Measured)

Set Stone,
 E-W Fenceline

Set Marked
 Stone, White
 Stone, E-W-N
 Fenceline, Lath

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 OIL, GAS AND MINING

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

LATITUDE = 41°23'28"
 LONGITUDE = 111°03'10"

UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 8-29-00	DATE DRAWN: 9-5-00
PARTY D.K. B.P. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FAT CHANCE OIL & GAS, LLC	

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC
Murphy Ridge #1
T8N R8E, Rich County, Utah

1. ESTIMATED TOPS OF GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>	<u>Fluid</u>
Wasatch	Surface – 100'	Potential water sands
Fowkes	100' – 1200'	None
Adaville	1200' – 2500'	Water, Possible Gas
Frontier	2500' – 3500'	Water, Possible Gas
Aspen	3500' – 4000'	None
Bear River	4000' – 4500'	Water, Oil
TD	4500'	

possible coals ≈ 1,500'

2. ESTIMATED DEPTHS OF ANTICIPATED WATER AND GAS FORMATIONS

The objective formation is the Kelvin formation. Operator intends to evaluate shows in the Adaville, Frontier and Bear River intervals. The anticipated tops are listed in section one of the drilling plan.

3. PRESSURE CONTROL EQUIPMENT

Minimum Specifications:

1. 11" 3M BOP stack consisting of an annular preventer, pipe ram, and blind ram.
2. 2M choke manifold consisting of two adjustable chokes and bleed line.
3. 3" Kill Line
4. 3" Choke Line

All components of the BOP stack are to be installed and pressure tested before drilling out from under the 9 5/8" surface casing. Rams, manifold and lines are to be tested to both a low pressure of 250 psi and a high pressure equal to the working pressure rating. The annular preventer is to be tested to 70% of the working pressure.

An adequate accumulator system will be utilized to hydraulically operate all components of the BOP equipment.

The surface casing will be pressure tested to 1000 psi.

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OIL, GAS AND MINING

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC
Murphy Ridge #1
T8N R8E, Rich County, Utah

The BOP equipment will be tested once every 30 days and whenever a pressure seal is broken.

Operator will adhere to Utah Oil and Gas Conservation General Rule R649-3-7(Well Control).

4. CASING PROGRAM

Surface:

OD: 9 5/8"
Grade: H-40 or greater
Wt: 32.30# or greater
Cement: Cemented to surface with Lite and Tail Cements as required. Centralizers will be utilized to assure proper cement placement.

Production:

OD: 7"
Grade: J-55 or greater
Wt: 23# or greater
Cement: Cemented to cover and isolate all zones of interest with Lite and Tail cements as required. Centralizers will be utilized to assure proper cement placement.

Surface casing will be cemented to surface, thus protecting shallow aquifers and the associated water. All zones of interest will be identified and evaluated. After running production casing, cement will be displaced to cover the shallowest zone of interest. As necessary, stages tools will be utilized if hydrostatic heads are excessive. The casing program will consist of setting 9 5/8" surface casing and 7" production casing.

5. DRILLING FLUID PROGRAM

The drilling fluid will be a lightly treated fresh water native mud. Hole conditions will dictate if additives such as chemicals, gel or weighting materials are added. It is anticipated that occasional gel with LCM and/or polymer sweeps will be required to adequately clean the hole. Mud weight will be maintained at 9.5#/gal or less. Adequate quantities of barite to raise the mud weight to 10.5#/gal will be stored and available on location before drilling out the surface casing cement plug.

Mud pits will be visually monitored. The hole will be filled during trips and kept full at all times unless lost circulation is encountered.

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DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC
Murphy Ridge #1
T8N R8E, Rich County, Utah

6. EVALUATION PROGRAM

Coring:

Due to the wildcat status of the proposed well, coring is not anticipated.

Logging:

One-man logging unit during drilling.

Open hole FDC-CNL-GR logs will be run from TD to surface.

7. ABNORMAL PRESSURES OR TEMPERATURES

No abnormal pressures or temperatures are expected. Maximum anticipated bottom hole pressure is 1950 psi or less. The pressure gradient at any depth is expected to be .43 psi/ft or less.

Hydrogen sulfide gas is produced from deeper formations in wells located within close proximity of the proposed well. However, the objective of the proposed well is the Kelvin formation from which no hydrogen sulfide has been encountered nor in any formations above the Kelvin. The presence of hydrogen sulfide in the proposed well is not expected or anticipated.

8. ADDITIONAL INFORMATION

Anticipated spud of the proposed well will be immediately or as soon as practical after State approval.

Fat Chance Oil and Gas, LLC intends to test and evaluate any zone that indicates potential. The testing technique will consist of selectively perforating and flowing each zone of interest. Bridge plugs will be utilized to isolate zones as necessary for independent zone testing. Testing will be accordance with Utah Oil and Gas rule R649-3-19(Well Testing) and results will be submitted in writing to the Division of Oil, Gas and Mining.

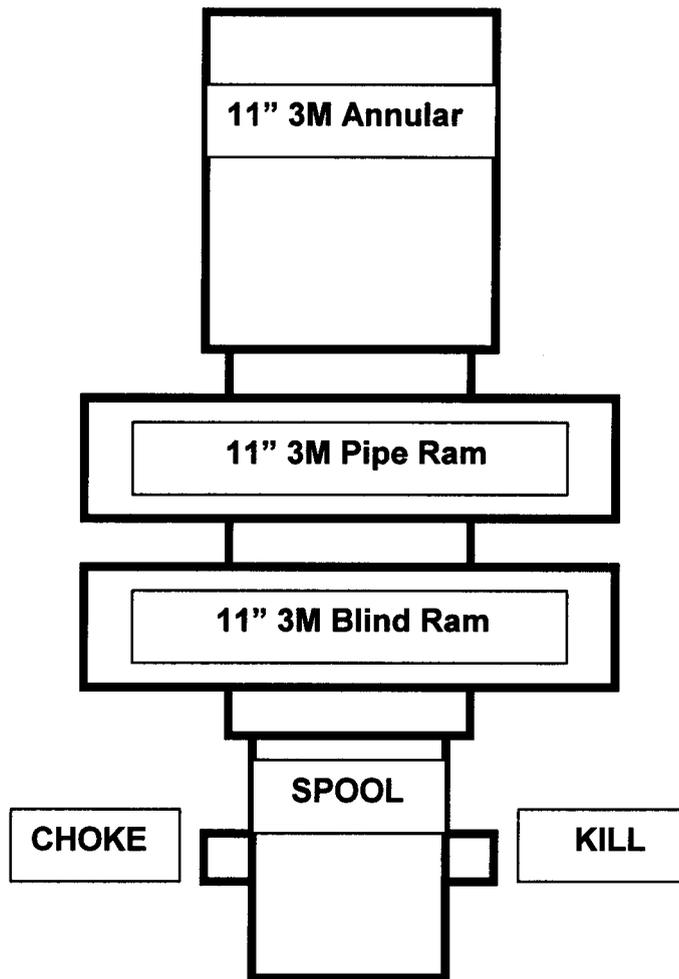
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BOPE SCHEMATIC

API 3M - 11 - SRRA

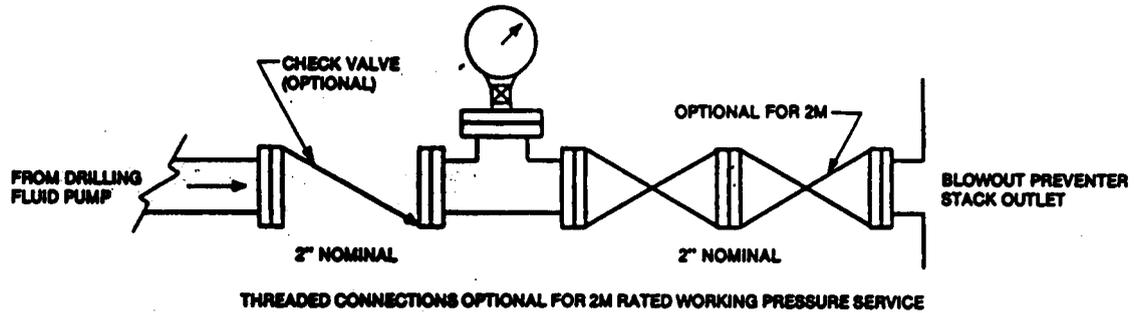


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KILL LINE – CHOKE LINE/MANIFOLD SCHEMATIC



THREADED CONNECTIONS OPTIONAL FOR 2M RATED WORKING PRESSURE SERVICE

FIGURE K5-1. Typical kill line assembly for 2M and 3M rated working pressure service — surface installation.

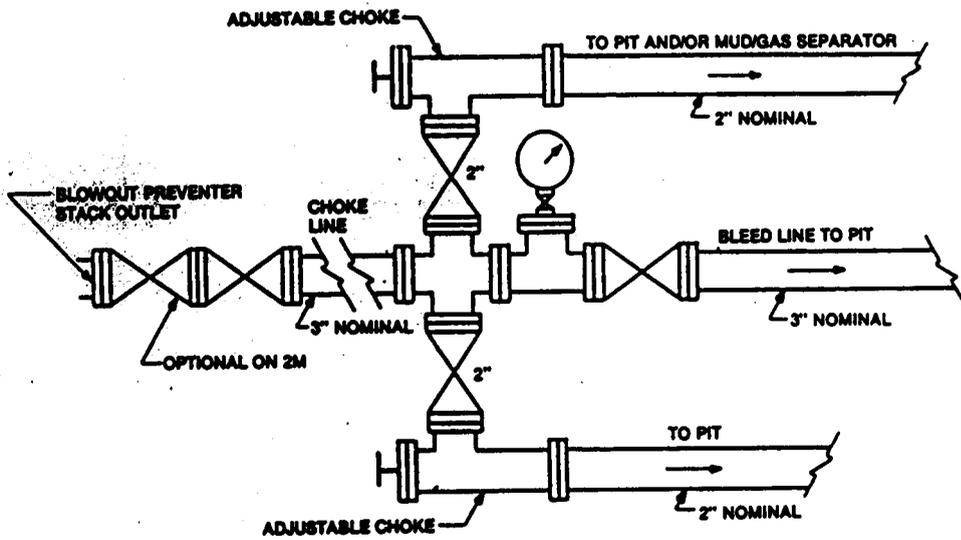


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

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OIL, GAS AND MINING

FAT CHANCE OIL & GAS, LLC

MURPHY RIDGE #1

LOCATED IN RICH COUNTY, UTAH
SECTION 32, T8N, R8E, S.L.B.&M.

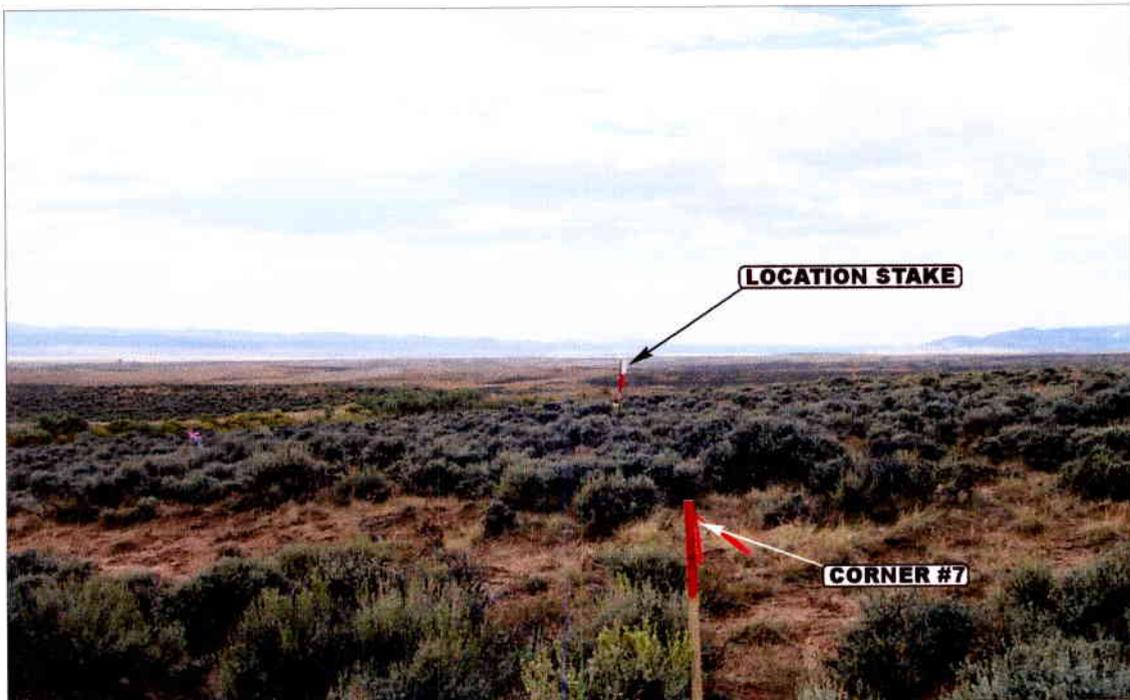


PHOTO: VIEW FROM CORNER #7 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

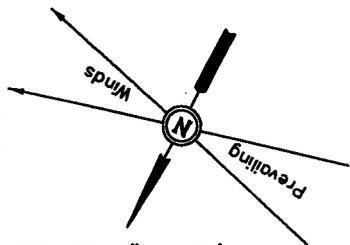
UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	9	5	00	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: C.G.		REVISED: 00-00-00	

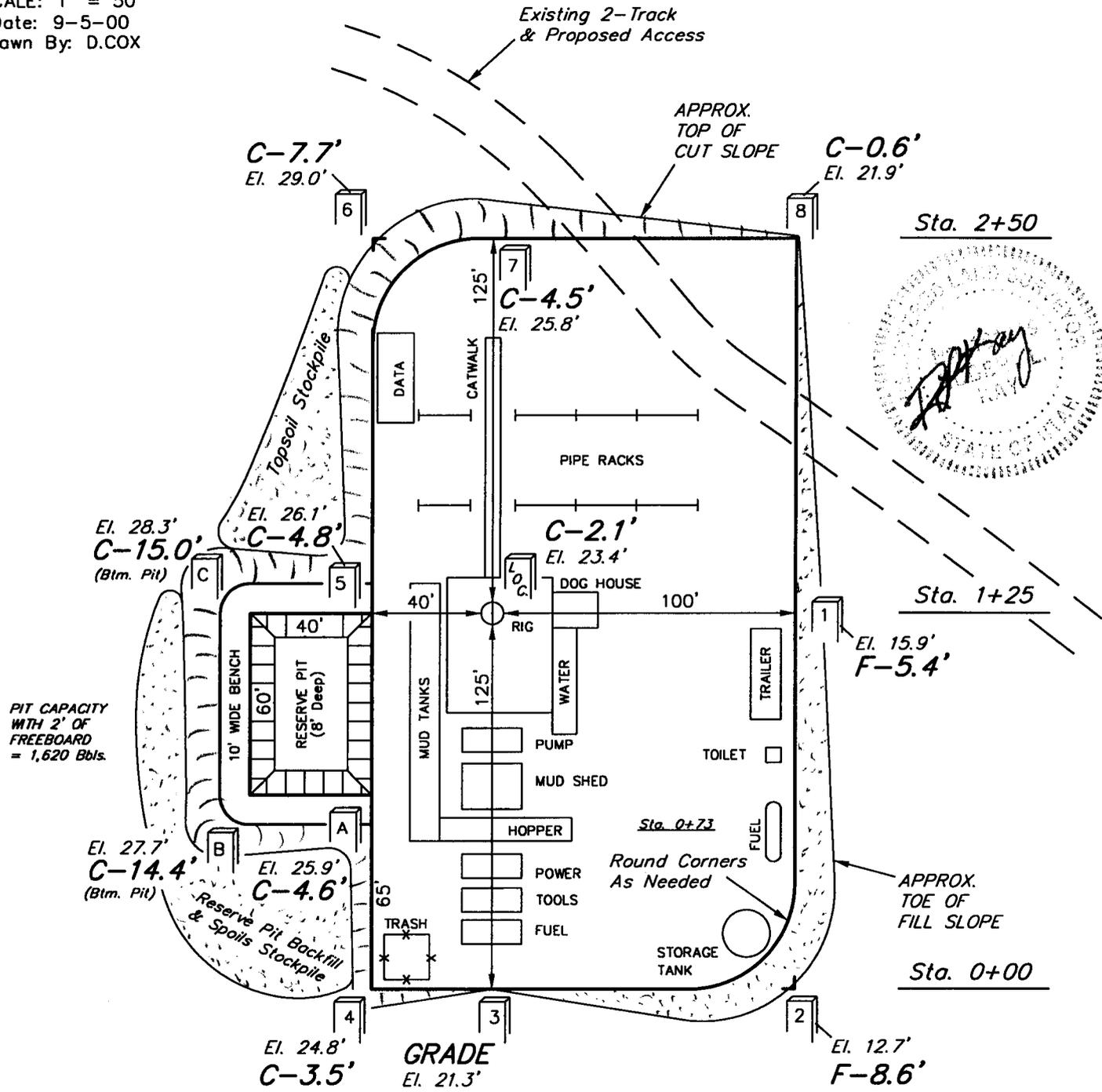
FAT CHANCE OIL & GAS, LLC

LOCATION LAYOUT FOR

MURPHY RIDGE #1
SECTION 32, T8N, R8E, S.L.B.&M.
619' FNL 648' FEL



SCALE: 1" = 50'
Date: 9-5-00
Drawn By: D.COX



PIT CAPACITY WITH 2' OF FREEBOARD = 1,620 Bbls.

Elev. Ungraded Ground at Location Stake = 6523.4'
Elev. Graded Ground at Location Stake = 6521.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

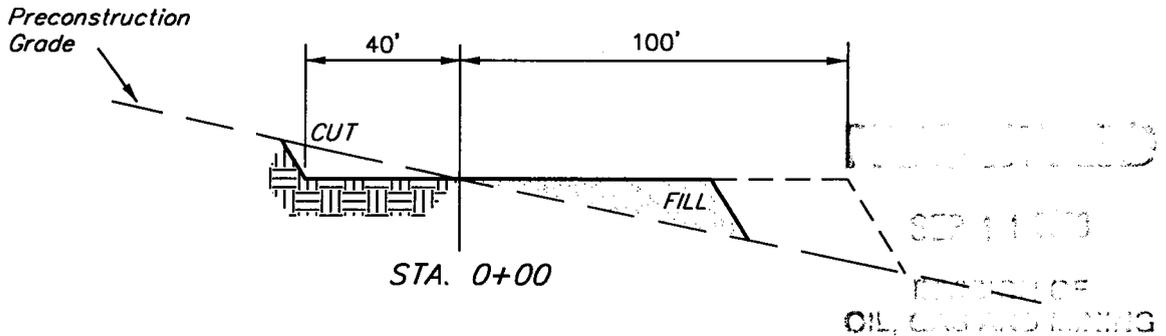
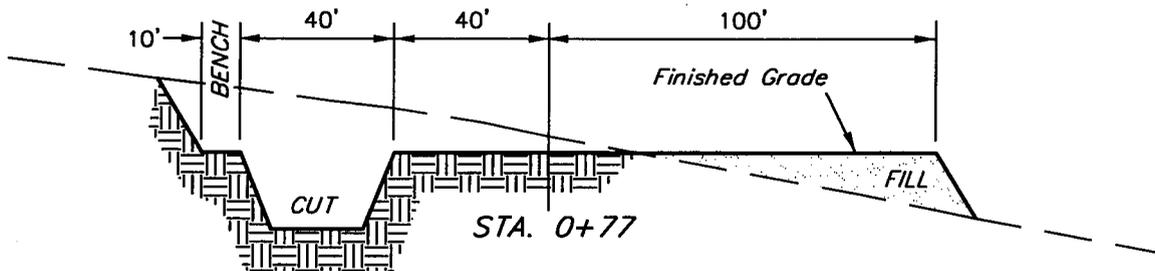
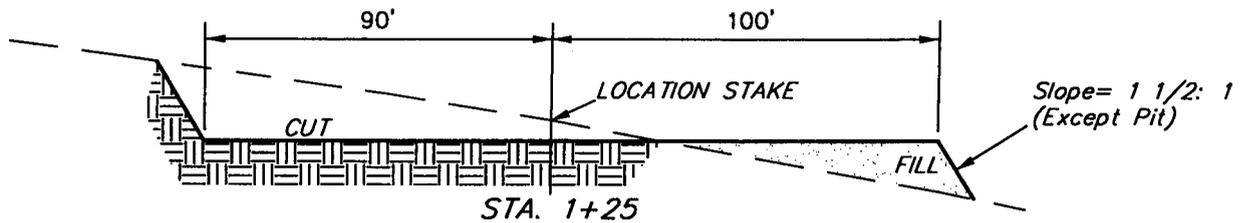
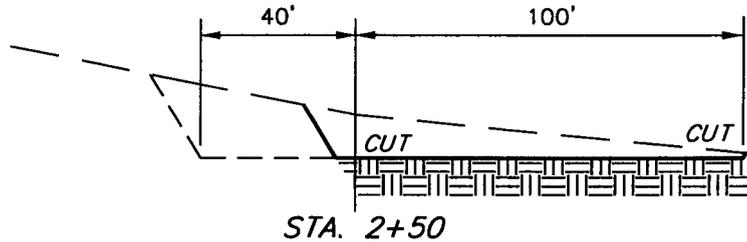
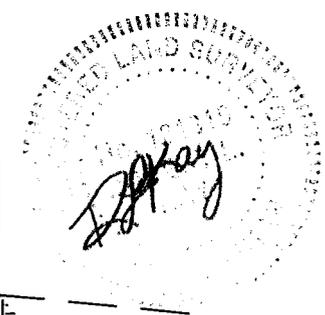
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FAT CHANCE OIL & GAS, LLC

TYPICAL CROSS SECTIONS FOR

MURPHY RIDGE #1
SECTION 32, T8N, R8E, S.L.B.&M.
619' FNL 648' FEL

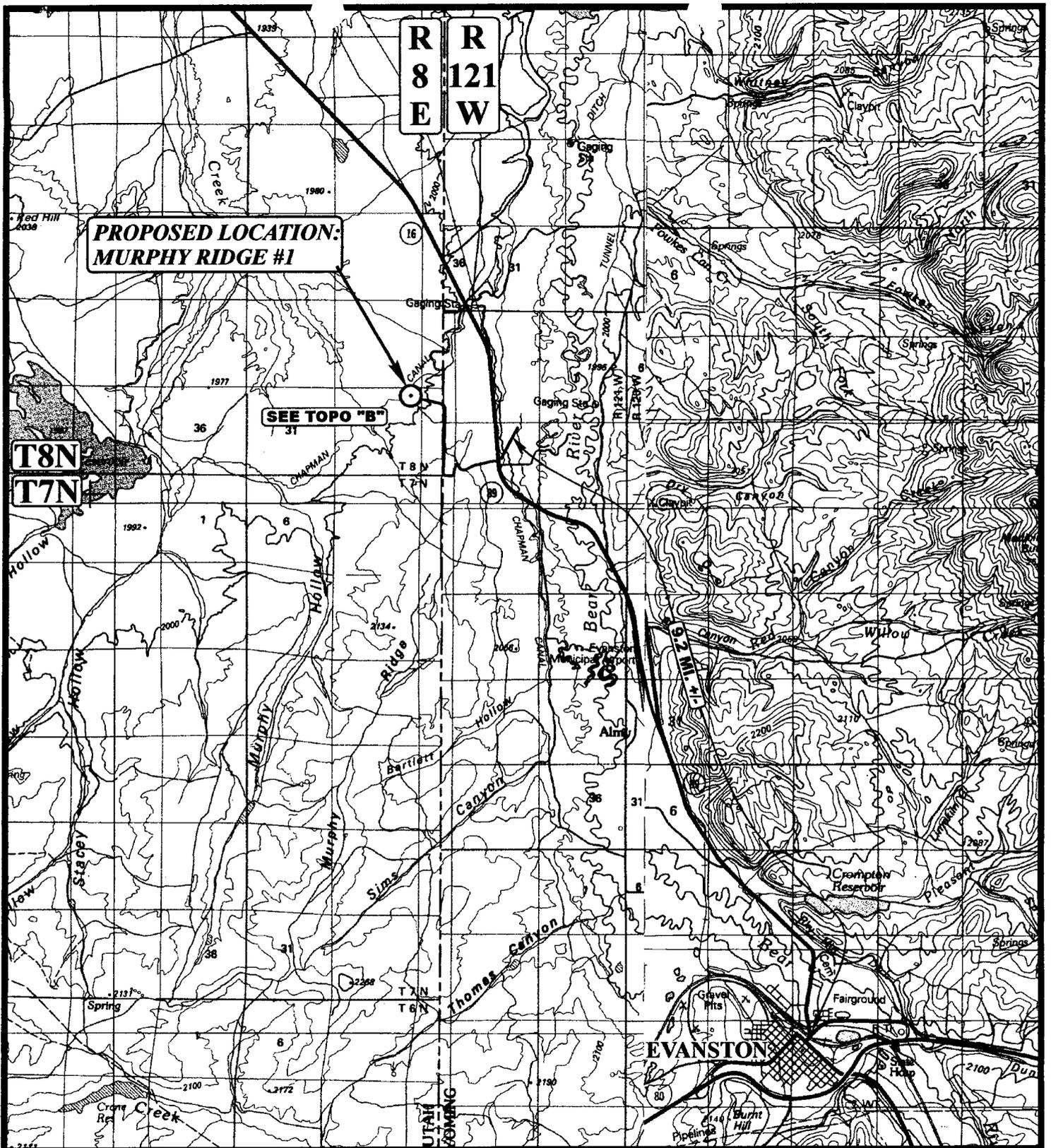
1" = 20'
X-Section
Scale
1" = 50'



APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,440 Cu. Yds.
Remaining Location	= 3,260 Cu. Yds.
TOTAL CUT	= 4,700 CU.YDS.
FILL	= 2,330 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,250 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,250 Cu. Yds.
EXCESS MATERIAL After Reserve Pit is Backfilled & Topsoil is Re-distributed	= 0 Cu. Yds.



LEGEND:

⊙ PROPOSED LOCATION

FAT CHANCE OIL & GAS, LLC

MURPHY RIDGE #1
SECTION 32, T8N, R8E, S.L.B.&M.
619' FNL 648' FWL



Uints Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

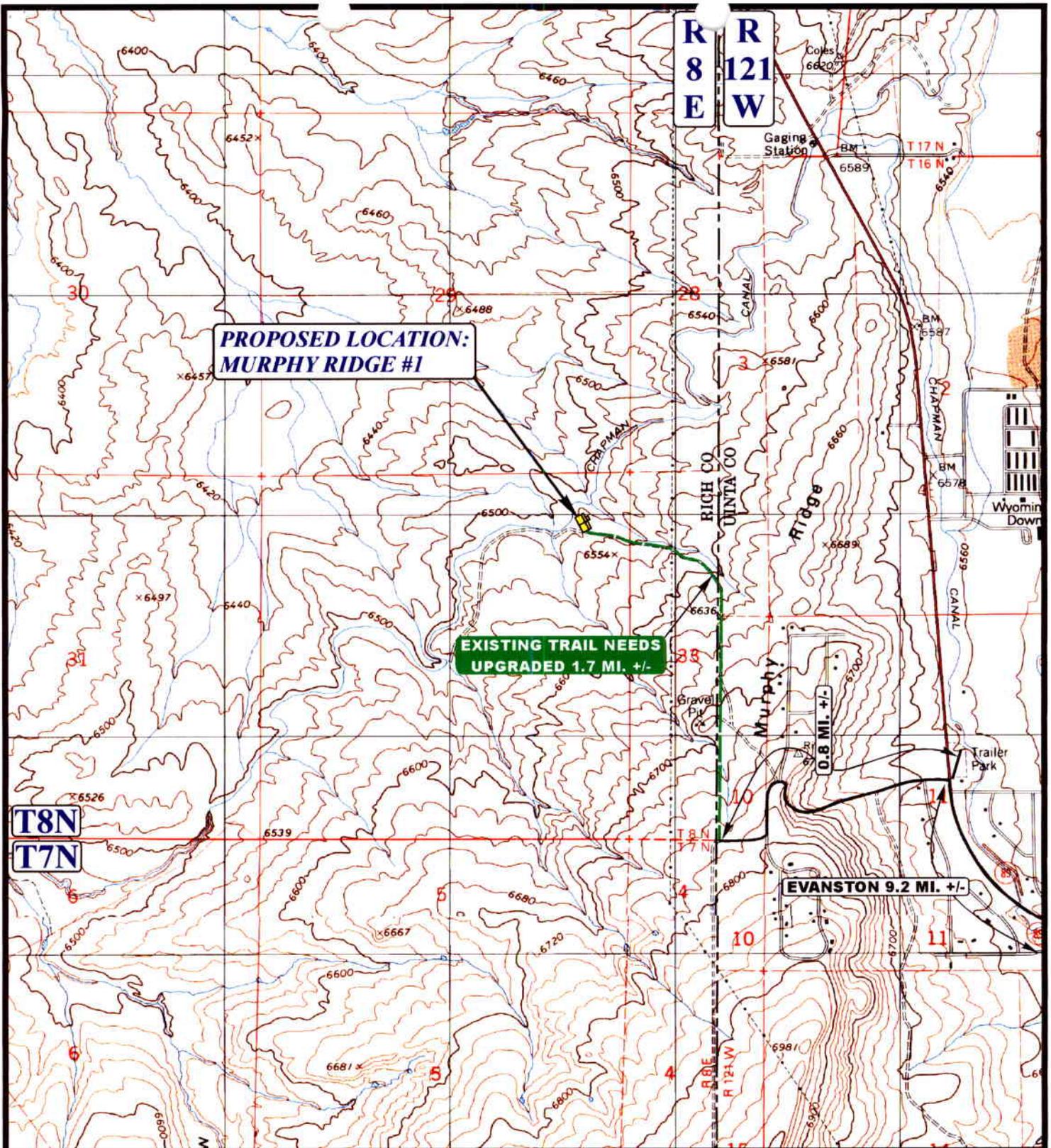


TOPOGRAPHIC
MAP

9 7 00
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.G. REVISED: 00-00-00





**PROPOSED LOCATION:
MURPHY RIDGE #1**

**EXISTING TRAIL NEEDS
UPGRADED 1.7 MI. +/-**

EVANSTON 9.2 MI. +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING TRAIL NEEDS UPGRADED
- EXISTING ROAD

FAT CHANCE OIL & GAS, LLC

**MURPHY RIDGE #1
SECTION 32, T8N, R8E, S.L.B.&M.
619' FNL 648' FEL**

U&L S Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC MAP 9 5 00
MONTH DAY YEAR
SCALE: 1" = 2000' DRAWN BY: C.G. REVISED: 00-00-00 **B**
TOPO

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: STATE OF UTAH
LEASE NUMBER: ML 48456

and hereby designates

NAME: Mr. Casey Osborn
ADDRESS: P.O. Box 7370, 850 Val Vista
Sheridan city WY state 82801 zip

as his (check one) agent operator G, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
T8N R8E Salt Lake Meridian
Section 16, Lots 1,2,3, and 4
Section 32, ALL

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 18 Aug 00

BY: (Name) Harrison Spumacher
(Signature) [Signature]
(Title) MEMBER MANAGER
(Phone) 800-950-3519

OF: (Company) FAT CHANCE OIL & GAS LLC
(Address) 211 N. ROBINSON AVE RT #2.
city OKLAHOMA CITY
state OK

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(5/2000)

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DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: State of Utah
LEASE NUMBER: ML 48456

and hereby designates

NAME: Fat Chance Oil and Gas, LLC, an Oklahoma Limited Liability Company
ADDRESS: 211 North Robinson, 12th Floor
city Oklahoma City state OK zip 73102

as his (check one) agent / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
Township 8 North, Range 8 East, S.L.M.
Section 16: Lots 1, 2, 3, 4
Section 32: All

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Effective Date of Designation: 08/18/2000

BY: (Name) Billy Jim Palone
(Signature) 
(Title) _____
(Phone) (307) 682-1621

OF: (Company) _____
(Address) P. O. Box 6
Gillette
WY 82717
state zip

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DIVISION OF
OIL, GAS AND MINING

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: State of Utah
LEASE NUMBER: ML 48456

and hereby designates

NAME: Casey Osborn
ADDRESS: P. O. Box 7370
city Sheridan state WY zip 82801

as his (check one) agent / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

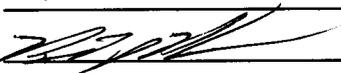
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Effective Date of Designation: 08/18/2000

BY: (Name) Billy Jim Palone
(Signature) 
(Title) _____
(Phone) (307) 682-1621

OF: (Company) _____
(Address) P. O. Box 6
Gillette
state WY zip 82717
DIVISION OF OIL, GAS AND MINING

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FAT CHANCE OIL AND GAS, LLC

September 8, 2000

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

RE: Application for Permit To Drill - Murphy Ridge #1

Attention:

Enclosed are duplicate copies of the Murphy Ridge #1 APD and required attachments for your approval. Please note that neither a copy of the Division of Water Rights nor the identifying number of the approval is included. That approval is being sought at this time and Fat Chance Oil and Gas, LLC anticipates approval in the very near future. A copy of that approval will be forwarded to your office immediately upon receipt of same.

If additional information is required, please direct all inquiries or requests to:

Casey Osborn
Operations Manager
Box 7370
Sheridan, Wyoming 82801
307-673-1500
307-673-1400 (Fax)

Thank you for your prompt attention.

Sincerely,



Casey Osborn
Operations Manager

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DIVISION OF
OIL, GAS AND MINING

FAT CHANCE OIL AND GAS, LLC

September 7, 2000

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

RE: Confidentiality of information: Murphy Ridge #1

Attention:

Fat Chance Oil and Gas, LLC formally requests that submitted information on the Murphy Ridge #1 be held confidential.

Your cooperation is appreciated.

Sincerely,



**Casey Osborn
Operations Manager/Agent**

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**DIVISION OF
OIL, GAS AND MINING**

LIST OF CONTACTS

OPERATOR:

Casey Osborn
Operations Manager
Box 7370
Sheridan, Wyoming 82801
Office: 307-673-1500
Home: 307-673-0842

SURFACE LESSEE:

Bill Hopkin
Ranch Manager
Deseret Land and Livestock
125 Main Ranch Way
Woodruff, Utah 84086
Office: 435-793-4288
Home: 435-793-4558

*9/18/2000 Surf. State as of now.
Will be up for sale soon, per SITLA
JC*

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DIVISION OF
OIL, GAS AND MINING

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/11/2000

API NO. ASSIGNED: 43-033-30045

WELL NAME: MURPHY RIDGE 1
 OPERATOR: FAT CHANCE OIL & GAS (N1395)
 CONTACT: CASEY OSBORN

PHONE NUMBER: 307-673-1500

PROPOSED LOCATION:
 NENE 32 080N 080E
 SURFACE: 0619 FNL 0648 FEL
 BOTTOM: 0619 FNL 0648 FEL
 RICH
 WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	<i>CSK</i>	10-11-00
Geology		
Surface		

LEASE TYPE: 3-state
 LEASE NUMBER: ML-48456
 SURFACE OWNER: 3-state

PROPOSED FORMATION: FRTR

RECEIVED AND/OR REVIEWED:

- Plat
- ~~State~~ Fed[] Ind[] Sta[3] Fee[]
 (No. 885708C eff. 9/1/2000)
- Potash (Y/N)
- Oil Shale (Y/N) *190 - 5 (B)
- ~~Water~~ Permit,
 (No. 0051 E. 00-57)
- ~~RDCC~~ Review (Y/N)
 (Date: DOGMLTR 9-18-2000 / Comments due 10-13-2000)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit _____
- R649-3-2. General
 Siting: _____
- R649-3-3. Exception
- Drilling Unit
 Board Cause No: _____
 Eff Date: _____
 Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need Presite. (Conducted 10-4-2000)

STIPULATIONS: ① Rams and annular preventers shall be tested each trip.
 ② Production casing cement shall cover shallowest zone of interest a minimum of 200'.
 ③ STATEMENT OF BASIS



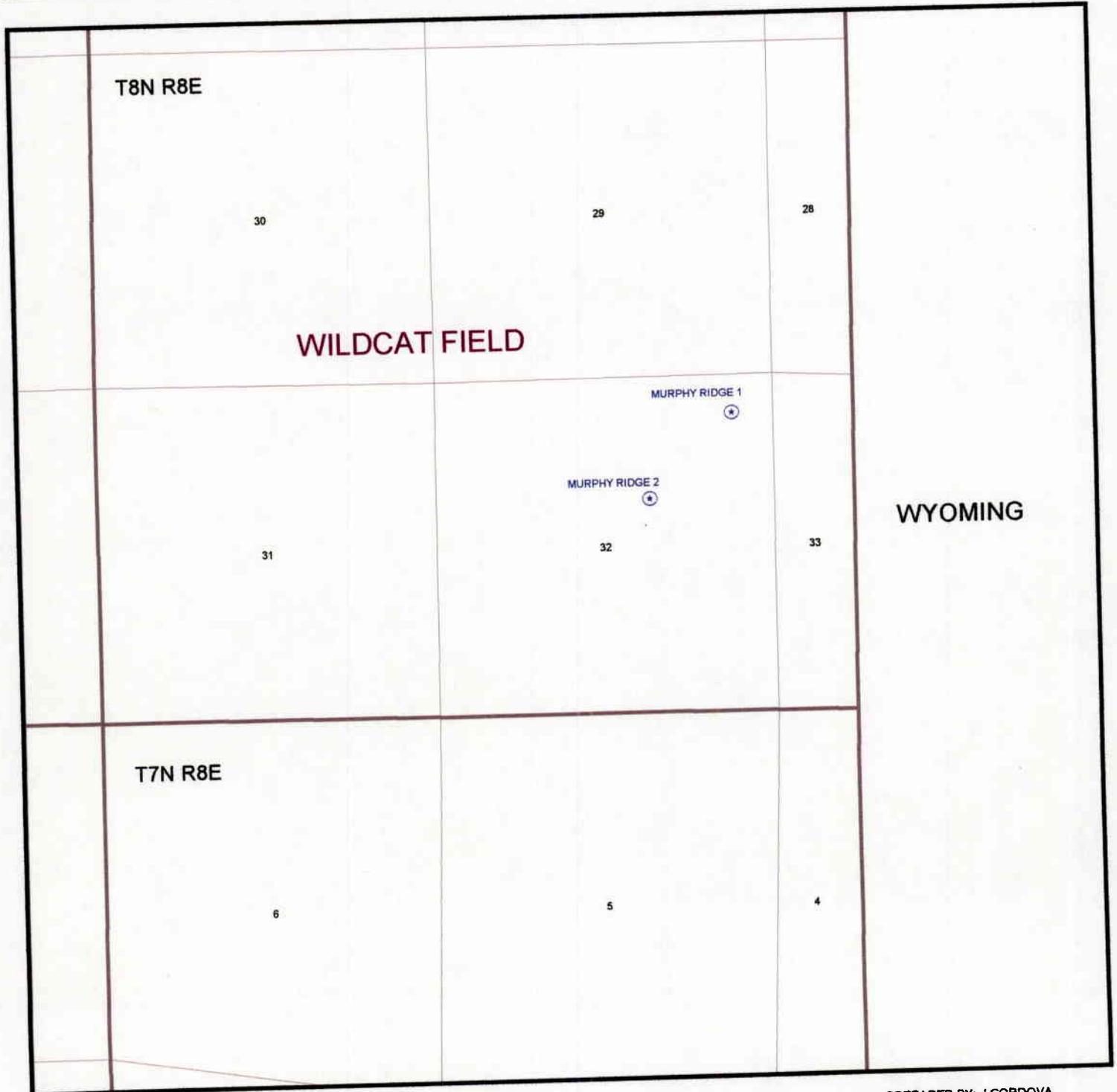
Utah Oil Gas and Mining

OPERATOR: FAT CHANGE O&G LLC (N1395)

FIELD: WILDCAT (001)

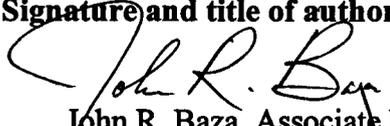
SEC. 32, T8N, R8E,

COUNTY: RICH SPACING: R649-3-2 / GEN ST



PREPARED BY: LCORDOVA
DATE: 16-SEPTEMBER-2000

STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1504 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse)
3. Approximate date project will start: Upon Completion	
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Bear River Association of Governments	
5. Type of action: // Lease <input checked="" type="checkbox"/> // Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: Fat Chance Oil and Gas, LLC proposes to drill the Murphy Ridge #1 well (wildcat) on State lease ML 48456, Rich County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
8. Land affected (site location map required) (indicate county) NE/4, NE/4, Section 32, Township 8 North, Range 8 East, Rich County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable:	
12. For further information, contact: John R. Baza Phone: (801) 538-5334	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: September 18, 2000

From: Pam Kramer
To: Michael Hebertson
Date: Monday, October 02, 2000 1:57:47 PM
Subject: Re: Well Locations

Thanks for the information. Wildlife Biologist Randy Wood from our office will be attending the meeting on Wednesday. Another biologist, Jon Leatham, may attend, but I do not have confirmation at this time. If he decides to attend, I will let you know.

After the meeting, please let me know if anything else needs to be done or if we will just wait for formal comments through the RDCC process.

Pam

>>> Michael Hebertson 10/02 10:23 AM >>>

Pam,

There are two wells scheduled to be looked at on Wednesday, they are as follows:

Murphy Ridge #1 619 FNL 648 FEL NE NE Sec. 32 Twp 8 N, Rgn 8 E, Rich County
UTM 495601 E, & 4584997 N

Murphy Ridge #2 1980 FNL 1980 FEL SW NE Sec. 32 Twp 8 N, Rng 8 E, Rich County
UTM 495195 E, & 4581582 N

The wells are located on the Neponset Topo Quad just West of Wyoming Downs Race Track. A copy of the map is attached as a JPEG file. Save the file to a Temp Directory, then double click the file name and your computer should display the map.

Let Me know if this doesn't work and I'll do something else.

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

OPERATOR: Fat Chance Oil and Gas, LLC

WELL NAME & NUMBER: Murphy Ridge #1

API NUMBER: 43-033-30045

LEASE: State of Utah FIELD/UNIT: Wildcat

LOCATION: 1/4,1/4 NE NE Sec 32 TWP: 8 N RNG: 8 E 619 FNL 648 FEL

LEGAL WELL SITING: 660' from the drilling unit boundary and 1320' from other wells

GPS COORD (UTM): X = 495588 E; Y = 4,581,963 N Calculated

SURFACE OWNER: State of Utah SITLA, Deseret Land & Livestock Surface Lessee.

PARTICIPANTS

Mike Hebertson (DOGM), Casey Osborn & Bill Courtney (Fat Chance), John Leatham & Randy Wood (DWR), Eric Fairbanks (Black Horse Construction), Bill Hopkin & Rick Danvir (Deseret Land & Livestock)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

This area is located in the Overthrust Belt of eastern Utah and western Wyoming north of the Uinta Mountains. The geologic setting is known as the Thrust Belt. US Highway 89 is about 1.5 miles to the east. A canal known as the Chapman Canal runs about 200' north of the location and it is probably used as a source of agricultural water and is the source water for the Neponset Reservoir. The canal flows from the Bear River to the Reservoir. The City of Evanston is about 9 miles to the southeast. The surface is Paleocene age Wasatch formation with possible Evanston formation underlying the area. The land slopes to the northeast and is incised by moderate to shallow drainages with active streams and flowing water.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: The operator proposes a 250' X 140' pad, outboard soil storage, and a 50' X 60' X 8' outboard attached pit, an existing road accesses the location and will need to be upgraded.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: There are no existing wells within 1 mile of this well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities for this well will remain on the location with exception of the pipelines and utilities for power. The pipeline and utility lines will be buried underground and follow the access road.

SOURCE OF CONSTRUCTION MATERIAL: Gravel location and approach road; soil stored in berm, the location will be made of natural material borrowed from leveling the pad during construction.

ANCILLARY FACILITIES: none

WASTE MANAGEMENT PLAN:

Portable toilets; garbage cans or cages on location will be emptied into centralized dumpsters, which will be emptied into an approved landfill. All human waste generated at the site will be kept in proper sanitary facilities and disposed of according to local rules. Extra precautions will be taken due to the

proximity of the Chapman Canal.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: The area drains to the northeast towards the Bear River about 1 mile away. The Chapman canal is less than 200' north of the proposed well pad.

FLORA/FAUNA: Pinyon, juniper, sagebrush, grasses, cactus, birds, lizards, coyotes, rodents, raptors, occasional elk and deer (critical winter range).

SOIL TYPE AND CHARACTERISTICS: Mostly clay with very little sand, lots of small rocks to larger it run type gravel and head sized rocks.

SURFACE FORMATION & CHARACTERISTICS: Wasatch Formation Clay with numerous rocks light gray to medium brown in color. Minor sand, and topsoil. Moderate to Poor Permeability.

EROSION/SEDIMENTATION/STABILITY: Stable. Wasatch type soils are generally susceptible to slumping when slopes are wet and become saturated. The slope of the ground in this location will not be sufficient for the unstable conditions to occur at this location. Erosion and sedimentation at this location will not be an issue.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout, earthen pit, as above.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner is required.

SURFACE RESTORATION/RECLAMATION PLAN

As per Surface Owner's Agreement

SURFACE AGREEMENT: This is issued as part of the actual lease obtained from SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Archaeological survey completed will be filed with the State.

OTHER OBSERVATIONS/COMMENTS:

The review process covered the need to protect the Chapman Canal which flows from the Bear River to Neponset Reservoir, and is a major water supply for the ranch. Ownership issues were covered and the ranch attempt to purchase the State section from SITLA. This has been denied. Issues with wildlife were discussed including winter closure times, Sage Grouse wintering over and snow depths. The ranch will have some stiff closure rules and their wildlife biologist is very active in preservation issues. The UTM position for this well was off 30 meters in the North South direction but right on East West.

ATTACHMENTS:

Photographs taken.

K. Michael Hebertson
DOGM REPRESENTATIVE

4-Oct-2000 2:30 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>10</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>15</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Based Mud	15	
Fluid containing significant levels of hazardous constituents	20	<u>10</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>10</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>15</u>

Final Score 70 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.

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

Operator Name: Fat Chance Oil and Gas LLC.

Name & Number: Murphy Ridge #1

API Number: 43-033-30045

Location: 1/4,1/4 NE NE Sec. 32 T. 8 S R. 8 E County: Rich

Geology/Ground Water:

It is expected that fresh water aquifers containing significant volumes of high quality ground water will be penetrated. A moderately permeable soil is developed on the Tertiary clays of the Wasatch formation, and the evidence of an active spring from an old seismic hole indicates that water is present within a mile of location at a shallow depth. The proposed casing and cementing programs should adequately isolate any zones of fresh water that may be penetrated but the operator must extend the surface casing setting depth as needed to completely contain the USDW's encountered and place cement across all fresh water zones. If the well is plugged and abandoned any zone of fresh water will be protected with cement and cement will be circulated to ground level on the surface casing string. As this location is adjacent to flowing water that reaches the Bear River extra care will be taken to protect any ground or surface water sources.

Reviewer: K. Michael Hebertson

Date: 4-Oct-2000

Surface:

The surface is currently SITLA Trust Lands ownership. Wildlife and SITLA representatives as well as Deseret Land and Livestock personnel were invited to the on-site inspection either by E-Mail, phone call, personal contact or in some cases all of the above, and were given 8 business days to respond. Those attending the onsite are noted above in the Participants section of the review document. Items of concern at this location are surface use agreement, and winter drilling restrictions from December 1st to April 15th of each year. The operator has elected to abide by those restrictions unless the Division of Wildlife Resources grants an exemption or waiver. Precipitation will be diverted around the location into the existing gullies and berms will be established to keep pollutants from entering or leaving the well pad.

Reviewer: K. Michael Hebertson

Date: 4/Oct /2000

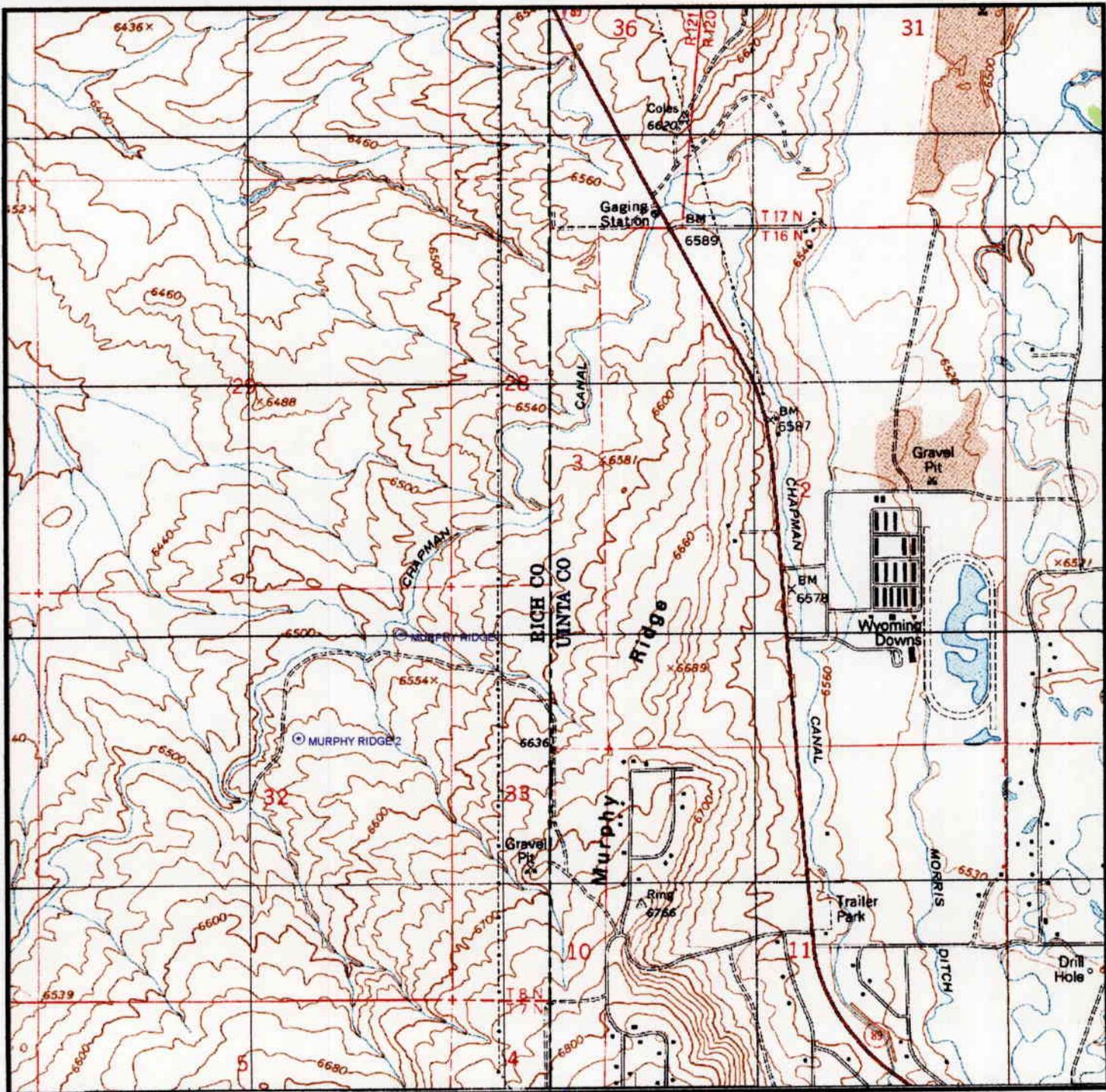
Conditions of Approval/Application for Permit to Drill:

1. A 12-mil minimum thickness synthetic pit liner is required.
2. Berms and diversions to protect the location and spoil piles and control erosion and pollution.
3. Surface casing will be set through all active water zones, cement will be circulated to surface
4. Site infrastructure placement as per drilling location plat.
5. The location will be bermed on the top outside edge and topsoil will be stored in wind rows not piles.
6. Reserve pit will be fenced prior to the drill rig leaving location.
7. Berms or ditches will be placed on all cut and fill slopes to catch and contain any fluids escaping location.

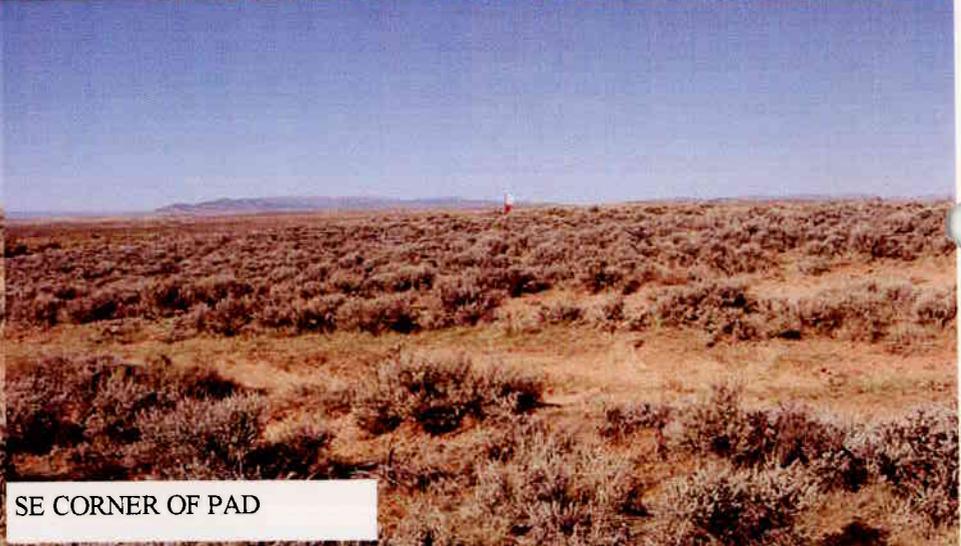
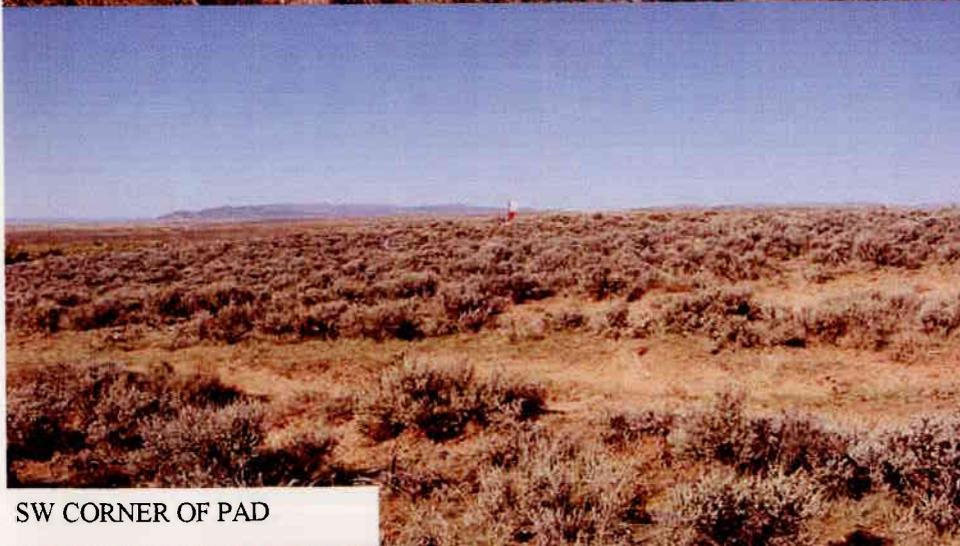
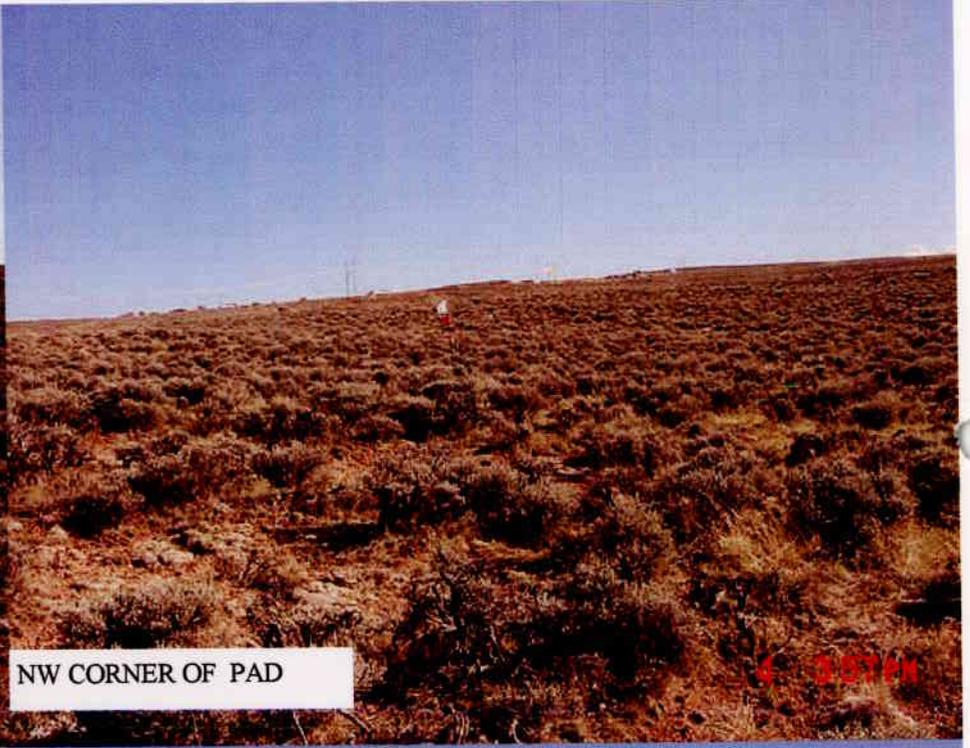
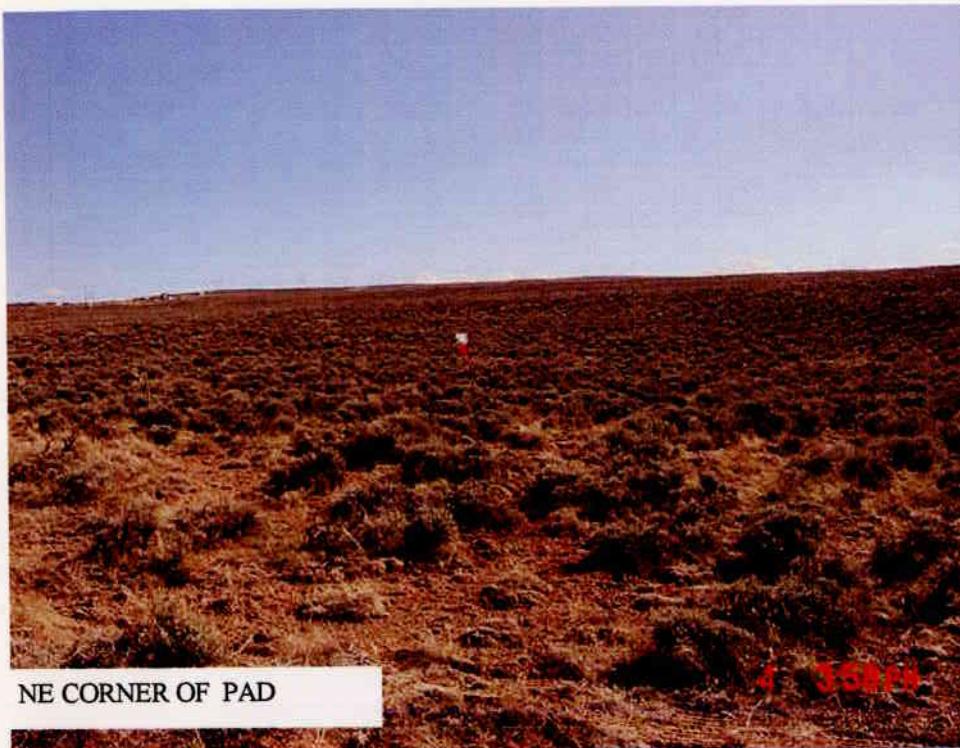


Serving the Industry, Protecting the Environment

OPERATOR: Fat Chance Oil & Gas LLC.
FIELD: Wildcat (001)
SEC. 32, T 8 N, R 8 E,
COUNTY: Rich



PREPARED
DATE: 28-SEP-2000



Murphy Ridge #1 SEC. 32, T8N R8E, Rich COUNTY 43-033-30045

4 3:58 PM

4 3:58 PM



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
John Kimball
Division Director

Northern Region
815 East 5300 South
Ogden, Utah 84409-1502
801-476-2740
801-479-4010 (Fax)

October 10, 2000

Ms. Ann Rosser
Governor's Office of Planning and Budget
116 State Capitol
Salt Lake City UT 84114

Subject: RIDCC 10/10/2000 Agenda Items #2 and #3; UT000920-010 and UT000929-020
DOG/M/Rich County; Application for permit to drill-Fat Chance Oil and Gas, LLC
to drill Murphy Ridge #2 and #3 wells (wildcat) on State Lease ML 48456 (Sections
32 and 21, T8N, R8E).

Dear Ms. Rosser:

Utah Division of Wildlife Resources (UDWR) personnel attended a site visit on October 4, 2000 for the above referenced application. We submit the following comments and concerns regarding the proposed project.

Both proposed exploratory well drill sites contain habitats which are considered critical deer winter range and critical year long habitat for sage grouse. To minimize impacts to wildlife, we recommend that all drilling activities cease either on December 1, 2000 or when snow depths reach approximately 12 inches, whichever comes first. Activities can begin again in the spring depending upon snow conditions: around April 1, 2001 or when snow is no longer present on the site and deer have moved to higher elevations. Upon cessation of drilling activities, all disturbed sites should be re-contoured and reseeded with a seed mixture comprised of beneficial wildlife plants. The UDWR can provide a seed mixture upon request.

If the wells sites are to be fully developed in the future with pipelines, new roads and permanent drill pads, we recommend the applicant contact UDWR for more specific long term wildlife mitigation recommendations for these critical habitats.

We appreciate the opportunity to comment on this proposed application. Please contact Pam Kramer (801-476-2775) of my staff if you need more information.

Sincerely,

Bob Hasenyager
Regional Supervisor

RESOURCE DEVELOPMENT COORDINATING COMMITTEE

October 10, 2000

Agenda

I. Approval of Minutes

September 12, 2000

II. Special Presentation

Federal Leadership Forum - George Diwachak (BLM), Barry Burkhardt (Forest Service)

General Public please note! The following items on the Agenda may or may not be discussed by the Committee. No special discussions are planned.

III. Expedited Review

1. UT000929-070 Trust Lands Administration/Garfield County: Easement No. 677, Bristlecone Water Improvement District. (Sec. 1, T36S, R4W). Comments due 10/13/00.

IV. Other Proposed Actions

A. State

2. UT000920-010 DOGM/Rich County: Application for permit to drill - Fat Chance Oil and Gas, LLC to drill Murphy Ridge #2 well (wildcat) on State Lease ML 48456. (Sec. 32, T8N, R8E). Comments due 10/13/00.
3. UT000929-020 DOGM/Rich County: Application for Permit to drill - Fat Chance Oil and Gas LLC to drill ~~Murphy Ridge #1~~ well (wildcat) on State Lease ML48456 (Sec. 21, T8N, R8E). Comments due 10/13/00.
4. UT000922-090 Division of Oil, Gas and Mining/Wasatch County: Star Stone Quarries, Inc - Heber Quarry - M/051/001 - Expansion from small mining project to large mine; permit (Sec. 32, T8N, R8E). Comments due 10/16/00.

Well name:	10-00 Fat Chance Murphy Ridge #1	
Operator:	Fat Chance Oil	Project ID:
String type:	Surface	43-033-30045
Location:	Rich Co.	

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 81 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 450 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.494 psi/ft
 Calculated BHP 222 psi

No backup mud specified.

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 387 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 7,500 ft
 Next mud weight: 9.500 ppg
 Next setting BHP: 3,701 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 4,500 ft
 Injection pressure 4,500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	450	9.625	32.30	H-40	ST&C	450	450	8.876	28.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	222	1370	6.17	222	2270	10.22	13	254	20.31 J

Prepared by: RJK
 Utah Dept. of Natural Resources

Date: October 11, 2000
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: ~~NONE~~ See worksheet.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 450 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	10-00 Fat Chance Murphy Ridge #1	
Operator:	Fat Chance Oil	Project ID:
String type:	Production	43-033-30045
Location:	Rich Co.	

Design parameters:

Collapse

Mud weight: 9.500 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 138 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.494 psi/ft
 Calculated BHP 2,221 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.
 Neutral point: 3,857 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4500	7	23.00	J-55	ST&C	4500	4500	6.25	208
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2221	3270	1.47	2221	4360	1.96	89	284	3.20 J

Prepared RJK
 by: Utah Dept. of Natural Resources

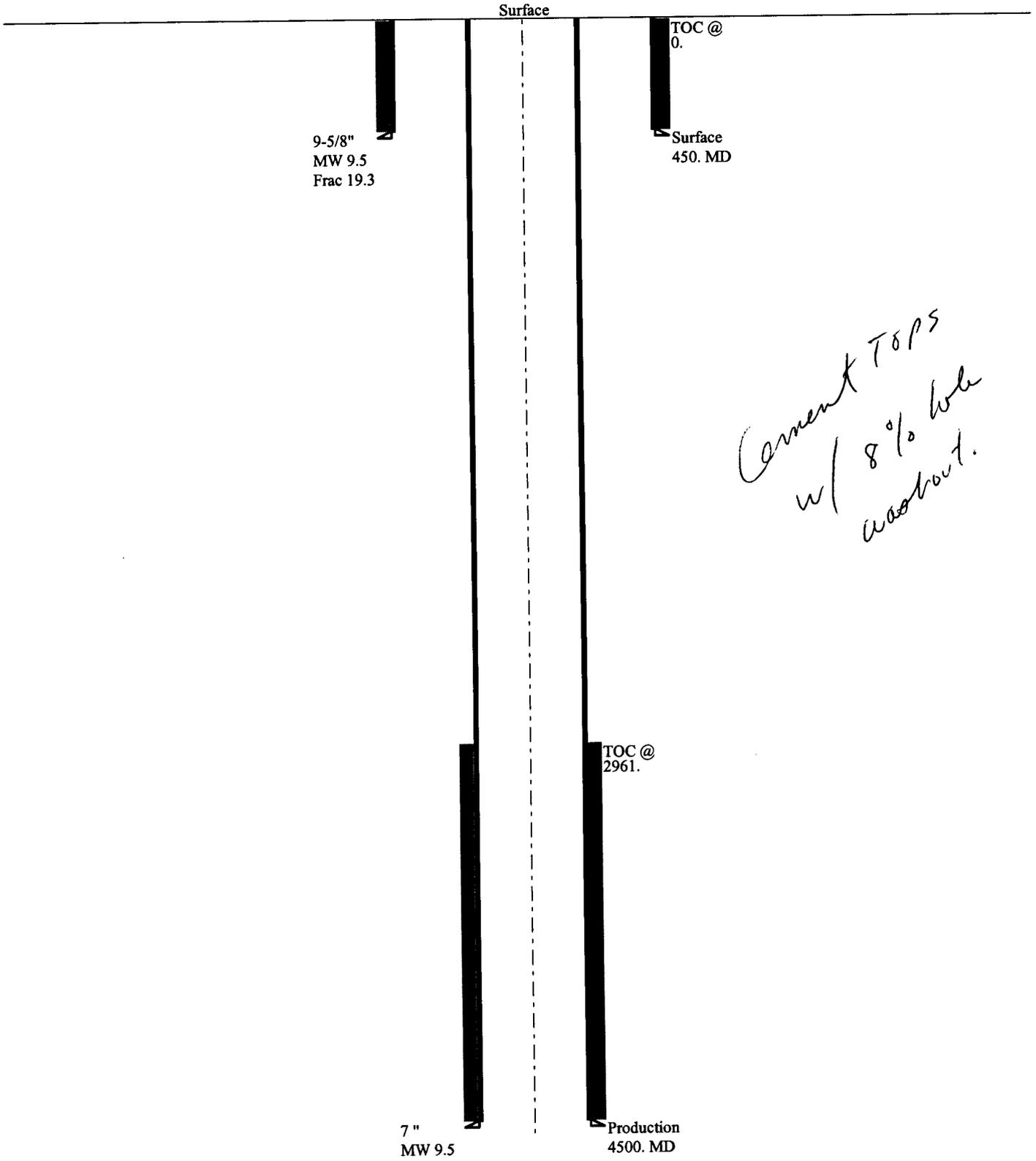
Date: October 6,2000
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE *See worksheet*

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 4500 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

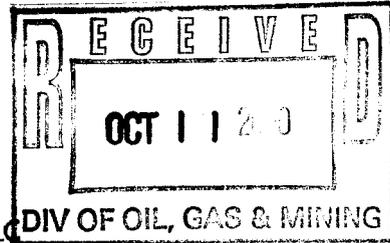
0-00 Fat Chance Murphy Ridge #1 Casing Schematic



Fax Transmittal Form



P.O. Box 7370
850 Val Vista
Sheridan WY 82801-7370



To
Name: Lisha Gordova
Organization Name/Dept: Utah Division of
oil, Gas, + Mining
Phone number: 801 538-5296
Fax number: 801 359-3940

From
Quaneco, LLC
Phone: 307-673-1500
Fax: 307-673-1400
Name: Bill Courtney

Date sent: 10-11-00
Time Sent: _____
Number of pages including cover page: 7

Message:

Thanks for your help with this Lisha.
If you get good copies via fax, let me know and I won't
mail more paperwork to file!

Bill Courtney



State Engineer's Office

Herschler Building, 4-E Cheyenne, Wyoming 82002
 (307) 777-7354 FAX (307) 777-5451
 neoleg@mlssc.state.wy.us

JIM GERINGER
 GOVERNOR

RICHARD G. STOCKDALE
 ACTING STATE ENGINEER

October 6, 2000

Quaneco LLC
 PO Box 7370
 Sheridan WY 82801

RE: Temporary Water Agreement Order Number 00-57
 Sulphur Creek Reservoir, Permit No. 5695R

Dear Applicant:

Enclosed are copies of the Order, Agreement and map for your use of water from this source. Copies of these documents will be sent to Merrill J. Martin. Copies of the Order and map will be sent to Jade Henderson, Superintendent of Water Division No. 4 and Kevin Wilde, Lead Hydrographer/Commissioner of Water District No.4.

You must notify Mr. Wilde (279-3441) prior to using water from this source. Please refer to the Order Number referenced above when notifying Mr. Wilde.

With best regards,

JOHN R. BARNES
 Administrator, Surface Water and
 Engineering Division

JRB/ms
 Enclosures

cc: Merrill J. Martin
 918 Riverdale
 County Road 101
 Evanston, WY 82930

Jade Henderson, Superintendent
 Water Division IV
 PO Box 277
 Cokeville, Wyoming 83114

Kevin Wilde, Lead Hydrographer Commissioner
 PO Box 277
 Cokeville, Wyoming 83114

Surface Water
 (307) 777-6475

Ground Water
 (307) 777-6163

Board of Control
 (307) 777-6176

ORDER NO. 00-57

Quaneco, LLC having filed a Water Agreement for Temporary Use of Water for the use of stored water from the Sulphur Creek Reservoir located in SW~~SW~~^{SW}, Section 27, T14N, R119W, diverting from Sulphur Creek, tributary of Bear River, Permit No. 5695R;

and the State Engineer finds as follows:

That said Quaneco, LLC wishes to use this water for drilling of two coal bed methane (CBM) wells as outlined on the attached map marked "Exhibit B."

That, in connection with said work, it is necessary that Quaneco, LLC have considerable water available to it;

That the most practicable source of said water is from Sulphur Creek Reservoir located in the SW~~SW~~^{SW} Section 27, T14N, R119W, Permit No. 5695R. The appropriation is for 4104.13 acre-feet for irrigation purposes. The rights are held by the Sulphur Creek Reservoir Company. The priority date is February 14, 1950.

That said water is to be diverted at a point in the NW~~NW~~^{NW}, Section 32, T17N, R120W, 6th PM from the Bear River.

That Quaneco, LLC and Merrill J. Martin have made and entered into a certain agreement, dated September 5, 2000 relating to the use and purchase of said water in the amount of approximately 1,680,000 gallons to be diverted at a rate not to exceed 250 gallons per minute or 10,000 gallons per day maximum as the agreement is marked "Exhibit A," attached hereto, and by reference made a part thereof, and a sketch map showing the proposed point of diversion and point of use is marked "Exhibit B," attached hereto, and by this reference made a part thereof:

That said Water Agreement should be granted and said agreement ratified and approved.

The right to refill this reservoir by the amount of depletion prior to September 30, 2000, cannot be exercised until after October 1, 2001.

Any remaining water depleted under this temporary use after September 30, 2001, cannot be refilled until after October 1, 2002.

The water will be taken from the point of diversion located in the NW~~NW~~^{NW}, Section 32, T17N, R120W, 6th PM. Water will be pumped into tank trucks and hauled along existing roads for drilling two CBM wells located in the NE~~NE~~^{NE}, Section 32, R8N, T8E, Salt Lake Meridian. See the attached map marked "Exhibit B."

Quaneco, LLC is to inform the Water Commissioner of the date they wish to begin diverting water, and this diversion of water will be done at all times under the supervision of the Water Commissioner.

The maximum rate of diversion will be 250 gallons per minute or 10,000 gallons per day maximum. The total amount of water used under this agreement must not exceed 1,680,000 gallons.

IT IS, THEREFORE, ORDERED that said agreement be, and the same is hereby ratified and approved, and that Quaneco, LLC is authorized to purchase and use said water, as provided for in said agreement, until October 5, 2002, or until said drilling is complete, whichever comes first, at which time said water shall revert to their former use, all as provided by Wyoming Statute 41-3-110.



FOR STATE ENGINEER

October 5, 2000
Order Number 00-57

RECEIPT



WYOMING STATE ENGINEER'S OFFICE

Herschler Bldg. 4E, Cheyenne WY 82002
 Phone: (307) 777-7355 or (307) 777-6977
 Fax: (307) 777-5451

RECEIVED OF:

Quaneco, L L C

850 Val Vista
 Sheridan WY 82801

RECEIPT NUMBER	RECEIPT DATE	POST DATE	CHECK NUMBER	PREPARED BY
SEO 11760	10/02/2000	10/02/2000	1038	E. Connell

TRANSACTION	DESCRIPTION	QTY	FEE	TOTAL
T.W.A.	Chapman Ditch/Bear River	1	\$50.00	\$50.00
T.W.A.	Chapman Ditch/Bear River	1	\$50.00	\$50.00

TOTAL	\$100.00
--------------	-----------------

If you have any questions, please contact Janice Rath at (307) 777-6977. Thank you for your business.

White - Original

Yellow - Fiscal Copy



State Engineer's Office

Herschler Building, 4-E Cheyenne, Wyoming 82002
(307) 777-7354 FAX (307) 777-5451
seolog@misc.state.wy.us

JIM GERINGER
GOVERNOR

RICHARD G. STOCKDALE
ACTING STATE ENGINEER

October 6, 2000

Quaneco LLC
PO Box 7370
Sheridan WY 82801

RE: Temporary Water Agreement Order Number 00-56
Chapman Ditch, Territorial Appropriation

Dear Applicant:

Enclosed are copies of the Order, Agreement and map for your use of water from this source. Copies of these documents will be sent to Deseret Land & Livestock. Copies of the Order and map will be sent to Jade Henderson, Superintendent of Water Division No. 4. and Kevin Wilde, Lead Hydrographer/Commissioner of Water District No.4.

You must notify Mr. Wilde (279-3441) prior to using water from this source. Please refer to the Order Number referenced above when notifying Mr. Wilde.

With best regards,

JOHN R. BARNES
Administrator, Surface Water and
Engineering Division

JRB/ms
Enclosures

cc: Deseret Land & Livestock
PO Box 250
Woodruff, UT 84086

Jade Henderson, Superintendent
Water Division IV
PO Box 277
Cokeville, Wyoming 83114

Kevin Wilde, Lead Hydrographer Commissioner
PO Box 277
Cokeville, Wyoming 83114

ORDER NO. 00-56

Quaneco, LLC having filed a Water Agreement for approval of the purchase and use of direct flow water from the Chapman Canal, diverting from the Bear River, with a record point of diversion in Section 36, T16N, R121W, Territorial Appropriation;

and the State Engineer finds as follows:

That said Quaneco, LLC wishes to use this water for coal bed methane (CBM) drilling. Water will be piped from the Chapman Canal for the drilling of two CBM wells located in the NE¼ of Section 32, T8N, R8E, Salt Lake Meridian. See the attached map marked "Exhibit B".

That, in connection with said industrial work, it is necessary that said Quaneco, LLC. have considerable water available to it:

That the most practicable source of said water is from the Chapman Canal, Territorial Appropriation, which has a record point of diversion in Section 36, T16N, R121W. The right is adjudicated. The amount of the appropriation is 98.46 c.f.s. and is used for irrigation purposes. The priority date is August 13, 1886. The appropriation is held by Deseret Title Holding Corp. dba Deseret Land & Livestock.

That Quaneco, LLC. and Deseret Title Holding Corp. has made and entered into a certain agreement, dated September 5, 2000, relating to the use and purchase of said water, in the amount of approximately 1,680,000 gallons, to be diverted at a rate not to exceed a maximum of 250 gallons per minute or 10,000 gallons per day, as stated in the executed copy of said agreement marked "Exhibit A", attached hereto, and by this reference made a part thereof, and a sketch map showing the proposed point of diversion and point of use is marked "Exhibit B", attached hereto, and by this reference made a part thereof:

That said Water Agreement should be granted and said agreement ratified and approved.

Quaneco, LLC. is to inform the Water Commissioner of the date they wish to begin diverting water, and this diversion of water will be done at all times under the supervision of the Water Commissioner.

The Chapman Canal will be regulated by the Water Commissioner to protect the appropriators who might be affected by this agreement. At all times when water is being diverted, as outlined herein, the allowable amount of water for diversion to serve the irrigation rights of this ditch will be reduced by double the amount of water withdrawn for industrial use. This reduction in diversion will compensate the stream for return flows which would have resulted if the water had been used for record purposes. Additional adjustment will be made if necessary to protect the other affected water users.

This agreement can only be honored during the historic irrigation period, therefore, if water is to be used in the non-irrigation period an application for direct flow for temporary use will be in order.

The water will be piped from the Chapman Canal to drill two CBM wells located in the NE¼ of Section 32, T8N, R8E, Salt Lake Meridian. See the attached map marked "Exhibit B".

The maximum rate of diversion will be 250 gallons per minute or 10,000 gallons per day. The total amount of water to be used under this agreement must not exceed 1,680,000 gallons.

IT IS, THEREFORE, ORDERED that said agreement be, and the same is hereby ratified and approved, and that Quaneco, LLC. is authorized to purchase and use said water, as provided for in said agreement, until October 5, 2002 or until said project is complete, whichever comes first, at which time said water shall revert to their former use, all as provided by Wyoming Statute 41-3-110.

for  STATE ENGINEER

October 5, 2000
Order Number 00-56



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

October 13, 2000

Fat Chance Oil and Gas, LLC
211 N Robinson
Oklahoma City, OK 73102

10/25 resent Sheridan
11/3 resent PO Box

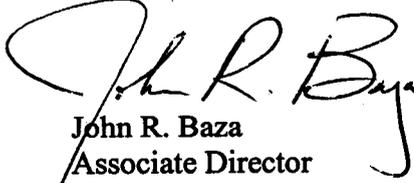
Re: Murphy Ridge 1 Well, 619' FNL, 648' FEL, NE NE, Sec. 32, T. 8 North, R. 8 East,
Rich County, Utah

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 43-033-30045.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Rich County Assessor
SITLA

Operator: Fat Chance Oil and Gas, LLC
Well Name & Number Murphy Ridge 1
API Number: 43-033-30045
Lease: ML-48456

Location: NE NE **Sec.** 32 **T.** 8 North **R.** 8 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Robert Krueger at (801) 538-5274 (plugging)
- Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. Rams and annular preventers shall be tested each trip.

7. Production casing cement shall cover shallowest zone of interest a minimum of 200 feet.



Governor's Office of Planning and Budget
116 State Capitol
Salt Lake City, UT 84114
Phone: (801) 538-1027
Fax: (801) 538-1547
<http://www.governor.state.ut.us>

Facsimile Cover Sheet

Date: 10/16/00

Number of Pages to Follow: _____

To: Lupha

Agency/Company: DOGM

Fax #: 359-3940 Telephone #: 538-5296

From: Carolyn Wagner

Telephone #: 538-1535

Comments: _____



State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET Resource Development Coordinating Committee

Michael O. Leavitt
Governor

Brad T. Barber
State Planning Coordinator

James L. Dykmann
Committee Chairman

John A. Harja
Executive Director

116 State Capitol Building
Salt Lake City, Utah 84114
(801) 538-1027
Fax: (801) 538-1547

October 23, 2000

John Baza
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

SUBJECT: Application for permit to drill - Fat Chance Oil & Gas, LLC to drill Murphy ridge #2 and #3 wildcat wells on State Lease ML-48456
State Identification Number: UT000920-010 and UT000929-020

Dear Mr. Baza:

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal. The Division of Wildlife Resources comments:

The Utah Division of Wildlife Resources personnel attended a site visit on October 4, 2000 for the above referenced application.

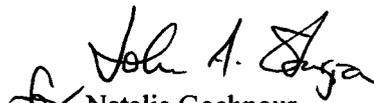
Both proposed exploratory well drill sites contain habitats which are considered deer winter range and year long habitat for sage grouse. To minimize impacts to wildlife, we recommend that all drilling activities cease either on December 1, 2000 or when snow depths reach approximately 12 inches, whichever comes first. Activities can begin again in the spring depending upon snow conditions; around April 1, 2001 or when snow is no longer present on the site and deer have moved to higher elevations. Upon cessation of drilling activities, all disturbed sites should be re-contoured and reseeded with a seed mixture comprised of beneficial wildlife plants. The UDWR can provide a seed mixture upon request.

If the well sites are to be fully developed in the future with pipelines, new roads and permanent drill pads, we recommend the applicant contact UDWR for more specific long term wildlife mitigation recommendations for these critical habitats.

Please contact Pam Kramer (801) 476-2775 if you need more information.

The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Utah State Clearinghouse at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,


Natalie Gochnour
State Planning Coordinator

NG/ar

-to: wall files
cc: LEC



State of Utah

GOVERNOR'S OFFICE OF PLANNING AND BUDGET
Resource Development Coordinating Committee

-to: wall files
cc: LEC

Michael O. Leavitt
Governor

Brad T. Barber
State Planning Coordinator

James L. Dykmann
Committee Chairman

John A. Harja
Executive Director

116 State Capitol Building
Salt Lake City, Utah 84114
(801) 538-1027
Fax: (801) 538-1547

43,033,30045
8N 8E 32

October 23, 2000

John Baza
Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

#1

SUBJECT: Application for permit to drill - Fat Chance Oil & Gas, LLC to drill Murphy ridge #2 and ~~two~~ wildcat wells on State Lease ML-48456
State Identification Number: UT000920-010 and UT000929-020

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Sincerely,


Natalie Gochnour
State Planning Coordinator

NG/ar



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

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

RETURN SERVICE REQUESTED

*Lisha
 FYI
 resent
 11/3*

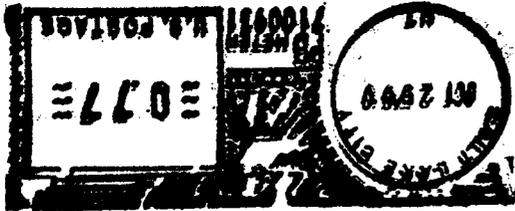
FAT CHANCE OIL AND GAS LLC
 850 VAL VISTA
 SHERIDAN WYOMING 82801

RECEIVED

NOV 03 2009

DIVISION OF
 OIL, GAS AND MINING

clo h. raneco



QUANECO 828012018 1600 05 10/30/00
 RETURN TO SENDER
 : QUANECO LLC
 PO BOX 7370
 SHERIDAN WY 82801-7007
 RETURN TO SENDER



SPUDDING INFORMATION

Name of Company: FAT CHANCE OIL & GAS LLC

Well Name: MURPHY RIDGE 1

Api No. 43-033-30045 LEASE TYPE: STATE

Section 32 Township 08N Range 08E County RICH

Drilling Contractor CMC DRILLING RIG # 1

SPUDDED:

Date 11/08/2000

Time 9:00 PM

How ROTARY

Drilling will commence _____

Reported by CASEY OSBORNE

Telephone # 1-307-799-5666 OR 1-307-789-4207

Date 11/13/2000 Signed: CHD

CONFIDENTIAL

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

FORM 6

ENTITY ACTION FORM

Operator: Fat Chance Oil and Gas, LLC
 Address: PO Box 7370
city Sheridan
state WY zip 82801

Operator Account Number: N 1395
 Phone Number: (307) 673-1500

Well 1

API Number	Well Name	QQ	Sec	Twp	Rng	County
4303330045	Murphy Ridge #1	NENE	32	8N	8E	Rich
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date	
A	99999	12970	11/8/2000		11-8-20	
Comments: Set 9 5/8" at 438' KB on November 18,2000. Test BOPE on November 20, 2000. Drill out from underneath surface November 21, 2000. Rig experienced mechanical problems. Excessive down time.						

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:						

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)

Casey Osborn

Name (Please Print)

Casey Osborn

Signature

Operations Manager

Title

11/21/00
Date

FAT CHANCE OIL AND GAS, LLC

11-28-00

CONFIDENTIAL

ATTENTION:

Mr. Dan Jarvis
State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

RE: Weekly Report – Murphy Ridge #1 – ML-48456

Fat Chance Oil and Gas, LLC has postponed further drilling operations at the Murphy Ridge #1 until next spring. Mechanical deficiencies of the rotary tools has caused unexpected delays that did not allow the objective formations to be drilled and evaluated before December 1, 2000, the date that the Division of Wildlife Resources recommended that drilling operations cease due to critical winter range concerns.

Fat Chance intends to reenter this well, drill through, and evaluate the objective Bear River formation. Three cement plugs were set from 1700' – 2013', 800' – 924' and 425' – 488' respectively. The casing head has been covered and the reserve pit fenced.

Casey Osborn



Operations Manager
Fat Chance Oil and Gas, LLC

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge #1

9. API NUMBER:
43-033-30045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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

2. NAME OF OPERATOR:
Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR: CITY **Sheridan** STATE **WY** ZIP **82801** PHONE NUMBER: **307-673-1500**

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **619' FNL 648' FEL** COUNTY: **Fitch**
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 32 T8N R8E S** STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 11-26-00	<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 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"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Postpone drilling operations
	<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.
Fat Chance Oil and Gas, LLC spudded the Murphy Ridge #1 11-8-00. 9 5/8" surface casing was set at 438'. Current TD of 2013' was reached on 11-23-00 after experiencing numerous rotary tool mechanical failures. Mud logs and electric logs were run and recorded to TD. Copies of said logs will be submitted.

Fat Chance Oil and Gas, LLC has postponed drilling operations. On 11-26-00, cement plugs were placed in the wellbore as follows:

- 1700' - 2013': 110 ex AG300
- 800' - 924': 60 ex AG300
- 425' - 488': 30 ex AG300

Drilling operations were postponed due to mechanical problems and deficiencies of the rotary tools and associated equipment. Fat Chance intends to reenter the wellbore at a later date after winter range restrictions are lifted and proper rotary tools are available.

Current Status as of 11-28-00: Rotary tools rigged down. Reserve pit is fenced. Casing head is covered.

NAME (PLEASE PRINT) **Casey Osborn** TITLE **Operations Manager**
SIGNATURE *Casey Osborn* DATE **11-28-00**

(This space for State use only)

COPY SENT TO OPERATOR
Date: **11-29-00**
Initials: **CHD**

Approved by the
Utah Division of
Oil, Gas and Mining

Date: **11/29/2000**

DOUBLE JACK TESTING & SERVICES, INC.
Phone (307) 789-9213

*film
well file*

B.O.P TEST REPORT

B.O.P. TEST PERFORMED ON (DATE) 11/20/00 43-033-30045

OIL COMPANY Quaneco

WELL NAME & NUMBER Murphy Ridge #1

SECTION 32

TOWNSHIP 8N

RANGE 8E

COUNTY & STATE Rich, Utah

DRILLING CONTRACTOR CMC #1

OIL COMPANY SITE REPRESENTATIVE Jim Jenkin

RIG TOOL PUSHER Gary Young

TESTED OUT OF Evanston, Wyoming

NOTIFIED PRIOR TO TEST _____

COPIES OF THIS TEST REPORT SENT TO: Utah Division of Oil, Gas, Mining

Quaneco - Jim Jenkin

CMC- Gary Young

ORIGINAL CHART & TEST REPORT ON FILE AT:

DOUBLE JACK TESTING & SERVICES, INC.
PO BOX 2097
EVANSTON, WY 82930

TESTED BY: Don Bonner

RECEIVED

NOV 30 2000

DIVISION OF
OIL, GAS AND MINING

BOP Test

AR Loc. _____ IV Loc. _____

Date 11-20-00

Operator QUAN ELO

Well Number MURPHY Ridge #1

Drilling Contractor CMC

Rig # 1

Tester MC

Time:	Test No.	Results:
<u>7:05A</u>	<u>#1</u>	<u>Blinds</u>
<u>5:35P</u>	<u>#2</u>	<u>PIPE RAMS 7 UPPER KELLY</u>
<u>8:05P</u>	<u>#3</u>	<u>ANN</u>
	<u>#4</u>	
	<u>#5</u>	
	<u>#6</u>	
	<u>#7</u>	
	<u>#8</u>	
	<u>#9</u>	
	<u>#10</u>	
	<u>#11</u>	
	<u>#12</u>	
	<u>#13</u>	
	<u>#14</u>	
	<u>#15</u>	

Acc. Function Test YES NO Pump Time _____ End Close PSI _____

Acc. Tank Size in inches (_____ W _____ D _____ L) ÷ 231 = _____ gal.

N2 # of Bottles _____ # of low _____ Date last checked _____

Double Jack Testin^g & Services Inc.

FIELD TICKET

No 16342

Accounting Office:

P.O. Box 516 Shoshoni, WY 82649 • (307) 876-9390

Field Operations:

Shoshoni, WY (307) 876-2308
 Evanston, WY (307) 789-9213
 Rock Springs, WY (307) 382-4020
 Big Piney, WY (307) 276-5265
 Vernal, UT (435) 781-0448

DATE 11-20-00

OPERATOR QUANELO
 CONTRACTOR LOLC #1
 WELL NAME MURPHY RIDDLE #1

COUNTY RICH STATE UTAH SECTION 32 TOWNSHIP 8N RANGE 8E

Items Tested:	LOW TEST PSI	TIME HELD MINUTES	HIGHEST PSI	TIME HELD MINUTES	
Top Pipe Rams			<u>1000</u>	<u>30</u>	Closing Unit PSI <u>2600</u>
Bottom Pipe Rams					Closing Time of Rams <u>5</u>
Blind Rams			<u>1000</u>	<u>30</u>	Closing Time of Annular <u>21</u>
Annular B.O.P.			<u>250</u>	<u>30</u>	Closed Casing Head Valve <u>yes</u>
Choke Manifold					Set Wear Sleeve <u>yes</u>
Choke Line					COMMENTS
Kill Line					
Super Choke					
Upper Kelly			<u>1000</u>	<u>30</u>	
Lower Kelly					
Floor Valve					
Dart Valve					
Casing					

ADDITIONAL TESTS & COMMENTS

QUANELO
JIM DENKINS
LOLC
GARY YOUNG

TEST PLUG _____
 RET. TOOL _____
 TOP SUB. _____
 KELLY SUB. _____
 X-OVER SUB. _____

RATES
 UNIT RATES 800⁰⁰ SET UP charge For the First 2HR on LOL For 2 Ton Test Unit 800⁰⁰
 ADDITIONAL 40⁰⁰ per hour over First 2 (2 hrs.) 120⁰⁰
 MILEAGE 30 miles round TRIP @ 1.00 per mile 45⁰⁰
 METHANOL pumped 151 gal of meth @ 2.00 per gal pumped a total of
 OTHER 378 gals of 25% meth + 75% water 302⁰⁰

DON BONNER

SUBTOTAL 1267

PURCHASE ORDER #

TESTED BY

TAX

Jim Denkins
 COMPANY REPRESENTATIVE

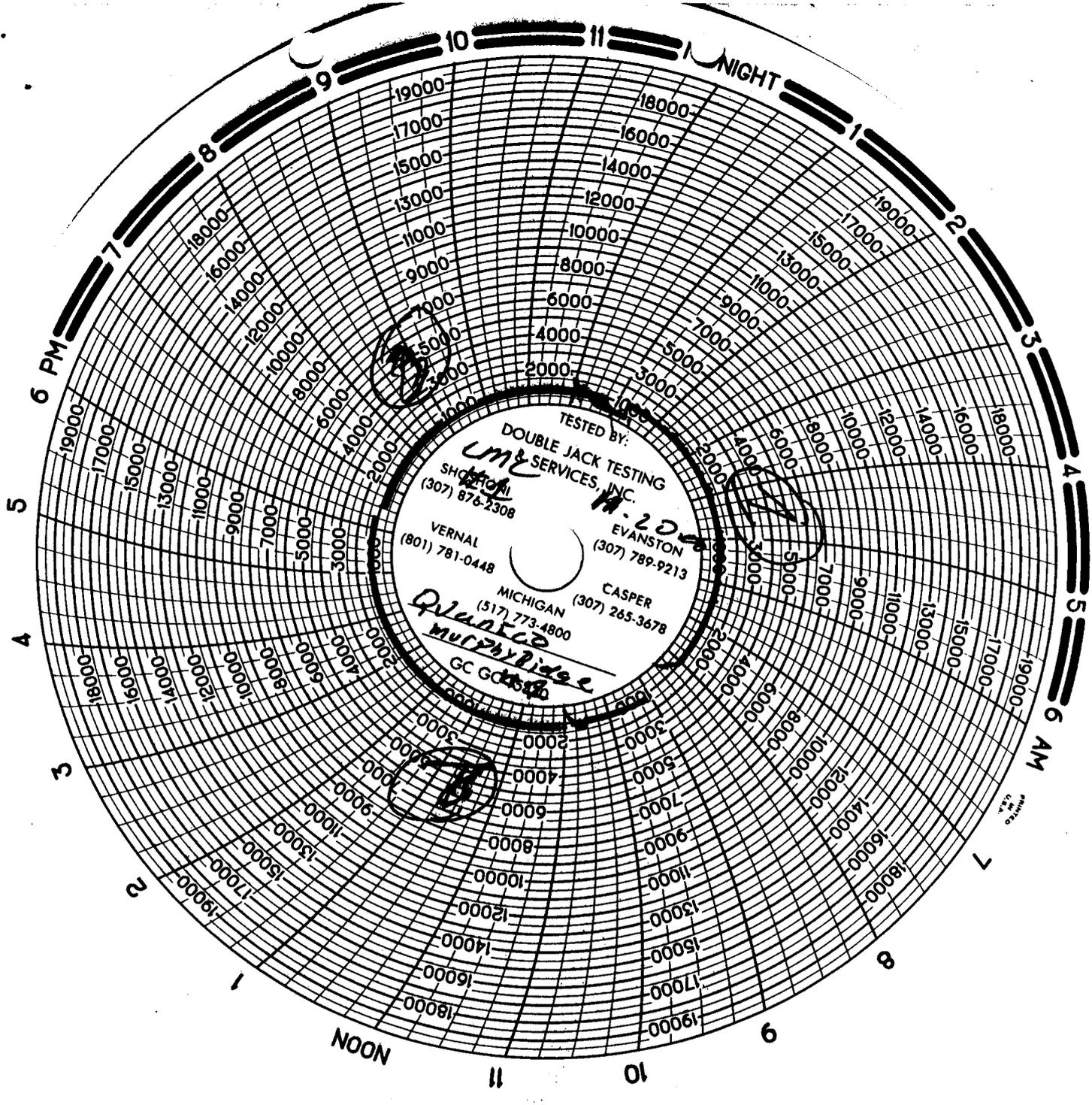
154 THANK YOU!

DOUBLE JACK TESTING UNIT NUMBER

TOTAL

NOTICE TO ALL CUSTOMERS

If this account shall not be paid when due and it is placed with an attorney for collection, or if suit be instituted for collection, the undersigned agree(s) to pay in either case, reasonable expense of collection including attorney's fees and court cost in compliance with TRUTH IN LENDING AND THE UNIFORM CONSUMER CREDIT CODE, the following information disclosure, under the terms of our regular accounts, all amounts for service due and payable within THIRTY (30) DAYS from the receipt of an invoice for such services. A LATE CHARGE will be assessed when accounts are not paid when due. THE LATE CHARGE is computed by a "periodic rate" 1-3/4% PER MONTH which is an ANNUAL PERCENTAGE RATE OF 21% to the previous balance in the account on the billing date. No further credit can be extended on unpaid delinquent accounts until the delinquent account is paid in full. The contractor will not be held liable for damages caused by acts of God, or unforeseen circumstances that could not be reasonably anticipated in performing the work done as set forth above.



TESTED BY:
DOUBLE JACK TESTING
UM SERVICES, INC.
SHORTON (307) 876-2308
EVANSTON (307) 789-9213
VERNAL (801) 781-0448
CASPER (307) 265-3678
MICHIGAN (517) 773-4800
Quantas
GC Gd 1588

PRINTED
U.S.A.

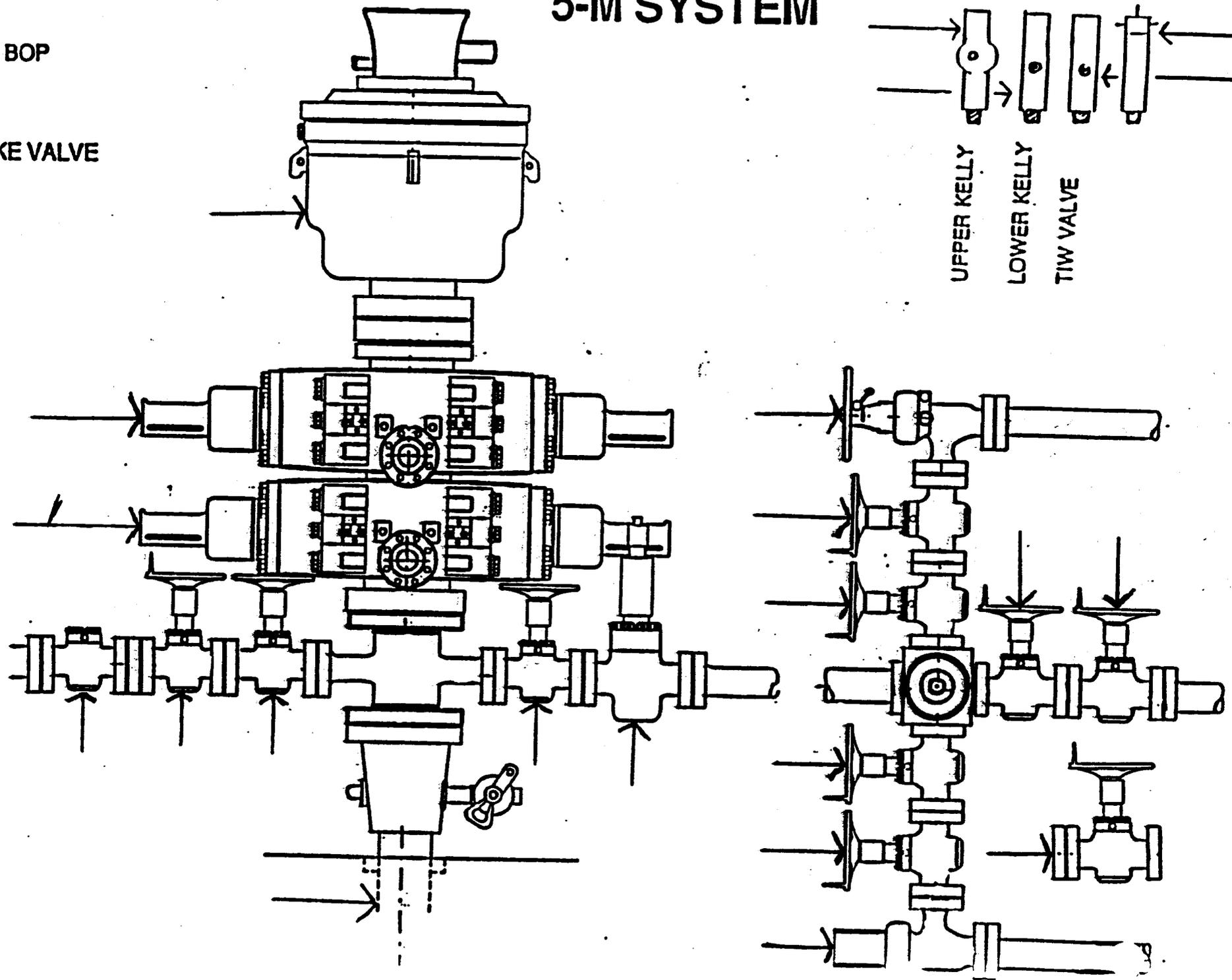
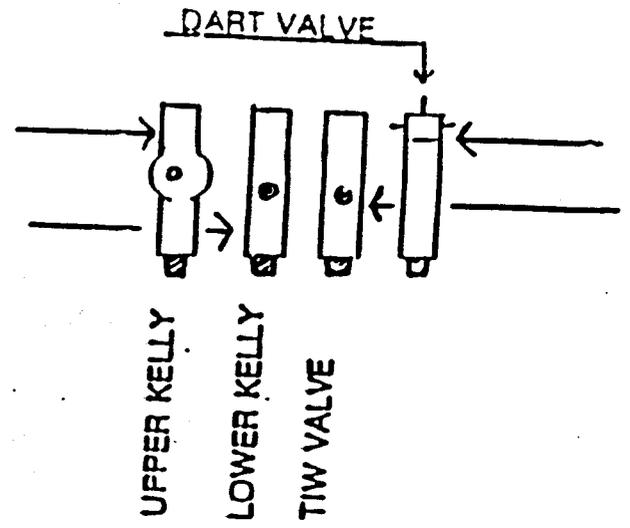
NULAR I

M TYPE BOP

CHOKE VALVE

lel

5-M SYSTEM



DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: Property Reserve, Skull Valley & Kavanagh
LEASE NUMBER: FEE

and hereby designates

NAME: Fat Chance Oil and Gas, LLC, an Oklahoma Limited Liability Company
ADDRESS: P. O. Box 7370, 850 Val Vista
city Sheridan state WY zip 82801

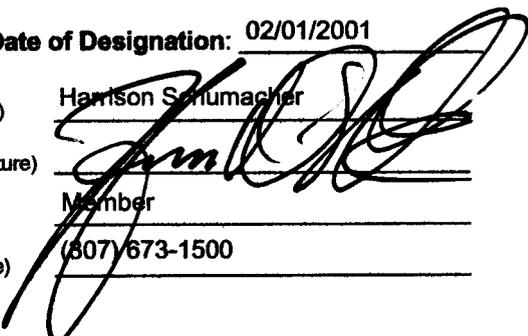
as his (check one) agent / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
See Attached

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 02/01/2001
BY: (Name) Harrison Schumacher
(Signature) 
(Title) Member
(Phone) (807) 673-1500

OF: (Company) Quaneco, L.L.C.
(Address) P. O. Box 7370
city Sheridan
state WY zip 82801

Exhibit "A"

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

Tract No. 1		
Township 9 North, Range 7 East, S.L.M.		
Section 26:	W2	311.00
Section 27:	All	640.00
Section 34:	E2, E2NW	400.00
Section 35:	All	640.00
Section 36:	Beginning at the Southwest corner of Section 36; thence North 2 3/4 degrees East 2698 feet; thence South 89 degrees East to the West boundry line of State Highway; thence South 32 degrees East along said West line 3156 feet more or less, to a point East of beginning; thence West 2210 feet, more or less, to the point of beginning.	84.00
Tract No. 2		
Township 8 North, Range 7 East, S.L.M		
Section 1:	All that portion of Section 1 lying South and West of the Highway. Said highway is described as follows: A parcel of land 100 feet wide, 50 feet on each side of the following described centerline: Beginning at a point approximately 2244 feet East from the Northwest corner of said section; thence South 32 degrees 14 minutes East 1921.6 feet; thence 297.9 feet along the arc of a circlce to the left whose radius is 1432.7 feet long; thence South 44 degrees 09 minutes East 2370.5 feet to the East line of said section.	489.86
Section 2:	Lot 4	28.00
Section 3:	Lots 1(28.00), 2(28.00), 3(28.00), 4(28.00), S2N2, S2	592.00
Section 10:	NE, E2NW, NESW, NWSE	320.00
Section 11:	All	640.00
Section 13:	All	640.00
Tract No. 3		
Township 8 North, Range 7 East, S.L.M		
Section 15:	All	640.00
Section 21:	All	640.00
Section 23:	All	640.00
Section 25:	All	640.00
Tract No. 4		
Township 8 North, Range 7 East, S.L.M		
Section 27:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00
Section 36:	All	640.00
Tract No. 5		
Township 8 North, Range 8 East, S.L.M.		
Section 31:	Lots 1(39.86), 2(39.90), 3(39.94), 4(39.98), E2W2, E2	639.68
Township 7 North, Range 7 East, S.L.M.		
Section 1:	Lots 1(40.22), 2(40.68), 3(41.12), 4(41.58), S2N2, S2	643.60
Section 2:	Lots 1(41.81), 2(41.84), 3(41.86), 4(41.89), S2NW	247.40
Section 3:	Lots 1(41.77), 2(41.58), 3(41.33), 4(41.11), S2N2, S2	645.79
Tract No. 6		
Township 7 North, Range 7 East, S.L.M.		
Section 5:	Lots 1(40.59), 2(40.76), 3(40.94), 4(41.11), S2N2, S2	643.40
Section 9:	All	640.00
Section 11:	All	640.00
Section 12:	W2	320.00
Section 13:	All	640.00
Tract No. 7		
Township 7 North, Range 7 East, S.L.M.		
Section 15:	All	640.00
Section 16:	W2SE	80.00
Section 17:	All	640.00
Section 19:	Lots 1(41.10), 2(41.10), 3(41.10), 4(40.44), E2W2, E2	643.74
Section 21:	All	640.00

Exhibit "A"

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

Tract No. 8		
Township 7 North, Range 7 East, S.L.M.		
Section 23:	All	640.00
Section 25:	All	640.00
Section 26:	W2W2	160.00
Section 27:	All	640.00
Section 29:	All	640.00
Tract No. 9		
Township 7 North, Range 7 East, S.L.M.		
Section 31:	Lots 1(39.82), 2(39.88), 3(39.92), 4(39.98), E2W2, E2	639.60
Section 32:	All	640.00
Section 33:	All	640.00
Section 35:	All	640.00
Tract No. 10		
Township 7 North, Range 8 East, S.L.M.		
Section 7:	Lots 1(43.03), 2(42.45), 3(41.87), 4(41.29), E2W2, E2	648.64
Section 9:	Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 17:	All	640.00
Section 19:	Lots 1(39.23), 2(38.88), 3(38.53), 4(38.18), E2W2, E2	634.82
Tract No. 11		
Township 7 North, Range 8 East, S.L.M.		
Section 21:	Lots 1(40.34), 2(40.34), 3(40.34), 4(40.34)	161.36
Section 29:	All	640.00
Section 31:	Lots 1(38.95), 2(39.25), 3(39.55), 4(39.85), E2W2, E2	637.60
Section 33:	Lots 1(39.87), 2(39.93), 3(37.97), 4(37.06)	154.83
Tract No. 12		
Township 6 North, Range 6 East, S.L.M.		
Section 2:	Lots 1(39.46), 2(39.59), 3(39.71), 4(39.84), S2N2, S2	638.60
Section 12:	All	640.00
Section 14:	All	640.00
Section 22:	All	640.00
Tract No. 13		
Township 6 North, Range 6 East, S.L.M.		
Section 24:	All	640.00
Section 26:	All	640.00
Section 28:	N2SE	80.00
Section 32:	All	640.00
Section 34:	N2NE, SENE, W2, SE	600.00
Tract No. 14		
Township 6 North, Range 7 East, S.L.M.		
Section 2:	Lots 1(22.77), 2(22.32), 3(21.87), 4(21.42), S2N2, S2	568.38
Section 4:	Lots 1(21.78), 2(26.54), 3(31.40), 4(36.06), S2N2, S2	595.78
Section 6:	Lots 1(40.87), 2(40.62), 3(40.37), 4(43.35), 5(43.06), 6(42.90), 7(42.73), S2NE, SENW, E2SW, SE	653.90
Section 8:	All	640.00
Tract No. 15		
Township 6 North, Range 7 East, S.L.M.		
Section 10:	All	640.00
Section 12:	All	640.00
Section 13:	All	640.00
Section 14:	All	640.00
Tract No. 16		
Township 6 North, Range 7 East, S.L.M.		
Section 16:	All	640.00
Section 18:	Lots 1(40.11), 2(40.14), 3(40.16), 4(40.19), E2W2, E2	640.60
Section 20:	All	640.00
Section 22:	All	640.00
Tract No. 17		
Township 6 North, Range 7 East, S.L.M.		
Section 24:	All	640.00

Exhibit "A"

Attached to Oil and Gas Lease between Property Reserve, Inc. and Palone Petroleum

Section 25:	All of that portion of Section 25 lying North and West of the Union Pacific Railroad Company Right-of-way.	627.00
Section 26:	All	640.00
Section 28:	All	640.00
Tract No. 18		
Township 6 North, Range 6 East, S.L.M.		
Section 36:	All	640.00
Township 6 North, Range 7 East, S.L.M.		
Section 30:	Lots 1(39.98), 2(40.10), 3(40.22), 4(40.34), E2W2, E2	640.64
Section 32:	All	640.00
Section 34:	All	640.00
Tract No. 19		
Township 6 North, Range 8 East, S.L.M.		
Section 4:	Lots 1(30.73), 2(21.10), 3(21.10), 4(21.10), 5(24.67), 6(30.81), 7(36.94)	186.45
Section 6:	Lots 1(29.00), 2(29.00), 3(29.00), 4(29.00), 5(40.00), 6(40.00), 7(40.00), S2NE, SENW, E2SW, SE	596.00
Section 7:	Lots 1(40.17), 2(40.52), 3(40.87), 4(41.22), E2W2, E2	642.78
Section 8:	All	640.00
Section 9:	Lots 1(21.09), 2(21.06), 3(21.03), 4(21.01), W2W2, Less and Except 62.15 acres more or less, as conveyed within that certain Warranty Deed dated February 3, 1999, recorded February 17, 1999 in Book E8 at page 203, with Property Reserve, Inc., a Utah corporation, f/k/a Deseret Title Holding Corporation, as Grantor, and Evanston-Uinta County Airport Joint Powers Board, as Grantee.	182.04
Tract No. 20		
Township 6 North, Range 7 East, S.L.M.		
Section 36:	All of that portion of Section 36 lying North and West of the Union Pacific Railroad Company Right-of-way.	375.00
Township 6 North, Range 8 East, S.L.M.		
Section 16:	All of that portion of Section 16 lying North of the Union Pacific Railroad Company right-of-way.	165.00
Section 17:	All of that portion of Section 17 lying North and West of the Union Pacific Railroad Company right-of-way.	479.00
Section 18:	Lots 1(41.45), 2(41.55), 3(41.65), 4(41.75), E2W2, E2	646.40
Section 19:	All of that portion of Section 19 lying North and West of the Union Pacific Railroad Company right-of-way.	508.00
Section 30:	Lot 1(41.05) and that part of Lot 2 lying North and West of the Union Pacific Railroad Company right-of-way.	65.00
Tract No. 21		
Township 5 North, Range 6 East, S.L.M.		
Section 12:	All	640.00
Township 5 North, Range 7 East, S.L.M.		
Section 2:	All that part lying North and West of the West Bound Union Pacific Railroad Company right of way	486.32
Section 4:	Lots 1(41.24), 2(41.34), 3(41.42), 4(41.52), S2N2, S2	645.52
Section 6:	Lots 1(41.36), 2(40.98), 3(40.58), 4(40.40), 5(40.40), 6(40.32), 7(40.24), S2NE, SENW, E2SW, SE	644.28
Section 8:	All	640.00
Section 10:	N2NW	80.00
Section 18:	Lots 1(39.97), 2(39.93), 3(39.88), N2NE, SWNE, E2NW, NESW	359.78

DESIGNATION OF AGENT OR OPERATOR

The undersigned is, on record, the holder of oil and gas lease

LEASE NAME: State of Utah
LEASE NUMBER: ML 48456

and hereby designates

NAME: Fat Chance Oil and Gas, LLC, an Oklahoma Limited Liability Company
ADDRESS: P. O. Box 7370, 850 Val Vista
city Sheridan state WY zip 82801

as his (check one) agent / operator , with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the Division Director or Authorized Agent may serve written or oral instructions in securing compliance with the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah with respect to:

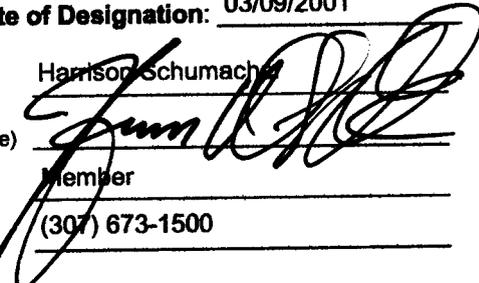
(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
Township 8 North, Range 8 East, S.L.M.
Section 16: Lots 1, 2, 3, 4
Section 32: All
Murphy Ridge #1 API# - 43-033-30045
Murphy Ridge #2 API# - 43-033-30046

It is understood that this designation of agent/operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Oil and Gas Conservation General Rules and Procedural Rules of the Board of Oil, Gas and Mining of the State of Utah. It is also understood that this designation of agent or operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated agent/operator, the lessee will make full and prompt compliance with all rules, lease terms or orders of the Board of Oil, Gas and Mining of the State of Utah or its authorized representative.

The lessee agrees to promptly notify the Division Director or Authorized Agent of any change in this designation.

Effective Date of Designation: 03/09/2001

BY: (Name) Harrison Schumacher
(Signature) 
(Title) Member
(Phone) (307) 673-1500

OF: (Company) Quaneco, L.L.C.
(Address) P. O. Box 7370
city Sheridan
state WY zip 82801



PALONE PETROLEUM

P.O. Box 6 • Gillette, Wyoming 82717 • (307) 682-1621

April 5, 2001

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 210
Box 145801
Salt Lake City, UT 84114-5801

Re: Designation of Operator.

To Whom it concerns,

Enclosed are two Designation of Operator (Form 5) forms. They are replacement forms for previously filed Designation of Operator forms filed with your office.

One is for State of Utah lease number ML 48456 and the other is for Property Reserve, Skull Valley & Kavanagh, which is a FEE lease that covers a large area. The leases covering the lands affected by the previously filed Designation of Operator forms has been assigned 100% to Quaneco, LLC. Quaneco, LLC desires to retain the same operator, so the only real change is the Lessee of record. The SITLA Designation of Operator form was filed with their office with the Assignment.

If you have any questions please contact me at the above telephone number. I will be out of the office until some time around the 17th of April, but I will be checking messages during that time.

Best wishes,

Bill Palone

enclosures

RECEIVED

APR 11 2001

DIVISION OF
OIL, GAS AND MINING

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456
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: Fat Chance Oil & Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge #1
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801-7370 PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330045
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Wildcat

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00. Approved 11/29/00

NAME (PLEASE PRINT) <u>Bill Courtney</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u><i>Bill Courtney</i></u>	DATE <u>4/12/2001</u>

(This space for State use only)

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APR 16 2001
DIVISION OF
OIL, GAS AND MINING

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: <u>Fee ML-48456</u>
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: Fat Chance Oil & Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge #1
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		9. API NUMBER: 4303330045
PHONE NUMBER: (307) 673-1500		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00.

RECEIVED
APR 23 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Bill Courtney</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u>Bill Courtney</u>	DATE <u>4-17-2001</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
-Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge #1

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input 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 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.
IN ORDER TO BETTER TRACK OUR WELLS, OUR MANAGEMENT HAS DECIDED TO NAME THEM ACCORDING TO THEIR QUARTER/QUARTER AND SECTION.

REQUESTED NEW NAME OF WELL: Murphy Ridge 1-32

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE Lorna James

DATE 4/23/2001

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 673-1500

5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: _____

8. WELL NAME and NUMBER: Murphy Ridge #1

9. API NUMBER: 4303330045

10. FIELD AND POOL, OR WILDCAT: Wildcat

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich STATE: UTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input 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: Weekly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00.

NAME (PLEASE PRINT) Bill Courtney TITLE Operations Assistant

SIGNATURE Bill Courtney DATE 4-24-2001

(This space for State use only)

RECEIVED

APR 26 2001

DIVISION OF
OIL, GAS AND 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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		8. WELL NAME and NUMBER: Murphy Ridge #1 - 32
QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> 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>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Admin Assistant</u>
SIGNATURE <u>Lorna James</u>	DATE <u>5-1-01</u>

(This space for State use only)

RECEIVED
MAY 03 2001
DIVISION OF
OIL, GAS AND 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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		8. WELL NAME and NUMBER: Murphy Ridge #1
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> 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: Weekly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

RECEIVED
MAY 11 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Admin Assistant</u>
SIGNATURE <u>Lorna James</u>	DATE <u>5-8-01</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee AL-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge #1

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH

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

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

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

Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

NAME (PLEASE PRINT) Lorna James TITLE Admin Asst.
 SIGNATURE Lorna James DATE 5-16-01

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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 _____

8. WELL NAME and NUMBER:

Murphy Ridge #1

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

RECEIVED

MAY 25 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James TITLE Admin Asst.
SIGNATURE Lorna James DATE 5-23-01

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee AL-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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 _____

8. WELL NAME and NUMBER:

Murphy Ridge #1

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

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

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

Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

NAME (PLEASE PRINT) Lorna James

TITLE Admon Asst.

SIGNATURE Lorna James

DATE 5/30/01

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		8. WELL NAME and NUMBER: Murphy Ridge #1
PHONE NUMBER: (307) 673-1500		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> 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>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

RECEIVED
JUN 12 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Admin Asst.</u>
SIGNATURE <u>Lorna James</u>	DATE <u>6-7-01</u>

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR: PHONE NUMBER:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801 (307) 673-1500

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge #1

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

NAME (PLEASE PRINT) Lorna James TITLE Admin Asst.
SIGNATURE Lorna James DATE 6-13-01

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Murphy Ridge #1
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		9. API NUMBER: 4303330045
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		10. FIELD AND POOL, OR WILDCAT: Wildcat
PHONE NUMBER: (307) 673-1500		
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Drilling operations still postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

RECEIVED
 JUN 21 2001
 DIVISION OF OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Admin Asst.</u>
SIGNATURE <u>Lorna James</u>	DATE <u>6-21-01</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge #1

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S 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
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Drilling operations postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

RECEIVED

JUL 02 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE Lorna James

DATE 6-28-01

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee AK-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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8. WELL NAME and NUMBER:
Murphy Ridge #1

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH

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

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

Drilling operations postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE *Lorna James*

DATE 7-5-01

(This space for State use only)

RECEIVED

JUL 09 2001

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

Murphy Ridge #1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

COUNTY: Rich

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
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	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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Drilling operations postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

RECEIVED

JUL 16 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

7-11-01

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

8. WELL NAME and NUMBER:
Murphy Ridge #1-32

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY **Sheridan** STATE **WY** ZIP **82801**

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **619' FNL 648' FEL** COUNTY: **Rich**

QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 32 T8N R8E S** STATE: **UTAH**

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

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<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"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Weekly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Drilling operations postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE *Lorna James* DATE 7-18-01

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

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6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL

OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:

Murphy Ridge #1-32

2. NAME OF OPERATOR:

Fat Chance Oil & Gas, LLC

9. API NUMBER:

4303330045

3. ADDRESS OF OPERATOR:

PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:

(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:

Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

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
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
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Drilling operations postponed. See Sundry Notice filed 11/28/00 and approved 11/29/00

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

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James

DATE

7-25-01

(This space for State use only)

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

CONFIDENTIAL

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

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

2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR: Box 7370, City: Sheridan, STATE: Wy, ZIP: 82801. PHONE NUMBER: 307-673-1500

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 619' FNL 648' FEL. COUNTY: Rich. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S. STATE: UTAH

5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456

6. WELL NAME and NUMBER: Murphy Ridge 1-32

7. UNIT or CA AGREEMENT NAME: _____

8. API NUMBER: 43-033-30045

9. FIELD AND POOL, OR WILDCAT: Wildcat

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 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 (SHUT-IN/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Resume drilling operations</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.

Fat Chance Oil and Gas, LLC set temporary plugs in this wellbore 11-26-00.

Current TD is 2013'.

Operator intends to resume drilling operations on or shortly after August 1, 2001 and deepen this well to 3500' +/- . Operator will comply with original permit conditions of approval dated October 13, 2000.

RECEIVED

2001

DIVISION OF OIL, GAS AND MINING

NAME (PLEASE PRINT): Casey Osborn TITLE: Operations Manager

SIGNATURE: *Casey Osborn* DATE: 7-30-01

(This space for State use only)

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
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: Fat Chance Oil and Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge 1-32
3. ADDRESS OF OPERATOR: Box 7370 CITY Sheridan STATE Wy ZIP 82801		9. API NUMBER: 43-033-30045
		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		STATE: UTAH

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	<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: Resume drilling operations
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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Operator intends to resume drilling operations on or shortly after August 1, 2001 and deepen this well to 3500' +/- . Operator will comply with original permit conditions of approval dated October 13, 2000.

RECEIVED
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Casey Osborn	TITLE Operations Manager
SIGNATURE	DATE 7-30-01

(This space for State use only)

**Quaneco, LLC
Murphy Ridge #1-32**

*NE NE Section 32, T-8-N, R-8-E
Rich County, Utah*

43-033-30045

Total Depth: 3,430' (drillers), 3,442' (logger)
Surface Footage Location: 619' fnl & 648' fel

WELL REPORT

AUGUST 2001

Prepared by:
SELMAN & ASSOCIATES, INC.
Richard E. Bacon
P. O. Box 2993
Rock Springs, Wyoming 82902
307/382-5692

Prepared for:
QUANECO, LLC
Casey Osborne
P. O. Box 7370
Sheridan, Wyoming 82801
307/789-4207

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Drilling Parameters	4
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WELL DATA

OPERATOR: QUANECO, LLC

WELL NAME: MURPHY RIDGE 1-32

LOCATION: 619' FNL & 648' FEL NENE SEC. 32 T8N R8E

COUNTY: RICH

STATE: UTAH

API #: 43-033-30056

ELEVATIONS: GL 6554' KB 6564'

FIELD: DESERET

SURFACE CASING: 9 5/8" 32# H40 SET AT 515'

SPUD DATE: AUGUST 1, 2001 1800 HRS MST

TD DATE: AUGUST 19, 2001 1030 HRS MST

WELL STATUS: TESTING BEAR RIVER COALS AND SANDS

SERVICES

CONTRACTOR: CATFISH DRILLING RIG #2

TOOL PUSHER: RICKY SHORTER
ROGER SHORTER

SUPERVISOR: JIM JENKINS

MUD CO: BAROID
TIM REED
STEVE REED

MUDLOGGING: SELMAN & ASSOCIATES, INC.
RICHARD BACON
MICHAEL HUCHTON

WELLSITE GEOLOGIST: RICHARD BACON

CORES: NONE

DST: NONE

MWD: PATHFINDER
DOUGLAS HEAD
RELEASED AT 2783'

DIRECTIONAL: DIRECTIONAL LLC
BILL MARCHWICK
RELEASED AT 2783'

LOGS: SCHLUMBERGER

LOG SUITE: INDUCTION 434' - 3434'
DENSITY/NEUTRON 434' - 3395'
MICROLOG 434' - 3395'
COMBO 434' - 3395'

SURVEYS

DEPTH

SLOPE

1238'	1.2 Deg.
1350'	1.2 Deg.
1424'	1.3 Deg.
1520'	1.2 Deg.
1615'	1.2 Deg.
1859'	2.0 Deg.
1922'	1.9 Deg.
1954'	1.9 Deg.
2049'	2.2 Deg.
2153'	1.8 Deg.
2239'	1.8 Deg.
2302'	1.1 Deg.
2493'	1.6 Deg.
2555'	1.4 Deg.
2618'	1.9 Deg.
3010'	1.75 Deg.
3224'	2.0 Deg.
3430'	2.2 Deg.

BIT RECORD

<u>BIT NO.</u>	<u>SIZE</u>	<u>MAKE</u>	<u>TYPE</u>	<u>DEPTH OUT</u>	<u>FOOTAGE</u>	<u>HOURS</u>	<u>FEET/ HOUR</u>
1	8.75"	RR	UNKNOWN	925'	547'	?	?
2	8.75"	H-C	GT-S18	2712'	1887'	76.25	23
3	8.75"	H-C	GT-S18	2883'	171'	?	?
4	8.75"	H-C	GT-S18 RR	3430'	647'	93	9

DRILLING PARAMETERS

<u>DEPTH</u>	<u>WEIGHT ON BIT</u>	<u>REVOLUTIONS PER MINUTE</u>	<u>STROKES PER MINUTE</u>	<u>PUMP PRESSURE</u>
1700'	25/30 K	40/45/175 mm	55	1100
2000'	25/30 K	40/45/175 mm	55	1200
2300'	25/30 K	40/45/175 mm	46	900
2600'	25/30 K	40/45/175 mm	48	1200
2720'	25/30 K	40/175 mm	50	1400
2900'	30 K	40/175 mm	50	1400
3100'	30 K	40/175 mm	50	1400
3300'	30 K	40/175 mm	50	1400

MUD CHARACTERISTICS

<u>DEPTH</u>	<u>WT</u>	<u>VIS</u>	<u>GEL</u>	<u>FIL</u>	<u>pH</u>	<u>Cl</u>	<u>Ca</u>	<u>MUD TYPE</u>
1562'	8.6	27	1/2	22.0	9.5	350	28	Water
2118'	8.6	28	0/0	22.0	8.0	550	20	Water
2460'	9.0	32	0/1	20.0	8.0	1000	40	Poly/Gel
2712'	9.1	35	2/5	14.0	9.0	800	28	Poly/Gel
2783'	9.3	52	2/11	7.0	8.0	450	20	Poly/Gel
2900'	9.1+	38	N/C	N/C	N/C	N/C	N/C	Poly/Gel
3100'	9.5	38	N/C	N/C	N/C	N/C	N/C	Poly/Gel
3300'	9.5	39	N/C	N/C	N/C	N/C	N/C	Poly/Gel

WELL CHRONOLOGY

<u>DATE</u>	<u>DEPTH</u>	<u>FOOTAGE</u>	<u>ACTIVITY</u>
08-01-01	0'	0'	RE-ENTER HOLE AND TAG AT 378' DRILL, DRILL RAT HOLE AT 2300 HRS, WORK ON RIG
08-02-01	378'	0'	CIRCULATE MUD AND DRILL PLUGS
08-03-01	925'	547'	LAY DOWN HEAVYWEIGHT PIP AND WORK ON RIG
08-04-01	1048'	123'	WORK ON RIG, COMMENCE DRILLING AT 0830 HRS
08-05-01	1805'	757'	DRILL
08-06-01	2152'	347'	DRILL TO 2152', LEAK IN SWIVEL, PULL PIPE AND WORK ON SWIVEL, RESUME DRILLING 1430 HRS, CLUTCH FAILURE ON MAIN PUMP, SWITCH TO BACKUP PUMP
08-07-01	2350'	198'	DRILL WITH SECONDARY PUMP, HYDRIL DOWN, PULL 5 STANDS, WORK ON HYDRIL, RESUME DRILLING AT 1730 HRS
08-08-01	2578'	228'	DRILL TO 2712' TRIP FOR BIT #3
08-09-01	2712'	134'	RESUME DRILLING 0230 HRS, DRILL TO 2795, MOTOR TRANSMISSION DOWN, TRIP OUT OF HOLE
08-10-01	2783'	71'	WORK ON TRANSMISSION AND WAIT ON PARTS LOGGERS RELEASED, RIG DOWN AND STANDBY
08-16-01	2783'	0'	LOGGERS RETURN AND RIG UP UNIT
08-17-01	2783'	0'	GO BACK INTO HOLE, WASH AND REAM TO BOTTOM RESUME DRILLING AT 1545 HRS, DRILL TO 2890' CIRCULATE AND WORK ON TRANSMISSION CLUTCH
08-18-01	2954'	71'	DRILL
08-19-01	3271'	317'	TD 3430' 1030 HRS, TRIP 20 STANDS, CIRCULATE HOLE AND CONDITION MUD FOR LOGS, PULL OUT OF HOLE AND WAIT ON LOGGERS, LOGGING TRUCK PROBLEMS, WAIT FOR NEW TRUCK
08-20-01	3430'	159'	RUN LOGS

LITHOLOGIC TOPS

<u>FORMATION</u>	<u>DEPTH</u>	<u>SUBSEA</u>
TERTIARY- Wasatch	Surface	
UPPER CRETACEOUS- Evanston	836'	(+5697')
Aspen	1542'	(+4991')
Bear River	1651'	(+4882')
Kelvin	3278'	(+3255')

LITHOLOGIC DESCRIPTIONS

Drilling in the BEAR RIVER

1800'-1820'	<u>10% Coal-black, brittle, glossy, bituminous</u> 50% Sandstone: white, off white, light gray, light tan, mottled, very fine to medium grain, subangular to subround, well to moderately well sorting, very calcareous, occasional carbonaceous inclusions, some finely disseminated pyrite 40% Shale-light to medium gray, dark gray, soft to hard blocky to subblocky, siliceous to very calcareous, occasional carbonaceous inclusions, finely disseminated pyrite
1820'-1840'	<u>10% Coal-black, brittle, glossy, bituminous</u> 50% Sandstone: white, off white, light gray, light tan, mottled, very fine to medium grain, subangular to subround, well to moderately well sorting, very calcareous, occasional carbonaceous inclusions, some finely disseminated pyrite 40% Shale-light to medium gray, dark gray, soft to hard blocky to subblocky, siliceous to very calcareous, occasional carbonaceous inclusions, finely disseminated pyrite Trace Limestone-medium brown, firm dense, argillaceous, micro-crystalline
1840'-1860'	<u>Trace Coal-black, brittle, glossy, bituminous</u> 70% Shale-light to medium gray, dark gray, soft to hard blocky to subblocky, siliceous to very calcareous, occasional carbonaceous inclusions, finely disseminated pyrite

30% Sandstone: white, off white, light gray, light tan, mottled, very fine to medium grain, subangular to subround, well to moderately well sorting, very calcareous, occasional carbonaceous inclusions, some finely disseminated pyrite
Trace Limestone-medium brown, firm dense, argillaceous, micro-crystalline

1860'-1900'

Trace Coal-black, brittle, glossy, bituminous

70% Shale-light to medium gray, dark gray, soft to hard blocky to subblocky, siliceous to very calcareous, occasional carbonaceous inclusions, finely disseminated pyrite

30% Sandstone: white, off white, light gray, light tan, mottled, very fine to medium grain, subangular to subround, well to moderately well sorting, very calcareous, occasional carbonaceous inclusions, some finely disseminated pyrite

1900'-1930'

40% Sandstone-off white, light tan, mottled, very fine to medium grain, subangular to subround, poor to moderate sorting, moderate consolidation, calcareous

30% Shale-medium to dark gray, moderately firm to firm, blocky to subblocky, calcareous, carbonaceous in part, micromicaceous

30% Bentonite-off white, white, green gray, soft, subblocky, amorphous, grainy in part

Trace Limestone-mottled tan/white, firm dense, cryptocrystalline

1930'-1960'

50% Shale-medium to dark gray, moderately firm to firm, blocky to subblocky, calcareous, carbonaceous in part, micromicaceous

30% Sandstone-off white, light tan, mottled, very fine to medium grain, subangular to subround, poor to moderate sorting, moderate consolidation, calcareous, pyritic in part

20% Bentonite-off white, white, green gray, soft, subblocky, amorphous, grainy in part

1960'-1990'

Trace Coal-black, brittle, pyritic, bituminous

75% Sandstone-off white, clear, frosted, fine to coarse grain, subangular to round, poor to moderate sorting, moderate consolidation to unconsolidated, calcareous, pyritic

25% Shale-medium to dark gray, black, moderately firm to firm, subblocky to blocky, calcareous in part, carbonaceous in part, finely disseminated pyrite, occasional coal laminae

1990'-2020'

40% Coal-black, brittle, glossy to dull, pyritic in part, bituminous

40% Sandstone-off white, clear, frosted, fine to coarse grain, subangular to round, poor to moderate sorting, moderate consolidation to unconsolidated, calcareous, pyritic

20% Shale-medium to dark gray, black, moderately firm to firm, subblocky to blocky, calcareous in part, carbonaceous in part, finely disseminated pyrite, occasional coal laminae

- 2020'-2050' 80% Sandstone-medium gray, off white, very fine grain, subangular to round, moderately well sorting, poor to moderate consolidation, calcareous, argillaceous in part grading to arenaceous limestone
20% Shale-medium to dark gray, black, moderately firm to firm, subblocky to blocky, calcareous in part, carbonaceous in part, finely disseminated pyrite, occasional coal laminae
Trace Bentonite-green gray, firm, blocky, micaceous
- 2050'-2080' 70% Bentonite-off white, light tan, green gray, soft to firm, flaky
20% Sandstone-off white, clear, frosted, very fine to medium grain, subangular to round, poor to moderate sorting, largely unconsolidated
10% Shale-medium gray, light tan, soft to moderately firm, flaky, bentonitic
- 2080'-2100' 20% Coal-black, brittle, glossy, pyritic, bituminous
40% Bentonite-off white, light gray, green gray, soft to firm, flaky
20% Sandstone-off white, clear, frosted, very fine to medium grain, subangular to round, poor to moderate sorting, largely unconsolidated
20% Shale-dark gray to black, soft to moderately firm, flaky, bentonitic
- 2100'-2140' 10% Coal-black, brittle, glossy-dull, pyritic, bituminous
40% Shale-medium to dark gray, black, gray tan, soft to firm, subblocky to blocky, flaky, carbonaceous in part, calcareous in part
40% Sandstone-off white, clear, frosted, very fine to medium grain, subangular to round, poor to moderate sorting, largely unconsolidated
10% Bentonite-off white, light gray, green gray, soft to firm, flaky
- 2140'-2170' Trace Coal-black, firm to brittle, glossy to dull, bituminous to subbituminous
60% Shale-light to dark gray, black, gray tan, vari-colored, soft to firm, subblocky to blocky, flaky, carbonaceous
25% Sandstone-off white, clear frosted, very fine to medium grain, subangular to round, poor sorting, poor to moderate consolidation, calcareous
15% Bentonite-off white, light gray, light gray green, soft to firm
Sample was lagged after trip
- 2170'-2200' 80% Sandstone-off white, medium gray, frosted, clear, fine to medium grain, moderately well sorted, well to moderately well consolidated, calcareous, carbonaceous inclusions, occasional free pyrite
15% Shale-light to dark gray, black, gray tan, soft to firm, subblocky to blocky, flaky, carbonaceous

- 5% Bentonite-off white, light gray, light gray green, soft to firm, flaky, subblocky
- 2200'-2230' 60% Sandstone-light to medium gray, off white, fine to medium grain, subangular to round, moderately well sorted, moderately to poor consolidation, calcareous, occasional carbonaceous inclusions
40% Shale-medium to dark gray, moderately firm to soft, subblocky to blocky, carbonaceous with traces of bentonite
- 2230'-2260' 60% Sandstone-light to medium gray, off white, very fine to medium grain, subangular to round, moderately well sorted, moderate to poor consolidation, calcareous, occasional carbonaceous inclusions, very argillaceous in part
40% Shale-medium to dark gray, moderately firm to soft, subblocky to blocky, carbonaceous inclusions
- 2260'-2290' 50% Sandstone-light to medium gray, off white, very fine to medium grain, subangular to round, moderately well sorted, moderate to poor consolidation, calcareous, occasional carbonaceous inclusions, very argillaceous in part
50% Shale-medium to dark gray, moderately firm to soft, subblocky to blocky, carbonaceous inclusions
Trace Limestone-medium to dark tan, mottled, firm to hard, dense, argillaceous
- 2290'-2320' 80% Sandstone-medium to light gray, off white, very fine to fine grain, subangular to round, well to moderately well sorted, well consolidated, calcareous, carbonaceous inclusions, argillaceous in part with shale laminae
15% Shale-medium to dark gray, firm to soft, subblocky to blocky, calcareous in part, carbonaceous
5% Bentonite-white, light gray, firm to moderately firm, flaky
- 2320'-2350' 80% Sandstone-off white, light to medium gray, light tan, very fine to fine grain, subangular to round, moderately well sorted, moderate to moderately well consolidated, calcareous in part, argillaceous, finely disseminated pyrite, occasional coal laminae, free pyrite, scattered carbonate sands
20% Shale-black, dark gray, soft to moderately firm, subblocky, flaky, finely disseminated pyrite carbonaceous in part
- 2350'-2380' 30% Coal-black, brittle, glossy to dull, pyritic in part, bituminous
50% Sandstone-off white, light to medium gray, light tan, very fine to fine grain, subangular to round, moderately well sorted, moderate to moderately well consolidated, calcareous in part, argillaceous, finely disseminated pyrite, occasional coal laminae, free pyrite

20% Shale-black, dark gray, soft to moderately firm, subblocky, flaky,
finely disseminated pyrite carbonaceous in part

2380'-2400'

10% Coal-black, brittle, glossy to dull, pyritic in part, bituminous
50% Sandstone-off white, light to medium gray, light to medium tan,
very fine to fine grain, subangular to round, moderately well
sorted, moderate to moderately well consolidated, calcareous in
part, argillaceous, finely disseminated pyrite, occasional coal
laminae, free pyrite

25% Shale-black, dark gray, soft to moderately firm, subblocky, flaky,
finely disseminated pyrite carbonaceous in part

15% Bentonite-white, light gray, gray green, soft to firm, flaky, pyritic
in part

Trace Limestone-tan, firm, dense, cryptocrystalline interbedded with
sand

2400'-2412'

80% Sandstone-off white, light to medium gray, light to medium tan,
very fine to fine grain, subangular to round, moderately well
sorted, moderate to moderately well consolidated, calcareous in
part, argillaceous, finely disseminated pyrite, occasional coal
laminae, free pyrite

20% Shale-black, dark gray, soft to moderately firm, subblocky, flaky,
finely disseminated pyrite carbonaceous in part

2412'-2425'

70% Coal-black, brown black, firm to brittle, dull to glossy,
bituminous, pyritic in part

20% Shale-black, dark gray, soft to moderately firm, subblocky, flaky,
finely disseminated pyrite carbonaceous in part

10% Limestone-medium to dark tan, soft to firm, dense, earthy,
cryptocrystalline to microcrystalline

2425'-2432'

20% Coal-black, brown black, firm to brittle, dull to glossy,
bituminous, pyritic in part

60% Shale-black, dark gray, soft to moderately firm, subblocky, flaky,
finely disseminated pyrite carbonaceous in part

20% Sandstone-off white, light to medium gray, light to medium tan,
very fine to fine grain, subangular to round, moderately well
sorted, moderate to moderately well consolidated, calcareous in
part, argillaceous, finely disseminated pyrite, occasional coal
laminae

2432'-2440'

70% Coal-black, brown black, firm to brittle, dull to glossy,
bituminous, pyritic in part

20% Shale-black, dark gray, soft to moderately firm, subblocky, flaky,
finely disseminated pyrite carbonaceous in part

10% Limestone-medium to dark tan, soft to firm, dense, earthy,
cryptocrystalline to microcrystalline

- 2440'-2470' 10% Coal-black, brown black, firm to brittle, dull to glossy, bituminous, pyritic in part
60% Shale-black, dark gray, soft to moderately firm, subblocky, flaky, finely disseminated pyrite carbonaceous in part
20% Sandstone-off white, light to medium gray, light tan, very fine to fine grain subangular to round, moderately well sorted, moderately well consolidated, calcareous in part
10% Limestone-medium to dark tan, soft to firm, dense, earthy, cryptocrystalline to microcrystalline
- 2470'-2500' 70% Shale-medium to dark gray, soft to firm, subblocky to blocky, slightly calcareous, pyritic in part, arenaceous in part
15% Sandstone-off white, light to medium gray, very fine to fine grain, subangular to round, moderately well sorted, moderate consolidation, calcareous in part
15% Limestone-light to dark tan, firm to had, dense, argillaceous, cryptocrystalline to microcrystalline
- 2500-2515' 10% Coal-black, brown black, soft to firm, brittle in part, glossy to dull, pyritic in part, bituminous
80% Shale-dark gray to medium gray, soft to firm, subblocky, flaky, carbonaceous inclusions in part, finely disseminated pyrite, silty in part, occasional coal laminae
10% Limestone-medium to dark tan, firm, dense, argillaceous in part, cryptocrystalline to microcrystalline
- 2515'-2525' 10% Coal-black, brown black, firm to brittle, glossy to dull, bituminous
70% Shale-dark to medium gray, moderately firm to soft, flaky, subblocky, carbonaceous inclusions, pyritic in part, silty
20% Limestone-medium tan, off white, medium brown, hard to moderately hard, dense, slightly pyritic
- 2525'-2535' 80% Shale-dark to medium gray, moderately firm to soft, flaky, subblocky, carbonaceous inclusions, pyritic in part, silty, occasional coal laminae
20% Limestone-medium tan, off white, medium brown, hard to moderately hard, dense, slightly pyritic
- 2535'-2560' 80% Shale-dark to medium gray, moderately firm to soft, flaky, subblocky, carbonaceous inclusions, pyritic in part, silty, occasional coal laminae
15% Limestone-medium tan, off white, medium brown, hard to moderately hard, dense, slightly pyritic
5% Sandstone-off white, white, gray brown, very fine to fine grain, subangular to round, moderately well sorted, well consolidated, calcareous

- 2560'-2590' 75% Shale-dark to medium gray, moderately firm to soft, flaky, subblocky, carbonaceous inclusions, pyritic in part, silty, occasional coal laminae
15% Limestone-medium tan, off white, medium brown, hard to moderately hard, dense, slightly pyritic
10% Sandstone-off white, white, gray brown, very fine to fine grain, subangular to round, moderately well sorted, well consolidated, calcareous
- 2590'-2620' 20% Coal-black, firm to brittle, dull to glossy, pyritic in part bituminous
40% Limestone-medium to dark tan, mottled, soft to hard, dense, earthy, cryptocrystalline to microcrystalline, fossiliferous (shell fragments)
40% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, calcareous, carbonaceous
- 2620'-2650' 10% Coal-black, brittle, glossy, pyritic, bituminous to subanthracitic
60% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, carbonaceous, calcareous, pyritic in part grading to argillaceous limestone
30% Limestone-dark gray/black, hard, dense, cryptocrystalline, argillaceous, fossiliferous (shell fragments)
- 2650'-2660' 10% Coal-black, brittle, glossy, pyritic, bituminous to subanthracitic
80% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, carbonaceous, calcareous, pyritic in part grading to argillaceous limestone
10% Limestone-dark gray/black, hard, dense, cryptocrystalline, argillaceous, fossiliferous (shell fragments)
- 2660'-2670' 10% Coal-black, brittle, glossy, pyritic, bituminous to subanthracitic
90% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, carbonaceous, calcareous, pyritic in part grading to argillaceous limestone
- 2670'-2680' 60% Coal-black, brittle, glossy, pyritic, bituminous to subanthracitic
20% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, carbonaceous, calcareous, pyritic in part grading to argillaceous limestone
20% Limestone-dark gray/black, hard, dense, cryptocrystalline, argillaceous, fossiliferous (shell fragments)
- 2680'-2690' 40% Coal-black, firm to brittle, glossy to dull, pyritic, bituminous
30% Limestone-mottled tan, white, dark gray, firm to very hard, dense, lithic, cryptocrystalline to microcrystalline, argillaceous in part, fossiliferous (shell fragments)

- 30% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, calcareous, carbonaceous to very carbonaceous, grading to argillaceous limestone
- 2690'-2700' 50% Coal-black, firm to brittle, glossy to dull, pyritic, bituminous
30% Limestone-mottled tan, white, dark gray, firm to very hard, dense, lithic, cryptocrystalline to microcrystalline, argillaceous in part, fossiliferous (shell fragments)
20% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, calcareous, carbonaceous to very carbonaceous, grading to argillaceous limestone
- 2700'-2710' 30% Coal-black, firm to brittle, glossy to dull, pyritic, bituminous
30% Limestone-mottled tan, white, dark gray, firm to very hard, dense, lithic, cryptocrystalline to microcrystalline, argillaceous in part, fossiliferous (shell fragments)
20% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, calcareous, carbonaceous to very carbonaceous, pyritic in part grading to argillaceous limestone
- 2710'-2740' No samples, by-pass shaker
- 2740'-2760' 10% Coal-black, firm to brittle, glossy to dull, pyritic, bituminous
30% Limestone-mottled tan, white, dark gray, firm to very hard, dense, lithic, cryptocrystalline to microcrystalline, argillaceous in part, fossiliferous (shell fragments)
60% Shale-dark gray/black, firm to moderately hard, blocky to subblocky, calcareous, carbonaceous to very carbonaceous, pyritic in part grading to argillaceous limestone
- 2760'-2770' 30% Coal-black, hard to brittle, dull, pyritic, bituminous with interbedded limestone and calcareous fracture fill
40% Limestone-mottled light to dark tan, white, medium to dark brown, dark gray, firm to very hard, dense, lithic, fossiliferous (shell fragments, crinoid stem), brecciated
30% Shale-dark gray, black, firm to hard, blocky to subblocky, splintery, calcareous in part, very carbonaceous, pyritic
- 2770'-2780' 30% Coal-black, hard to brittle, dull, pyritic, bituminous with interbedded limestone and calcareous fracture fill
50% Limestone-mottled light to dark tan, white, medium to dark brown, dark gray, firm to very hard, dense, lithic, fossiliferous (shell fragments), brecciated
20% Shale-dark gray, black, firm to hard, blocky to subblocky, splintery, calcareous in part, very carbonaceous, pyritic
- 2780'-2783' 15% Coal-black, hard to brittle, dull, pyritic, bituminous with interbedded limestone and calcareous fracture fill

50% Shale-dark gray, black, firm to hard, blocky to subblocky, splintery, calcareous in part, very carbonaceous, pyritic
35% Limestone-mottled light to dark tan, white, medium to dark brown, dark gray, firm to very hard, dense, lithic, fossiliferous (shell fragments), brecciated

Rig's transmission broke down loggers released. Resumed drilling August 17, 2001. Wash and ream to bottom. Samples to 800' are cavings and heaving coal and shale. Condition hole and mud and samples begin cleaning up from 2900' onward.

- 2800'-2830' 30% Coal-black, brittle, glossy, fracture-fill calcite, bituminous to subanthracitic
40% Shale-dark gray, gray green, black, firm to hard, subblocky, calcareous in part abundant cavings
30% Limestone-light to dark tan, mottled buff, dark brown, firm to hard, dense, vitreous, cryptocrystalline, fossiliferous in part, fracture-fill calcite free pyrite
- 2830'-2860' 20% Coal-black, brown black, firm to brittle, glossy-dull, bituminous
40% Shale-medium to dark gray, black, firm to hard, flaky, subblocky, splintery, fissile, slightly calcareous in part, carbonaceous
25% Sandstone-medium gray, fine grain, subround, moderate sorting, very well consolidated, calcareous to siliceous, quartzitic
15% Limestone-light to dark tan, dark brown, firm to hard, dense, cryptocrystalline, slightly fossiliferous in part
- 2860'-2890' 40% Coal-black, brittle, glossy, bituminous to subanthracitic
30% Sandstone-clear, translucent, fine to medium grain, round to subround, poor sorting, unconsolidated
30% Shale-medium to dark gray, black, firm to hard, flaky, subblocky, splintery, slightly calcareous in part, carbonaceous
- 2890'-2920' 5% Coal-black, brittle, glossy, pyritic, bituminous
85% Shale-dark gray, black, moderately firm to hard, subblocky, slightly calcareous in part, finely disseminated pyrite, carbonaceous, occasional interbedded limestone and coal
10% Limestone-dark tan, mottled, hard, dense, cryptocrystalline
- 2920'-2950' 5% Coal-black, brittle, glossy, pyritic, bituminous
80% Shale-dark gray, black, moderately firm to hard, subblocky-blocky slightly calcareous in part, finely disseminated pyrite, carbonaceous, slightly silty in part
15% Sandstone-off white to light gray, medium to dark gray, very fine to fine grain, subangular to round, moderate sorting, moderate to moderately well consolidated, calcareous, argillaceous to silty

- 2950'-2980' 50% Limestone-off white, buff, dark tan, firm to hard, dense, lithic, cryptocrystalline to very fine crystalline, fossiliferous in part, occasional shale laminae
40% Shale-dark gray, black, moderately firm to hard, subblocky-blocky slightly calcareous in part, finely disseminated pyrite, carbonaceous, slightly silty in part
10% Sandstone-off white, very fine to fine grain, subangular to subround, moderate sorting, moderate consolidation, calcareous free pyrite
- 2980'-3010' 40% Shale-dark gray, black, moderately firm to hard, subblocky-blocky slightly calcareous in part, finely disseminated pyrite, carbonaceous, slightly silty in part
30% Sandstone-off white, clear, light tan, very fine to fine grain, subangular to round, moderate to moderately well sorted, moderately to moderately well consolidated, calcareous to siliceous
30% Limestone-light to medium tan, dark brown, firm to hard, dense, cryptocrystalline to microcrystalline
- 3010'-3040' 40% Limestone-light to medium gray, firm to very hard, dense, cryptocrystalline to microcrystalline, siliceous in part, trace fossiliferous, arenaceous grading to sandstone
20% Sandstone-off white, light to medium gray, very fine to fine grain, subround to round, moderate sorting, moderate to moderately well consolidated, calcareous to siliceous
40% Shale-dark gray, black, moderately firm to hard, subblocky-blocky slightly calcareous in part, finely disseminated pyrite, carbonaceous, slightly silty in part
- 3040'-3060' 70% Sandstone-off white, light tan, very fine to medium grain, subangular to round, moderate to moderately well sorted, moderate to moderately well consolidated, calcareous to siliceous
30% Shale-dark gray, black, moderately firm to hard, subblocky-blocky slightly calcareous in part, finely disseminated pyrite, carbonaceous, slightly silty in part free pyrite
- 3060'-3070' 80% Sandstone-off white, light tan, very fine to medium grain, subangular to round, moderate to moderately well sorted, moderate to moderately well consolidated, calcareous to siliceous
20% Shale-dark gray, black, moderately firm to hard, subblocky-blocky slightly calcareous in part, finely disseminated pyrite, carbonaceous, slightly silty in part free pyrite
- 3070'-3090' 80% Sandstone-off white, light green, very fine to fine grain, occasional medium grain, subangular to round, moderate to

- moderately well sorted, moderate to well consolidated,
calcareous to siliceous
- 20% Shale-dark gray, black, moderately firm to hard, subblocky-blocky
slightly calcareous in part, finely disseminated pyrite,
carbonaceous
- Trace Limestone-medium tan, hard, dense, cryptocrystalline
- 3090'-3100' 90% Sandstone-off white, light green, very fine to fine grain,
occasional medium grain, subangular to round, moderate to
moderately well sorted, moderate to well consolidated,
calcareous to siliceous
- 10% Shale-dark gray, black, moderately firm to hard, subblocky-blocky
slightly calcareous in part, finely disseminated pyrite,
carbonaceous
- 3100'-3120' 80% Sandstone-light to medium gray, off white, light green, very fine
to fine grain, moderate to moderately well sorted, moderate to
well consolidated, calcareous to siliceous, finely disseminated
pyrite
- 20% Shale-dark gray, black, firm to hard, subblocky, carbonaceous,
finely disseminated pyrite
- 3120'-3130' 90% Sandstone-off white, light to medium gray, very fine to fine grain,
subround to round, well sorted, moderately well to well
consolidated, calcareous to siliceous, argillaceous in part
- 10% Shale-dark gray, black, firm to hard, subblocky, carbonaceous,
finely disseminated pyrite
- Trace Bentonite-off white, soft to firm, amorphous
- 3130'-3145' 90% Sandstone-off white, light tan, light gray green, very fine to fine
grain, subround to round, moderate to moderately well sorted,
moderate to moderately well consolidated
- 5% Limestone-light tan, dark brown, hard, dense, lithic,
cryptocrystalline
- 5% Shale-dark gray, black, firm to hard, subblocky, carbonaceous,
finely disseminated pyrite
- 3145'-3160' 80% Sandstone-off white, light tan, light gray green, trace red orange,
very fine to fine grain, subround to round, moderate to
moderately well sorted, moderate to moderately well
consolidated
- 20% Shale-dark gray, black, trace red orange, light brown, firm-hard,
subblocky to blocky, carbonaceous in part, silty in part
- 3160'-3190' 80% Sandstone-off white, light tan, light gray green, trace red orange,
very fine to fine grain, subround to round, moderate to
moderately well sorted, moderate to moderately well
consolidated

- 20% Shale-dark gray, black, trace red orange, light brown, firm-hard, subblocky to blocky, carbonaceous in part, silty in part
Trace Limestone-light tan, hard, dense, cryptocrystalline
- 3190'-3200' 80% Sandstone-off white, light tan, light gray green, trace red orange, very fine to coarse grain, subangular to round, moderate to moderately well sorted, moderate to moderately well consolidated
20% Shale-dark gray, black, trace red orange, red brown, firm-hard, subblocky to blocky, very carbonaceous in part, silty in part
- 3200'-3210' 85% Sandstone-off white, light tan, light gray green, trace red orange, very fine to coarse grain, subangular to round, moderate to moderately well sorted, moderate to moderately well consolidated
15% Shale-dark gray, black, trace red brown, firm-hard, subblocky to blocky, very carbonaceous in part, silty in part
- 3210'-3220' 90% Sandstone-off white, light tan, trace red orange, very fine to coarse grain, subangular to round, moderate to moderately well sorted, moderate to moderately well consolidated
10% Shale-dark gray, black, firm-hard, subblocky to blocky, flaky, very carbonaceous in part, pyritic in part
Trace Limestone-medium tan, buff, hard to very hard, dense, lithic, cryptocrystalline
- 3220'-3230' 90% Sandstone-off white, light tan, trace red orange, very fine to fine grain, subangular to round, moderate to moderately well moderate to moderately well consolidated
10% Shale-dark gray, black, red orange, red brown, firm-hard, subblocky to blocky, flaky, carbonaceous in part, silty to arenaceous in part
- 3230'-3240' 70% Sandstone-off white, S&P, light gray, fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous, dark inclusions with chert debris, slightly micaceous
20% Shale-dark gray, red orange, red brown, firm to hard, subblocky to blocky, flaky, silty in part
10% Limestone-light to medium tan, medium brown, very hard, dense, lithic, argillaceous in part, cryptocrystalline
- 3240'-3250' 60% Sandstone-off white, S&P, light gray, fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous, dark inclusions with chert debris, slightly micaceous
30% Shale-dark gray, red orange, red brown, ochre, firm to hard, subblocky to blocky, flaky, silty in part

- 10% Limestone-buff, tan red, medium tan, pink, dark brown, very hard, dense, lithic, argillaceous in part, cryptocrystalline
- 3250'-3270' 60% Shale- dark gray, red orange, red brown, purple, ochre, firm to hard, subblocky to subblocky, silty in part
40% Sandstone-off white, light gray, very fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous
- 3270'-3280' 70% Shale- dark gray, red orange, red brown, purple, ochre, firm to hard, subblocky to subblocky, silty in part
30% Sandstone-off white, light gray, very fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous
- 3280'-3290' 70% Shale-medium to dark gray, red orange, medium brown, gray green, moderately firm to firm, subblocky to blocky, flaky, silty, calcareous, grading to limestone
10% Limestone-red orange, light brown, hard, dense, argillaceous, cryptocrystalline
20% Sandstone-off white, light gray, very fine to fine grain, round to subround, moderately well sorted, moderate to moderately well consolidated, calcareous, argillaceous in part
- 3290'-3300' 80% Shale-medium to dark gray, red orange, medium brown, gray green, moderately firm to firm, subblocky to blocky, flaky, silty, calcareous, anhydritic in part
20% Sandstone-off white, light gray, very fine to fine grain, round to subround, moderately well sorted, moderate to moderately well consolidated, calcareous, argillaceous in part
Trace Limestone-red orange, light brown, hard, dense, argillaceous, cryptocrystalline
- 3300'-3310' 85% Shale-red orange, medium brown, dark gray to black, gray green, moderately firm to firm, subblocky to blocky, flaky, silty, calcareous, anhydritic in part
15% Sandstone-off white, light gray, very fine to fine grain, round to subround, moderately well sorted, moderate to moderately well consolidated, calcareous, argillaceous in part
Trace Limestone-buff, light tan, hard, dense, argillaceous, cryptocrystalline
- 3310'-3320' 80% Shale-red orange, medium brown, dark gray to black, gray green, moderately firm to firm, subblocky to blocky, flaky, silty, calcareous, anhydritic in part
20% Sandstone-off white, light gray, very fine to fine grain, round to subround, moderately well sorted, moderate to moderately well consolidated, calcareous, argillaceous in part

- 3320'-3330' 60% Shale-red orange, medium brown, dark gray to black, gray green, moderately firm to firm, subblocky to blocky, flaky, silty, calcareous, anhydritic in part
30% Sandstone-off white, light gray, very fine to fine grain, round to subround, moderately well sorted, moderate to moderately well consolidated, calcareous, argillaceous in part, carbonaceous inclusions
10% Limestone-light tan, off white, hard to very hard, dense, lithic, cryptocrystalline to microcrystalline
- 3330'-3340' 70% Sandstone-off white, s&p, light gray, fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous, dark inclusion with chert debris, slightly micaceous
20% Shale-dark gray, red orange, gray green, moderately firm to firm, subblocky to blocky, flaky, silty in part, calcareous
10% Limestone-light to medium tan, medium brown, very hard, dense, lithic, argillaceous, cryptocrystalline
- 3340'-3350' 60% Sandstone-off white, s&p, light gray, fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous, dark inclusion with chert debris, slightly micaceous
30% Shale-dark gray, red orange, gray green, ochre, moderately firm to firm, subblocky to blocky, flaky, silty in part, calcareous
10% Limestone-buff, tan, red tan, dark brown, hard to very hard, dense, argillaceous, cryptocrystalline
- 3350'-3370' 60% Shale-dark gray, red orange, gray green, ochre, purple, moderately firm to firm, subblocky to blocky, flaky, silty in part, calcareous, anhydritic in part
40% Sandstone-off white, s&p, light gray, fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous, dark inclusion with chert debris, slightly micaceous
- 3370'-3390' 70% Shale-dark gray, red orange, gray green, ochre, purple, moderately firm to firm, subblocky to blocky, flaky, silty in part, calcareous, anhydritic in part
30% Sandstone-off white, s&p, light gray, fine to coarse grain, subangular to round, poor to moderately well sorted, moderate to moderately well consolidated, calcareous, slightly micaceous grading to limestone
Trace Limestone-medium tan, hard to very hard, dense, lithic, arenaceous in part, cryptocrystalline

- 3390'-3400' 90% Sandstone-off white, light tan, tan red, very fine to fine grain, subround to round, moderately to moderately well sorted, moderate to well consolidated, calcareous to siliceous, argillaceous in part
10% Shale-dark gray, red orange, gray green, ochre, purple, moderately firm to firm, subblocky to blocky, flaky, silty in part, calcareous, anhydritic in part
- 3400'-3420' 80% Sandstone-light gray, tan gray, light tan, off white, tan red, very fine to medium grain, subangular to round, moderate to well sorted, moderate to moderately well consolidated, calcareous, argillaceous to silty in part
20% Shale-red brown, red orange, purple, soft to hard, subblocky to blocky, calcareous, silty in part
- 3420'-3430' 20% Shale-red brown, red orange, purple, soft to hard, subblocky to blocky, calcareous, silty in part
80% Sandstone-light gray, tan gray, light tan, off white, tan red, very fine to medium grain, subangular to round, moderate to well sorted, moderate to moderately well consolidated, calcareous, argillaceous to silty in part
Trace Limestone-red brown, dark brown, hard to very hard, dense, argillaceous, cryptocrystalline

SUMMARY AND CONCLUSIONS

The Murphy Ridge #1-32 was drilled to a drillers depth of 3430', SLM 3439' and a logger's depth of 3442'. This was a reentry of the Murphy Ridge #1 that was temporarily plugged and abandoned at 2013' due to drilling difficulties. The reentry achieved the necessary depth to log and evaluate the Bear River coals and TD in the Kelvin formation.

Numerous coal shows were encountered. These Bear River coals can be correlated to similar coals in the Crane 13-8 well eight miles to the south. That well is undergoing testing for production potential. Results thus far are encouraging. The Murphy Ridge coals appear to be as thick or thicker and with more fracturing than the Crane 13-8. A listing of the coal shows appears below.

The commercial value of the Murphy Ridge 1-32 could exceed the Crane 13-8, giving an increase area extent of the coalbed methane potential for the Overthrust project. In addition, some thin lower sands, from 3050' to 3300', displayed a crossover effect, indicative of the presence of gas, on the logs and should be tested. Given the trapping characteristics of these sands they should be viewed as discrete reservoirs with the latent possibilities for future production within the acreage of this play.

COAL SHOWS

<u>COAL INTERVAL</u>	<u>GAS RANGE</u>	<u>MUD WT.</u>	<u>COMMENTS</u>
1650'-1652'	42/90/44	8.6	
1808'-1813'	33/158/47	8.6	
1832'-1834'	46/135/50	8.6	
1988'-1991'	130/241/75	8.6	
2003'-2010'	75/1979/42	8.6	INSTRUMENT MALFUNCTION
2086'-2089'	55/99/55	8.6	
2375'-2384'	18/49/24	8.9	
2412'-2425'	43/109/49	9.0+	
2432'-2439'	43/109/49	9.0+	
2442'-2444'	49/67/65	9.0+	
2498'-2520'	71/332/101	9.0+	
2529'-2548'	87/194/81	9.0+	
2670'-2677'	22/67/?	9.0+	POWER DOWN
2684'-2691'	?/151/114	9.0+	POWER DOWN
2694'-2700'	114/187/138	9.0+	
2702'-2708'	138/191/44	9.0+	POSSUM BELLY LEVELS FLUCTUATING
2767'-2776'	107/349/152	9.1	
2810'-2840'	117/647/220	9.1	SEVERAL COALS
2858'-2885'	?/283/200	9.2	POWER PROBLEMS & DEPTH CORRECTIONS
3016'-3026'	128/812/77	9.3	HIGH READING DUE TO SURVEY GAS
3045'-3050'	201/946/230	9.5	CONNECTION GAS PRESENT

DOUBLE JACK TESTING & SERVICES, INC.
Phone (307) 789-9213

B.O.P TEST REPORT

B.O.P. TEST PERFORMED ON (DATE) 7/31/01

OIL COMPANY Quaneco

WELL NAME & NUMBER Murphy Ridge #1

SECTION 32

TOWNSHIP 8N

RANGE 7E

COUNTY & STATE Rich, Utah

DRILLING CONTRACTOR Catfish #2

OIL COMPANY SITE REPRESENTATIVE Dennis

RIG TOOL PUSHER Rick Shorten

TESTED OUT OF Evanston, Wyoming

NOTIFIED PRIOR TO TEST _____

COPIES OF THIS TEST REPORT SENT TO: Utah Oil & Gas & Mining

Quaneco - Dennis

Catfish - Rick Shorten

ORIGINAL CHART & TEST REPORT ON FILE AT:

DOUBLE JACK TESTING & SERVICES, INC.
PO BOX 2097
EVANSTON, WY 82930

TESTED BY: Casey Hartzell

RECEIVED

8/1/01

DIVISION OF
OIL, GAS AND MINING

Double Jack Testing & Services Inc.

FIELD TICKET
No 17779

Accounting Office: P.O. Box 516 Shoshoni, WY 82649 • (307) 876-9390
 Field Operations: Shoshoni, WY (307) 876-2308
 Evanston, WY (307) 789-9213
 Rock Springs, WY (307) 382-4020
 Big Piney, WY (307) 276-5265
 Vernal, UT (435) 781-0448

DATE 7-30-01 / 7-31-01
 OPERATOR Quanecc
 CONTRACTOR Catfish #2
 WELL NAME Murphy Ridge #1

COUNTY Rich STATE UT SECTION 32 TOWNSHIP 8N RANGE 7E

Items Tested:	LOW TEST PSI	TIME HELD MINUTES	HIGHEST PSI	TIME HELD MINUTES	
Top Pipe Rams	<u>250</u>	<u>5 min</u>	<u>2000</u>	<u>10 min</u>	Closing Unit PSI _____
Bottom Pipe Rams	_____	_____	_____	_____	Closing Time of Rams _____
Blind Rams	<u>250</u>	<u>5 min</u>	<u>2000</u>	<u>10 min</u>	Closing Time of Annular _____
Annular B.O.P.	_____	_____	_____	_____	Closed Casing Head Valve <u>Yes</u>
Choke Manifold	<u>250</u>	<u>5 min</u>	<u>2000</u>	<u>10 min</u>	Set Wear Sleeve _____
Choke Line	<u>250</u>	<u>5 min</u>	<u>2000</u>	<u>10 min</u>	
Kill Line	_____	_____	_____	_____	COMMENTS
Super Choke	_____	_____	_____	_____	
Upper Kelly	_____	_____	_____	_____	
Lower Kelly	_____	_____	_____	_____	
Floor Valve	_____	_____	_____	_____	
Dart Valve	_____	_____	_____	_____	
Casing	_____	_____	_____	_____	

ADDITIONAL TESTS & COMMENTS

Charge for 4 hrs on 7-30-01
 No test plug wouldn't fit through Hydril.
 60th hr

DESCRIPTION	AMOUNT	CHARGES
Quanecc - Darren Merrick	240 ⁰⁰	
Test plug	75 ⁰⁰	
TEST PLUG <u>9/8 plug</u>		
TOP SUB.		
KELLY SUB.		
X-OVER SUB. <u>4 1/2 FH to 4 1/2 id</u>	50 ⁰⁰	
OTHER		

QUANTITY	RATES	AMOUNT
1	UNIT RATES <u>setup charge for 1st 5 hrs of location 8am-1pm</u>	800 ⁰⁰
2	ADDITIONAL <u>hours over 4pm-6pm 60th hr</u>	120 ⁰⁰
60	MILEAGE <u>60 miles round trip twice from Evanston 1st hr</u>	90 ⁰⁰
	METHANOL	
1	OTHER <u>setup for 8-1-01 5 hrs 7am-12pm</u>	800 ⁰⁰

PURCHASE ORDER # _____
 COMPANY REPRESENTATIVE [Signature]
 TESTED BY Cosy Bertel
 DOUBLE JACK TESTING UNIT NUMBER SKID # 149
 SUBTOTAL 2175⁰⁰
 TAX _____
 TOTAL _____

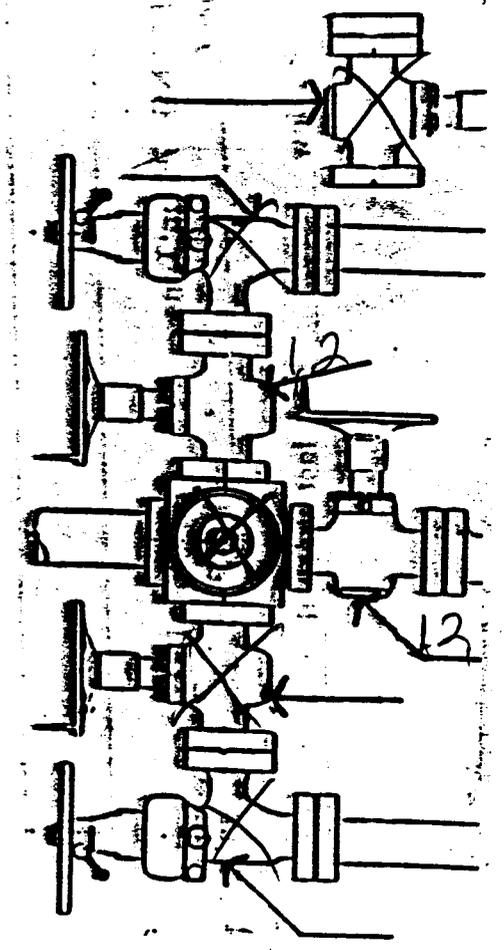
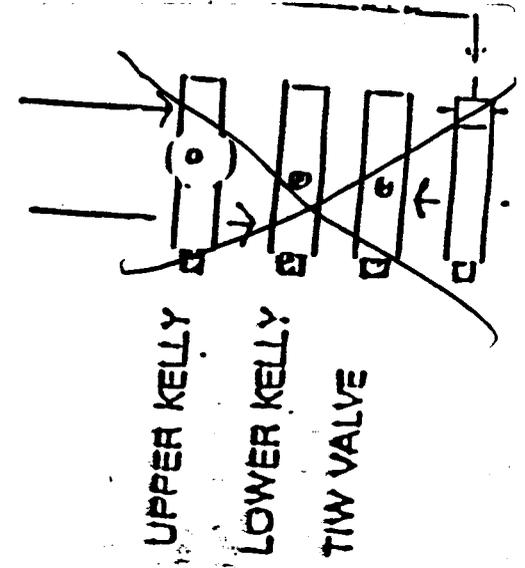
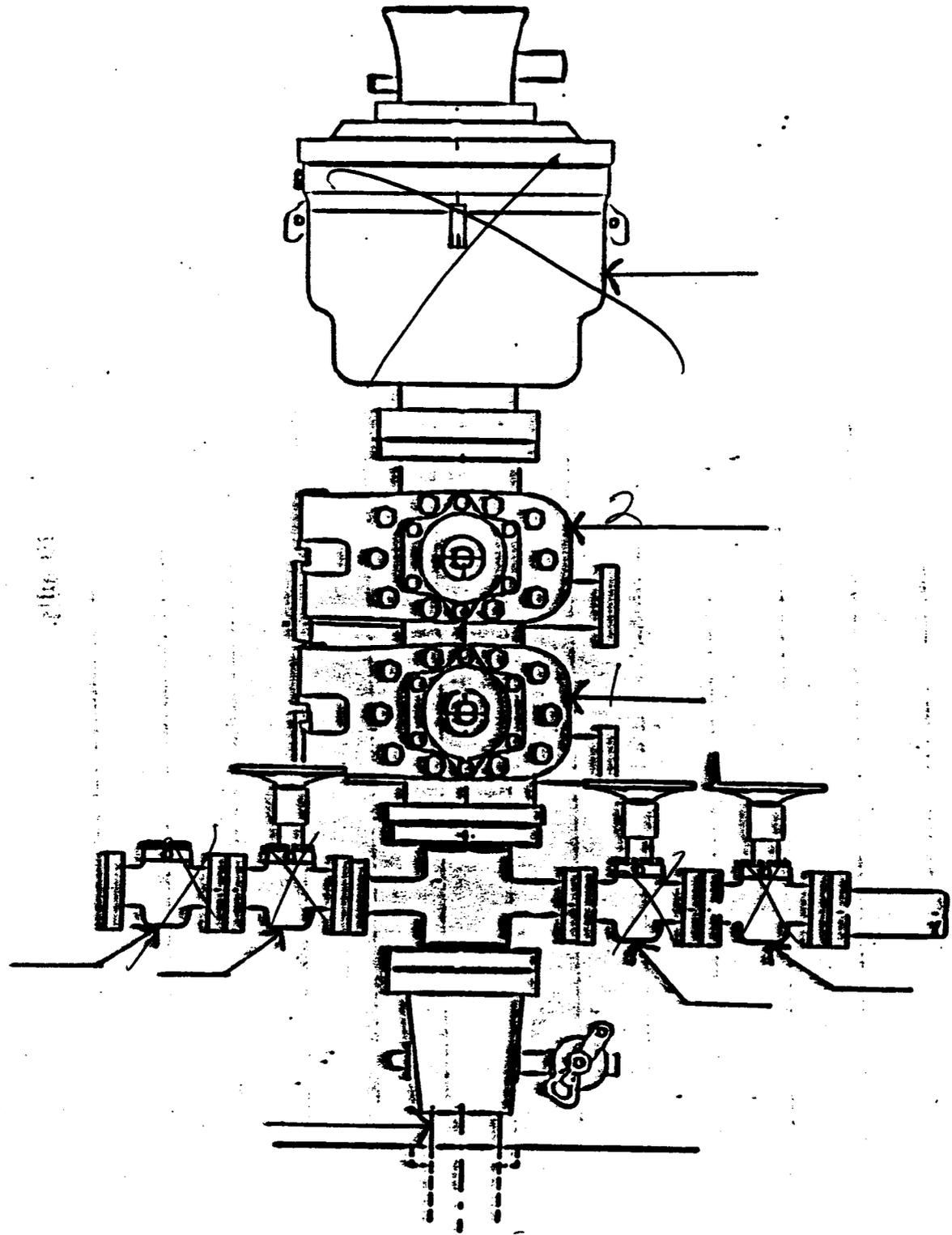
NOTICE TO ALL CUSTOMERS

If this account shall not be paid when due and it is placed with an attorney for collection, or if suit be instituted for collection, the undersigned agree(s) to pay in either case, reasonable expense of collection including attorney's fees and court cost in compliance with TRUTH IN LENDING AND THE UNIFORM CONSUMER CREDIT CODE, the following information disclosure, under the terms of our regular accounts, all amounts for service due and payable within THIRTY (30) DAYS from the receipt of an invoice for such services. A LATE CHARGE will be assessed when accounts are not paid when due. THE LATE CHARGE is computed by a "periodic rate" 1-3/4% PER MONTH which is an ANNUAL PERCENTAGE RATE OF 21% to the previous balance in the account on the billing date. No further credit can be extended on unpaid delinquent accounts until the delinquent account is paid in full. The contractor will not be held liable for damages caused by acts of God, or unforeseen circumstances that could not be reasonably anticipated in performing the work done as set forth above.

AM TYPE BOP

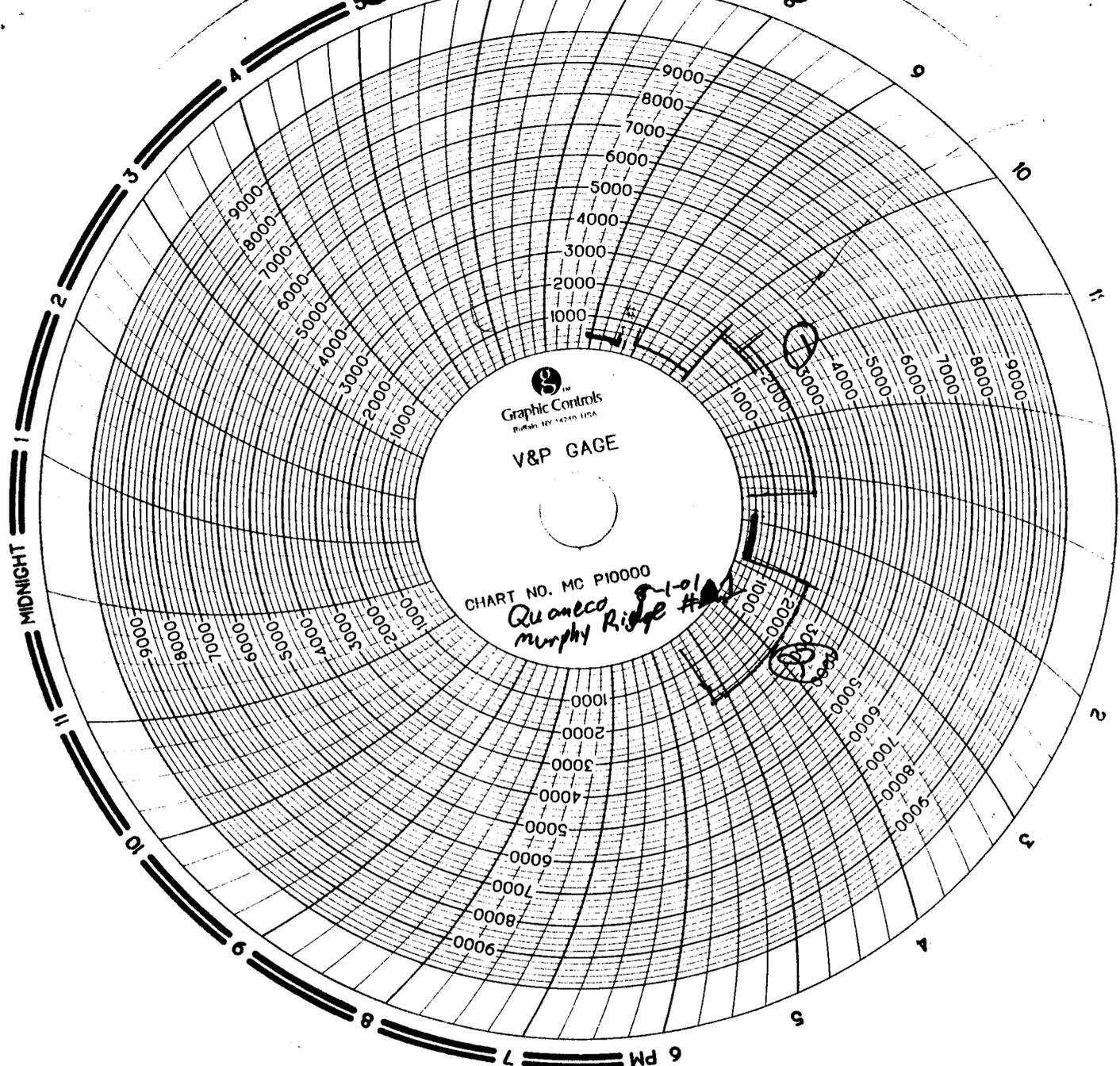
Model
D. CHOKE VALVE

Model



PRINTED IN U.S.A.

6 AM 7



NOON

MIDNIGHT

6 PM 7 8 9 10

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

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

STATE: UTAH

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

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

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

Moved in and rigged up rotary tools. Re-entered hole and drilling at 2375'.

RECEIVED

AUG 13 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE Lorna James

DATE 8-8-01

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

5. LEASE DESIGNATION AND SERIAL NUMBER:

Fee ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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 [x] OTHER []

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

STATE:
UTAH

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, ACIDIZE, ALTER CASING, CASING REPAIR, CHANGE TO PREVIOUS PLANS, CHANGE TUBING, CHANGE WELL NAME, CHANGE WELL STATUS, COMMINGLE PRODUCING FORMATIONS, CONVERT WELL TYPE, DEEPEN, FRACTURE TREAT, NEW CONSTRUCTION, OPERATOR CHANGE, PLUG AND ABANDON, PLUG BACK, PRODUCTION (START/RESUME), RECLAMATION OF WELL SITE, RECOMPLETE - DIFFERENT FORMATION, REPERFORATE CURRENT FORMATION, SIDETRACK TO REPAIR WELL, TEMPORARILY ABANDON, TUBING REPAIR, VENT OR FLARE, WATER DISPOSAL, WATER SHUT-OFF, OTHER: Weekly Report.

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

Drilling at 2700'.

RECEIVED

AUG 20 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE

Lorna James (handwritten signature)

DATE 8/15/2001

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Murphy Ridge # 1-32
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		9. API NUMBER: 4303330045
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		10. FIELD AND POOL, OR WILDCAT: Wildcat

COUNTY: **Rich**

STATE: **UTAH**

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

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

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

Waiting on Completion Rig

RECEIVED
AUG 28 2001
DIVISION OF
OIL GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>8/22/2001</u>

(This space for State use only)

TIGHT HOLE

FORM 9

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

CONFIDENTIAL

LEASE DESIGNATION AND SERIAL NUMBER:

See ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

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

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>9/1/2001</u>	<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>Enlarge Reserve Pit</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.

Operator proposes to enlarge reserve pit and increase capacity approximately 10,000 bbls. The top dimensions of the proposed pit are 125' X 80' X 10' deep with sloping sides. A synthetic liner manufactured of reinforced polyethylene material 18 mils thick will be properly installed and maintained. Operator intends to construct pit in the southeast corner of the current location in close proximity to the existing pit.

Operator proposes to discharge water produced from the Murphy Ridge 1-32 into proposed pit. Based upon recent flow tests, it is anticipated that water will be pumped at a rate of 300 - 400 bbls/day; therefore, pit capacity will be attained within 30 - 45 days. Operator proposes discharging into this pit as long as a 2' freeboard is maintained, but no later than March 1, 2002.

See attached location layout.

COPY SENT TO OPERATOR
DATE: 9-7-01
INITIALS: C.H.O.

RECEIVED

THE REQUESTED ACTION IS DENIED:

The State of Utah Division of Oil, Gas & Mining is returning this request, without prejudice:

1. This filing does not fulfill the design and bonding requirements for a disposal facility set forth in R649-9-3 et seq.

SEP 28 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Casey Osborn

TITLE Operations Manager

SIGNATURE *Casey Osborn*

DATE 8/27/2001

(This space for State use only)

August 27, 2001

ATTACHMENT TO SUNDRY NOTICE

Murphy Ridge 1-32 was originally spudded in the fall of 2000. Due to rotary tool failures, drilling operations were postponed late November, 2000. The wellbore was reentered August, 2001 and deepened to 3430'.

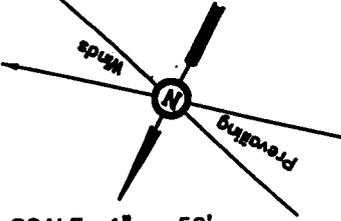
Completion and testing techniques will require pumping fluid from the well; therefore, a larger pit will be required to contain the fluids recovered from the wellbore as the current pit is essentially full of drill cuttings.

This location was originally constructed with a pit smaller than proposed on the approved APD anticipating less time required for drilling operations. Quaneco intends to submit applications proposing larger pits in the future.

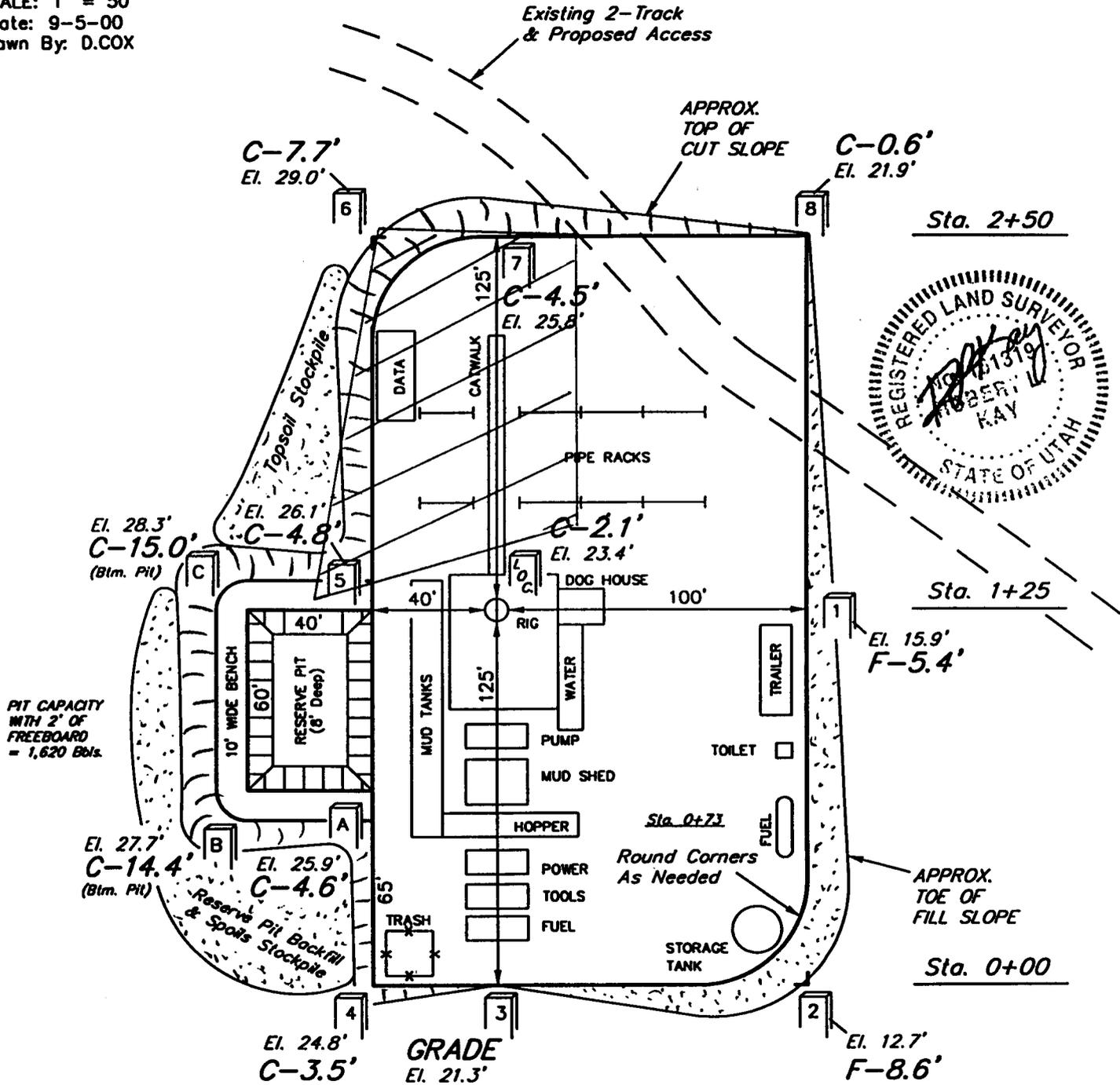
FAT CHANCE OIL & GAS, LLC

LOCATION LAYOUT FOR

MURPHY RIDGE #1
SECTION 32, T8N, R8E, S.L.B.&M.
619' FNL 648' FEL



SCALE: 1" = 50'
Date: 9-5-00
Drawn By: D.COX



PIT CAPACITY WITH 2' OF FREEBOARD = 1,620 Bbls.

Elev. Ungraded Ground at Location Stake = 6523.4'
Elev. Graded Ground at Location Stake = 6521.3'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: Fee
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		8. WELL NAME and NUMBER: Murphy Ridge # 1-32
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

Move in completion rig. Begin testing Bear River interval

RECEIVED

SEP 05 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>8/30/2001</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
-Fee ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 645' FEL COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Evaluating and testing Bear River interval

RECEIVED
SEP 11 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE Lorna James DATE 9-6-01

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
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: Fat Chance Oil & Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge 1-32
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		9. API NUMBER: 4303330045
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		COUNTY: Rich
		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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Evaluating and testing Bear River interval

RECEIVED

SEP 18 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>9-13-01</u>

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		8. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 646' FEL		8. WELL NAME and NUMBER: Murphy Ridge 1-32
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

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

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

Evaluating and testing Bear River interval

RECEIVED

SEP 26 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>9-18-01</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 645' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

STATE: UTAH

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

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

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

Evaluating and testing Bear River interval

RECEIVED

OCT 09 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE Lorna James

DATE 9-28-01

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY **Sheridan** STATE **WY** ZIP **82801**

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **619' FNL 645' FEL**

COUNTY: **Rich**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 32 T8N R8E S**

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
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<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 type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Evaluating Bear River Interval

RECEIVED

OCT 09 2001

**DIVISION OF
OIL, GAS AND MINING**

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE *Lorna James*

DATE 10/3/2001

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		8. WELL NAME and NUMBER: Murphy Ridge 1-32
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<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.
Evaluating Bear River Interval

RECEIVED
OCT 18 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u>Lorna James</u>	DATE <u>10-10-01</u>

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		8. WELL NAME and NUMBER: Murphy Ridge 1-32
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> 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 type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u>Lorna James</u>	DATE <u>10-24-01</u>

(This space for State use only)

RECEIVED

NOV 02 2001

DIVISION OF
OIL, GAS AND MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY **Sheridan** STATE **WY** ZIP **82801**

PHONE NUMBER:
(307) 673-1500

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **619' FNL 645' FEL** COUNTY: **Rich**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 32 T8N R8E S** STATE: **UTAH**

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

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

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

RECEIVED
NOV 06 2001
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant

SIGNATURE *Lorna James* DATE 11-1-01

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
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: Fat Chance Oil & Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge 1-32
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		9. API NUMBER: 4303330045
		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: <u>Weekly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well shut in until further notice

RECEIVED

NOV 19 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>11/13/2001</u>

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Murphy Ridge 1-32
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		9. API NUMBER: 4303330045
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		PHONE NUMBER: (307) 673-1500
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		COUNTY: Rich STATE: UTAH

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

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

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

Well shut in until further notice

RECEIVED

DEC 17 2001

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>12-11-01</u>

(This space for State use only)

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

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
			7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Murphy Ridge 1-32	
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		9. API NUMBER: 4303330045	
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		PHONE NUMBER: (307) 673-1500	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL			COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S			STATE: UTAH

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

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

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

JAN 11 2002

**DIVISION OF
OIL, GAS AND MINING**

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>1-4-02</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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 [x] OTHER []

2. NAME OF OPERATOR:
Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801
PHONE NUMBER: (307) 673-1500

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 645' FEL COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH

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

Table with columns: TYPE OF SUBMISSION, TYPE OF ACTION. Includes checkboxes for NOTICE OF INTENT, SUBSEQUENT REPORT, and various actions like ACIDIZE, ALTER CASING, etc.

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED
FEB 13 2002
DIVISION OF OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE [Signature] DATE 2-7-02

(This space for State use only)

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

CONFIDENTIAL 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:
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Fat Chance Oil and Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 673-1500

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH

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

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

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED
MAY 11 2002
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE *Lorna James* DATE 3-5-02

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Murphy Ridge 1-32	
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC		9. API NUMBER: 4303330045
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801	PHONE NUMBER: (307) 673-1500	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Monthly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>4-8-02</u>

(This space for State use only)

RECEIVED

APR 12 2002

DIVISION OF
OIL, GAS AND MINING

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

SUNDRY NOTICES AND REPORTS ON WELLS			5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
			7. UNIT OR CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			8. WELL NAME and NUMBER: Murphy Ridge 1-32
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC			9. API NUMBER: 4303330045
3. ADDRESS OF OPERATOR: PO Box 7370		CITY Sheridan STATE WY ZIP 82801	PHONE NUMBER: (307) 673-1500
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL			10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S			COUNTY: Rich 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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<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>Monthly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>5-7-02</u>

(This space for State use only)

RECEIVED
MAY 10 2002
DIVISION OF
OIL, GAS AND MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil and Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 645' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

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

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

JUN 10 2002

DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE *Lorna James*

DATE 6-6-02

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY **Sheridan** STATE **WY** ZIP **82801** PHONE NUMBER: **(307) 673-1500**

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **619' FNL 645' FEL**

COUNTY: **Rich**

QTR/CTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 32 T8N R8E S**

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 type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: _____
	<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.

Lease signs erected in order to comply with regulations.

RECEIVED

JUN 17 2002

**DIVISION OF
OIL, GAS AND MINING**

NAME (PLEASE PRINT) Bill Courtney TITLE Operations Assistant
SIGNATURE *Bill Courtney* DATE 6/13/2002

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil and Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

COUNTY: Rich
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
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<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
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	<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>Monthly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Well shut in until operations resume in Spring 2002. As approved, reporting on a monthly basis until then.

RECEIVED

JUL 08 2002

**DIVISION OF
OIL, GAS AND MINING**

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE Lorna James

DATE 7-3-02

(This space for State use only)

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Murphy Ridge 1-32
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		9. API NUMBER: 4303330045
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		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 type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly Report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Stimulated and we are currently testing two Bear River intervals. We will continue to test through September 2002.

TIGHT HOLE

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>8-5-02</u>

(This space for State use only)

RECEIVED

AUG 09 2002

DIVISION OF
OIL, GAS AND MINING

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Murphy Ridge 1-32
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		9. API NUMBER: 4303330045
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		COUNTY: Rich
QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		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
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<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>Monthly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in and we are currently monitoring pressure.

RECEIVED
JAN 21 2003
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>1-14-03</u>

(This space for State use only)

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: (307) 673-1500

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 619' FNL 645' FEL COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S 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 type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Monthly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in and we are currently monitoring pressure.

RECEIVED
FEB 07 2003
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant

SIGNATURE *Lorna James* DATE 2-5-03

(This space for State use only)

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

CONFIDENTIAL FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: Murphy Ridge 1-32
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		9. API NUMBER: 4303330045
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		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 <small>(Submit in Duplicate)</small> 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 <small>(Submit Original Form Only)</small> 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
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	<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>Monthly Report</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
 Well shut in and we are currently monitoring pressure.

RECEIVED
MAR 13 2003
 DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>3-11-03</u>

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 645' FEL
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

COUNTY: Rich
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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
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	<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 shut in and we are currently monitoring pressure.

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE *Lorna James* DATE 4-30-03

(This space for State use only)

RECEIVED

MAY 06 2003

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

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

7. UNIT or CA AGREEMENT NAME:

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 645' FEL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S

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

Well shut in and we are currently monitoring pressure.

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE *Lorna James*

DATE 5-19-03

(This space for State use only)

RECEIVED

MAY 27 2003

DIV. OF OIL, GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

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 _____

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

2. NAME OF OPERATOR:
Fat Chance Oil & Gas, LLC

9. API NUMBER:
4303330045

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY **Sheridan** STATE **WY** ZIP **82801**

PHONE NUMBER:
(307) 673-1500

10. FIELD AND POOL, OR WILDCAT:
Wildcat

4. LOCATION OF WELL
FOOTAGES AT SURFACE: **619' FNL 648' FEL**

COUNTY: **Rich**

STATE: **UTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NENE 32 T8N R8E S**

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in and we are currently monitoring pressure.

NAME (PLEASE PRINT) Lorna James TITLE Administrative Assistant
SIGNATURE *Lorna James* DATE 6-16-03

(This space for State use only)

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JUN 20 2003

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		8. WELL NAME and NUMBER: Murphy Ridge 1-32
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
COUNTY: Rich		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> 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 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.

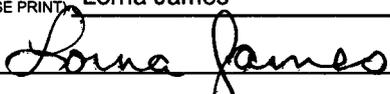
Please change the Operator to:

Quaneco, LLC
PO Box 7370
Sheridan WY 82801

Effective: July 19, 2003
Bond# 885708C


Fat Chance Oil & Gas, LLC
Casey Osborn


Quaneco, LLC
Casey Osborn

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Adminstrative Assistant</u>
SIGNATURE 	DATE <u>8/13/2003</u>

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AUG 25 2003
DIV. OF OIL, GAS & MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW
3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:		7/19/2003
FROM: (Old Operator):	TO: (New Operator):	
N1395 - Fat Chance Oil & Gas, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500	N2495 - Quaneco, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500	

CA No. Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS	
COALVILLE 9-3	03	020N	050E	4304330322		Fee	GW	APD	C
COALVILLE 12-3	03	020N	050E	4304330323		Fee	GW	APD	C
SUTTONS 4-12	12	060N	070E	4303330058	13286	Fee	GW	S	C
CRANE 4-4	04	060N	080E	4303330049	13056	Fee	GW	S	C
CRANE 12-4	04	060N	080E	4303330050	13057	Fee	GW	S	C
CRANE 13-6	06	060N	080E	4303330054		Fee	GW	APD	C
CRANE 6-7	07	060N	080E	4303330053		Fee	GW	APD	C
CRANE 13-8	08	060N	080E	4303330052	13093	Fee	GW	S	C
CRANE 13-18	18	060N	080E	4303330055		Fee	GW	APD	C
STACEY HOLLOW 14-35	35	070N	070E	4303330056	13104	Fee	GW	S	C
SIMS 13-33	33	070N	080E	4303330051		Fee	GW	APD	C
NEPONSET 4-35	35	080N	070E	4303330048		Fee	GW	APD	C
MURPHY RIDGE 1-32	32	080N	080E	4303330045	12970	State	GW	S	C
MURPHY RIDGE 7-32	32	080N	080E	4303330046		State	GW	APD	C
CRAWFORD 4-25	25	090N	070E	4303330065		Fee	GW	APD	C

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/25/2003
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/25/2003
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/25/2003
- Is the new operator registered in the State of Utah: YES Business Number: 4743368-0161
- If **NO**, the operator was contacted contacted on: _____

6. (R649-9-2)Waste Management Plan has been received on: _____

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 or N/A

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

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: 10/31/2003

2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/31/2003

3. Bond information entered in RBDMS on: 10/31/2003

4. Fee wells attached to bond in RBDMS on: 10/31/2003

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 885708C

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: N/A

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number 885588C

2. The **FORMER** operator has requested a release of liability from their bond on: N/A

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: 10/30/2003

COMMENTS:

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

SUNDRY NOTICES AND REPORTS ON WELLS

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1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		8. WELL NAME and NUMBER: Murphy Ridge 1-32
QTR/QTR. SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		9. API NUMBER: 4303330045
STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Wildcat

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<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"/> 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
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	<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: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in and we are currently monitoring pressure.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>8-6-03</u>

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

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
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PHONE NUMBER: (307) 673-1500		10. FIELD AND POOL, OR WILDCAT: Wildcat
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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		STATE: UTAH

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	<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>Completion Details</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.

9 5/8" 36# H40 @ 434'
 180 sacks 12.5# 65/35 poz with 6% gel, 2% CaCl, 1/4# floccelle
 50 sacks 15.8# 65/35 poz with 6% gel, 2% CaCl, 1/4# floccelle
 3415' of 7" 23# J-55 LTC
 PBTD: 3354'
 635 sacks 50/50 poz with CD-32, FL-62
 Perfs:
 3184' - 3188'
 3196' - 3204'
 2836' - 2840'
 2828' - 2830'
 2822' - 2826'
 2814' - 2816'
 2770' - 2778'
 2773' - 2775'
 2730' - 2734'

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE	DATE <u>8/13/2003</u>

(This space for State use only)

RECEIVED
AUG 18 2003



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

May 24, 2004

Casey Osborn
Quaneco, LLC
P. O. Box 7370
Sheridan, Wyoming 82801

Re: Notice's of Violation (NOV's) – Wells/locations in Rich
County, Utah

Dear Mr. Osborn:

On August 11, 2003, Division staff member's conducted inspections of wells located in Rich County, Utah, operated by Fat Chance Oil & Gas, LLC "Fat Chance". Quaneco, LLC "Quaneco" was the mineral lessee, Fat Chance was the designated operator.

Several of the wells had been drilled and completed however the reserve pits had not been closed and reclaimed within 1 year following drilling and completion of the well's in accordance with R649-3-16 et al (copy enclosed), Reserve Pits and Other Onsite Pits.

In addition, some well locations had drill pads, access roads, and pits built that were not being maintained, where no drilling activity had taken place, a violation of R649-3-15 et al (copy enclosed), Pollution and Surface Damage Control.

Fat Chance was notified via telephone in late August 2003, of the above stated non-compliance issues, and was advised to comply before winter 2003.

Page 2
Quaneco, LLC
May 24, 2004

On May 18, 2004, a Division staff member conducted follow-up inspections to verify compliance. Please be advised that the wells listed below are still in non-compliance status, therefore, a Notice of Violation is being issued to Quaneco, current operator and lessee, for the wells listed below, effective May 18, 2004.

Crane 4-4 43-033-30049 Sec. 04, T6N, R8E
Completed 3/31/01, pit should have been reclaimed by 3/31/02. Pit 2/3 full, pits' north slope not fenced. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush.

Crane 12-4 43-033-30050 Sec. 04, T6N, R8E
Completed 9/15/01, pit should have been reclaimed by 9/15/02. Pit has approx. 4" water. Liner is showing signs of wear and tear.

Crane 13-8 43-033-30052 Sec. 08, T6N, R8E
Completed 7/27/01, pit should have been reclaimed by 7/27/02. Pit 2/3 full. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush. Drill pipe not in use on location.

Crawford 4-25 43-033-30065 Sec. 25, T9N, R7E (Spud)
Well not drilled, rat hole spud not reported, TD unknown. Pit has approx. 6" water. Liner is showing signs of wear and tear.

Murphy Ridge 1-32 43-033-30045 Sec. 32, T8N, R8E
Completed 8/18/02, pit should have been reclaimed by 8/18/03. Pit is full of mud/water, and is not fenced. Liner is torn and is falling in. Drill pipe not in use on location.

Murphy Ridge 7-32 43-033-30046 Sec. 32, T8N, R8E
Well not drilled. Pit semi-built, not lined or fenced. Pad/access road is overgrown with weeds/sagebrush.

Stacy Hollow 14-35 43-033-30056 Sec. 35, T7N, R7E
Completed 9/11/01, pit should have been reclaimed by 9/11/02. Pit 1/2 full. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush.

Suttons 4-12 43-033-30058 Sec. 12, T6N, R7E
Completed 10/3/01, pit should have been reclaimed by 10/3/02. Pit has approx. 4" water. Liner is showing signs of wear and tear, and pad/access road is overgrown with weeds/sagebrush. Drill pipe not in use on location.

Page 3
Quaneco, LLC
May 24, 2004

Quaneco has (30) thirty days, from receipt of this letter, to close and reclaim the reserve pits on the locations where the wells have been drilled and completed. In addition, all drill pads and access roads need to be cleared of weeds/sagebrush, and all scrap or other materials not in use at the locations should be removed from the property or be stored in an orderly manner.

Quaneco has (30) thirty days, from receipt of this letter, to report information regarding the rat hole spud on the Crawford 4-25 well, and to replace the pit liner or close and reclaim the pit, plug the rat hole spud, and reclaim the entire location. The permit expires on 11/28/04.

Quaneco has (30) thirty days, from receipt of this letter, to install a fence around the partially constructed reserve pit at the Murphy Ridge 7-32 well location, and to clear the weeds and sagebrush from the drill pad and access road or close and reclaim the reserve pit, and reclaim the entire location. The permit expires 12/31/04.

The NOV's will remain in effect until the listed deficiencies are corrected. Failure to comply will result in further enforcement action by the Division.

If you have any questions regarding this matter please contact Lisha Cordova at (801)538-5296 or Dan Jarvis at (801)538-5338.

Sincerely,



(for) John R. Baza
Associate Director

cc: Gil Hunt, Technical Services Manager
Bill Hopkin, Deseret Land & Livestock/Landowner
Ed Bonner, SITLA/Landowner (Murphy Ridge 1-32 & 7-32)
George Frazier, Landowner (Crawford 4-25)

QUANECO, LLC

Box 7370-Sheridan, WY 82801-Office 307-673-1500-Fax 307-673-1400 quaneco@fiberpipe.net

June 15, 2004

Mr. Dustin Doucet
Utah Department of Natural Resources
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

Re: Response to NOV's dated May 24, 2004 and received June 3, 2004

Dear Mr. Doucet:

Quaneco has been evaluating the subject leases since 2001. The program has consisted of drilling wells and testing to either condemn or prove viability. Due to the fact that zones of interest have been penetrated that are potentially profitable, Quaneco is reluctant to abandon wellbores and/or wellsites that may prove to be valuable based upon future exploration.

Quaneco is cognizant of the regulations attached with the letter and has indeed taken all reasonable precautions to avoid polluting. In addition to pollution prevention, Quaneco has gone beyond the requirements of the negotiated surface use agreement to construct new roads, upgrade existing roads, install cattle guards, build bridges, pay for steel gates, seed disturbed areas with the surface owner's recommended seed mix and minimize surface disturbance. Quaneco has been sensitive to the landowner's organized surface activities such as the handcart reenactments by scheduling drilling and testing operations to prevent disturbance. Quaneco has respected the landowner by not storing an excessive amount of equipment on locations. Today, only a minimal amount of equipment is stored. Quaneco has consistently responded to the landowner's requests. However, Quaneco is not in the position to influence royalty owners to give a portion of royalty to another royalty owner.

Quaneco believes that permission has been granted to date to delay pit reclamation; however, it was understood that the pit situation would be reevaluated this summer. Throughout the past three years, Quaneco has maintained contact with your office and the landowner. We have made it clear that the results from the exploration activities to date have been inconclusive at best, but recognize the prospect has unlimited potential geologically and Quaneco's belief in the area is substantiated by the continuing investment of time and money.

RECEIVED

JUN 22 2004

DIV. OF OIL, GAS & MINING

Quaneco will begin mobilizing to respond to the claims of violation. Quaneco is unable to meet the thirty-day requirements on most of the claims due to the unexpected position from your agency of violation and the short notice. Once again, I believe Quaneco has been extremely sensitive to cooperating with both your agency and the landowners. When there was news to report, we have reported and we do believe that we had permission to delay pit reclamation. Therefore, I formally request that you allow us to proceed in a cost efficient manner to perform the minimal amount of work that needs to be accomplished. We have already contacted the contractor recommended by the landowner to perform this work; however, his schedule would not allow him to complete all of the work within thirty days.

Quaneco did not consider the Crawford 4-25 a legitimate spud so did not report same. Quaneco has been in contact with the landowner for the duration and has honored and responded to his requests in the past.

Quaneco is a prudent operator and has legally leased the minerals on these properties. Our intent is to explore for and hopefully develop commercial volumes of natural gas. We understand that adherence to regulations is necessary. We recognize the value of cooperation with your agency and we respect your agency's role of being good stewards of the land.

I will be looking forward to your response and in the meantime we will move forward with correcting the claimed deficiencies.

Sincerely,

A handwritten signature in black ink, appearing to read "Casey Osborn". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

Casey Osborn

QUANECO

Committed to American Energy Independence

August 19, 2004

Mr. Dustin Doucet
Utah Department of Natural Resources
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801

RECEIVED
AUG 26 2004
DIV. OF OIL, GAS & MINING

Re: Quaneco's Rich County activity forecast for fourth quarter 2004

Dear Mr. Doucet:

Quaneco intends to backfill and reclaim the reserve pits at the following locations this fall:

Crane 4-4
Crane 12-4
Crane 13-8
Suttons 4-12
Stacey Hollow 14-35
Murphy Ridge 1-32

Quaneco intends to backfill the reserve pit and reclaim the entire location at the following two locations this fall:

Murphy Ridge 7-32
~~Crane 4-25~~ Crawford 4-25

Reseeding will be conducted in cooperation with Deseret Land.

Quaneco has entered into an agreement with Fellows Energy allowing them an opportunity to conduct exploration operations for the near term. It is anticipated that Fellows' operations and evaluations will continue through 2005; therefore, Quaneco intends to maintain all existing wellbores in a shut in status.

Sincerely,

Casey Osborn
Casey Osborn *by SKJ*

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____

(Loc.) Sec _____ Twp _____ Rng _____
(API No.) _____

Suspense _____
(Return Date) _____
(To-Initials) _____

Other _____

1. Date of Phone Call: 9/20/04 Time: 11:00

2. DOGM Employee (name) J. Cordore (Initiated Call)

Talked to:

Name Terry Pruitt (Initiated Call) - Phone No. (307) 679-4407
of (Company/Organization) T.P. Const. Inc.

3. Topic of Conversation: Burke Teichert new DLH Ranch mgr. 7/2004,
referred me to Terry for reclaim update regarding
Quaneco properties on ranch.

4. Highlights of Conversation: _____

Crane 12-4 - Pit reclaimed. 9/2004

Suttons 4-12 - Pit reclaimed 9/19/04.

Murphy Ridge 1-32 - Pit reclaimed. 9/2004.

Crane 4-4 - Pit reclaim started - more wtr. evap required, done by end of Sep

Crane 13-8 - Pit has too much water, need to haul off, done by end of Oct.

Stacey Hollow 14-35 - Pit reclaim in progress, should be done end of Sept.

Murphy Ridge 7-32 - Complete reclaim should be done by end of Oct.

Crawford 4-25 - Complete reclaim should be done by end of Oct.

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

FORM 9

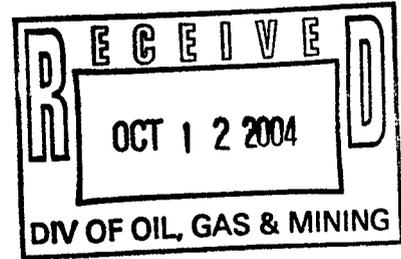
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL 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: Quaneco, LLC		8. WELL NAME and NUMBER: Murphy Ridge 1-32
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		9. API NUMBER: 4303330045
		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL COUNTY: Rich		
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S STATE: UTAH		

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

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

Pit was backfilled by T.P. Construction on 9-4-~~2002~~ 2004 *jk*



NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <i>Lorna James</i>	DATE <u>10/8/2004</u>

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

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
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: Fat Chance Oil & Gas, LLC		8. WELL NAME and NUMBER: Murphy Ridge 1-32
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		9. API NUMBER: 4303330045
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 643' FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		COUNTY: Rich
		STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in and we are currently monitoring pressure.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE	DATE <u>9-15-03</u>

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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.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Murphy Ridge 1-32
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		9. API NUMBER: 4303330045
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Monthly report
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Well shut in and we are currently monitoring pressure.

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u><i>Lorna James</i></u>	DATE <u>10-14-03</u>

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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:
ML 48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CA AGREEMENT NAME

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT
Wildcat

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
NENE 32 T8N R8E S

12. COUNTY
Rich

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:
Fat Chance Oil & Gas, LLC

3. ADDRESS OF OPERATOR:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801 PHONE NUMBER: **(307) 673-1500**

4. LOCATION OF WELL (FOOTAGES)
AT SURFACE: **619' FNL 645' FEL**
AT TOP PRODUCING INTERVAL REPORTED BELOW: **same as above**
AT TOTAL DEPTH: **same as above**

CONFIDENTIAL PERIOD EXPIRED ON 9-18-03

14. DATE SPUNDED: **11/9/2000** 15. DATE T.D. REACHED: **8/21/2001** 16. DATE COMPLETED: **8/18/2002** ABANDONED READY TO PRODUCE

17. ELEVATIONS (DF, RKB, RT, GL): **6523 GL**

18. TOTAL DEPTH: MD **3,442** TVD **3,442** 19. PLUG BACK T.D.: MD **3,170** TVD **3,170** 20. IF MULTIPLE COMPLETIONS, HOW MANY? * 21. DEPTH BRIDGE MD **3,170** PLUG SET: TVD **3,170**

22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each)
BHCS POR, PE/Turb in Comb, PE/Microlog, PE/CNIT DET PFD, PE/AI - Rec. 5-27-01, ML - Rec 10-4-01, TRIARECOMBO LDCN/AI/LC 7-24-02

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) *CBL-RE 11-10-03*

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12 1/4"	9 5/8 J55	36#	0	434		65/35 230		surface	
8 3/4"	7 J55	23#	0	3,414		50/50 635		1040 CBL	

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	2,866							

26. PRODUCING INTERVALS

FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Bear River	3,184	3,204	3,184	3,204	3,184 3,204	.48	48	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(B) Bear River	2,814	2,840	2,814	3,204	2,814 2,840	.99	48	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(C) Bear River	2,770	2,778	2,770	2,778	2,770 2,778	.99	40	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>
(D) Bear River	2,730	2,734	2,730	2,734	2,730 2,734	.99	28	Open <input checked="" type="checkbox"/> Squeezed <input type="checkbox"/>

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

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
3184 - 3204	Acid: 500 gallons 15% HCL
2814 - 2840	Frac: 30000# 20/40, 93000# 16/30
2770 - 2778	Frac: 7000# 20/40

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29. ENCLOSED ATTACHMENTS:

ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT DIRECTIONAL SURVEY
 SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER: **#28 Continued**

30. WELL STATUS:
Shut In

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE: 8/23/2002		HOURS TESTED: 24		TEST PRODUCTION RATES: →		OIL - BBL:	GAS - MCF: 6	WATER - BBL: 12	PROD. METHOD: Flowing
CHOKE SIZE: open	TBG. PRESS. 0	CSG. PRESS. 5	API GRAVITY	BTU - GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL - BBL:	GAS - MCF: 6	WATER - BBL: 12	INTERVAL STATUS: Shut In	

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)
Aspen	1,240	1,650			
Bear River	1,650	3,280			
Kelvin	3,280	3,442			

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) Casey Osborn TITLE Operations Manager
 SIGNATURE *Casey Osborn* DATE 10/22/2003

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

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

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

Company: Quaneco

Date: 8-Aug thru 9-Aug

Well Name: Murphy Ridge # 1

Bit to Survey: 40 Ft.

Co. Rep.: Jim Jenkins

Page: 2 of

BHA #	Survey Depth	Incl. Degree	Azimuth Degree	Depth From	Depth To	Feet	Drill O/R	Tool Face or RPM	Drill Hrs.	WOB 1000#	PU,SO & ROT WT	Pump SPM	Flow Rate	Pressure OFF/ON	Comments
				2673	2713	40	R	45	2.25	30k		55		1200/1400	
2	2692	1.7	60.8	2713	2732	19	R	45	1.50	30k	94/84/88		534		8-9
	2755			2732	2795	63	R	45	3.25	30k		55		1200/1400	
				2795		-2795				30k	94/84/88		534		
												55		1200/1400	
													534		
														1200/1400	

Sliding Data : Footage= Hrs= Ft/Hr= #DIV/0!
 Rotating Data: Footage= 122 Hrs= 7 Ft/Hr= 17.4285714
 Directional LLC Directional Sup.: Bill Marchwick

Company: Quaneco

Date: 8-Aug thru _____

Well Name: Murphy Ridge # 1

Bit to Survey: 40 Ft.

Co. Rep.: Jim Jenkins

Page: 2 of _____

BHA #	Survey Depth	Incl. Degree	Azimuth Degree	Depth From	Depth To	Feet	Drill O/R	Tool Face or RPM	Drill Hrs.	WOB 1000#	PU,SO & ROT WT	Pump SPM	Flow Rate	Pressure OFF/ON	Comments
				2673	2713	40	R	45	2.25	30k		55		1200/1400	
2	2692	1.7	60.8	2713	2732	19	R	45	1.50	30k	94/84/88		534		8-9
	2755			2732	2795	63	R	45		30k		55		1200/1400	
				2795		-2795				30k	94/84/88		534		
												55		1200/1400	
													534		
														1200/1400	

Sliding Data : Footage= _____ Hrs= _____ Ft/Hr= #DIV/0!
 Rotating Data: Footage= 122 Hrs= 3.75 Ft/Hr= 32.5333333
 Directional LLC Directional Sup.: Bill Marchwick

Company: Quaneco

Date: 3-Aug thru _____

Well Name: Murphy Ridge # 1

Bit to Survey: 40 Ft.

Co. Rep.: Jim Jenkins

Page: 1 of _____

BHA #	Survey Depth	Incl. Degree	Azimuth Degree	Depth From	Depth To	Feet	Drill O/R	Tool Face or RPM	Drill Hrs.	WOB 1000#	PU,SO & ROT WT	Pump SPM	Flow Rate	Pressure OFF/ON	Comments
1	846	1	107.6	895	925	30	R	45	1.25	25k	70/70/70	60	534	1000/1200	
	917	0.9	99.4	925	957	32	R	45	1.00	25k		55			
	948	1	103.1	957	988	31	R	45	1.25	25k	70/70/70		534		
				988	996	8	O	105m	0.50	20k		55		1000/1200	
	1011	1.1	111.1	996	1051	55	R	45	2.50	25k	70/70/70		534		
	1105	1.2	114.8	1051	1145	94	R	45	4.75	25k					8-4
	1198	1.4	124.5	1145	1238	93	R	45	1.50	30k	72/72/72	55		1100/1300	
	1290	1.2	117.3	1238	1330	92	R	45	1.50	30k			534		
	1384	1.3	126	1330	1424	94	R	45	1.50	30k	72/72/72				
	1480	1.3	122.7	1424	1520	96	R	45	1.00	30k		55		1100/1300	
	1575	1.2	122.9	1520	1615	95	R	45	1.75	30k	74/74/74		534		
	1670	1.6	120	1615	1710	95	R	45	2.50	30k		55		1100/1300	
	1765	1.6	116.2	1710	1805	95	R	45	3.25	30k	74/74/74		534		
	1859	2	110.1	1805	1899	94	R	45	2.50	30k		55		1200/1400	8-5
				1899	1909	10	O	290m	0.50	30k	82/82/82		534		
	1954	1.9	90.1	1909	1994	85	R	45	2.75	30k		55		1200/1400	
				1994	2004	10	O	300m	0.50	30k	82/82/82		534		
	2049	2.2	68.6	2004	2089	85	R	45	2.50	30k		55		1200/1400	
				2089	2104	15	O	245m	1.25	30k	82/82/82		534		
	2112	1.9	47	2104	2152	48	R	45	2.00	30k		55		1200/1400	
				2152	2167	15	O	225m	0.75	30k	84/84/84		534		8-6
	2176	1.5	20.5	2167	2216	49	R	45	2.50	30k		55		1200/1400	
	2239	1.7	21.3	2216	2279	63	R	45	1.25	30k	84/84/84		403		
				2279	2294	15	O	200m	2.50	30k		50		1200/1400	
	2302	1.1	9.7	2294	2342	48	R	45	3.00	30k	88/84/84		403		8-7
	2366	1.4	15.3	2342	2406	64	R	45	2.50	30k		50		1200/1400	
	2429	1.8	20.6	2406	2469	63	R	45	3.25	30k	88/84/84		403		
				2469	2484	15	O	200m	1.00	30k		55		900/1100	
	2493	1.6	25.7	2484	2533	49	R	45	1.50	30k	88/84/84		534		
				2533	2548	15	O	205m	1.00	30k		55		900/1100	
				2548	2580	32	R	45	1.50	30k	94/84/88		534		
	2555	1.4	37.7	2580	2595	15	R	45	0.50	30k		55		900/1100	8-8
	2618	1.9	49.5	2595	2658	63	R	45	3.75	30k	94/84/88		534		
				2658	2673	15	O	230m	1.00	30k		55		1200/1400	

Sliding Data : Footage= 118 Hrs= 9 Ft/Hr= 13.111111
 Rotating Data: Footage= 1660 Hrs= 53.3 Ft/Hr= 31.1737089
 Directional LLC Directional Sup.: Bill Marchwick

Company: Quaneco

Date: 3-Aug thru _____

Well Name: Murphy Ridge # 1

Blt to Survey: 40 Ft.

Co. Rep.: Jim Jenkins

Page: 1 of _____

BHA #	Survey Depth	Incl. Degree	Azimuth Degree	Depth From	Depth To	Feet	Drill OR	Tool Face or RPM	Drill Hrs.	WOB 1000#	PU,SO & ROT WT	Pump SPM	Flow Rate	Pressure OFF/ON	Comments
1	846	1	107.6	895	925	30	R	45	1.25	25k	70/70/70	60	534	1000/1200	
	917	0.9	99.4	925	957	32	R	45	1.00	25k		55			
	948	1	103.1	957	988	31	R	45	1.25	25k	70/70/70		534		
				988	996	8	O	105m	0.50	20k		55		1000/1200	
	1011	1.1	111.1	996	1051	55	R	45	2.50	25k	70/70/70		534		
	1105	1.2	114.8	1051	1145	94	R	45	4.75	25k					8-4
	1198	1.4	124.5	1145	1238	93	R	45	1.50	30k	72/72/72	55		1100/1300	
	1290	1.2	117.3	1238	1330	92	R	45	1.50	30k			534		
	1384	1.3	126	1330	1424	94	R	45	1.50	30k	72/72/72				
	1480	1.3	122.7	1424	1520	96	R	45	1.00	30k		55		1100/1300	
	1575	1.2	122.9	1520	1615	95	R	45	1.75	30k	74/74/74		534		
	1670	1.6	120	1615	1710	95	R	45	2.50	30k		55		1100/1300	
	1765	1.6	116.2	1710	1805	95	R	45	3.25	30k	74/74/74		534		
	1859	2	110.1	1805	1899	94	R	45	2.50	30k		55		1200/1400	8-5
				1899	1909	10	O	290m	0.50	30k	82/82/82		534		
	1954			1909	1994	85	R			30k		55		1200/1400	
				1994		-1994				30k	82/82/82		534		
												55		1200/1400	
													534		
														1200/1400	

Sliding Data : Footage= 18 Hrs= 1 Ft/Hr= 18
 Rotating Data: Footage= 1081 Hrs= 26.3 Ft/Hr= 41.1809524
 Directional LLC Directional Sup.: Bill Marchwick

Company: Quanéco

Date: 3-Aug thru _____

Well Name: Murphy Ridge # 1

Bit to Survey: 40 Ft.

Co. Rep.: Jim Jenkins

Page: 1 of _____

BHA #	Survey Depth	Incl. Degree	Azimuth Degree	Depth From	Depth To	Feet	Drill O/R	Tool Face or RPM	Drill Hrs.	WOB 1000#	PU,SO & ROT WT	Pump SPM	Flow Rate	Pressure OFF/ON	Comments
1	846	1	107.6	895	925	30	R	45	1.25	25k	70/70/70	60	534	1000/1200	
	917	0.9	99.4	825	957	32	R	45	1.00	25k		55			
	948	1	103.1	957	988	31	R	45	1.25	25k	70/70/70		534		
				988	996	8	O	105m	0.50	20k		55		1000/1200	
	1011	1.1	111.1	996	1051	55	R	45	2.50	25k	70/70/70		534		
	1105	1.2	114.8	1051	1145	94	R	45	4.75	25k					8-4
	1198	1.4	124.5	1145	1238	93	R	45	1.50	30k	72/72/72	55		1100/1300	
	1290	1.2	117.3	1238	1330	92	R	45	1.50	30k			534		
	1384	1.3	128	1330	1424	94	R	45	1.50	30k	72/72/72				
	1480	1.3	122.7	1424	1520	96	R	45	1.00	30k		55		1100/1300	
	1575	1.2	122.9	1520	1615	95	R	45	1.75	30k	74/74/74		534		
	1670	1.6	120	1615	1710	95	R	45	2.50	30k		55		1100/1300	
	1765	1.6	116.2	1710	1805	95	R	45	3.25	30k	74/74/74		534		
	1859	2	110.1	1805	1899	94	R	45	2.50	30k		55		1200/1400	8-5
				1899	1909	10	O	290m	0.50	30k	82/82/82		534		
	1954	1.9	90.1	1909	1994	85	R	45	2.75	30k		55		1200/1400	
				1994	2004	10	O	300m	0.50	30k	82/82/82		534		
	2049	2.2	68.6	2004	2089	85	R	45	2.50	30k		55		1200/1400	
				2089	2104	15	O	245m	1.25	30k	82/82/82		534		
				2104	2152	48	R	45	2.00	30k		55		1200/1400	
										30k	84/84/84		534		8-6
												55		1200/1400	
											84/84/84		534		
												55		1200/1400	
													534		
														1200/1400	

Sliding Data : Footage= 43 Hrs= 2.75 Ft/Hr= 15.6363636
 Rotating Data: Footage= 1214 Hrs= 33.5 Ft/Hr= 36.238806
 Directional LLC Directional Sup.: Bill Marchwick

QUANECO, LLC. DAILY DRILLING REPORT LEASE: Murphy Ridge #1 DATE: 11-Nov-00 DAYS SINCE SPUD 3 CONTRACTOR: CMC Drilling Gary Young	PRESENT OPERATION: Repair Pump DEPTH: 100 FORMATION: Wasatch FOOTAGE LAST 24 HRS: 0
---	---

REMARKS: Mud pump clutch failed. Shut down & repair same. Waiting on parts to be delivered overnight.

		DAILY COST \$3,450.00			CUM COST \$82,717.33	
BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN FOOTAGE
	1	12 1/4	RT	_____	_____	_____
	_____	_____	_____	_____	_____	_____
	_____	_____	_____	_____	_____	_____
WOB _____		RPM _____		BHA _____		

SURVEYS: _____ @ _____
 _____ @ _____

	#1	#2
PRESS	_____	_____
STROKES	_____	_____
LINERS	6X14	_____

MUD:	wt _____
	vis _____

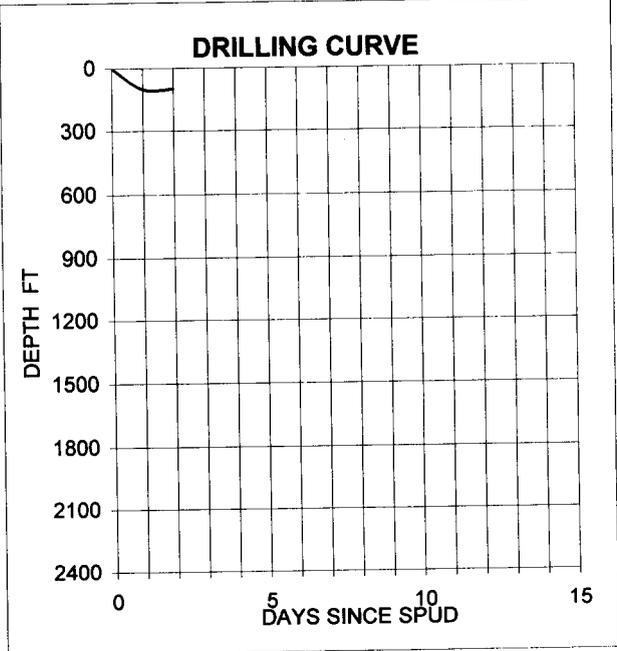
MUD COMMENTS

OPERATION HRS:

Rig Repair

HRS
24.00

24



REPORTED BY: Jim Jenkins/Casey Osborn

QUANECO, LLC. DAILY DRILLING REPORT LEASE: Murphy Ridge #1 DATE: 13-Nov-00 DAYS SINCE SPUD: 5 CONTRACTOR: CMC Drilling Gary Young	PRESENT OPERATION: Repair Pump <hr/> DEPTH: 100 FORMATION: Wasatch FOOTAGE LAST 24 HRS:
--	---

REMARKS: Continue to wait on pump parts. No drilling activity.

DAILY COST: \$1,950.00 CUM COST: \$86,617.33

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	12 1/4	RT				

WOB _____ **RPM** _____ **BHA** _____

SURVEYS: @ _____
 @ _____

	#1	#2
PRESS		
STROKES		
LINERS	6X14	

MUD:	wt _____
	vis _____

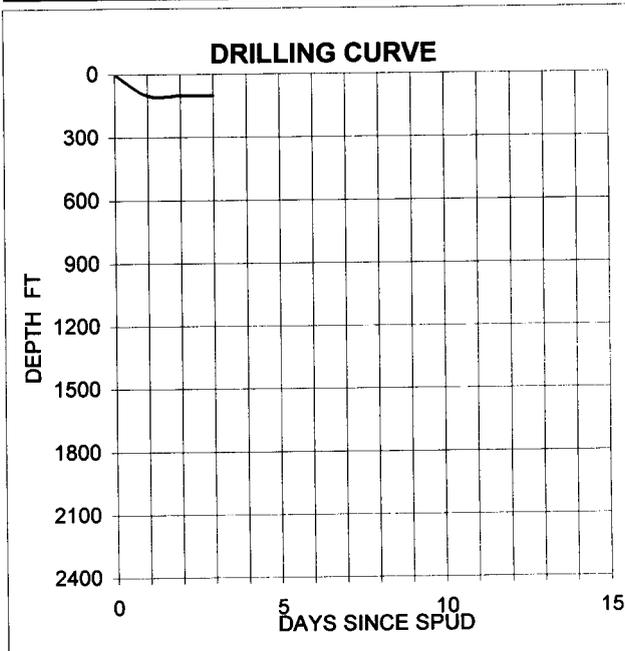
MUD COMMENTS:

OPERATION HRS:

Rig Repair _____

HRS
24.00

24



REPORTED BY: Jim Jenkins/Casey Osborn

QUANECO, LLC.

DAILY DRILLING REPORT

LEASE: **Murphy Ridge #1**

DATE: **25-Nov-00** DAYS SINCE SPUD **17**

CONTRACTOR: **CMC Drilling Gary Young**

PRESENT OPERATION:

Wash and ream to bottom.

DEPTH: 2013

FORMATION: Evanston

FOOTAGE LAST 24 HRS: 0

REMARKS: Circulate and attempt to build mud properties. Short trip 5 stands. Circulate and condition hole. Trip out of hole. Lay down five collars. Wait one hour on log truck repair. Rig up loggers. Wireline in hole with logging tools. Hit bridge and unable to log below 1402'. Log to surface. Rig down loggers. Trip in hole, begin washing and reaming six joints off bottom.

DAILY COST \$16,436.41

CUM COST \$230,427.47

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	12 1/4	RT				100
	2	12 1/4	RT	3-14	15	100	330
	3	8 3/4	Smith 05T	3-12	54	438	

WOB 5k RPM 84 BHA 15 6" DCs, Bit Sub

SURVEYS:

@ _____
@ _____

	#1	#2
PRESS	200-600	
STROKES	60	
LINERS	5 1/2 X 14	

MUD: wt _____
 vis _____

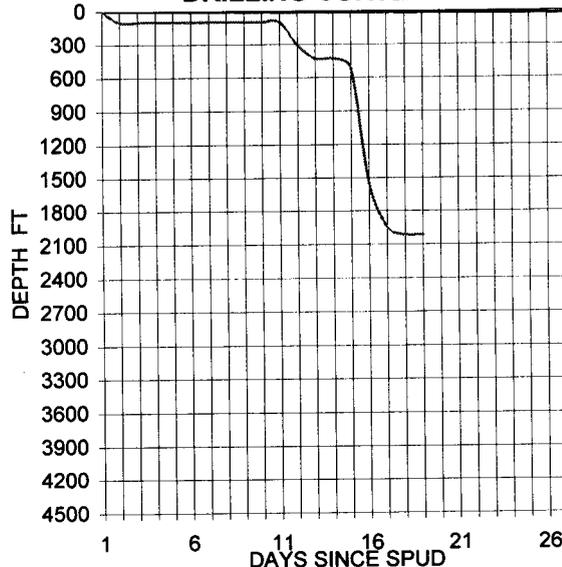
MUD COMMENTS: Difficult to build mud properties due to difficulties with mud pump. Mud pump and engine is in poor operating condition.

OPERATION HRS:

	HRS
Circulate and condition	<u>7.50</u>
Trip	<u>12.50</u>
Wait on log truck repair	<u>1.00</u>
Rig up loggers and log	<u>3.00</u>

24

DRILLING CURVE



REPORTED BY:

Jim Jenkins/Casey Osborn

QUANECO, LLC.
DAILY DRILLING REPORT

LEASE: Murphy Ridge 1-32 Re-Entry
DATE: 4-Aug-01 **DAYS SINCE SPUD:** 1
CONTRACTOR: Catfish Drilling Roger Shorter

PRESENT OPERATION:

Drilling

DEPTH: 1155
FORMATION: Adaville
FOOTAGE LAST 24 HRS: 1155

REMARKS: Catfish Drilling moved in and RU July 14 through August 3

PU Directional tools. TIH. Tag @ 895'. Begin drilling through cement plug. Kick off and drill new formation to 1155'. Control deviation to less than 1 1/2 degrees with MWD.

DAILY COST: \$42,586.00

CUM COST: \$42,586.00

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	8 3/4"	HTC S18	3-16	11.75	895	260

WOB 25-30K **RPM** 176 **BHA** MWD, 14 5 3/4" DCs, HWDP

SURVEYS:

1	@	940'
1.20	@	1105'

	#1	#2
PRESS	1150	
STROKES	60	
LINERS	6 x 18	

MUD:

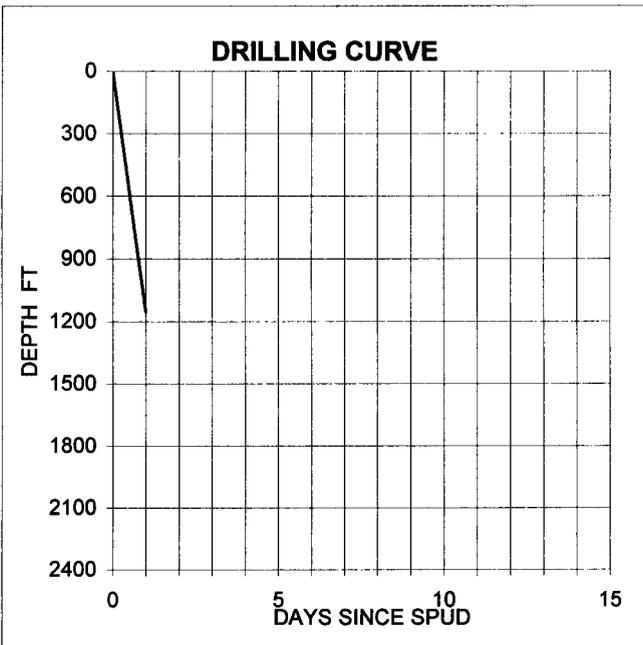
wt	water
vis	
filtrate	
cake	
ph	
cl	
% sol	
pv	
yp	
mbt	
Ca	

MUD COMMENTS: Water

OPERATION HRS:

	RU	4.00
	PU Directional tools	2.00
	TIH	3.50
	Drilling	14.50

24



REPORTED BY: Jim Jenkins/Casey Osborn

QUANECO, LLC.
DAILY DRILLING REPORT

LEASE: Murphy Ridge 1-32 Re-Entry
DATE: 8-Aug-01 **DAYS SINCE SPUD:** 5
CONTRACTOR: Catfish Drilling Roger Shorter

PRESENT OPERATION:
Drilling
DEPTH: 2690
FORMATION: Bear River
FOOTAGE LAST 24 HRS: 315

REMARKS: Drilling 8 3/4" hole to 2690'. Required to pull out of hole 5 stds. SD 5 3/4 hours repairing mud pumps.

DAILY COST: \$18,967.00 **CUM COST:** \$116,142.00

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	8 3/4"	HTC S18	3-16	60.5	895	1785

WOB 30K **RPM** 175 **BHA** MWD, 14 5 3/4" DCs, 13 jts. HWDP

SURVEYS:						#1	#2
	1.70	@	2239	1.90	@	2618	
	1.10	@	2302				
	1.40	@	2366				
	1.80	@	2429				
	1.60	@	2493				
	1.40	@	2555				
	PRESS					1450	
	STROKES					55	
	LINERS					7 1/4 x 16	6 x 18

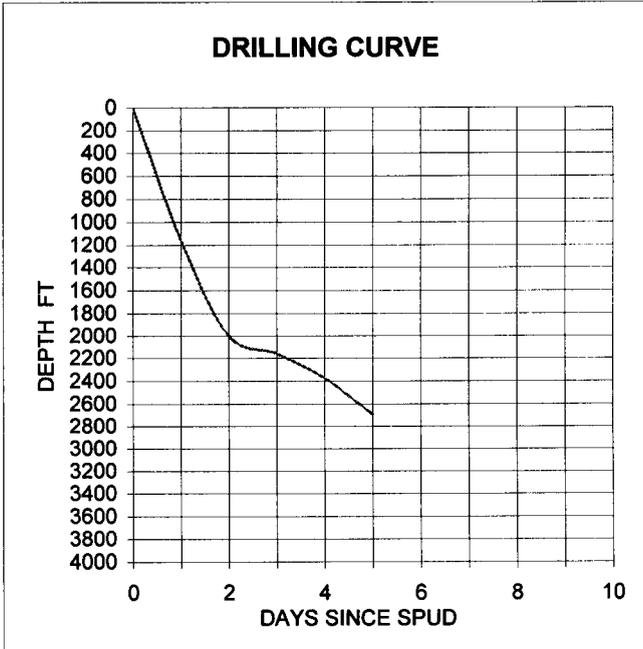
MUD:

wt	8.9
vis	32
filtrate	
cake	1/32
ph	8
cl	1000
% sol	0.5
pv	7
yp	2
mbt	
Ca	40

MUD COMMENTS:

OPERATION HRS:

	Drilling	HRS
		18.25
	Rig Repair and Service	5.75
		24



REPORTED BY: Jim Jenkins/Casey Osborn/LKJ

QUANECO, LLC.
DAILY DRILLING REPORT

LEASE: Murphy Ridge 1-32 Re-Entry
DATE: 9-Aug-01 **DAYS SINCE SPUD:** 6
CONTRACTOR: Catfish Drilling Roger Shorter

PRESENT OPERATION:

Drilling

DEPTH: 2767
FORMATION: Bear River
FOOTAGE LAST 24 HRS: 77

REMARKS: Drilling 8 3/4" hole 2713'. TOOH (4.75 hours). PU shock sub and Bit #2. TIH (9.5 hours). Wash and ream 60 feet to bottom. Drill 8 3/4" hole to 2767'. #1 pump down.

DAILY COST: \$27,678.00

CUM COST: \$143,820.00

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	8 3/4"	HTC S18	3-16	63.75	895	1818
	2	8 3/4"	HTC S18	3-16	3.25	2,713	54

WOB 30K **RPM** 175 **BHA** MWD, 14 5 3/4" DCs, 13 jts. HWDP

SURVEYS: 1.70 @ 2692
@

	#1	#2
PRESS	1500	
STROKES	55	
LINERS	7 1/4 x 16	6 x 18

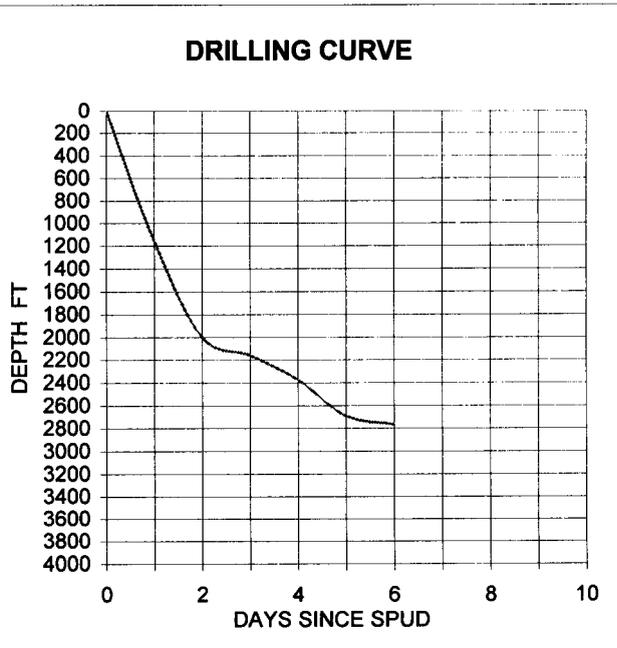
MUD:

wt	9
vis	35
filtrate	
cake	2/36
ph	9
cl	
% sol	3
pv	8
yp	2
mbt	
Ca	28

MUD COMMENTS:

OPERATION HRS:

	HRS
PU Tools	0.50
Drilling	5.75
Trip	14.25
Rig repairs	2.50
Survey	0.50
Rig Service	0.25
Wash and Ream	0.25
Total	24



REPORTED BY: Jim Jenkins/Casey Osborn/LKJ

QUANECO, LLC.
DAILY DRILLING REPORT

LEASE: Murphy Ridge 1-32 Re-Entry
DATE: 20-Aug-01 **DAYS SINCE SPUD:** 17
CONTRACTOR: Catfish Drilling Roger Shorter

PRESENT OPERATION:

Drilling

DEPTH: _____
FORMATION: Kelvin
FOOTAGE LAST 24 HRS: _____

REMARKS: TIH. Circulate and condition hole. Lay down pipe. RU pipe rack for casing. RU casers. PU and run 78 jts. 7" - 23# casing. RD casers. RU cementers.

Casing Detail:
Guide Shoe
1 jt. 7" 23# J-55 LTC
Insert float
77 jts. 23# J-55 LTC
Casing landed @ 3414 KB

DAILY COST: \$15,990.00 **CUM COST:** \$233,757.00

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	8 3/4"	HTC S18	3-16	63.75	895	1818
	2	8 3/4"	HTC S18	3-16	35	2,713	677

WOB 30K **RPM** 175 **BHA** MWD, 14 5 3/4" DCs, 13 jts. HWDP

SURVEYS: _____ @ _____
_____ @ _____

	#1	#2
PRESS	_____	_____
STROKES	_____	_____
LINERS	7 1/4 x 16	6 x 18

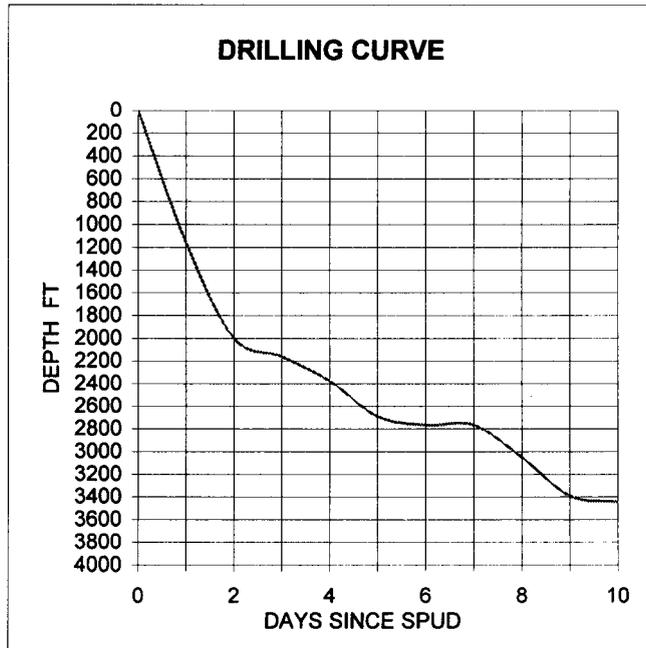
MUD:

wt	_____
vis	_____
filtrate	_____
cake	_____
ph	_____
cl	_____
% sol	_____
pv	_____
yp	_____
mbt	_____
Ca	_____

MUD COMMENTS:

OPERATION HRS:

Trip	4.25
Circulate and condition hole	1.00
Lay down pipe	7.75
RU casers/pipe rack	2.00
Run casing	8.00
RD casers, RU cementers	1.00
24	



REPORTED BY: Jim Jenkins/Casey Osborn/LKJ

QUANECO, LLC.				PRESENT OPERATION:	
DAILY DRILLING REPORT				Drilling	
LEASE: Murphy Ridge 1-32 Re-Entry		DEPTH: 3445		FORMATION: Kelvin	
DATE: 21-Aug-01		DAYS SINCE SPUD: 18		FOOTAGE LAST 24 HRS: 0	
CONTRACTOR: Catfish Drilling		Roger Shorter			

REMARKS: RU BJ Cementers Pix and pump 635 sxs 50/50 Poz with CD-32; FL-62. Displace with water. Bump plug. Float held. ND BOP. Set casing slips. Release rig @ 4:30 p.m.

FINAL DRILLING REPORT

DAILY COST: \$59,608.66 CUM COST: \$293,365.66

BIT DATA:	NO.	SIZE	TYPE	JETS	HRS	DEPTH IN	FOOTAGE
	1	8 3/4"	HTC S18	3-16	63.75	895	1818
	2	8 3/4"	HTC S18	3-16	35	2,713	677
WOB <u>30K</u>		RPM <u>175</u>		BHA <u>MWD, 14 5 3/4" DCs, 13 jts. HWDP</u>			

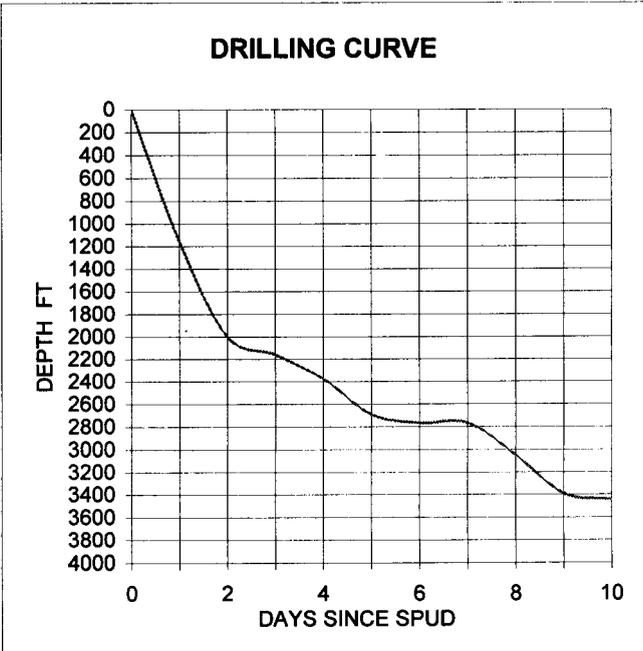
SURVEYS: _____ @ _____
 _____ @ _____

	#1	#2
PRESS	_____	_____
STROKES	_____	_____
LINERS	7 1/4 x 16	6 x 18

MUD:	wt _____
	vis _____
	filtrate _____
	cake _____
	ph _____
	cl _____
	% sol _____
	pv _____
	yp _____
	mbt _____
	Ca _____

MUD COMMENTS:

OPERATION HRS:	HRS
Cementing	<u>3.25</u>
ND BOP	<u>3.00</u>
Set casing slips and clean mud tanks	<u>3.25</u>
	9.5



REPORTED BY: Jim Jenkins/Casey Osborn/LKJ

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

**LEASE: MURPHY RIDGE 1-32
DATE: 8/26/2001
CONTRACTOR: NA**

**KB: 10'
PBD: 3354'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0**

**CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'**

DRILLING COST: \$293,365.66

DAILY COST: \$5,917.00

CUM COST OF COMPLETION: \$5,917.00

AFE CUM COST: \$299,282.66

DAILY LOG: MIRU Schlumberger. Run CMT Bond log with GR-CCL and cement map tool. Correlate to platform express compensated neutron triple density dated August 20, 2001. Bottom logged internal 3354'. Top logged interval 900'. Top of cement 1030'.

DAILY COST:

	DAILY COSTS	CUM COSTS
SERVICE RIG		
BOP		
RENTAL SERVICE TOOLS (DOWNHOLE)		
DOWNHOLE TOOLS (PURCHASE)		
TUBULARS		
STIMULATION SERVICE		
SNUBBING SERVICE		
ELECTRICIAN		
SLICK LINE		
ELECTRIC LINE - Logging/Perforating	Schlumberger	\$4,617.00
PERFORATING		
FLUIDS		
SUPERVISION w/ EXPENSES		\$800.00
FLOW TEST		
RENTAL EQUIPMENT (SURFACE)	Generator	
TANKS		
OTHER	Roustabout	
QUANECO OH		\$500.00
DAILY TOTAL		\$5,917.00
PREVIOUS TOTAL		\$0.00
CUMULATIVE TOTAL		\$5,917.00

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/27/2001
CONTRACTOR: NA

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$5,448.00

CUM COST OF COMPLETION: \$11,365.00

AFE CUM COST: \$304,730.66

DAILY LOG:

Installed 11" x 7 1/16" 5000# tubing head and tested to 3000#. Cleaned off location. Received 113 jts. 2 7/8" EVE 8rd, J-55, R#2 tubing - 3575.75' overall. MIRU Key #234. Move in pump, tanks, catwalk and spotted equipment from Stacey Hollow 14-35. PU new 6 1/4" bit x 7" Baker casing scraper and work through the spliced on casing at wellhead. SDFN.

DAILY COST:

	DAILY COSTS	CUM COSTS
SERVICE RIG	<u>\$1,400.00</u>	<u>\$1,400.00</u>
BOP		
RENTAL SERVICE TOOLS (DOWNHOLE) 7" casing scraper	<u>\$700.00</u>	<u>\$700.00</u>
DOWNHOLE TOOLS (PURCHASE)		
TUBULARS		
STIMULATION SERVICE		
SNUBBING SERVICE		
ELECTRICIAN		
SLICK LINE		
ELECTRIC LINE - Logging/Perforating Schlumberger		<u>\$4,617.00</u>
PERFORATING		
FLUIDS		
SUPERVISION w/ EXPENSES	<u>\$400.00</u>	<u>\$1,200.00</u>
FLOW TEST		
RENTAL EQUIPMENT (SURFACE) Generator		
TRUCKING Move in Drg. Equipment	<u>\$2,673.00</u>	<u>\$2,673.00</u>
TANKS RFR 2 tanks		
OTHER TP Const. Location	<u>\$275.00</u>	<u>\$275.00</u>
QUANECO OH		<u>\$500.00</u>
DAILY TOTAL	<u>\$5,448.00</u>	
PREVIOUS TOTAL	<u>\$5,917.00</u>	
CUMULATIVE TOTAL		<u>\$11,365.00</u>

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/28/2001
CONTRACTOR: Key #234

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$7,960.00

CUM COST OF COMPLETION: \$19,325.00

AFE CUM COST: \$312,690.66

DAILY LOG:

PU 2 7/8" EVE tubing and TIH with 6 1/4" bit x Baker 7" casing scraper. Tag bottom @ 3354' (3' deeper than Schlumberger). NU Weatherford BOP. Rig pump and lines. Circulate down casing and circulate clean. Recover contaminated cement and basic sediment. Test BOP and casing to 3000#. Holding ok. RU and swab. Fluid level down from surface to 3000'. SDFN

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234	\$3,743.00	\$5,143.00
BOP		\$350.00	\$350.00
RENTAL SERVICE TOOLS (DOWNHOLE)	7" casing scraper		\$700.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE			
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Schlumberger		\$4,617.00
PERFORATING			
FLUIDS	Mtn. States	\$792.00	\$792.00
SUPERVISION w/ EXPENSES		\$800.00	\$2,000.00
FLOW TEST			
RENTAL EQUIPMENT (SURFACE)	Generator		
TRUCKING	Move in tanks	\$1,000.00	\$3,673.00
TANKS	RFR 5 tanks	\$600.00	\$600.00
OTHER	TP Const. Location		\$275.00
WATER/SEWER/TRASH	175/day	\$175.00	\$175.00
QUANECO OH		\$500.00	\$1,000.00
DAILY TOTAL		\$7,960.00	
PREVIOUS TOTAL		\$11,365.00	
CUMULATIVE TOTAL			\$19,325.00

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/4/2001
CONTRACTOR: Key #234

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$10,248.00 **CUM COST OF COMPLETION:** \$46,739.00 **AFE CUM COST:** \$340,104.66

DAILY LOG: Zero # on tubing and casing. Tag fluid with swab @ 2950'. 200' fluid made in 4 days shut in. Swab dry to packer @ 3150'. RU BJ Services to acidize. Pressure annulus with rig pump to 1500#. Pump 500 gallons 15% HCL with additives and follow with city water. 18 bbls. to fill tubing. Perfs broke # 3380 psi. Increase rate to 5 1/4 BPM @ 3355#. Displaced acid with total 21 bbls. city water. ISIP 2200# - 5 minutes 1860#; 10 minutes 1790#; 15 minutes 1750#. Average rate 4.5 BPM; Average pressure 3300#. Maximum 4000 psi. Total 34 bbls load to recover. RD BJ Services and rig to swab. IFL @ surface. Swab back 25 bbls water and acid in 3 hours. Recovered 25' fluid last run. Dry to packer @ 3150'. Acid/water. SWI. SDFN.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234	\$3,332.00	\$15,421.00
BOP		\$350.00	\$1,400.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker	\$709.00	\$3,429.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	BJ Services	\$4,263.00	\$4,263.00
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Computalog		\$6,895.00
PERFORATING			
FLUIDS	300 bbls KCL & water Mtn. States		\$1,914.00
SUPERVISION w/ EXPENSES	800/day	\$800.00	\$4,400.00
FLOW TEST			
RENTAL EQUIPMENT (SURFACE)	Generator		
TRUCKING	Move in tanks		\$3,673.00
TANKS	RFR 3 tanks	\$75.00	\$1,125.00
OTHER	TP Const. Location		\$275.00
WATER/SEWER/TRASH	175/day 5 days	\$175.00	\$1,400.00
MISCELLANEOUS	Ph paper	\$44.00	\$44.00
QUANECO OH		\$500.00	\$2,500.00
DAILY TOTAL		\$10,248.00	
PREVIOUS TOTAL		\$36,491.00	
CUMULATIVE TOTAL			\$46,739.00

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 5/20/2002
CONTRACTOR: Key #143

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$21,843.00

CUM COST OF COMPLETION: \$78,995.00

AFE CUM COST: \$372,360.66

DAILY LOG:

5-17-02: Move in Key Energy Services Rig #143.

5-18-02: Rig up Key Rig #143. Nipple up double ram BOP. Fill casing with 10 bbls+/- 2% KCl water. Trip out of hole and lay down 101 joints 2 7/8" tbg. Nipple down BOP. Rig down Key Rig #143. Rig up Schlumberger and run ECS (Elemental Capture Sonde) Log. SDFN.

5-19-02: WIH with RST tool and log Sigma/Carbon Oxygen passes. Rig down Schlumberger. Shut in and secure well.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #143	\$4,159.00	\$26,111.00
BOP		\$2,856.00	\$4,956.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker		\$3,429.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	BJ Services		\$4,263.00
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Schlumberger	\$13,486.00	\$20,381.00
PERFORATING			
FLUIDS	300 bbls KCL & water Mtn. States		\$1,914.00
SUPERVISION w/ EXPENSES		\$1,000.00	\$7,000.00
FLOW TEST			
RENTAL EQUIPMENT (SURFACE)	Generator		
TRUCKING	KCl Water	\$342.00	\$4,015.00
TANKS	RFR 3 tanks		\$1,275.00
OTHER	TP Const. Location		\$275.00
WATER/SEWER/TRASH	175/day		\$1,750.00
MISCELLANEOUS	Gauges - Wilson Supply		\$126.00
QUANECO OH			\$3,500.00
DAILY TOTAL		\$21,843.00	
PREVIOUS TOTAL		\$57,152.00	
CUMULATIVE TOTAL			\$78,995.00

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: JURPHY RIDGE 1-32
DATE: 7/23/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$9,950.00

CUM COST OF COMPLETION: \$88,945.00

AFE CUM COST: \$382,310.66

DAILY LOG:

July 18 - July 22, 2002

Haul in seven 400 bbl frac tanks. Pump and filter water from canal into tanks. Circulate and heat tanks to 90 degrees+ with hot oiler. (Tanks actually on location 7/17/02)

July 23, 2002

NU double ram 7 1/16" 5M BOP. RU Halliburton Energy Services Wireline. WIH and set CIBP @ 3170'. WOOH. WIH with 4" casing gun. Perf 4spf, 90 degree phasing, 23 grams, .99 EHD the following intervals:

2836-2840; 2828-2830; 2822-2826; 2814-2816
WOOH. Fluid level 200' below surface. SWIFN

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		\$26,111.00
BOP	5 days @ \$500/day - minimum	\$2,500.00	\$7,456.00
RENTAL SERVICE TOOLS (DOWNHOLE)	Baker		\$3,429.00
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	BJ Services		\$4,263.00
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING			
FLUIDS	300 bbls KCL & water Mtn. States		\$1,914.00
SUPERVISION w/ EXPENSES	800/day		\$7,000.00
FLOW TEST			
OTHER	CBM Prod. 5 days	\$5,000.00	\$5,000.00
TRUCKING	Move in tanks	\$1,050.00	\$5,065.00
TANKS	RFR 7 tanks @ \$200 min. - 5 days	\$1,400.00	\$2,675.00
OTHER	TP Const. Location		\$275.00
WATER/SEWER/TRASH	175/day		\$1,750.00
MISCELLANEOUS	Gauges - Wilson Supply		\$126.00
QUANECO OH			\$3,500.00
DAILY TOTAL		\$9,950.00	
PREVIOUS TOTAL		\$78,995.00	
CUMULATIVE TOTAL			\$88,945.00

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 7/25/2002
CONTRACTOR: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$140,625.00 **CUM COST OF COMPLETION:** \$233,815.00 **AFE CUM COST:** \$527,180.66

DAILY LOG:

SICP: 1300PSI. WIH with dump bailer and spot 16 gallons 15%HCL across perms @ 2770' - 2778". WOOH Connect frac piping and pump into perms with 4.5BPM @ 3950PSI. Displace 300 gallons 15%HCL through perms. After acid, rate increased to 6.7BPM @ .645PSI. Shut down. WIH with 4" perf gun and shoot 4spf, 23 gram, .40EHD from 2773' - 2775'. WOOH. Connect frac piping and displace 400 gallons 15%HCL through perms. Pump 7000# 20/40 sand @ 1/4# per bbl. Final rate was 16.7 BPM @ 3875PSI. Flushed sand to perms with water and 400 gallons acid. Spotted acid over 2730' - 2734'. Shut down. WIH with 4" perf gun and perf 4spf. 90 degree phasing, 23 grams, .99 EHD the following interval: 2730' - 2734' Also perfed 2731' - 2734' with 4spf, 23 gram, 40EHD. WOOH. Connct frac piping. Displace 300 gallons 15%HCL to perms and pump frac treatment as follows:
664 bbls; 33,100# 20/40; 47,700# 16/30; Average rate: 36BPM; Average pressure: 3800 psi; Max rate: 42BPM; Max pressure: 4000 psi; Flush to 300' above perms. ISIP 1950 psi SD at 4:30pm. RD Halliburton. SICP @ 6:30pm 1600 psi. Open well to pit on 16/64 choke. Flow 200 bbls to pit. Pressure dropped to 0 psi @ 10pm SWI @ 10:45 pm

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		<u>\$28,361.00</u>
BOP		<u>\$250.00</u>	<u>\$7,956.00</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP	<u>\$4,000.00</u>	<u>\$7,429.00</u>
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton	<u>\$122,000.00</u>	<u>\$126,263.00</u>
SNUBBING SERVICE			
ELECTRICIAN			
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$20,381.00</u>
PERFORATING	Halliburton	<u>\$9,900.00</u>	<u>\$9,900.00</u>
FLUIDS	300 bbls KCL & water Mtn. States		<u>\$1,914.00</u>
SUPERVISION w/ EXPENSES	Includes pumper/flow tester	<u>\$1,000.00</u>	<u>\$9,000.00</u>
FLOW TEST	Jake Hopkin	<u>\$500.00</u>	<u>\$500.00</u>
OTHER	CBM Prod. 5 days		<u>\$5,000.00</u>
TRUCKING		<u>\$1,500.00</u>	<u>\$6,565.00</u>
TANKS	RFR 7 tanks @ \$25/day	<u>\$175.00</u>	<u>\$3,025.00</u>
OTHER	Loader \$100/day	<u>\$750.00</u>	<u>\$1,025.00</u>
WATER/SEWER/TRASH			<u>\$1,820.00</u>
MISCELLANEOUS		<u>\$50.00</u>	<u>\$176.00</u>
QUANECO OH		<u>\$500.00</u>	<u>\$4,500.00</u>
DAILY TOTAL		<u>\$140,625.00</u>	
PREVIOUS TOTAL		<u>\$93,190.00</u>	
CUMULATIVE TOTAL			<u>\$233,815.00</u>

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 7/27/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$14,021.38 **CUM COST OF COMPLETION:** \$256,781.88 **AFE CUM COST:** \$550,147.54

DAILY LOG: TIH with fishing tools. 2" grapel and 2 7/8" tubing jars. Caught fish and tripped up, hit tight spot, jar on pipe. Pulled 50,000#. Jarred free, TOOH and laid down tubing. TIH with notched collar, tagged sand @ 3120', washed to PBTD @ 3170'. Circulate 20 minutes to clean hole. Laid down 10 jts and stood back 2 stands to 2729' and rigged up to swab. Swabbed back 438 bbls in 4 hours. Well looked clean. SDFN

700 psi on casing, blew down. Flowing about 1/4 bbl per minute, estimated 85 bbls.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		\$32,206.50
BOP			\$7,956.00
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)	\$5,998.38	\$13,827.38
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States	\$500.00	\$500.00
SURFACE RENTAL EQUIPMENT	Hot Oiler and filter	\$250.00	\$3,650.00
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret	\$2,688.00	\$4,642.00
SUPERVISION w/ EXPENSES	Bo Stinson 2 days (\$1000/day)	\$2,000.00	\$11,000.00
FLOW TEST	Jake Hopkin \$35/hour	\$350.00	\$850.00
OTHER	CBM Prod. 5 days		\$5,000.00
TRUCKING		\$1,000.00	\$8,565.00
TANKS			\$3,200.00
OTHER	Loader \$100/day	\$200.00	\$1,225.00
WATER/SEWER/TRASH		\$35.00	\$1,855.00
MISCELLANEOUS	Propane		\$261.00
QUANECO OH	\$500/day	\$1,000.00	\$5,500.00
DAILY TOTAL		\$14,021.38	
PREVIOUS TOTAL		\$242,760.50	
CUMULATIVE TOTAL			\$256,781.88

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 7/29/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' **Float @ 3371'**
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$20,502.00 CUM COST OF COMPLETION: \$291,057.90 AFE CUM COST: \$584,423.56

DAILY LOG: SI casing pressure 235#. Connect tubing to 500 bbl. Horizontal tank. Start pump at noon. Pump 257 bbls to tank in 18.5 hours.

Time	Pressure	Torque	Barrels
3:00 p.m.	vacuum		
6:30 p.m.	24psi		
7:30 p.m.	87psi		
8:30 p.m.	100psi		
10:30 p.m.	100psi	62.5	*flammable gas to surface
6:30 a.m.	137psi	59.4	3.6 bbls/hour

Total flowed back and pumped is 1280 bbls. (Total frac fluid = 2800 bbls.)

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234	<u>\$2,647.00</u>	<u>\$43,377.00</u>
BOP			<u>\$8,606.52</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		<u>\$126,263.00</u>
WATER HAUL	Mtn States		<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	Hot Oiler and filter		<u>\$3,650.00</u>
SLICK LINE			
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$20,381.00</u>
PERFORATING	Halliburton		<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production	<u>\$9,000.00</u>	<u>\$21,000.00</u>
FLOW TEST	Jake Hopkin \$35/hour	<u>\$500.00</u>	<u>\$1,350.00</u>
OTHER	CORLAC	<u>\$700.00</u>	<u>\$7,200.00</u>
TRUCKING	CDM mob/demob rig access. Catwalk, etc.	<u>\$5,855.00</u>	<u>\$14,420.00</u>
TANKS			<u>\$3,200.00</u>
OTHER	Loader \$100/day	<u>\$900.00</u>	<u>\$2,225.00</u>
WATER/SEWER/TRASH			<u>\$1,855.00</u>
MISCELLANEOUS	Fittings	<u>\$400.00</u>	<u>\$661.00</u>
QUANECO OH	\$500/day	<u>\$500.00</u>	<u>\$6,500.00</u>
ELECTRICIANS			<u>\$1,500.00</u>
DAILY TOTAL		<u>\$20,502.00</u>	
PREVIOUS TOTAL		<u>\$270,555.90</u>	
CUMULATIVE TOTAL			<u>\$291,057.90</u>

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 7/30/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$14,891.60

CUM COST OF COMPLETION: \$305,949.50

AFE CUM COST: \$599,315.16

DAILY LOG:

Casing pressure while pumping tubing at 6:00 a.m. is 142 psi.

Pumping fluid to tank. 24 hours.

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
2:00 p.m.	144 psi	58.9	44	8.81 bph	117.3
4:00 p.m.	145 psi	59.2	41	4.6 bph	126.5
7:00 p.m.	145 psi	59.1	43	7.24 bph	
Shut down to check oil - 10 minutes.					

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		\$43,377.00
BOP			\$8,606.52
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR Water filter and pump	\$1,521.10	\$5,171.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date	\$3,523.00	\$3,523.00
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production	\$3,500.00	\$24,500.00
FLOW TEST	Jake Hopkin \$35/hour	\$500.00	\$1,850.00
OTHER	CORLAC	\$500.00	\$7,700.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)	\$1,602.50	\$16,022.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)	\$500.00	\$3,700.00
OTHER	TP Construction	\$2,995.00	\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane	\$250.00	\$911.00
QUANECO OH	\$500/day		\$6,500.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$14,891.60	
PREVIOUS TOTAL		\$291,057.90	
CUMULATIVE TOTAL			\$305,949.50

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 7/31/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$743.06

CUM COST OF COMPLETION: \$306,692.56

AFE CUM COST: \$600,058.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
7:30 a.m.	142	59.7	44	1.94	26.2
10:00 a.m.	140	59.8	44	3.12	34
4:00 p.m.	140	60.1	41	1.23	44

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		\$43,377.00
BOP			\$8,606.52
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR Water filter and pump		\$5,171.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date	\$233.06	\$3,756.06
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$24,500.00
FLOW TEST	Jake Hopkin \$35/hour	\$500.00	\$2,350.00
OTHER	CORLAC		\$7,700.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$16,022.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane	\$10.00	\$921.00
QUANECO OH	\$500/day		\$6,500.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$743.06	
PREVIOUS TOTAL		\$305,949.50	
CUMULATIVE TOTAL			\$306,692.56

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/1/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$1,005.00 **CUM COST OF COMPLETION:** \$307,697.56 **AFE CUM COST:** \$601,063.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls. rate	Cumulative Total bbls/day
7:30 a.m.	135	62.2	43	2.27 bph	35
12:00 p.m.	124	62.9	42	1.57 bph	42
5:00 p.m. Installed orifice tester. Open well through 1/8" orifice.					
Left well flowing through tester overnight. Held 70# back pressure on casing. Average stabilized flow rate 18 mcf/day.					

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		\$43,377.00
BOP			\$8,606.52
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70/day	\$395.00	\$5,566.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date		\$3,756.06
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$24,500.00
FLOW TEST	Jake Hopkin \$35/hour	\$420.00	\$2,770.00
OTHER	CORLAC		\$7,700.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$16,022.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$190.00	\$1,111.00
QUANECO OH	\$500/day		\$6,500.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$1,005.00	
PREVIOUS TOTAL		\$306,692.56	
CUMULATIVE TOTAL			\$307,697.56

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/2/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$670.00 **CUM COST OF COMPLETION:** \$308,367.56 **AFE CUM COST:** \$601,733.22

DAILY LOG: Pulled 70psi back pressure until 5:00 p.m. At 5 p.m. put casing through 1/8" orifice and flow well. Flow rate decreased to zero in 3 hours. Pump shut down on over torque. Attempted to intermit pump. Produced 13 bbls. water to tank.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234		\$43,377.00
BOP			\$8,606.52
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70/day	\$70.00	\$5,636.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date		\$3,756.06
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$24,500.00
FLOW TEST	Jake Hopkin \$35/hour - 1.5 days	\$500.00	\$3,270.00
OTHER	CORLAC		\$7,700.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$16,022.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$1,211.00
QUANECO OH	\$500/day		\$6,500.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$670.00	
PREVIOUS TOTAL		\$307,697.56	
CUMULATIVE TOTAL			\$308,367.56

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/3/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$520.00

CUM COST OF COMPLETION: \$308,887.56

AFE CUM COST: \$602,253.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls.	Cumulative total bbls/day
	1:00 a.m.	0	0	0	0	0
	3:30 a.m.	0	0	0	0	0
	7:00 a.m.	0	0	0	0	0
	9:00 p.m.	2	0	0	0	0

Pump shut down on under torque. Apparent pump or rod failure. Attempted to restart with immediate shut down on low torque. Left well shut in to monitor pressure build up. Restarted each time and had immediate shutdown(low torque).

DAILY COST:

			DAILY COSTS	CUM COSTS
SERVICE RIG	Key #234			\$43,377.00
BOP				\$8,606.52
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)			\$13,827.38
DOWNHOLE TOOLS (PURCHASE)				
TUBULARS				
STIMULATION SERVICE	Halliburton			\$126,263.00
WATER HAUL	Mtn States			\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental	\$70/day	\$70.00	\$5,706.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling	1300 bbls to date		\$3,756.06
ELECTRIC LINE - Logging/Perforating	Computalog			\$20,381.00
PERFORATING	Halliburton			\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production			\$24,500.00
FLOW TEST	Jake Hopkin	\$35/hour - 1.5 days	\$350.00	\$3,620.00
OTHER	CORLAC			\$7,700.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)		\$16,022.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction			\$5,220.00
WATER/SEWER/TRASH				\$1,855.00
MISCELLANEOUS	Propane	\$100/day average	\$100.00	\$1,311.00
QUANECO OH		\$500/day		\$6,500.00
ELECTRICIANS				\$1,500.00
DAILY TOTAL			\$520.00	
PREVIOUS TOTAL			\$308,367.56	
CUMULATIVE TOTAL				\$308,887.56

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/4/2002
CONTRACTOR: 0

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$70.00 CUM COST OF COMPLETION: \$308,957.56 AFE CUM COST: \$602,323.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls.	Cumulative total bbls/day
7:00 a.m.	5	0	0	0	0
Shut in casing pressure 5 psi. Plan to pull rods and pump to determine problem.					

DAILY COST:

SERVICE RIG	Key #234
BOP	
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)
DOWNHOLE TOOLS (PURCHASE)	
TUBULARS	
STIMULATION SERVICE	Halliburton
WATER HAUL	Mtn States
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70/day
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date
ELECTRIC LINE - Logging/Perforating	Computalog
PERFORATING	Halliburton
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production
FLOW TEST	Jake Hopkin \$35/hour - 1.5 days
OTHER	CORLAC
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)
OTHER	TP Construction
WATER/SEWER/TRASH	
MISCELLANEOUS	Propane \$100/day average
QUANECO OH	\$500/day
ELECTRICIANS	

DAILY COSTS	CUM COSTS
	\$43,377.00
	\$8,606.52
	\$13,827.38
	\$126,263.00
	\$500.00
\$70.00	\$5,776.10
	\$3,756.06
	\$20,381.00
	\$9,900.00
	\$4,642.00
	\$24,500.00
	\$3,620.00
	\$7,700.00
	\$16,022.50
	\$3,700.00
	\$5,220.00
	\$1,855.00
	\$1,311.00
	\$6,500.00
	\$1,500.00
DAILY TOTAL	\$70.00
PREVIOUS TOTAL	\$308,887.56
CUMULATIVE TOTAL	\$308,957.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 8/17/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$6,138.41

CUM COST OF COMPLETION: \$319,035.97

AFE CUM COST: \$612,401.63

DAILY LOG: ND drive head & picked up 3 rods. RIH. Did not tag up. Started out of hole with rods. TOOH with 106 rods, 6' sub, and rotor. ND well head and NU BOP. Set up to pull tubing (string weight showed 9000# on indicator). Tubing backed off at 60 joints in hole - 939' of pipe to fish, 3 joints loose on top. TIH with pipe, checking all connections. PU 10 joints, tagged fish, screwed into fish. TOOH, laid down 20 joints of bent tubing and the pump. Secured well and SDFN.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy	<u>\$3,307.89</u>	<u>\$48,684.89</u>
BOP		<u>\$650.52</u>	<u>\$9,257.04</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		<u>\$126,263.00</u>
WATER HAUL	Mtn States		<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70/day	<u>\$70.00</u>	<u>\$6,686.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date		<u>\$3,756.06</u>
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$20,381.00</u>
PERFORATING	Halliburton		<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production	<u>\$1,000.00</u>	<u>\$26,000.00</u>
FLOW TEST	Jake Hopkin \$35/hour -	<u>\$150.00</u>	<u>\$4,120.00</u>
OTHER	CORLAC		<u>\$7,700.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)	<u>\$460.00</u>	<u>\$16,482.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		<u>\$3,700.00</u>
OTHER	TP Construction		<u>\$5,220.00</u>
WATER/SEWER/TRASH			<u>\$1,855.00</u>
MISCELLANEOUS	Propane \$100/day average		<u>\$1,311.00</u>
QUANECO OH	\$500/day	<u>\$500.00</u>	<u>\$7,250.00</u>
ELECTRICIANS			<u>\$1,500.00</u>
DAILY TOTAL		<u>\$6,138.41</u>	
PREVIOUS TOTAL		<u>\$312,897.56</u>	
CUMULATIVE TOTAL			<u>\$319,035.97</u>

**Quaneco, LC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/18/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$6,745.41 CUM COST OF COMPLETION: \$325,781.38 AFE CUM COST: \$619,147.04

DAILY LOG: PU new PC pump (2 7/8) and perf sub (6') with bull plug and talley in hole checking every break. Torque to 2000 psi. ND BOP. NU well head. TIH with 113 rods, one 6' sub, one 8' sub and one 8.5' rotor. ND drive head. Hooked up electricity and tested pump. Pumped fine. RD. Monitored pump for four hours. Pumped fine.

EOT - 2865.65'
Bottom of pump - 2878.43'
Bottom of perf sub - 2885.33'
Available rathole - 284.67' 91 - 2 7/8" joints
Rod string: 113 - 1" rods
 1 - 8' pony
 1 - 6' pony
 1 - 32' Polish rod
 1 - 8.5' rotor

JAKE'S REPORT: pumped 73 bbls water from 3:30 pm until 8 am - slight blow on casing

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy	<u>\$3,385.89</u>	<u>\$52,070.78</u>
BOP		<u>\$650.52</u>	<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)			
TUBULARS			
STIMULATION SERVICE	Halliburton		<u>\$126,263.00</u>
WATER HAUL	Mtn States		<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR loader and generator rental	<u>\$229.00</u>	<u>\$6,915.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 1300 bbls to date		<u>\$3,756.06</u>
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$20,381.00</u>
PERFORATING	Halliburton		<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production	<u>\$1,000.00</u>	<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin \$35/hour -	<u>\$150.00</u>	<u>\$4,270.00</u>
OTHER	CORLAC		<u>\$7,700.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)	<u>\$730.00</u>	<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		<u>\$3,700.00</u>
OTHER	TP Construction		<u>\$5,220.00</u>
WATER/SEWER/TRASH			<u>\$1,855.00</u>
MISCELLANEOUS	Propane \$100/day average	<u>\$100.00</u>	<u>\$1,411.00</u>
QUANECO OH	\$500/day	<u>\$500.00</u>	<u>\$7,750.00</u>
ELECTRICIANS			<u>\$1,500.00</u>
DAILY TOTAL		<u>\$6,745.41</u>	
PREVIOUS TOTAL		<u>\$319,035.97</u>	
CUMULATIVE TOTAL			<u>\$325,781.38</u>

**Quaneco, LC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/19/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$5,079.11 CUM COST OF COMPLETION: \$330,860.49 AFE CUM COST: \$624,226.15

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:30 AM	200	9.4%	105	18BPD	
Pumping water to tank. Produced 24 bbls. in the last 24 hours currently pumping at a rate of 18 BPD. SI casing pressure 200#.						

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	CORLAC PC pump 2 7/8"	\$3,382.50	\$3,382.50
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$6,985.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling	\$446.61	\$4,202.67
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$4,550.00
OTHER	CORLAC Jesse	\$800.00	\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$1,511.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$5,079.11	
PREVIOUS TOTAL		\$325,781.38	
CUMULATIVE TOTAL			\$330,860.49

**Quaneco, LC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/20/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$1,519.92 CUM COST OF COMPLETION: \$332,380.41 AFE CUM COST: \$625,746.07

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8/20/02					
	12:00 pm	214	8.6%	91	1.57	8.5
	1:00 pm	85	9.7%	91	0.00	8.5
	1:30 pm	80	10.0%	91	0.00	8.5
	4:00 pm	48	10.0%	67	0.00	8.5
	8/21/02					
	6:30 am	14	9.5%	67	1.03	12.9

Installed orifice tester at noon. Blew down to 95 PSI. At instantaneous reading at 6:30 am on 8/21/02, well was producing 12 mcf/day.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"	\$1,069.92	\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,055.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling		\$4,202.67
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$4,830.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$1,611.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$1,519.92	
PREVIOUS TOTAL		\$330,860.49	
CUMULATIVE TOTAL			\$332,380.41

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/21/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$887.15 CUM COST OF COMPLETION: \$333,267.56 AFE CUM COST: \$626,633.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
7:00 AM	14	9.5%	67	.57	8.6
12:00 PM	10	9.0%	66	.86	13.00
6:30 PM	9	10.0%	200	.67	17.40

Chart was changed at noon. Ran pump at 300 RPM for 20 minutes. Brought torque up to 10.0%, reset pump RPM to 200. At 6:30 pm, reset pump to 145RPM.

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,125.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls	\$447.15	\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$270.00	\$5,100.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$1,711.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$887.15	
PREVIOUS TOTAL		\$332,380.41	
CUMULATIVE TOTAL			\$333,267.56

**Quaneco, LC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/22/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$333,717.56

AFE CUM COST: \$627,083.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:20 am	7#	10.5%	145	.66	9
	9:40 pm	5	10.5%	155	.34	13.5
	8/23/02					
	8:20 am	6#	10.6%	200	.38 bbls/hour	9.14
	Pump reset to 185 RPM at 8:00 am on 8/23/02					

DAILY COST:

			DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy			\$52,070.78
BOP				\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)			\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"			\$4,452.42
TUBULARS				
STIMULATION SERVICE	Halliburton			\$126,263.00
WATER HAUL	Mtn States			\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day		\$70.00	\$7,195.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls			\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog			\$20,381.00
PERFORATING	Halliburton			\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret			\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production			\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -		\$280.00	\$5,380.00
OTHER	CORLAC Jesse			\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)			\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)			\$3,700.00
OTHER	TP Construction			\$5,220.00
WATER/SEWER/TRASH				\$1,855.00
MISCELLANEOUS	Propane \$100/day average		\$100.00	\$1,811.00
QUANECO OH	\$500/day			\$7,750.00
ELECTRICIANS				\$1,500.00
DAILY TOTAL			\$450.00	
PREVIOUS TOTAL			\$333,267.56	
CUMULATIVE TOTAL				\$333,717.56

**Quaneco, LC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/23/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$334,167.56

AFE CUM COST: \$627,533.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:20 am	6	10.6%	200	.47	4.6
	4:30 pm	5	10.7%	183	1.01	9.3
Reset RPM to 165, averaging 10.6 bbls per day on water, instantaneous reading shows 6 mcf/day						

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		<u>\$52,070.78</u>
BOP			<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		<u>\$4,452.42</u>
TUBULARS			
STIMULATION SERVICE	Halliburton		<u>\$126,263.00</u>
WATER HAUL	Mtn States		<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	<u>\$70.00</u>	<u>\$7,265.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		<u>\$4,649.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$20,381.00</u>
PERFORATING	Halliburton		<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin \$35/hour -	<u>\$280.00</u>	<u>\$5,660.00</u>
OTHER	CORLAC Jesse		<u>\$8,500.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		<u>\$3,700.00</u>
OTHER	TP Construction		<u>\$5,220.00</u>
WATER/SEWER/TRASH			<u>\$1,855.00</u>
MISCELLANEOUS	Propane \$100/day average	<u>\$100.00</u>	<u>\$1,911.00</u>
QUANECO OH	\$500/day		<u>\$7,750.00</u>
ELECTRICIANS			<u>\$1,500.00</u>
DAILY TOTAL		<u>\$450.00</u>	
PREVIOUS TOTAL		<u>\$333,717.56</u>	
CUMULATIVE TOTAL			<u>\$334,167.56</u>

**Quaneco, LC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/24/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 CUM COST OF COMPLETION: \$334,617.56 AFE CUM COST: \$627,983.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:45 am	5	10.6%	160	.25	4.1
	4:30 pm	5	10.2%	150	0.00	4.1
Water produced in last 24 hours: 4.71 bbls by tank level readings						

DAILY COST:

SERVICE RIG	First Energy
BOP	
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"
TUBULARS	
STIMULATION SERVICE	Halliburton
WATER HAUL	Mtn States
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls
ELECTRIC LINE - Logging/Perforating	Computalog
PERFORATING	Halliburton
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production
FLOW TEST	Jake Hopkin \$35/hour -
OTHER	CORLAC Jesse
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)
OTHER	TP Construction
WATER/SEWER/TRASH	
MISCELLANEOUS	Propane \$100/day average
QUANECO OH	\$500/day
ELECTRICIANS	

DAILY COSTS	CUM COSTS
	\$52,070.78
	\$9,907.56
	\$13,827.38
	\$4,452.42
	\$126,263.00
	\$500.00
\$70.00	\$7,335.10
	\$4,649.82
	\$20,381.00
	\$9,900.00
	\$4,642.00
	\$27,000.00
\$280.00	\$5,940.00
	\$8,500.00
	\$17,212.50
	\$3,700.00
	\$5,220.00
	\$1,855.00
\$100.00	\$2,011.00
	\$7,750.00
	\$1,500.00
\$450.00	
\$334,167.56	
	\$334,617.56

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/25/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 CUM COST OF COMPLETION: \$335,067.56 AFE CUM COST: \$628,433.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:35 am	5	10.2%	159	.29	4.8
	7:20 pm	5	9.8%	155	.44	9.5
Reset RPM to 165. Water produced in last 24 hours: 9.5 bbls. by tank level readings						

DAILY COST:

	DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy	\$52,070.78
BOP		\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)	\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"	\$4,452.42
TUBULARS		
STIMULATION SERVICE	Halliburton	\$126,263.00
WATER HAUL	Mtn States	\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$7,405.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls	\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog	\$20,381.00
PERFORATING	Halliburton	\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret	\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production	\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$6,220.00
OTHER	CORLAC Jesse	\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)	\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)	\$3,700.00
OTHER	TP Construction	\$5,220.00
WATER/SEWER/TRASH		\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$2,111.00
QUANECO OH	\$500/day	\$7,750.00
ELECTRICIANS		\$1,500.00
DAILY TOTAL	\$450.00	
PREVIOUS TOTAL	\$334,617.56	
CUMULATIVE TOTAL		\$335,067.56

**Quaneco, LLC
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 8/26/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 CUM COST OF COMPLETION: \$335,517.56 AFE CUM COST: \$628,883.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	6:25 am	5	10.1%	166	.43	4.8
	8:00 pm	5	10.0%	166	.35	9.6
	8/27/02					
	5:55 am	5	10.0%	160		9.64
Total fluid since frac: approximately 365.4 bbls produced water (not including 1300bbls frac fluid from 7/31/2002)						
Average 9.52 BPD now						

DAILY COST:

SERVICE RIG	First Energy
BOP	
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"
TUBULARS	
STIMULATION SERVICE	Halliburton
WATER HAUL	Mtn States
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls
ELECTRIC LINE - Logging/Perforating	Computalog
PERFORATING	Halliburton
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production
FLOW TEST	Jake Hopkin \$35/hour -
OTHER	CORLAC Jesse
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)
OTHER	TP Construction
WATER/SEWER/TRASH	
MISCELLANEOUS	Propane \$100/day average
QUANECO OH	\$500/day
ELECTRICIANS	

DAILY COSTS	CUM COSTS
	<u>\$52,070.78</u>
	<u>\$9,907.56</u>
	<u>\$13,827.38</u>
	<u>\$4,452.42</u>
	<u>\$126,263.00</u>
	<u>\$500.00</u>
<u>\$70.00</u>	<u>\$7,475.10</u>
	<u>\$4,649.82</u>
	<u>\$20,381.00</u>
	<u>\$9,900.00</u>
	<u>\$4,642.00</u>
	<u>\$27,000.00</u>
<u>\$280.00</u>	<u>\$6,500.00</u>
	<u>\$8,500.00</u>
	<u>\$17,212.50</u>
	<u>\$3,700.00</u>
	<u>\$5,220.00</u>
	<u>\$1,855.00</u>
<u>\$100.00</u>	<u>\$2,211.00</u>
	<u>\$7,750.00</u>
	<u>\$1,500.00</u>
<u>\$450.00</u>	
<u>\$335,067.56</u>	
CUMULATIVE TOTAL	<u>\$335,517.56</u>

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

Quaneco, Inc.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 8/27/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$335,967.56 **AFE CUM COST:** \$629,333.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	5:55 am	5	10.0%	159	.49	4.8
	8:40 pm	5	9.7%	160	.33	9.7
Average 8.57 bbl/day rate, reset RPM to 170						
Total water produced since frac: 375.10						

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,545.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$6,780.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$2,311.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$450.00	
PREVIOUS TOTAL		\$335,517.56	
CUMULATIVE TOTAL			\$335,967.56

Quaneco, Inc.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 8/28/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$336,417.56 **AFE CUM COST:** \$629,783.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	10:10 am	5	9.6%	169	0.00	0
	9:10 pm	4	9.8%	130	0.46	4.9
Pressure indicates: 5.64 mcf/day Total fluid: 380 bbls. Reset RPM to 120 at 9:10 pm						

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,615.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$7,060.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$2,411.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$450.00	
PREVIOUS TOTAL		\$335,967.56	
CUMULATIVE TOTAL			\$336,417.56

Quaneco, 
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 8/29/2002
CONTRACTOR: First Energy #21

KB: 10'
PBDT: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$336,867.56

AFE CUM COST: \$630,233.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:05 AM	4	10.1%	118	.49	4.9
	6:10 PM	4	9.6%	117	0	4.9
Total fluid since frac: 384.9 bbls.						
Pressure indicates: 5.64 mcf/day						
Packing leaking - needs replaced						

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,685.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$7,340.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$2,511.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$450.00	
PREVIOUS TOTAL		\$336,417.56	
CUMULATIVE TOTAL			\$336,867.56

Quaneco, L
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 8/30/2002
CONTRACTOR: First Energy #21

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
 PBDT: 3354' Float @ 3371'
 GRADED ELEVATION: 0
 LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$337,317.56

AFE CUM COST: \$630,683.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
7:20 AM	4	9.7%	118	.37	4.9
5:30 PM	4	9.5%	118	.42	9.2
Total fluid since frac: 394.10 bbls					
Pressure indicates: 5.64 mcf/day					

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,755.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$7,620.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$2,611.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$450.00	
PREVIOUS TOTAL		\$336,867.56	
CUMULATIVE TOTAL			\$337,317.56

Quaneco, Inc.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 8/31/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$337,767.56 **AFE CUM COST:** \$631,133.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative
						Total Bbls/day
	5:55 AM	3	0	0	.4	5
	7:00 AM	3	0	0		5
	8:00 AM	3	0	0		5
	9:00 AM	3	0	0		5
	10:00 AM	3	0	0		5
	10:30 AM	3	10.5%	300		5
	11:00 AM	3	0	0		5
	2:00 PM	3	0	0		5
	2:30 PM	3	10.6%	300		5
	6:00 PM	3	0	0		5
	6:30 PM	3	11.0%	300		5
	10:00 PM	3	0	0		5
DAILY COST	10:15 PM	3	11.0%	300		5
		Total fluid since frac: 399.10 bbls		Pressure indicates: 4.84 mcf/day		

SERVICE RIG
BOP

RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$9,907.56
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$13,827.38
TUBULARS			\$4,452.42
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$7,825.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$7,900.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$2,711.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$450.00	
PREVIOUS TOTAL		\$337,317.56	
CUMULATIVE TOTAL			\$337,767.56

Quaneco, L
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/1/2002
CONTRACTOR: First Energy #21

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$338,217.56 **AFE CUM COST:** \$631,583.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	2:10 AM	3				
	2:30 AM	3	11.4%	300	0.00	
	6:00 AM	3				change chart
	6:30 AM	3	11.7%	300	25.00	5
	10:00 AM	3				
	10:15 AM	3	11.7%	300		
	2:00 PM	3				
	6:00 PM	3				
	8:00 PM	3	10.9%			
	8:20 PM	3	11.9%			
	8:45 PM	3	11.8%		16.67	5 shut down pump

DAILY COST
 Total fluid since frac: 409.10 bbls Pressure still indicates 4.84 mcf/day

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$7,895.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$8,180.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$100.00	\$2,811.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$450.00
PREVIOUS TOTAL						\$337,767.56
CUMULATIVE TOTAL						\$338,217.56

Quaneco, INC.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/2/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$338,667.56

AFE CUM COST: \$632,033.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	6:20 AM	4				start pump
	7:20 AM	4	13.5%	423		
	7:40 AM	4	13.1%	423		
	8:00 AM	3	12.1%	423		shut down pump
	9:00 AM	4				
	10:00 AM	4				
	4:00 PM	3				
	4:30 PM	3	13.5%	423		
	5:00 PM	3	13.8%	423		
	5:30 PM	3	12.1%	423		

DAILY COST

Pressure indicates: average 5.26 mcf/day Fluid since frac: 409.10 bbls.

SERVICE RIG	First Energy	\$52,070.78
BOP		\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)	\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"	\$4,452.42
TUBULARS		
STIMULATION SERVICE	Halliburton	\$126,263.00
WATER HAUL	Mtn States	\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls	\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog	\$20,381.00
PERFORATING	Halliburton	\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret	\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production	\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00
OTHER	CORLAC Jesse	\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)	\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)	\$3,700.00
OTHER	TP Construction	\$5,220.00
WATER/SEWER/TRASH		\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00
QUANECO OH	\$500/day	\$7,750.00
ELECTRICIANS		\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$450.00
\$338,217.56
\$338,667.56

Quaneco, L
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/3/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$339,117.56 **AFE CUM COST:** \$632,483.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:05 AM	4		185		restarted pump - ran @ 185
	5:30 PM	3	9.9%	183		10.00
Shut in casing to build pressure, orifice tester removed, reset pump to 120 RPM						
Pressure indicates: 4.84 mcf/day						
Fluid recovered: 419.10 bbls.						
9/4/02						
DAILY COST	7:20 AM	57	9.9%	118	0	0

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,035.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin			\$35/hour -	\$280.00	\$8,740.00
OTHER	CORLAC			Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)			RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175)			RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane			\$100/day average	\$100.00	\$3,011.00
QUANECO OH				\$500/day		\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL					\$450.00	
PREVIOUS TOTAL					\$338,667.56	
CUMULATIVE TOTAL						\$339,117.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/4/2002
CONTRACTOR: First Energy #21

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$339,567.56

AFE CUM COST: \$632,933.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:20 AM	57	9.9%	120	0.00	0
	7:45 AM	90	8.7%	117	0.00	0
	Reset RPM to 114 at 7:45 pm. Gas shows in water.					

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,105.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$9,020.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$100.00	\$3,111.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$450.00
PREVIOUS TOTAL						\$339,117.56
CUMULATIVE TOTAL						\$339,567.56

Quaneco, L
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/5/2002
CONTRACTOR: First Energy #21

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$340,017.56

AFE CUM COST: \$633,383.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:10 AM	124	8.8%	114		5
	10:15 PM	157	8.7%	109		5
Gas with water. Reset RPM to 95 at 10:15 pm						
Total fluid since frac: 424.10 bbls.						
9/6/02						
	8:15 AM	170	8.6%	96		dropped RPM down to 85

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,175.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$9,300.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$100.00	\$3,211.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$450.00
PREVIOUS TOTAL						\$339,567.56
CUMULATIVE TOTAL						\$340,017.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/6/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$340,467.56

AFE CUM COST: \$633,833.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:15 AM	170	8.6%	96	0.00	0
	8:35 PM	194	8.4%	86	0.45	5.1
Total fluid since frac: 429.10 bbls.						

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,245.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$9,580.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$100.00	\$3,311.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$450.00
PREVIOUS TOTAL						\$340,017.56
CUMULATIVE TOTAL						\$340,467.56

Quaneco, Inc.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/7/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$340,917.56 **AFE CUM COST:** \$634,283.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative
						Total Bbls/day
	9:45 AM	217	8.4%	85		
	5:35 PM	228	8.4%	86		
	Still gas bubbles in water.					

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,315.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$9,860.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$100.00	\$3,411.00
QUANECO OH						\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$450.00
PREVIOUS TOTAL						\$340,467.56
CUMULATIVE TOTAL						\$340,917.56

Quaneco, Inc.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/8/2002
CONTRACTOR: First Energy #21

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$341,367.56 **AFE CUM COST:** \$634,733.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	10:45 AM	253	8.6%	86	0.00	0
	6:10 PM	265	8.4%	61	0.68	5
Total fluid since frac: 434.10 bbls. Gas bubbles in water.						

DAILY COST:

		DAILY COSTS	CUM COSTS
SERVICE RIG	First Energy		\$52,070.78
BOP			\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton		\$126,263.00
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$8,385.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls		\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production		\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$280.00	\$10,140.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)		\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average	\$100.00	\$3,511.00
QUANECO OH	\$500/day		\$7,750.00
ELECTRICIANS			\$1,500.00
DAILY TOTAL		\$450.00	
PREVIOUS TOTAL		\$340,917.56	
CUMULATIVE TOTAL			\$341,367.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/9/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 CUM COST OF COMPLETION: \$341,817.56 AFE CUM COST: \$635,183.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:05 AM	285	8.6%	62	0	0
	4:45 PM	315	8.6%	58	0	0
Installed new guage(0-600psi)						

DAILY COST

SERVICE RIG	First Energy					<u>\$52,070.78</u>
BOP						<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					<u>\$4,452.42</u>
TUBULARS						
STIMULATION SERVICE	Halliburton					<u>\$126,263.00</u>
WATER HAUL	Mtn States					<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				<u>\$70.00</u>	<u>\$8,455.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					<u>\$4,649.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog					<u>\$20,381.00</u>
PERFORATING	Halliburton					<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin \$35/hour				<u>\$280.00</u>	<u>\$10,420.00</u>
OTHER	CORLAC Jesse					<u>\$8,500.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					<u>\$3,700.00</u>
OTHER	TP Construction					<u>\$5,220.00</u>
WATER/SEWER/TRASH						<u>\$1,855.00</u>
MISCELLANEOUS	Propane \$100/day average				<u>\$100.00</u>	<u>\$3,611.00</u>
QUANECO OH	\$500/day					<u>\$7,750.00</u>
ELECTRICIANS						<u>\$1,500.00</u>
DAILY TOTAL					\$450.00	
PREVIOUS TOTAL					\$341,367.56	
CUMULATIVE TOTAL						\$341,817.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/10/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$450.00 **CUM COST OF COMPLETION:** \$342,267.56 **AFE CUM COST:** \$635,633.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:10 AM	330	8.4%	61	0	0
	5:35 PM	330	7.8%	59	0	0
Generator problem yesterday was due to propane company not getting out to fill tank. Propane was received and generator is running fine again.						
9/11/2002						
	7:00 AM	332	8.1%	61	0	0

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,525.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 165 bbls					\$4,649.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$10,700.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$100.00	\$3,711.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$450.00
PREVIOUS TOTAL						\$341,817.56
CUMULATIVE TOTAL						\$342,267.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/11/2002
CONTRACTOR: First Energy #21

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$665.00

CUM COST OF COMPLETION: \$342,932.56

AFE CUM COST: \$636,298.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:00 AM	332	8.4%	61		
	7:05 AM	332	8.1%	61		
	5:35 PM	375	0.0%	0		
	Shut well in at 7:05 AM.					

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,595.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls	\$215.00	\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin			\$35/hour -	\$280.00	\$10,980.00
OTHER	CORLAC			Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane	\$100/day average			\$100.00	\$3,811.00
QUANECO OH				\$500/day		\$7,750.00
ELECTRICIANS						\$1,500.00
					\$665.00	
					\$342,267.56	
						\$342,932.56

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/12/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$350.00 **CUM COST OF COMPLETION:** \$343,282.56 **AFE CUM COST:** \$636,648.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:30	405				
	4:40	420				

DAILY COST

SERVICE RIG	First Energy					<u>\$52,070.78</u>
BOP						<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					<u>\$4,452.42</u>
TUBULARS						
STIMULATION SERVICE	Halliburton					<u>\$126,263.00</u>
WATER HAUL	Mtn States					<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				<u>\$70.00</u>	<u>\$8,665.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		<u>\$4,864.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog					<u>\$20,381.00</u>
PERFORATING	Halliburton					<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin		\$35/hour -		<u>\$280.00</u>	<u>\$11,260.00</u>
OTHER	CORLAC			Jesse		<u>\$8,500.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				<u>\$3,700.00</u>
OTHER	TP Construction					<u>\$5,220.00</u>
WATER/SEWER/TRASH						<u>\$1,855.00</u>
MISCELLANEOUS	Propane		\$100/day average			<u>\$3,811.00</u>
QUANECO OH				\$500/day		<u>\$7,750.00</u>
ELECTRICIANS						<u>\$1,500.00</u>
					<u>\$350.00</u>	
					<u>\$342,932.56</u>	
						<u>\$343,282.56</u>

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

Quaneco, L.P.
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/13/2002
CONTRACTOR: First Energy #21

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$450.00

CUM COST OF COMPLETION: \$343,732.56

AFE CUM COST: \$637,098.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
7:00 AM	440				
6:10 PM	465				

DAILY COST

SERVICE RIG	First Energy				\$52,070.78
BOP					\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)				\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"				\$4,452.42
TUBULARS					
STIMULATION SERVICE	Halliburton				\$126,263.00
WATER HAUL	Mtn States				\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day			\$70.00	\$8,735.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls				\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog				\$20,381.00
PERFORATING	Halliburton				\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production				\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -			\$280.00	\$11,540.00
OTHER	CORLAC Jesse				\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)				\$3,700.00
OTHER	TP Construction				\$5,220.00
WATER/SEWER/TRASH					\$1,855.00
MISCELLANEOUS	gauges MORCON			\$100.00	\$3,911.00
QUANECO OH				\$500/day	\$7,750.00
ELECTRICIANS					\$1,500.00
DAILY TOTAL				\$450.00	
PREVIOUS TOTAL				\$343,282.56	
CUMULATIVE TOTAL					\$343,732.56

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/14/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$350.00

CUM COST OF COMPLETION: \$344,082.56

AFE CUM COST: \$637,448.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:30 AM	490				
	5:00 PM	500				

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,805.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls					\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$11,820.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average					\$3,911.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$350.00
\$343,732.56

\$344,082.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/15/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$350.00 **CUM COST OF COMPLETION:** \$344,432.56 **AFE CUM COST:** \$637,798.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	9:30 AM	520				
	5:15 PM	530				

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,875.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin			\$35/hour -	\$280.00	\$12,100.00
OTHER	CORLAC			Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				\$3,700.00
OTHER		TP Construction				\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS		Propane		\$100/day average		\$3,911.00
QUANECO OH				\$500/day		\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL						\$350.00
PREVIOUS TOTAL						\$344,082.56
CUMULATIVE TOTAL						\$344,432.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/16/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$350.00

CUM COST OF COMPLETION: \$344,782.56

AFE CUM COST: \$638,148.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:05 AM	545				
	7:00 PM	560				
	Installed 1000 psi gauge					

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$8,945.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls					\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$280.00	\$12,380.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average					\$3,911.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL					\$350.00	
PREVIOUS TOTAL					\$344,432.56	
CUMULATIVE TOTAL						\$344,782.56

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/17/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$365.00

CUM COST OF COMPLETION: \$345,147.56

AFE CUM COST: \$638,513.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:30 AM	580				
	5:00 PM	590				

DAILY COST

SERVICE RIG	First Energy					<u>\$52,070.78</u>
BOP						<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					<u>\$4,452.42</u>
TUBULARS						
STIMULATION SERVICE	Halliburton					<u>\$126,263.00</u>
WATER HAUL	Mtn States					<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				<u>\$70.00</u>	<u>\$9,015.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls					<u>\$4,864.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog					<u>\$20,381.00</u>
PERFORATING	Halliburton					<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin \$35/hour -				<u>\$280.00</u>	<u>\$12,660.00</u>
OTHER	CORLAC Jesse					<u>\$8,500.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					<u>\$3,700.00</u>
OTHER	TP Construction					<u>\$5,220.00</u>
WATER/SEWER/TRASH						<u>\$1,855.00</u>
MISCELLANEOUS	1000 psi gauge				<u>\$15.00</u>	<u>\$3,926.00</u>
QUANECO OH					<u>\$500/day</u>	<u>\$7,750.00</u>
ELECTRICIANS						<u>\$1,500.00</u>
DAILY TOTAL					\$365.00	
PREVIOUS TOTAL					\$344,782.56	
CUMULATIVE TOTAL						\$345,147.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/18/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$350.00

CUM COST OF COMPLETION: \$345,497.56

AFE CUM COST: \$638,863.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	8:00 AM	590				
	6:20 PM	600				

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$9,085.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin		\$35/hour -		\$280.00	\$12,940.00
OTHER	CORLAC		Jesse			\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				\$3,700.00
OTHER		TP Construction				\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS		Propane	\$100/day average			\$3,926.00
QUANECO OH			\$500/day			\$7,750.00
ELECTRICIANS						\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$350.00
\$345,147.56

\$345,497.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/19/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$350.00 **CUM COST OF COMPLETION:** \$345,847.56 **AFE CUM COST:** \$639,213.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:10 AM	610				
	5:20 PM	620				
The 1000 psi gauge shows 20 pound increments.						

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$9,155.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin			\$35/hour -	\$280.00	\$13,220.00
OTHER	CORLAC			Jesse		\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				\$3,700.00
OTHER		TP Construction				\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS		Propane		\$100/day average		\$3,926.00
QUANECO OH				\$500/day		\$7,750.00
ELECTRICIANS						\$1,500.00
DAILY TOTAL					\$350.00	
PREVIOUS TOTAL						\$345,497.56
CUMULATIVE TOTAL						\$345,847.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/20/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$175.00

CUM COST OF COMPLETION: \$346,022.56

AFE CUM COST: \$639,388.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	7:45 AM	630				
	7:45 PM	630				

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$9,225.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls					\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret					\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -				\$105.00	\$13,325.00
OTHER	CORLAC Jesse					\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)					\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)					\$3,700.00
OTHER	TP Construction					\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS	Propane \$100/day average					\$3,926.00
QUANECO OH	\$500/day					\$7,750.00
ELECTRICIANS						\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$175.00
\$345,847.56

\$346,022.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/21/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' **Float @** 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$175.00

CUM COST OF COMPLETION: \$346,197.56

AFE CUM COST: \$639,563.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
8:20 AM	640				
7:10 PM	640				

DAILY COST

SERVICE RIG	First Energy				\$52,070.78
BOP					\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)				\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"				\$4,452.42
TUBULARS					
STIMULATION SERVICE	Halliburton				\$126,263.00
WATER HAUL	Mtn States				\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day			\$70.00	\$9,295.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls				\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog				\$20,381.00
PERFORATING	Halliburton				\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production				\$27,000.00
FLOW TEST	Jake Hopkin \$35/hour -			\$105.00	\$13,430.00
OTHER	CORLAC Jesse				\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50) RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)				\$3,700.00
OTHER	TP Construction				\$5,220.00
WATER/SEWER/TRASH					\$1,855.00
MISCELLANEOUS	Propane \$100/day average				\$3,926.00
QUANECO OH	\$500/day				\$7,750.00
ELECTRICIANS					\$1,500.00
DAILY TOTAL				\$175.00	
PREVIOUS TOTAL				\$346,022.56	
CUMULATIVE TOTAL					\$346,197.56

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/22/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$175.00 CUM COST OF COMPLETION: \$346,372.56 AFE CUM COST: \$639,738.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	9:15 AM	650				
	8:20 PM	650				

DAILY COST

SERVICE RIG	First Energy					<u>\$52,070.78</u>
BOP						<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					<u>\$4,452.42</u>
TUBULARS						
STIMULATION SERVICE	Halliburton					<u>\$126,263.00</u>
WATER HAUL	Mtn States					<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				<u>\$70.00</u>	<u>\$9,365.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		<u>\$4,864.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog					<u>\$20,381.00</u>
PERFORATING	Halliburton					<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin		\$35/hour -		<u>\$105.00</u>	<u>\$13,535.00</u>
OTHER	CORLAC			Jesse		<u>\$8,500.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				<u>\$3,700.00</u>
OTHER		TP Construction				<u>\$5,220.00</u>
WATER/SEWER/TRASH						<u>\$1,855.00</u>
MISCELLANEOUS	Propane	\$100/day average				<u>\$3,926.00</u>
QUANECO OH		\$500/day				<u>\$7,750.00</u>
ELECTRICIANS						<u>\$1,500.00</u>
DAILY TOTAL					\$175.00	
PREVIOUS TOTAL					\$346.197.56	
CUMULATIVE TOTAL						\$346,372.56

Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT

LEASE: MURPHY RIDGE 1-32
DATE: 9/23/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$175.00 **CUM COST OF COMPLETION:** \$346,547.56 **AFE CUM COST:** \$639,913.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	6:50 AM	650				
	7:40 PM	650				

DAILY COST

SERVICE RIG	First Energy					\$52,070.78
BOP						\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					\$4,452.42
TUBULARS						
STIMULATION SERVICE	Halliburton					\$126,263.00
WATER HAUL	Mtn States					\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				\$70.00	\$9,435.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog					\$20,381.00
PERFORATING	Halliburton					\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					\$27,000.00
FLOW TEST	Jake Hopkin		\$35/hour -		\$105.00	\$13,640.00
OTHER	CORLAC		Jesse			\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				\$17,212.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				\$3,700.00
OTHER		TP Construction				\$5,220.00
WATER/SEWER/TRASH						\$1,855.00
MISCELLANEOUS		Propane	\$100/day average			\$3,926.00
QUANECO OH			\$500/day			\$7,750.00
ELECTRICIANS						\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$175.00
\$346,372.56
\$346,547.56

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/24/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$175.00 CUM COST OF COMPLETION: \$346,722.56 AFE CUM COST: \$640,088.22

DAILY LOG:	Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
	6:10 AM	660				
	5:50 PM	660				

DAILY COST

SERVICE RIG	First Energy					<u>\$52,070.78</u>
BOP						<u>\$9,907.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)					<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"					<u>\$4,452.42</u>
TUBULARS						
STIMULATION SERVICE	Halliburton					<u>\$126,263.00</u>
WATER HAUL	Mtn States					<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day				<u>\$70.00</u>	<u>\$9,505.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling			79 bbls		<u>\$4,864.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog					<u>\$20,381.00</u>
PERFORATING	Halliburton					<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret				<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production					<u>\$27,000.00</u>
FLOW TEST	Jake Hopkin		\$35/hour -		<u>\$105.00</u>	<u>\$13,745.00</u>
OTHER	CORLAC			Jesse		<u>\$8,500.00</u>
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)				<u>\$17,212.50</u>
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)				<u>\$3,700.00</u>
OTHER		TP Construction				<u>\$5,220.00</u>
WATER/SEWER/TRASH						<u>\$1,855.00</u>
MISCELLANEOUS	Propane	\$100/day average				<u>\$3,926.00</u>
QUANECO OH		\$500/day				<u>\$7,750.00</u>
ELECTRICIANS						<u>\$1,500.00</u>
DAILY TOTAL					\$175.00	
PREVIOUS TOTAL					\$346,547.56	
CUMULATIVE TOTAL						\$346,722.56

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/25/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$175.00

CUM COST OF COMPLETION: \$346,897.56

AFE CUM COST: \$640,263.22

DAILY LOG:

Time	Casing Pressure	Torque	RPM	Bbls Rate	Cumulative Total Bbls/day
6:25 AM	660				
6:20 PM	670				

DAILY COST

SERVICE RIG	First Energy				\$52,070.78
BOP					\$9,907.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)				\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"				\$4,452.42
TUBULARS					
STIMULATION SERVICE	Halliburton				\$126,263.00
WATER HAUL	Mtn States				\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day			\$70.00	\$9,575.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling		79 bbls		\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog				\$20,381.00
PERFORATING	Halliburton				\$9,900.00
FLUIDS	3200 bbls@ .84 per bbl	Canal water to Deseret			\$4,642.00
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production				\$27,000.00
FLOW TEST	Jake Hopkin	\$35/hour -		\$105.00	\$13,850.00
OTHER	CORLAC	Jesse			\$8,500.00
TRUCKING	pump & gen. From 13-8 to MR#1(\$682.50)	RFR(BOP in and out)			\$17,212.50
TANKS	RFR 7 tanks(\$175)	RFR disposal tank (\$325.00)			\$3,700.00
OTHER		TP Construction			\$5,220.00
WATER/SEWER/TRASH					\$1,855.00
MISCELLANEOUS	Propane	\$100/day average			\$3,926.00
QUANECO OH		\$500/day			\$7,750.00
ELECTRICIANS					\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$175.00
\$346,722.56

\$346,897.56

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/26/2002
CONTRACTOR: First Energy #21

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$4,436.50

CUM COST OF COMPLETION: \$351,334.06

AFE CUM COST: \$644,699.72

DAILY LOG:

Time	Pressure
6:15 am	670
9:30 pm	670
Blow down well. Had 670 PSI on gauge, Shot fluid level @ 2015'. RU at 11:00 AM. ND drive head. TOOH with 113 rods, 1 6' and 1 8' sub and 8' rotor (3' of scarring on rotor)(Per Jessie @ Corlac, lower pump about 8" more when hanging well off)	
ND well head and NU BOP. TOOH with 91 jts of 2 7/8" tubing. Laid down pump. Secured well. SDFN	

DAILY COST

SERVICE RIG	First Energy	<u>\$2,351.50</u>	<u>\$54,422.28</u>
BOP	\$450/day	<u>\$450.00</u>	<u>\$10,357.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		<u>\$4,452.42</u>
TUBULARS			
STIMULATION SERVICE	Halliburton		<u>\$126,263.00</u>
WATER HAUL	Mtn States		<u>\$500.00</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	<u>\$70.00</u>	<u>\$9,645.10</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls		<u>\$4,864.82</u>
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$20,381.00</u>
PERFORATING	Halliburton		<u>\$9,900.00</u>
FLUIDS	3200 bbls@ .84 per bbl Canal water to Deseret		<u>\$4,642.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production Bo Stinson	<u>\$500.00</u>	<u>\$27,500.00</u>
FLOW TEST	Jake Hopkin \$35/hour -	<u>\$105.00</u>	<u>\$13,955.00</u>
OTHER	CORLAC Jesse		<u>\$8,500.00</u>
TRUCKING		<u>\$460.00</u>	<u>\$17,672.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		<u>\$3,700.00</u>
OTHER	TP Construction		<u>\$5,220.00</u>
WATER/SEWER/TRASH			<u>\$1,855.00</u>
MISCELLANEOUS	Propane \$100/day average		<u>\$3,926.00</u>
QUANECO OH	\$500/day	<u>\$500.00</u>	<u>\$8,250.00</u>
ELECTRICIANS			<u>\$1,500.00</u>
DAILY TOTAL		<u>\$4,436.50</u>	
PREVIOUS TOTAL		<u>\$346,897.56</u>	
CUMULATIVE TOTAL			<u>\$351,334.06</u>

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/27/2002
CONTRACTOR: First Energy #21

CASING DETAIL:
 7" 23# @ 3415' J-55.
 9 5/8" 32# H40 @ 434'

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

DRILLING COST: \$293,365.66

DAILY COST: \$15,162.93 CUM COST OF COMPLETION: \$366,496.99 AFE CUM COST: \$659,862.65

DAILY LOG: RU Halliburton. Pressure test line to 5000#. Pumped 200 gallons of coal stim. Then 2 bbls. KCL water. Broke down line and dropped 26 balls in flow line(Ball dropper holds 89 1 1/4" balls).
 Started pumping. Brought rate to 5 BPM, dropped one ball every 2.3 bbls. Pressure 11 psi

BBLS Pumped	Pressure	BPM	Pressure
50	13 psi	265	2426 @ 4.8 BPM
93	starting to increase	275	2399 @ 5 BPM
100	915 psi	280	2451 @ 5.3 BPM
142	2600 psi (backed off rate to 4 BPM)	287	2563 @ 5.3 BPM END OF
STAGE			
150	2627 psi	Displacement	
193-194	pressure from 2660 to 2643 psi	50	2367 @ 5.2 BPM
200	2635 (4 BPM)	100	2248 @ 5.2 BPM
200-218	pressure from 2635 to 2593 psi	112	2236 @ 5.2 BPM End displacement
240	2485	ISIP 2137# @ 11:50 AM	
DAILY COST 243	increase to 4.8 BPM rate	5M @ 1939#, 10M @ 1888#, 15M @ 1842#	
250	2494 @ 4.8 bpm		

SERVICE RIG	First Energy		\$54,422.28
BOP	\$450/day	\$450.00	\$10,807.56
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		\$13,827.38
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		\$4,452.42
TUBULARS			
STIMULATION SERVICE	Halliburton	\$12,739.18	\$139,002.18
WATER HAUL	Mtn States		\$500.00
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	\$70.00	\$9,715.10
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls		\$4,864.82
ELECTRIC LINE - Logging/Perforating	Computalog		\$20,381.00
PERFORATING	Halliburton		\$9,900.00
FLUIDS	KCL	\$198.75	\$4,840.75
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production Bo Stinson	\$500.00	\$28,000.00
FLOW TEST	Jake Hopkin \$35/hour -	\$105.00	\$14,060.00
OTHER	CORLAC Jesse		\$8,500.00
TRUCKING		\$600.00	\$18,272.50
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		\$3,700.00
OTHER	TP Construction		\$5,220.00
WATER/SEWER/TRASH			\$1,855.00
MISCELLANEOUS	Propane \$100/day average		\$3,926.00
QUANECO OH	\$500/day	\$500.00	\$8,750.00
ELECTRICIANS			\$1,500.00

DAILY TOTAL
PREVIOUS TOTAL
CUMULATIVE TOTAL

\$15,162.93
\$351,334.06
\$366,496.99

**Quaneco, C
COMPLETION & WORKOVER
DAILY REPORT**

LEASE: MURPHY RIDGE 1-32
DATE: 9/29/2002
CONTRACTOR: Key Energy

KB: 10'
PBTD: 3354' Float @ 3371'
GRADED ELEVATION: 0
LEGAL DESCRIPTION: 0

CASING DETAIL:

7" 23# @ 3415' J-55.
9 5/8" 32# H40 @ 434'

DRILLING COST: \$293,365.66

DAILY COST: \$5,029.00 CUM COST OF COMPLETION: \$371,525.99 AFE CUM COST: \$664,891.65

DAILY LOG: Casing pressure @ 560 psi. Blew well down. Set up to TIH with 91 jts tubing and pump. TIH and hung tubing off as before (see below or August 18th report)(**EXCEPTION:** Lowered polish rod 8" per Bo Stinson on recommendation from Jesse at CORLAC). ND BOP. NU well head. Set up to run rods. TIH with 113 rods, 1-6' and 1-8' pony rod. Hung well off and started pump. RD and release rig.

BHA from August 15th:

EOT - 2865.65'
Bottom of pump - 2878.43'
Bottom of perf sub - 2885.33'
Available rathole - 284.67' 91 - 2 7/8" joints
Rod string: 113 - 1" rods
 1 - 8' pony
 1 - 6' pony
 1 - 32' Polish rod
 1 - 8.5' rotor

DAILY COST

		DAILY COSTS	CUM COSTS
SERVICE RIG	Key Energy	<u>\$3,394.00</u>	<u>\$57,816.28</u>
BOP	\$450/day		<u>\$10,807.56</u>
RENTAL SERVICE TOOLS (DOWNHOLE)	RBP(\$2812.78), Fishing(\$3185.80)		<u>\$13,827.38</u>
DOWNHOLE TOOLS (PURCHASE)	adjustment CORLAC PC pump 2 7/8"		<u>\$4,452.42</u>
TUBULARS			<u>\$139,002.18</u>
STIMULATION SERVICE	Halliburton		<u>\$500.00</u>
WATER HAUL	Mtn States		<u>\$9,785.10</u>
SURFACE RENTAL EQUIPMENT	RFR generator rental \$70 per day	<u>\$70.00</u>	<u>\$4,864.82</u>
WATER DISPOSAL FEE PLUS TRUCKING	\$2.05 disp + .66 hauling 79 bbls		<u>\$20,381.00</u>
ELECTRIC LINE - Logging/Perforating	Computalog		<u>\$9,900.00</u>
PERFORATING	Halliburton		<u>\$4,840.75</u>
FLUIDS	KCL		<u>\$500.00</u>
SUPERVISION w/ EXPENSES/ENGINEERING	CBM Production Bo Stinson	<u>\$500.00</u>	<u>\$28,500.00</u>
FLOW TEST	Jake Hopkin \$35/hour -	<u>\$105.00</u>	<u>\$14,165.00</u>
OTHER	CORLAC Jesse		<u>\$8,500.00</u>
TRUCKING		<u>\$460.00</u>	<u>\$18,732.50</u>
TANKS	RFR 7 tanks(\$175) RFR disposal tank (\$325.00)		<u>\$3,700.00</u>
OTHER	TP Construction		<u>\$5,220.00</u>
WATER/SEWER/TRASH			<u>\$1,855.00</u>
MISCELLANEOUS	Propane \$100/day average		<u>\$3,926.00</u>
QUANECO OH	\$500/day	<u>\$500.00</u>	<u>\$9,250.00</u>
ELECTRICIANS			<u>\$1,500.00</u>
DAILY TOTAL		<u>\$5,029.00</u>	
PREVIOUS TOTAL		<u>\$366,496.99</u>	
CUMULATIVE TOTAL			<u>\$371,525.99</u>

November 1, 2004

Casey Osborn
Quaneco LLC
P.O. Box 7370
Sheridan, Wyoming 82801

Re: Satisfactory Closure for Notice of Violation (NOV) Dated May 24, 2004.

Mr. Osborn,

The compliance work accomplished by Quaneco since the issuance of the NOV dated May 24, 2004 is acknowledged, and is adequate for Closure of the NOV.

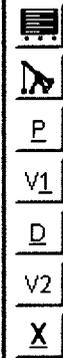
There is however some work in progress and other related items of concern that remain. The Division will be conducting field inspections again in the spring of 2005 and will be looking into any remaining items of concern. It should be noted that your permit to drill does not include a permit to store unused equipment, tubing or casing on the location. That, along with the condition of your pit liners are some of the items we will be inspecting in the spring.

Questions regarding this matter should be directed to Lisha Cordova in our Salt Lake Office, at (801) 538-5296.

Sincerely,

K. Michael Hebertson
Manager, Hearings & Enforcement

Well Data



WELL SEARCH

WELL DATA

WELL HISTORY

WELL ACTIVITY

WELL NAME **MURPHY RIDGE 1-32** API NUMBER **4303330045** WELL TYPE **GW** WELL STATUS **S**

OPERATOR **QUANECO, LLC** ACCOUNT **N2495 #** OPERATOR APPROVED BY BLM / BIA

DESIGNATED OPERATOR _____ ACCOUNT _____

FIELD NAME **WILDCAT** FIELD NUMBER **1** FIRST PRODUCTION _____ LA | PA DATE _____

WELL LOCATION:

SURF LOCATION **0619 FNL 0648 FEL**

Q. S. T. R. M. **NENE 32 08.0 N 08.0 E S**

COUNTY **RICH**

UTM Coordinates:

SURFACE - N **4581963.50** BHL - N _____

SURFACE - E **495588.50** BHL - E _____

LATITUDE **41.39111**

LONGITUDE **-111.05280**

CONFIDENTIAL FLAG

CONFIDENTIAL DATE **9 18 2003**

DIRECTIONAL | HORIZONTAL

HORIZONTAL LATERALS

ORIGINAL FIELD TYPE **W**

WILDCAT TAX FLAG

CB-METHANE FLAG

ELEVATION **6523 GR**

BOND NUMBER / TYPE **04-002 5**

LEASE NUMBER **ML-48456**

MINERAL LEASE TYPE **3**

SURFACE OWNER TYPE **3**

INDIAN TRIBE _____

C.A. NUMBER _____

UNIT NAME _____

CUMULATIVE PRODUCTION:

OIL _____

GAS _____

WATER _____

WELL IMAGES **PRODUCTION GRAPH**

COMMENTS 001121 ENTITY ADDED:01 0501 NM FR MURPHY RIDGE 1:031031 FR N1395:

Create New Rec **Save** **Cancel Change** **To History** **To Activity** **Print Recd** **Export Recd** **↑** **↓**



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 3, 2005

CERTIFIED MAIL NO. 7002 0510 0003 8602 5733

Ms. Lorna James
Quaneco, LLC
P.O. Box 7370
Sheridan, Wyoming 82801

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for Fee or State Leases.

Dear Ms. James:

As of March 2005, Quaneco LLC has five (5) Fee Lease Wells and one (1) State Lease Well (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

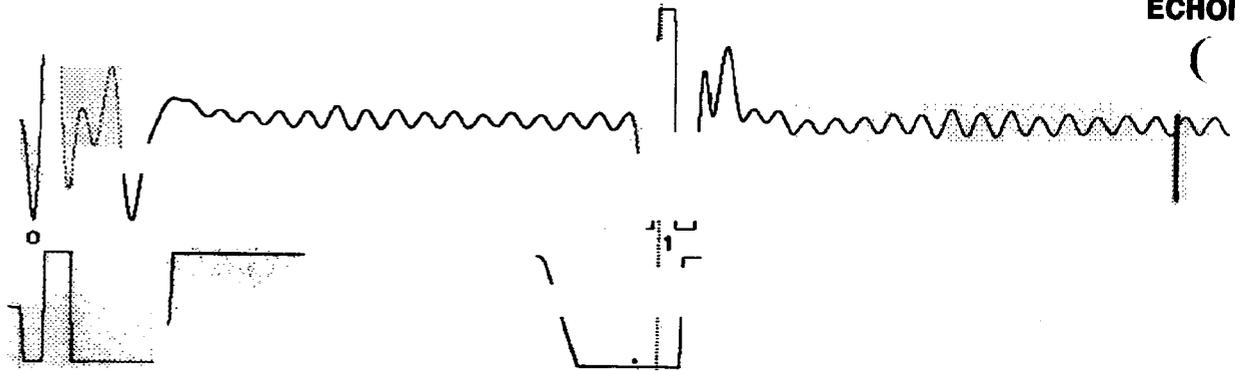
ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Murphy Ridge 1-32	NENE Sec 32-T8N-R8E	43-033-30045	State	1 Year 5 Months
2	Stacy Hollow 14-35	SESW Sec 35-T7N-R7E	43-033-30056	Fee	1 Year 5 Months
3	Suttons 4-12	NWNW Sec 12-T6N- R7E	43-033-30058	Fee	1 Year 5 Months
4	Crane 4-4	NWNW Sec 4-T6N-R8E	43-033-30049	Fee	1 Year 5 Months
5	Crane 12-4	NWSW Sec 4-T6N-R8E	43-033-30050	Fee	1 Year 5 Months
6	Crane 13-8	SWSW Sec 8-T6N-R8E	43-033-30052	Fee	1 Year 5 Months

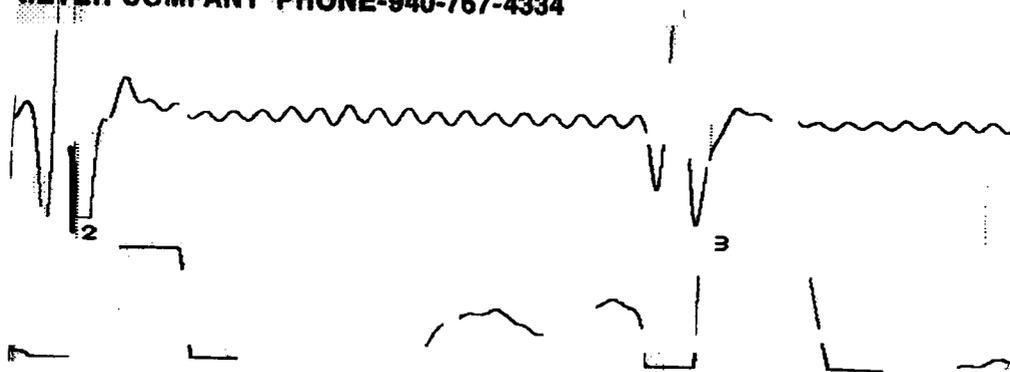
WELL <u>Murphy Ridge</u>	JOINTS TO LIQUID <u>20 x 32'</u>	COLLAR P-P mV <u>0.063</u>
CASING PRESSURE <u>0</u>	DISTANCE TO LIQUID <u>640'</u>	
ΔP <u>0</u>	PBHP	LOWER
ΔT	SBHP	
PRODUCTION RATE.....	PROD RATE EFF, %	
23:19:54 UTC 05/25/2005	MAX PRODUCTION	LIQUID P-P mV <u>0.638</u>

940-767-4334

GENERATE PULSE
 .1.2 VOLTS



HOMETER COMPANY PHONE-940-767-4334



JUSTIN,

I SEE NO CHANGES IN FLUID LEVELS BETWEEN 05/25/05 & 05-01-05 WITH OR W/O PRESSURES. ALL OTHER 5 WELLS W/ TEMPERATURE LOGS SHOW GOOD CASING INTEGRITY. MY CONCLUSION IS THAT MR 1-32 CSQ IS STILL IN GOOD INTEGRITY W/ NO LEAKS

THANKS JOHNNY

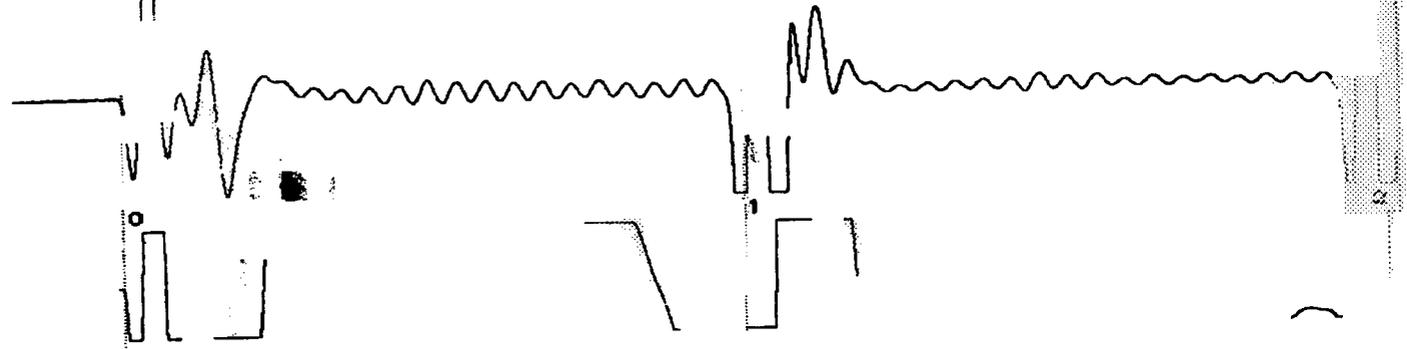
WELL Murphy Ridge 1-32
 CASING PRESSURE 16 psig
 ΔP
 ΔT
 PRODUCTION RATE
 18:30:31 UTC 05/01/2005
 Tubing Pressure 18 psig

JOINTS TO LIQUID..... COLLAR P-P mV0.063
 DISTANCE TO LIQUID.....
 PBHP LOWER
 SBHP
 PROD RATE EFF, %
 MAX PRODUCTION LIQUID P-P mV0.643

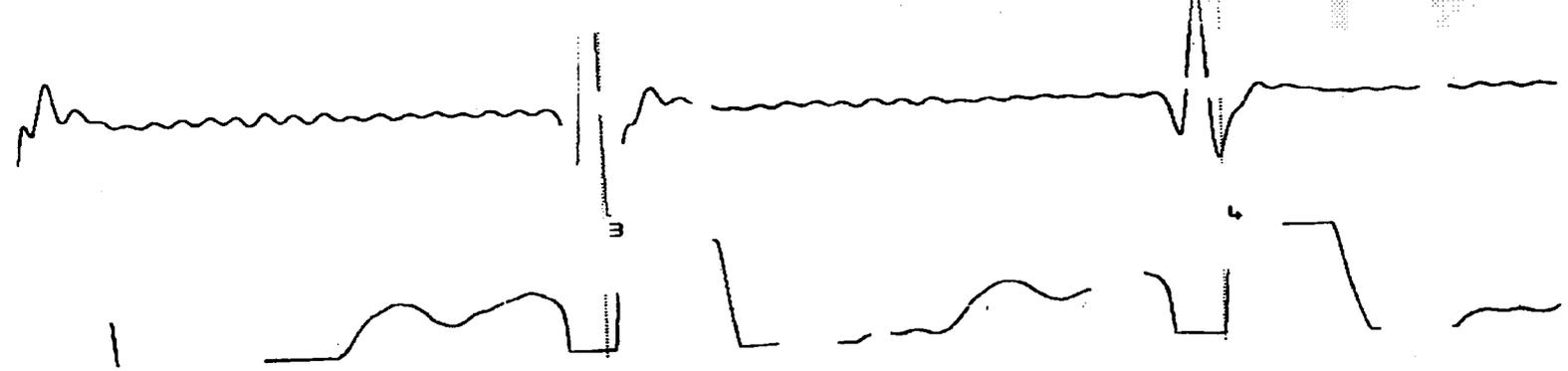
ECHOMETER COMPANY PHONE-940-767-4334

GENERATE
 PULSE

11.4
 VOLTS



ECHOMETER COMPANY PHONE-940-767-4334



Lorna James

From: "Johnny Lewis" <jass@fiberpipe.net>
To: <ljames@fiberpipe.net>
Sent: Thursday, August 04, 2005 3:17 PM
Subject: Fw: Temp Log Info 5 2005

----- Original Message -----

From: Johnny Lewis
To: P Tromp ; Bill@EMIT ; ljames@fiberpipe.net ; jass@fiberpipe.net ; ANNA/ JHL
Sent: Wednesday, June 01, 2005 8:36 AM
Subject: Temp Log Info 5 2005

**Temperature Surveys of Utah Overthrust Wells
 May 24/25 2005
 by Superior Production Logging
 Surface to PBD**

Stacy Hollow 14-35**05-24-05 Temp Log**

Fluid Level @ 436' - 0 psi on csg

Max. Temp 111.2

Depth Logger @ 5188 / PBD @ 5185 - Perfs: 4378-4950 - Cmt top @ 2850

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 5 1/2" 15.5# csg @ 6002 to Surface / *No tbg in hole

Suttons 4-12**05-24-05 Temp Log**

Fluid Level @1062' - 50 PSI TBG / 70 PSI CSG

Max. Temp 95.6

Depth Logger 3942 / PBD @ 4012 - Perfs: 3403-3499

* Possible sand fill from sand frac - Cmt top @ 3150

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 4092 to surface / *2 7/8 tbg to 3374

Crane 13-8**05-25-05 Temp Log**

Fluid Level @ 286' - 0 psi on csg

Max. Temp 92.1

Depth Logger 3383 / PBD @ 3395 - Perfs:3037 - 3369

Cmt top @ 2100

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 3764 to surface / *No tbg in hole

Crane 12-4**05-24-05 Temp Log**

Fluid Level @218' - 0 psi on tbg and csg

Max. Temp 65.2

Depth Logger 1641 / PBD @ 1682

7" Fiberglass Csg 1611 to 1692 Under reamed 14" from 1637 to 1653

7" 23# Csg 1611 to surface Est. Cmt Top @ 1000

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to Under reamed Zone

Casing looks OK - * 2 7/8 tbg to 1633

Fill @ 1641 from possible sloughing coals

Crane 4-4

05-24-05 Temp Log

Fluid Level @ Surface – 0 psi on csg

Max. Temp 61.7

Depth Logger 1442'

*Well never Completed or Cleaned Out / Calc. Cmt Top @ 1050

7" 23# 1598 to surface / 7" FG 1598–1705 / TD @ 1820'

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to 1442

Casing looks OK - *No Tbg

Murphy Ridge 1-32

Fluid Shots

05-01-05 Csg 16 PSI / Tbg 18 PSI - 20 jts to Fluid / Approx. 640'

05-25-05 Csg 0 PSI / Tbg 0 PSI – 20 jts to Fluid / Approx. 640'

No change in fluid levels with or without pressure or 24 days between shots

Indicates that casing is OK

*Also other 5 wells logged with temperature logs show no signs of casing being bad

JHL 06/01/05

No virus found in this incoming message.

Checked by AVG Anti-Virus.

Version: 7.0.322 / Virus Database: 267.3.2 - Release Date: 5/31/2005

No virus found in this incoming message.

Checked by AVG Anti-Virus.

Version: 7.0.338 / Virus Database: 267.10.0/63 - Release Date: 8/3/2005

Quaneco, LLC

850 Val Vista-Box 7370-Sheridan, WY 82801-Office 307-673-1500-Fax 307-673-1400 <mailto:quaneco@fiberglass.net>

8/4/2005

State of Utah
Division of Oil, Gas and Mining
ATTN: Mr. Dustin Doucet
PO Box 145801
Salt Lake City UT 84114-5801

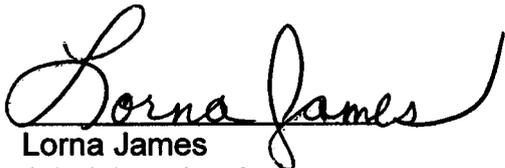
RE: Integrity Testing

Dear Mr. Doucet,

I am writing to follow up on temperature surveys that were conducted on May 24th of this year at our well locations in Utah. An email was sent on June 1, 2005 reflecting the results of the requested testing. A copy of said email is attached hereto. Given that the wells are still in good condition, Quaneco LLC would like to request an extension of the Division's approval of our shut-in status. We have sincere hopes that our partner, Fellows Energy, will be developing this acreage further later this year as weather conditions permit.

Thank you for your time and consideration in this matter.

Sincerely,


Lorna James
Administrative Assistant

RECEIVED

AUG 12 2005

DIV. OF OIL, GAS & MINING



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

September 22, 2005

Ms. Lorna James
Quaneco, LLC
P.O. Box 7370
Sheridan, Wyoming 82801

Re: Extended Shut-in and Temporarily Abandoned Well Requirements for
Fee or State Leases.

Dear Ms. James:

The Utah Division of Oil, Gas & Mining ("Division") is in receipt of your letter dated August 4, 2005 (received by the Division on 8/12/2005) requesting extended shut-in or temporarily abandoned (SI/TA) status for five (5) Fee Lease Wells and one (1) State Lease Well (see attachment A). Quaneco, LLC ("Quaneco") has supplied copies of temperature logs and fluid level shots and has supplied explanations as to how this information shows the wells to have integrity. The Division understands that Fellows Energy, Quanecons' partner, will be developing the properties this coming year.

Based on the submitted information and the plan of action, Quanecons' request for extended shut-in/temporarily abandoned (SI/TA) status for the 6 wells listed in attachment A are approved. The approvals are valid through August 1, 2006. A continued monitoring program should be followed to ensure continued integrity throughout the approval period. The results of the monitoring program should be submitted to the Division at the end of the approval period. However, should pressures or fluid levels change significantly contact the Division immediately. Remedial action may be necessary.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin K. Doucet
Petroleum Engineer

Attachment
cc: Well Files
SITLA

ATTACHMENT A

	Well Name	Location	API	Lease Type	Years Inactive
1	Murphy Ridge 1-32	NENE Sec 32-T8N-R8E	43-033-30045	State	3 Years 0 Months
2	Stacy Hollow 14-35	SESW Sec 35-T7N-R7E	43-033-30056	Fee	4 Years 0 Months
3	Suttons 4-12	NWNW Sec 12-T6N- R7E	43-033-30058	Fee	3 Years 11 Months
4	Crane 4-4	NWNW Sec 4-T6N-R8E	43-033-30049	Fee	4 Years 5 Months
5	Crane 12-4	NWSW Sec 4-T6N-R8E	43-033-30050	Fee	4 Years 0 Months
6	Crane 13-8	SWSW Sec 8-T6N-R8E	43-033-30052	Fee	4 Years 1 Month



State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

September 2, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6176

Ms. Lorna James
Quaneco, LLC
PO Box 7370
Sheridan, WY 82801

8N 8E 32

Re: Crane 4-4 API 43-033-30049, Crane 12-4 API 43-033-30050, Crane 13-8 API 43-033-30052, Stacey Hollow 14-35 API 43-033-30056, Suttons 4-12 API 43-033-30058, Murphy Ridge 1-32 API 43-033-30045
Second Notice of Extended Shut-in and Temporarily Abandoned Well Requirements for Wells on Fee or State Leases

Dear Ms. James:

As of July 2008, Quaneco, LLC (“Quaneco”) has five (5) Fee Lease Wells and one (1) State Mineral Lease Well (see attachment A) that are in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining (“DOGGM” or “Division”) approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

In March 2005 the Division sent a first notice to Quaneco by certified mail stating five (5) Fee Lease wells and (1) State Mineral Lease Well (Attachment A) were in non-compliance with requirements for SI/TA status. A letter was sent to the Division from Quaneco dated August 4, 2005, requesting extension on the wells listed. The Divisions response was sent (dated September 12, 2005) approving request for extension on all wells listed in attachment A, valid until August 1, 2006. The Division feels more than sufficient time has passed since your company’s extension was approved and we have not seen any resolutions. Please submit your plans to produce or plug these wells to DOGM within 30 days of this notice or further actions will be initiated.



For extended SI/TA consideration the operator shall provide the Division with the following:

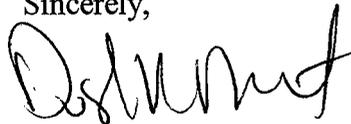
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and Copy of recent casing pressure test, and
2. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
3. Fluid level in the wellbore, and
4. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Jim Davis, SITLA
Operator Compliance File
Wells File

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CRANE 4-4	43-033-30049	Fee	7 Years 4 Months
2	CRANE 12-4	43-033-30050	Fee	6 Years 10 Months
3	CRANE 13-8	43-033-30052	Fee	7 Years 0 Months
4	STACEY HOLLOW14-35	43-033-30056	Fee	6 Years 10 Months
5	SUTTONS 4-12	43-033-30058	Fee	6 Years 9 Months
6	MURPHY RIDGE 1-32	43-033-30045	State	5 Years 11 Months



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 11, 2009

CERTIFIED MAIL NO.: 7004 1160 0003 0190 2648

Ms. Lorna James
Quaneco, LLC
P O Box 7370
Sheridan, WY 82801

43 033 30045
Murphy Ridge 1-32
8N 8E 32

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Ms. James:

The Division of Oil, Gas and Mining (the Division) is in receipt of your e-mail dated February 12, 2008 in regards to the six (6) shut-in or temporarily abandoned (SI/TA) wells operated by Quaneco, LLC (Quaneco). It is the Divisions understanding that Quaneco has secured a new landowners agreement and new mineral lease with Deseret Land, and is currently pursuing Skull Valley lease that has expired. The division also understands that Quaneco plans to retest wells (Attachment A) this coming fall.

Based on the submitted integrity information and plan to retest the wells this fall, the Division grants extended SI/TA status for the wells listed on Attachment A valid until October 1, 2009 allowing adequate time to perform the proposed work. The Division wishes to state that the listed wells (Attachment A) have been SI/TA for over a period of five (5) years, therefore future extensions may require full cost bonding. Quaneco shall continue to monitor well integrity, if pressures or fluid levels change significantly during the year please inform the Division immediately. Corrective action may be necessary.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281

Sincerely,

Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure

cc: Jim Davis, SITLA
Compliance File
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITLA
1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • www.ogm.utah.gov



ATTACHMENT A

T08N R08E S-32

	Well Name	API	Lease Type	Years Inactive
1	CRANE 4-4	43-033-30049	FEE	7 years 4 months
2	CRANE 12-4	43-033-30050	FEE	6 years 10 months
3	CRANE 13-8	43-033-30052	FEE	7 years
4	STACEY HOLLOW 14-35	43-033-30056	FEE	6 years 10 months
5	SUTTONS 4-12	43-033-30058	FEE	6 years 9 months
6	MURPHY RIDGE 1-32	43-033-30045	STATE	5 years 11 months

>>> "Lorna James" <ljames@fiberpipe.net> 2/12/2009 2:28 PM >>>
Mr. Doucet,

I was contacted by someone in your office and was informed you would like to see a side-by-side comparison of our MIT testing done in 2005 and 2008. I have attached a spreadsheet for your convenience. I was also informed you wished to know our current status with our release program and our expected activities for the coming year. We currently have signed off on reobtaining mineral leases from Property Reserve Inc (Deseret Land) and are currently pursuing Skull Valley and Kavanaugh leases as those have expired as well. It has taken us a bit of time to track down the appropriate people to sign off on the leases given it is a 53,000 acre block. Kavanaugh should be under lease in early March and Skull Valley by this coming Spring. We anticipate partnering this Spring/Summer and intend to retest the wells this coming Fall once we are partnered up. If you have any further questions or concerns, please feel free to contact me at 307-673-1500 Monday thru Friday 6:30AM until 3:00 PM.

Sincerely
Lorna James
Sheridan Manager
Quaneco, LLC
ljames@fiberpipe.net

OT temp survey comparison		
WELL NAME	2005	2008
Stacy Hollow 14-35		
fluid level	436'	436'
psi csg	0	0
max temp	111.2	113.2
Suttons 4-12		
fluid level	1062'	1062'
psi tub/psi csg	50/70	25/70
max temp	95.6	97
Crane 13-8		
fluid level	286'	286'
psi csg	0	0
max temp	92.1	93.5
Crane 12-4		
fluid level	218'	218'
psi csg	0	0
max temp	65.2	66
Crane 4-4		
fluid level	surface	surface
psi csg	0	0
max temp	67.1	62.2
Murphy Ridge 1-32		
fluid level	640	640
psi tub/psi csg	16/18	16/18

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File _____

 (Loc.) Sec _____ Twp _____ Rng _____
 (API No.) _____

Suspense
 (Return Date) _____
 (To-Initials) _____

Other
Quaneco

1. Date of Phone Call: 2/18/09 Time: 12:40

2. DOGM Employee (name) J. Cordova (Initiated Call)
 Talked to: (Lease mgr.)
 Name James Sewell (Initiated Call) - Phone No. (435) 793-4288
 of (Company/Organization) Deseret Land & Livestock (Landowner)

3. Topic of Conversation: Quaneco has requested a 1 yr. extension for shut-in wells located on DL&L lands.
Active landowner agreement & active mineral lease(s)?

4. Highlights of Conversation: _____

Mr. Sewell confirmed that Quaneco has secured a new landowners agreement, and new mineral lease with DL&L. In addition, they do not have any concerns regarding the wells located on their lands (see list).

2/23/09 James Sewell copy of lease agreement forthcoming DL&L/Farm Land Reserve Inc. "formerly Property Reserve Inc." eff. 12/4/08 (3yr. lease with option to extend an add'l term of 4 yrs) Quantum Energy LLC & Farmland Reserve Inc. * Oct. 2005 Murphy Ridge 1-32 surface to DL&L - minerals "SITLA"

QUANECO

Committed to American Energy Independence

October 14, 2008

State of Utah
Department of Natural Resources
ATTN: Dustin K. Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City UT 84114-5801

RECEIVED

OCT 20 2008

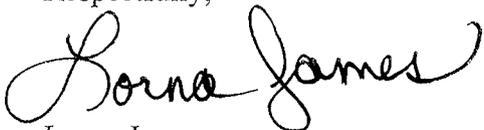
DIV. OF OIL, GAS & MINING

Dear Mr. Doucet,

Enclosed, please find copies of recent temperature surveys done on our well locations in Utah as well as a summary report on the findings. The test results show very little change, if any, in the well temperatures and/or pressures. Hopefully, this will satisfy the State with regards to the mechanical integrity of our wells. I have also enclosed a summary of our activities and future plans for this area. Earlier this year, some of our mineral leases expired and we have been actively pursuing renewal of those leases as well as renewing our Surface Use Agreements with the landowners as well. Our development plans are included in the enclosed summary and we respectfully request extended shut in time to allow us to finalize our release program and complete our fund raising in this area.

If further information is required in order to approve an extended shut in time, please feel free to let me know and we will do our best to provide you with any and all information you need to approve this request.

Respectfully,



Lorna James
Manager

Temperature Surveys of Utah Overthrust Wells
October 07/08 2008
by Superior Production Logging
Surface to PBSD

RECEIVED

OCT 20 2008

DIV. OF OIL, GAS & MINING

④ **Stacy Hollow 14-35**

10-08-08 Temp Log

Fluid Level @ 436' - 0 psi on csg

Max. Temp 113.2

Depth Logger @ 5188 / PBSD @ 5185 - Perfs: 4378-4950 - Cmt top @ 2850

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 5 1/2" 15.5# csg @ 6002 to Surface / *No tbg in hole

④ **Suttons 4-12**

10-07-08 Temp Log

Fluid Level @ 1062' - 25 PSI TBG / 70 PSI CSG

Max. Temp 97.

Depth Logger 3951 / PBSD @ 4012 - Perfs: 3403-3499

* Possible sand fill from sand frac - Cmt top @ 3150

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 4092 to surface / *2 7/8 tbg to 3374

④ **Crane 13-8**

10-07-08 Temp Log

Fluid Level @ 286' - 0 psi on csg

Max. Temp 93.5

Depth Logger 3383 / PBSD @ 3395 - Perfs: 3037 - 3369

Cmt top @ 2100

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to perforations

Casing looks OK - 7" 23# 3764 to surface / *No tbg in hole

④ **Crane 12-4**

10-07-08 Temp Log

Fluid Level @ 218' - 0 psi on tbg and csg

Max. Temp 66.

Depth Logger 1641 / PBSD @ 1682

7" Fiberglass Csg 1611 to 1692 Under reamed 14" from 1637 to 1653

7" 23# Csg 1611 to surface Est. Cmt Top @ 1000

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to Under reamed Zone

Casing looks OK - * 2 7/8 tbg to 1633

Fill @ 1641 from possible sloughing coals

④ **Crane 4-4**

10-07-08 Temp Log

Fluid Level @ Surface - 0 psi on csg

Max. Temp 62.2

Depth Logger 1444'

*Well never Completed or Cleaned Out / Calc. Cmt Top @ 1050

7" 23# 1598 to surface / 7" FG 1598-1705 / TD @ 1820'

*No Temperature Anomalies Seen on Logs

A constant gradient was maintained from fluid level to 1444

Casing looks OK - *No Tbg

④ **Murphy Ridge 1-32**

Fluid Shots

10-08-08 Csg 16 PSI / Tbg 18 PSI - 20 jts to Fluid / Approx. 640'

10-08-08 Csg 0 PSI / Tbg 0 PSI - 20 jts to Fluid / Approx. 640'

*Other 5 wells logged with temperature logs show no signs of casing being bad

TJB 10/14/08

State of Utah
Department of Natural Resources
ATTN: Dustin K. Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City UT 84114-5801

RECEIVED
OCT 20 2008
DIV. OF OIL, GAS & MINING

Utah Geological Summary

To Whom it May Concern:

Enclosed is a geological review of our activity in the Overthrust Play in Utah. This has been prepared to give further insight into past drilling operations and what our intentions going forward.

Initial Development (2000-2006)

The initial Quaneco/Nerd Energy drilling program was designed to evaluate the Adaville coal, Dry Hollow, and Spring Valley coals of the Frontier Formation, and coals in the Bear River Formation. A total of eight wells were drilled. Wells drilled included the Crane 4-4, Crane 12-4, Crane 6-7, Crane 13-8, Stacey Hollow 14-35, Murphy Ridge 1-32, Suttons 4-12 and Neponset 6-35. Coals and carbonaceous shale were encountered in all of the wells. Gas shows were observed in the Adaville coal, Spring Valley Member of the Frontier and Bear River coals. In addition to the coals, two separate reservoir quality sands were drilled in the Bear River Formation.

Adaville Coal (Crane 4-4 and 12-4)

The Adaville coal interval was evaluated in the Crane 4-4 and Crane 12-4 wells. The Adaville coal was cored in the Crane 12-4 well by Ticora, Inc. Desorption results indicated an average gas content in the Adaville coal of between 20-30 cuft/ton. Approximately 20 feet of Adaville coal was observed in each well. Pipe was run on both wells. The coal in the 12-4 was under reamed and slight gas shows were observed. A 400-barrel water enhancement was pumped in. During the enhancement, pressures and rates indicated low permeabilities. As with all the subsequent wells drilled it was discovered that bentonites were intermingled within the coals in these wells. Those bentonites swelled when in contact with drilling muds, and water from enhancements causing the information obtained from testing, to be skewed. Quaneco is still contemplating re-entering these wells incorporating lateral completions, or utilizing both wells for potential water injection.

Dry Hollow Coal

Coals in the Dry Hollow Member of the Frontier were encountered in the Neponset 6-35 well. Approximately 42 feet of Dry Hollow coal was drilled at depths of 1,972 feet to 3,188 feet. The well was in the Chalk Creek member of the Frontier Formation at TD. Mud log gas shows in the Dry Hollow coals were not observed during the drilling of the

well. Further hydro-fracturing of coal was conducted using various sizes of frac job but produced no gas and little water to determine this wells uneconomic viability. This well was plugged.

Spring Valley (Crane 6-7)

In 2004, on a farm-out from Quaneco, Fellows Energy drilled the Crane 6-7 in Rich County, Utah. The well reached a total depth of 4280 feet. The well cored coal and carbonaceous shale over a combined interval of 556 feet. Total coal thickness is approximately 60'. In 2005, we received the results from the gas desorption tests from the Spring Valley coal of the Frontier formation and the coal in the Bear River formation in the well. Results showed 253 cubic feet of gas per ton on an ash-free basis in the coal. Lesser amounts of gas were present in the carbonaceous shale in the well. This well was plugged by Fellows once all potential data was attained.

Bear River Coal

Bear River coals have been drilled in the Crane 13-8, Stacey Hollow 14-35, Murphy Ridge 1-32, and Suttons 4-12. A complete section of Bear River Formation was only drilled in the Crane 13-8 and Murphy Ridge 1-32 wells. There was 131 feet of Bear River coal with shows in the Crane 13-8. The Murphy Ridge 1-32 had 89 feet of Bear River coal with shows. Significant mud log gas shows have been observed in all Bear River coals and carbonaceous shales in the well. Multiplied by hundreds of feet of the latter formation, represents potentially an enormous amount of gas-in-place; however, economic completion of a thick low-grade reservoir is problematic. Volumetrically, the Bear River is the most interesting gas reservoir of all the formations. Water tested from the coals is poor and disposal of this water through disposal wells in the local area will be arranged.

Bear River Sands

In addition to the coal encountered in the Bear River Formation, two separate reservoir quality sands have been observed in the Stacey Hollow 14-35, Suttons 4-12, and Crane 13-8 wells. In the Stacey Hollow 14-35 well, approximately 70 feet of clean porous sand with 16 to 18% porosity was present at the top of the Bear River Formation and directly underlying the Aspen Shale. The sand was at a depth of 4,900 feet (datum +2061') and wet. The sand is also present at a depth of 3,888 feet (datum +2973') in the Suttons 4-12 well. In the Suttons well, the sand is also 70 feet thick, has 16-20% porosity, and wet. This sand is not present in the Crane 13-8 well, which has a datum of +4878 on the top of the Bear River Formation and approximately 1,905 feet high to the Suttons 4-12 well. The Crane 13-8 well had a 30 foot thick reservoir quality sand present at a depth of 3,390 feet (datum +3428'). This sand has 14-16% porosity and was wet. The sand is approximately 1,450 feet below the top of the Bear River Formation. This interval was not drilled in the Stacey Hollow or Suttons wells and appears to be tight in the Murphy Ridge well. There are potential drill sites between the Suttons 4-12 well and Crane 13-8 wells that might encounter the gas column in this sand. If this sand proves successful this could add significant reserves to our play

Summary of Bear River Coals by Well

Crane 13-8

The Crane 13-8 was drilled through the Bear River formation into the Kelvin formation to a TD of 3792', 7" casing was set and cemented to TD. Numerous coal seams were penetrated from 2900' through 3500'. Conservatively, 68' of lower cretaceous Bear River coal has been identified from mud logs and electric logs. While drilling the 13-8 well, significant gas shows were detected by the mud logger indicating potential high gas content in some of the coals penetrated. Perforations were selected by density indicated on the electric logs correlated with the mud log.

Perforations were performed, and the well went on pump at a rate of 300-400 barrels of water per day. Gas flow tests were performed. Though gas flow could not be sustained for an extended period of time, casing pressure increased. This well was shut-in after its 45-day testing permit expired. Quaneco's intention will be to perform a work over on the various coals, and shales in this well bore.

Stacey Hollow 14-35

The Stacey Hollow 14-35 was drilled into the Bear River Formation to a total depth of 6003' numerous Bear River thin to medium coal seams were encountered. Total coal thickness is estimated to 70', thicker coals were not penetrated due to rotating tool equipment limitations on the rig used for this well.

Quaneco would like to deepen this well by 1,000 feet in an attempt to encounter these thicker coals with the intention of performing an open-hole completion.

Murphy Ridge 13-8

Based on electric log analysis the Murphy Ridge 1-32 was drilled through the Bear River formation to a TD of 3442', encountering 89 feet of coal. The Bear River internal correlates with the Crane 13-8. Approximately 28 feet of net coal was encountered at 2800', and an additional 26 feet of net coal at 1800'. The 2800' was perforated, acid treated, and fractured in three stages. Within 24 hours the well was producing 18 MCFPD with tubing pressure at 70#. A 45 day pump test was incorporated where production and pressure rose further, but due to the swelling of the bentonites, water and gas production ceased after 30 days. Quaneco's initial focus, will be to perform a workover on the various coals, similar to that of the Crane wells.

Suttons 4-12

The Suttons 4-12 was drilled to 4110'. A total coal thickness measured 68' with 52' being in 3403-3499 the Frontier Formation. The Donovan "Carbide lag" Technique was performed on this well indicating between 58 cuft/ton-259 cuft/ton from 9 samples. This well was perforated at 4378'. This well had low permeability and did not recover frac fluid. Additionally, this well encountered a 70' porous sand (wet) at 3888'.

In summary, although these unconventional gas plays are complex, higher energy prices and new drilling and completion techniques have prompted Quaneco to take a renewed approach to its Utah acreage. With greater interest from our investors we plan to make the Overthrust a primary focus.

Paul J. Mysyk
CEO
Quaneco, L.L.C.

QUANECO

Committed to American Energy Independence

RECEIVED

OCT 02 2008

DIV. OF OIL, GAS & MINING

September 30, 2008

State of Utah
Department of Natural Resources
ATT: Dustin K. Doucet, Petroleum Engineer
PO Box 145801
Salt Lake City UT 84114-5801

Mr. Doucet,

We are in receipt of your letter dated September 2, 2008 which refers to MIT testing that needs done on our CBM wells in Utah. At this point, we are gathering cost estimates for MIT tests as well as obtaining estimates on P&A costs for a couple of the wells. We do not wish to delay this process and we will notify you once a final decision has been made concerning the wells. We have been in contact with Mr. James Sewell, ranch Manager of Deseret Land and Livestock in an effort to ensure that Deseret would not wish any of the wells for stock watering or to turn to water wells. Mr. Sewell has assured me that Deseret does not care to take possession of any of the wells for such purposes. We have obtained cost estimates pertaining to plugging a couple of the wells and we are currently waiting on estimates for the MIT testing. As soon as we receive the cost estimates, our management team will notify you of our proposed plans for our wells located in Utah. We anticipate receiving this information within the next week. If you have further questions, please do not hesitate to contact me.

Thank you for your time and consideration in this matter.

Sincerely,



Lorna K. James
Manager

Tel: (307) 673-1500 Fax: (307) 673-1400

~~1015 S. Green Avenue, Suite 200~~, Sheridan, Wyoming 82801

P.O. Box 7370

ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
1	CRANE 4-4	43-033-30049	Fee	7 Years 4 Months
2	CRANE 12-4	43-033-30050	Fee	6 Years 10 Months
3	CRANE 13-8	43-033-30052	Fee	7 Years 0 Months
4	STACEY HOLLOW14-35	43-033-30056	Fee	6 Years 10 Months
5	SUTTONS 4-12	43-033-30058	Fee	6 Years 9 Months
6	MURPHY RIDGE 1-32	43-033-30045	State	5 Years 11 Months

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
2. NAME OF OPERATOR: Quaneco, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801		7. UNIT or CA AGREEMENT NAME:
PHONE NUMBER: (307) 673-1500		8. WELL NAME and NUMBER: Murphy Ridge 1-32
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL		9. API NUMBER: 4303330045
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
COUNTY: Rich		STATE: UTAH

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

Operator requests a one year extension on SI/TA status. Operator intends to re-evaluate the well for possibilities of converting to an oil well in the future.

RECEIVED
DEC 15 2009
DIV. OF OIL, GAS & MINING

COPY SENT TO OPERATOR
Date: 1.5.2010
Initials: KS

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Manager</u>
SIGNATURE <u>Lorna James</u>	DATE <u>12/1/2009</u>

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining
Date: 1/4/2010
By: Dustin West (See Instructions on Reverse Side)
* Cannot approve request without a showing of integrity (R649-3-36-1.3)

(5/2000)

QUANECO

Committed to American Energy Independence

Utah DNRC
ATTN: Mr. Dustin Doucet
PO Box 145801
Salt Lake City UT 84114-5801

December 3, 2009

Dustin:

Attached are the sundries to P & A, the Crane 4-4 and 12-4. Once I receive your ok I will contact Ann Garner at Farmland Reserve (Surface Owner) to set-up a time to P & A both wells with the intention that we'll reclaim and reseed the locations in the spring.

Additionally, attached are our SI/TA sundries for the 4 wellbores we would like to keep in place for one more year. Once approved, we will conduct temperature surveys to prove mechanical integrity and submit test result to the Commission.

In July of this year we finalized a Surface Use and Lease Agreement with Skull Valley Inc. Skull Valley was the third and final mineral owner on the leased acreage we were seeking. Farmland and Kavanagh's leases were signed at the end of 2008, and Farmland's Surface Use was signed at that time as well.

It has always been our intention to find an industry partner to help us develop this large acreage position.

In July with natural gas prices remaining weak we made a business decision through the advise of our professionals to focus our initial attention on the deeper oil plays.

After spending July studying regional oil development reports, we determined that most of the geological and engineering studies performed over the last 30 years on this area were done by Paul Lamerson, Monty Hoffman, and Larry Moyer. Quaneco went in pursuit of these individuals and contacted Mr. Hoffman and Mr. Moyer in late July. Upon completion of work both were finalizing for other companies, both were retained by us to direct us in putting together the best geological and engineering information available on the Overthrust area and assist us in marketing/developing this acreage. In the process, Paul Lamerson, a renowned geologist (whose work on the Overthrust is the basis that geologists use to reference this area), joined with Quaneco to assist further in compiling the geophysical and petrographical data needed for our partnering/development of this area. All three professionals, with great resumes, were previously employed with Chevron.

RECEIVED

DEC 15 2009

DIV. OF OIL, GAS & MINING

After recently assembling all of the geophysical and petrographical data, we have completed identifying the targeted geology within our acreage block and in the process, used the information to construct our marketing material to go to industry with. As determined by our professionals, we have multiple oil and gas targets with great reserve potential based on surrounding analog fields.

As a means of allowing this play to gain the most industry exposure for our marketing efforts, Quaneco has recently retained Petroleum Listing Service (PLS) out of Houston, to market our Utah/Wyoming Overthrust play. With over 60,000 oil and gas company contacts world wide, and over 2,000 deep pocket contacts in North America (that have the financial means of developing such a large acreage play), PLS offers us the best means to industry partners that are in search of oil and gas projects. Additionally, our professionals with their previous employment with large Rocky Mountain companies, offer us additional exposure to industry. Shell, Exxon, Chevron, and BP will also be pursued in our quest for a partner.

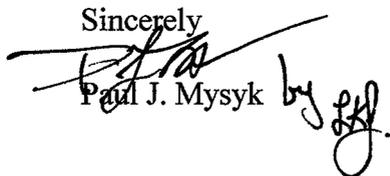
Quaneco's marketing intentions are to offer both the shallow and deep plays, with our initial emphasis on the deep play due to higher oil prices, potentially reserving the shallow play for a future partnering, when natural gas prices firm up. Though we would most likely prefer one company/partner on both.

In either case we feel that the 4 existing wellbores are viable to re-enter for a deeper "Nugget" Test (7,000), or utilized for further testing of the shallow reserves, with new engineering techniques being implemented.

Regardless of our success in partnering or the use of these wellbores, we will look to plug these remaining 4 wellbores a year from now if not successful.

I appreciate your understanding in this matter and if you have any further questions, please do not hesitate to contact me at 440-954-5022.

Sincerely


Paul J. Mysyk by 

RECEIVED

DEC 15 2009

DIV. OF OIL, GAS & MINING

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: Murphy Ridge 1-32	
2. NAME OF OPERATOR: Quaneco, LLC	9. API NUMBER: 4303330045	
3. ADDRESS OF OPERATOR: PO Box 7370 CITY Sheridan STATE WY ZIP 82801	PHONE NUMBER: (307) 673-1500	10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 645' FEL COUNTY: Rich		STATE: UTAH
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S		

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

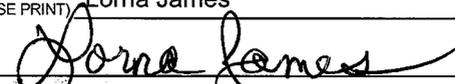
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN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

Operator requests a one year extension on shut in. Geological review attached

MIT test also included

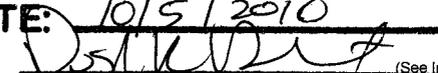
COPY SENT TO OPERATOR
Date: 10/11/2010
Initials: KS

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Manager</u>
SIGNATURE 	DATE <u>8/25/2010</u>

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

(This space for State use only)

DATE: 10/5/2010

BY:  (See Instructions on Reverse Side)

RECEIVED
AUG 31 2010
DIV. OF OIL, GAS & MINING

**Extension Valid thru 12/31/2010 as originally agreed upon. Pending completion of Plan of Action discussed on attached letter (8/26/10) and continued monitoring of casing pressures etc. extension may be re-applied for @ that time.*

To: Paul Mysyk
From: Larry R. Moyer
Date: August 24, 2010
Re: Geological Overview of Quaneco Overthrust Belt Wells

The original objective of the Quaneco wells drilled in 2001 was to develop coalbed methane in the Cretaceous Frontier and Bear River formations at fairly shallow depths on the trailing edge of the Absaroka Plate in the Utah portion of the Utah – Wyoming Overthrust Belt. In this area, the objective reservoirs are unconformably overlain by the Evanston Formation and Wasatch Formation.

Coals and carbonaceous shales with mud gas shows were encountered during the drilling of the wells. Casing was set on six of the wells and completion attempts were made on five of the wells. Even though extensive coring was done on a later well that was plugged and abandoned, unanswered questions are still present for why commercial gas production was not developed. A review of the drilling and completion history suggests that there are problems with the coals being tight and unable to produce significant volumes of fluid, but a definitive understanding, even a satisfactory understanding, has not been found.

Within the last year, the geology of the area has been re-visited and re-interpreted. The lack of nearby outcrops, the complexity of the structural geometry and the sparsity of drilling, particularly deeper holes, presented challenges for establishing the correlation framework. By incorporating detailed sub-regional scale structural cross sections, some revised correlations were established. This in turn, initiated a complete review of the open hole logs in the area, and log anomalies suggesting the possible presence of hydrocarbons in previously un-tested zones were identified. Further work validated the possibility for hydrocarbons in the un-tested zones.

While cement bond integrity is an important issue for consideration, it does appear that there may be some behind pipe potential in some of the existing Quaneco boreholes. The recent cement bond logs run in two wells where bond logs had never been run offers some encouragement for zonal isolation of prospective intervals. For this reason, keeping the boreholes open for now makes sense. Once the zones with potential are tested in existing boreholes, or in new wells where the uncertainty of zonal isolation can be more easily controlled, more information will exist to add certainty to the interpretation of possible behind pipe hydrocarbon potential.

It is also possible that some of the existing wellbores could be converted to water disposal in the event that new efforts are successful for developing hydrocarbons. At present it is too early to know for certain which zones would be successful hydrocarbon producers and which would not.

For these reasons I recommend keeping the wells until some of the zones are tested.

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT OR CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Murphy Ridge 1-32

9. API NUMBER:
4303330045

10. FIELD AND POOL, OR WILDCAT:
Wildcat

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Quaneco, LLC

3. ADDRESS OF OPERATOR: PHONE NUMBER:
PO Box 7370 CITY Sheridan STATE WY ZIP 82801 (307) 673-1500

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 619' FNL 648' FEL COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 T8N R8E S 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
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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 checked="" type="checkbox"/> OTHER: <u>extended shutin request</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.

Operator requests a one year extension to shut-in. Operations are currently being conducted on other wells within the development area and testing of those wells will determine how Operator wishes to proceed with this well.

COPY SENT TO OPERATOR

Date: 2/23/2012

Initials: LS

NAME (PLEASE PRINT) Lorna James TITLE Admin Assistant
SIGNATURE Lorna James DATE 1/12/2012

(This space for State use only)

REQUEST DENIED
Utah Division of
Oil, Gas and Mining

RECEIVED

JAN 12 2012

(5/2000)

Date: 2/9/12
By: [Signature] (See Instructions on Reverse Side)

* See Requirements of R649-3-36.
A plan detailing planned operations with timelines and a decision point for this well should also be submitted for extended SI/TA consideration.

DIV. OF OIL, GAS & MINING

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

NOTICE OF VIOLATION
STATE OF UTAH
OIL AND GAS CONSERVATION ACT

To the following operator:

Name: QUANECO, LLC.

8N 8E 32

- Well(s) or Site(s): 1.) MURPHY RIDGE 1-32 API #: 43-033-30045
2.) STACY HOLLOW 14-35 43-033-30056
3.) CRANE 4-4 43-033-30049
4.) CRANE 12-4 43-033-30050

Date and Time of Inspection/Violation: September 21, 2012

Mailing Address: Attn: Lorna James
P.O. Box 7370
Sheridan, WY 82801

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining (Division) has conducted an inspection of the above described site and/or records on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649-3-36, Shut-in and Temporarily Abandoned Wells - According to Rule R649-3-36, the operator is required to supply the Division with reasons for extended SI/TA, the length of time for extended SI/TA and proof of well bore integrity for every well SI/TA over 12 consecutive months. After 5 years of continued SI/TA, the wells are to be plugged unless good cause is supplied to the Division for extended SI/TA in addition to the required information just mentioned.

The Division has initiated several contacts with Quaneco, LLC. (Quaneco) requesting required documents and action per R649-3-36. The above wells have never produced, and have each been shut in over 10 years time.

A first notice of non-compliance was sent out via certified mail on March 3, 2005, to Quaneco concerning the above listed wells. On August 4, 2005, Quaneco responded with a request for extended shut in status, which was granted on September 22, 2005, to expire on August 1, 2006. After ample time had passed after the extension expired, a second notice of non-compliance was sent to Quaneco via certified mail on September 2, 2008. Quaneco responded on February 12, 2009, with required data and request for further extension. The Division approved the request on March 11, 2009 to expire on October 1, 2009, allowing time for Quaneco to complete proposed work. Quaneco conducted MITs in August 2010 and further requested additional extension for the above wells. The Division approved this request on October 5, 2010 to expire December 31, 2010, as originally agreed upon based on correspondence from Quaneco dated August 26, 2010. Most recent, on January 12, 2012, Quaneco submitted a sundry requesting further SI/TA extension for these wells. The Division denied the request on February 9, 2012, due to lack of required documents according to R649-3-36. In addition the Crane 4-4 was scheduled to be plugged December, 2009; approved by the Division on December 15, 2009.

UTAH DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

Oil and Gas Program

1594 West North Temple, Suite 1210, Box 145801

Salt Lake City, Utah 84114-5801

(801) 538-5340 Phone

(801) 359-3940 Fax

To date our records indicate that no further work has been accomplished as planned or required documentation submitted by Quaneco to move these wells into compliance.

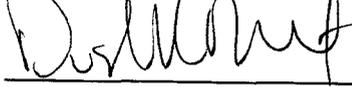
Action: For the wells subject to this Notice, Quaneco, LLC. shall either submit the information required by R649-3-36, plug and abandon or place the wells on production.

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: November 5, 2012

Date of Service Mailing: October 10, 2012

CERTIFIED MAIL NO: 7011 0110 0001 3568 2394



Division's Representative

Operator or Representative

(If presented in person)

cc: Compliance File

Well Files

6/2005

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

Operator Name: QUANECO, LLC

Immediate Action: For the wells subject to this notice, Quaneco shall fulfill full cost bonding requirements for each well. Quaneco shall also submit all information as required by R649-3-36 or plug and abandon or place the well(s) on production.

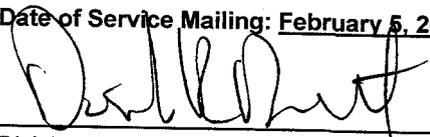
*** Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: March 15, 2013

Date of Service Mailing: February 5, 2013

Certified Mail No.: 7010 1670 0001 4810 3829



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files
SITLA

1/2013

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

Operator Name: QUANECO, LLC

Immediate Action: For the wells subject to this notice, Quaneco shall fulfill full cost bonding requirements for each well. Quaneco shall also submit all information as required by R649-3-36 or plug and abandon or place the well(s) on production.

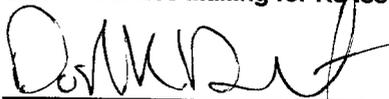
- **Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions to order full cost bonding and plugging and abandonment of wells and requests for bond forfeiture and civil penalties.

Compliance Deadline: March 15, 2013 April 30, 2013

Date of Service Mailing: February 5, 2013 Certified Mail No.: 7010 1670 0001 4810 3829

Date of Service Mailing for Reissued: April 2, 2013 Certified Mail No: 7010 1670 0001 4810 4017



Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files
SITLA

1/2013

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 48456
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	8. WELL NAME and NUMBER: MURPHY RIDGE 1-32	
2. NAME OF OPERATOR: QUANECO, LLC	9. API NUMBER: 4303330045	
3. ADDRESS OF OPERATOR: 22801 Ventura Blvd, Ste:200 CITY Woodland Hills STATE CA ZIP 91364	PHONE NUMBER: (818) 225-5000	10. FIELD AND POOL, OR WILDCAT: WILDCAT
4. LOCATION OF WELL FOOTAGES AT SURFACE: 619' FNL 648' FEL		COUNTY: RICH COUNTY
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NENE 32 8N 8E S		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>10/2/2013</u>	<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 checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
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	<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.

Plug and abandon well per attached procedure. Work will commence on entire P&A project on or around October 2nd, 2013. Depending on land owner and weather conditions for MIRU.

COPY SENT TO OPERATOR

Date: 10/10/2013
Initials: KS

RECEIVED

SEP 23 2013

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) <u>Matthew S. Schumacher</u>	TITLE <u>MM</u>
SIGNATURE	DATE <u>13 SEPT 13</u>

(This space for State use only)

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING
 DATE: 10/3/2013
 BY: [Signature]
(See Instructions on Reverse Side)
 * See Conditions of Approval (Attached)

Proposed P&A Procedure for the Murphy Ridge 1-32

Operator: Quaneco, LLC
Lease: Murphy Ridge 1-32
Location: Sec 32 - 8N - 8E
Rich County, Utah

Surface Casing: 9 5/8" @ 434' TOC at surface
Long String: 7" 23# at 3,414' TOC 1,040' per CBL
Perfs: 2,770' - 3,204'
Tubing:

Prior to MIRU, check rig anchors and blow the well down

MIRU

NDWH, and NUBOP

POH and check tubing, if no tubing, move in a work string

RIH with a bit to 2,700', POH

RIH with a CICR and set at 2,700'

Pump 100 sxs below the CICR and 10 on top (100 sxs is 520' of cement in 7")

Roll hole with corrosion inhibitor treated water

Pressure test casing, if it fails call for orders

POH

RIH and perforate at 500'

Circulate cement to surface (200 sxs is 529' in 9 5/8" casing)

Cut off wellhead 3' down

Top off cement if necessary

Weld on a plate with well information

Backfill the hole

RDMO

All cement is 15.8# class G neat



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

CONDITIONS OF APPROVAL TO PLUG AND ABANDON WELL

Well Name and Number: Murphy Ridge 1-32
API Number: 43-033-30045
Operator: Quaneco, LLC
Reference Document: Original Sundry Notice dated September 13, 2013,
received by DOGM on September 23, 2013.

Approval Conditions:

1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.
2. All balanced plugs shall be tagged to ensure that they are at the depth specified.
3. All annuli shall be cemented from a minimum depth of 100' to the surface.
4. Surface reclamation shall be done in accordance with R649-3-34 – Well Site Restoration.
5. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.
6. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (ofc) or 801-733-0983 (home) prior to continuing with the procedure.
7. All other requirements for notice and reporting in the Oil and Gas Conservation General Rules shall apply.

Dustin K. Doucet
Petroleum Engineer

October 3, 2013

Date

API Well No: 43-033-30045-00-00 **Permit No:** **Well Name/No:** MURPHY RIDGE 1-32
Company Name: QUANECO, LLC
Location: Sec: 32 T: 8N R: 8E Spot: NENE
Coordinates: X: 495527 Y: 4582170
Field Name: WILDCAT
County Name: RICH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (ft/cf)
HOL1	434	12.25			
SURF	434	9.625	36	434	
HOL2	3414	8.75			
PROD	3414	7	23	3414	4.524
T1	2866	2.875			
8 3/4" x 7" (108)					4.2014
9 5/8" x 7"					5.995

Cement from 434 ft. to surface
 Surface: 9.625 in. @ 434 ft.
 Hole: 12.25 in. @ 434 ft.

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	3414	1040	50	635
SURF	434	0	UK	230

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2730	3204			

Formation Information

Formation	Depth
ASPEN	1240
BRRVR	1650
KELVN	3280



Plug # 2
 Below Shoe
 $6' / (1.15 \times 4.2014) = 14 \text{ sk}$
 Above Shoe
 $434' / (1.15 \times 5.995) = 63 \text{ sk}$
 $500' / (1.15 \times 4.524) = 96 \text{ sk}$
173 sk
 Proposed 200 sk ✓ OK

Plug # 1
 Below (100 sk) $(1.15) (4.524) = 520' \checkmark \text{ OK}$ BOC @ 3220' max.
 Above (100 sk) $(1.15) (4.524) = 52' \checkmark \text{ OK}$

TD: 3442 **TVD:** 3442 **PBTD:** 3170



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

December 12, 2013

Certified Mail No. 7003 2260 0003 2358 7110

DIVISION WELL PLUGGING ORDER

Harrison Schumacher
Quaneco, LLC
22801 Ventura Blvd #200
Woodland Hills, CA 91364

8N 8E 32

Subject: Division Order to Plug and Abandon the Crane 4-4, Crane 12-4, Stacy Hollow 14-35
Murphy Ridge 1-32 and Crane 16-4 wells operated by Quaneco, LLC in Rich County,
Utah.

Dear Mr. Schumacher:

The Division of Oil, Gas and Mining ("division") issued Quaneco, LLC ("Quaneco") a Notice of Violation for the five wells ("subject wells") listed below on April 2, 2013. The wells are in violation of Oil, and Gas Conservation General Rule R649-3-36 (Shut-in and Temporarily Abandoned Wells). As a result of the Notice of Violation Quaneco agreed, last August, to plug the subject wells by early October of this year. As of the date of this letter Quaneco has not plugged and abandoned the wells.

<u>Well Name</u>	<u>API</u>	<u>Completed</u>	<u>Production</u>
Crane 4-4	43-033-30049	3/31/2001	None
Crane 12-4	43-033-30050	9/15/2001	None
Stacey Hollow 14-35	43-033-30056	9/11/2001	None
→ Murphy Ridge 1-32	43-033-30045	8/18/2002	None
Crane 16-4	43-033-50001	Spud 12/4/2011	None

Quaneco submitted notice of intent plugging sundries for the subject wells on September 13, 2013. The sundries were approved and returned to Quaneco with a Condition of Approval Letter by the division in early October.

The Director of the Division of Oil, Gas and Mining received a letter on December 6, 2013, from Wells Fargo Bank with an attached legal document from American Express Bank for a judgment against Harrison Schumacher on any and all assets located at Wells Fargo Bank. In essence, a lien against Quaneco's \$120,000.00 blanket bond (R649-3-1.1). Bond liability is for the duration of the drilling, operating and plugging of the wells and restoration of the well site (R649-3-1.3). The bond for drilling or operating wells shall remain in full force and effect until liability is released by the division (R649-3-1.3.1).



The Division is concerned with Quaneco's ability to continue operating within the legal and financial constraints of the Utah Oil and Gas Conservation Act. Quaneco is required to be able to meet its duty to plug each dry or abandoned well, prevent waste and pollution and maintain and restore each well site (Utah Code 40-6-5).

The Division is hereby ordering Quaneco to Plug and Abandon the five subject wells by January 31, 2014.

Division authority to order the wells plugged is found in the Oil, and Gas Conservation General Rule R649-3-36. The wells shall be plugged in accordance with R649-3-24.

Quaneco has the right to appeal the Division Plugging Order by filing to the Board of Oil, Gas and Mining ("Board") a request for review according to the procedures set forth in R649-10-6. A request for review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the order.

In the event Quaneco does not plug and abandon the subject wells the Division will file for a formal hearing before the Board, as described in the Utah Administrative Code R641, requesting a Board Order to plug and restore the well sites. Should this matter be brought before the Board, the Division will seek bond forfeiture (R649-3-36 and R649-3-1.16), liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5) and civil penalties of up to \$10,000 per day for each day of violation (Utah Oil and Gas Conservation Act 40-6-11).

Questions regarding this order may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or John Rogers, Oil and Gas Associate Director at (801) 538-5349.

Sincerely,


Clinton Dworshak
Compliance Manager

cc: John Rogers, Oil and Gas Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Petroleum Engineer
Well file
Compliance File

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GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 27, 2014

Certified Mail No. 7003 2260 0003 2358 6861

Harrison Schumacher
Quaneco, LLC
22801 Ventura Blvd #200
Woodland Hills, CA 91364

43 033 30045
Murphy Ridge 1-32
8N 8E 32

Subject: Board Action

Dear Mr. Schumacher:

The Division of Oil, Gas and Mining ("division") sent to Quaneco, LLC ("Quaneco") a Well Plugging Order, dated December 12, 2013, for the Crane 4-4, Crane 12-4, Stacey Hollow 14-35, Murphy Ridge 1-32 and Crane 16-4 wells ("subject wells").

Since that time you have discussed with Mr. Alder, through telephone and e-mail conversations, various possible options to meet Quanecos' plugging obligation. You have also indicated your desire to resolving this matter in a manner agreeable to all parties involved.

The division currently holds a \$120,000.00 blanket bond for the plugging and site restoration of the wells. It is also the divisions' understand that Quaneco and Deseret Land and Livestock ("DL&L") have \$150,000.00 in escrow for site reclamation. DL&L has estimated site reclamation to be \$25,000.00 per location. DL&Ls' dirt contractor is Terry Pruitt, his contact number is (307) 679-4407. The division has been informed by Magna Energy Resources ("Magna") that the plugging cost for the subject wells is approximately \$138,000.00. Magna currently has a rig in the area doing work for other operators. This rig should remain in the area for the next month or two.

The division encourages you to use all resources available to Quaneco and to work with the above mentioned parties, secure sufficient plugging and reclamation funds and put together a plan to timely and properly plug and reclaim the subject wells.

If Quaneco is unable to demonstrate to the divisions' satisfaction that it has the necessary resources available and a plan to properly plug and reclaim each well site by February 10, 2014 the division will file a Notice of Agency Action (NAA) for the March 26, 2014 formal hearing before the Board of Oil, Gas and Mining (Board"). The request will be for a Board Order to plug the subject wells and restore the well sites. If Quaneco still does not demonstrate prior to the

Page 2
Quaneco, LLC
January 27, 2014

hearing that it has sufficient plugging and reclamation funds and a plan to properly plug and reclaim each well, the division will be prepared to give testimony at the hearing supporting its request. In addition to a Board Order to plug the subject wells and restore the well sites, the division will seek bond forfeiture (R649-3-36 and R649-3-1.16) and liability for plugging costs in excess of bond forfeiture amounts (R649-3-1.16.5).

Questions regarding this matter may be directed to Clinton Dworshak, Compliance Manager at (801) 538-5280 or John Rogers, Oil and Gas Associate Director at (801) 538-5349.

Sincerely,



Clinton Dworshak
Compliance Manager

CLD/js

cc: John Rogers, Oil and Gas Associate Director
Steve Alder, Assistant Attorney General
Dustin Doucet, Petroleum Engineer
American Safety Casualty Insurance Company
Well File
Compliance File

N:\O&G Reviewed Docs\ChronFile\Enforcement

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-29-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
6:30-JSA meeting
7:00-Rd floor-dig out surface valve establish circ. down 7" & up 9 5/8" (good)
8:45-Rig down move equip. away from well
10:30-Start pumping 15.8# cmt (1 bbl FW-189sxs/38 bbls cmt) (Cmt: 500' to Surface inside & out)-lunch
12:30-Dig out well-cut off WH-top well off with 7sxs cmt-weld cap & marker onto well-start prepping equip. to move tomorrow
5:00-Secure equip. & location
5:30-Crew travel
6:30

NAMES	HOURS	SUBSISTANCE
Darie Roehm	12.5	Yes
Kendall Sitts	12.5	Yes
Armando Lopez	12.5	Yes
Mike Bossie	12.5	Yes

NOTES

Tomorrows Tasks: Finish prepping equip. to move-start moving equip. to Rock Springs.
--

REVINUE	COST
0	

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-28-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
 6:30-JSA meeting
 7:00-Nd WH (had to cut off bolts)-Nu BOP-Ru floor
 9:00-TIH with bit & scrapper to 2764' (88 jts)
 11:00-TOOH-lay down bit & scrapper-lunch
 12:15-TIH with 7" CICR to 2700'
 1:45-Set CICR @2700'-sting out-establish circ.-sting into retainer-establish injection rate of 1.5 bbls a min. @800 psi
 3:00-Start pumping 15.8# cmt (1 bbl FW-110sxs/22 bbls cmt-1 bbl FW-4 bbls disp. (pressured up to 1300 psi)-sting out-disp. 10 bbls)(Cmt: 60sxs/12 bbls below CICR & 50 sxs/10 bbls on top CICR-TOC 2446')
 4:20-Lay down 11 jts (EOT @2355)-roll hole with 72 bbls (with corrosion inhibitor)
 5:30-TOOH (8 stands in derrick-lay down remaining jts)
 6:30-Pressure test csg to 1000 psi (good)-TIH with TCP gun & shoot 4 holes @500'-lay down tbg
 8:30-Secure equip. & location
 9:00-Crew travel
 10:00

NAMES	HOURS	SUBSISTANCE
Darie Roehm	16	Yes
Kendall Sitts	16	Yes
Joseph Soliz	11	Yes
Armando Lopez	16	Yes
Mike Bossie	16	Yes

NOTES

Tomorrows Tasks: Establish circ. down 7" & up 9 5/8"-Nd BOP-Rig down-pump surface plug-dig out well-cut off WH-top off well-weld cap & marker onto well-back fill-prep all equip. to move to new location

REVINUE	COST
0	

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-27-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel 6:30-JSA meeting 7:00-Finish loading tbg & well heads-wait for roads to dry up to move equip. into new location 10:00-Start moving equip. into new location-escort Tri Mack into location to fill up cementer-dig up anchors on all 4 previous locations 5:00-Spot in equip.-pick up last piece of equip. 7:00-Rig up-secure equip. & location 8:30-Crew travel 9:30
--

NAMES	HOURS	SUBSISTANCE
Darie Roehm	15.5	Yes
Kendall Sitts	15.5	Yes
Joseph Soliz	15.5	Yes
Armando Lopez	15.5	Yes
Mike Bossie	15.5	Yes

NOTES

Tomorrows Tasks: Nu BOP-TIH with bit & scrapper-TOOH-TIH with 7" CICR-set @2700'-establish circ. & injection-pump cmt-TOOH-TIH with TCP gun & shoot @500'-TOOH-establish circ.-pump surface plug
--

REVINUE	COST
0	

WELL SEARCH | **WELL DATA** | WELL HISTORY | WELL ACTIVITY

WELL NAME API NUMBER WELL TYPE WELL STATUS

OPERATOR ACCOUNT # OPERATOR APPROVED BY BLM / BIA

DESIGNATED OPERATOR ACCOUNT

FIELD NAME FIELD NUMBER FIRST PRODUCTION LAJ PADATE

WELL LOCATION

SURF LOCATION

QQ. S. T. R. M.

COUNTY

UTM COORDINATES

SURFACE - N BHL - N

SURFACE - E BHL - E

LATITUDE

LONGITUDE

CONFIDENTIAL FLAG

CONFIDENTIAL DATE

DIRECTIONAL | HORIZONTAL

HORIZONTAL LATERALS

COMMINGLED PRODUCTION

ORIGINAL FIELD TYPE

WILDCAT TAX FLAG

CB-METHANE FLAG

ELEVATION

BOND NUMBER / TYPE

LEASE NUMBER

MINERAL LEASE TYPE

SURFACE OWNER TYPE

INDIAN TRIBE

C.A. NUMBER

UNIT NAME

CUMULATIVE PRODUCTION:

OIL

GAS

WATER

WELL FILES | WELL PHOTOS | PROD. GRAPH

COMMENTS

Create New Rec | Save | Cancel Change | To History | To Activity | Print Recd | Export Recd |

P
V1
Q
V2
X

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-29-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
6:30-JSA meeting
7:00-Rd floor-dig out surface valve establish circ. down 7" & up 9 5/8" (good)
8:45-Rig down move equip. away from well
10:30-Start pumping 15.8# cmt (1 bbl FW-189sxs/38 bbls cmt) (Cmt: 500' to Surface inside & out)-lunch
12:30-Dig out well-cut off WH-top well off with 7sxs cmt-weld cap & marker onto well-start prepping equip. to move tomorrow
5:00-Secure equip. & location
5:30-Crew travel
6:30

NAMES	HOURS	SUBSISTANCE
Darie Roehm	12.5	Yes
Kendall Sitts	12.5	Yes
Armando Lopez	12.5	Yes
Mike Bossie	12.5	Yes

NOTES

Tomorrows Tasks: Finish prepping equip. to move-start moving equip. to Rock Springs.
--

REVINUE	COST
0	

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-28-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
 6:30-JSA meeting
 7:00-Nd WH (had to cut off bolts)-Nu BOP-Ru floor
 9:00-TIH with bit & scrapper to 2764' (88 jts)
 11:00-TOOH-lay down bit & scrapper-lunch
 12:15-TIH with 7" CICR to 2700'
 1:45-Set CICR @2700'-sting out-establish circ.-sting into retainer-establish injection rate of 1.5 bbls a min. @800 psi
 3:00-Start pumping 15.8# cmt (1 bbl FW-110sxs/22 bbls cmt-1 bbl FW-4 bbls disp. (pressured up to 1300 psi)-sting out-disp. 10 bbls)(Cmt: 60sxs/12 bbls below CICR & 50 sxs/10 bbls on top CICR-TOC 2446')
 4:20-Lay down 11 jts (EOT @2355)-roll hole with 72 bbls (with corrosion inhibitor)
 5:30-TOOH (8 stands in derrick-lay down remaining jts)
 6:30-Pressure test csg to 1000 psi (good)-TIH with TCP gun & shoot 4 holes @500'-lay down tbg
 8:30-Secure equip. & location
 9:00-Crew travel
 10:00

NAMES	HOURS	SUBSISTANCE
Darie Roehm	16	Yes
Kendall Sitts	16	Yes
Joseph Soliz	11	Yes
Armando Lopez	16	Yes
Mike Bossie	16	Yes

NOTES

Tomorrows Tasks: Establish circ. down 7" & up 9 5/8"-Nd BOP-Rig down-pump surface plug-dig out well-cut off WH-top off well-weld cap & marker onto well-back fill-prep all equip. to move to new location

REVINUE	COST
0	

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-27-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel 6:30-JSA meeting 7:00-Finish loading tbg & well heads-wait for roads to dry up to move equip. into new location 10:00-Start moving equip. into new location-escort Tri Mack into location to fill up cementer-dig up anchors on all 4 previous locations 5:00-Spot in equip.-pick up last piece of equip. 7:00-Rig up-secure equip. & location 8:30-Crew travel 9:30
--

NAMES	HOURS	SUBSISTANCE
Darie Roehm	15.5	Yes
Kendall Sitts	15.5	Yes
Joseph Soliz	15.5	Yes
Armando Lopez	15.5	Yes
Mike Bossie	15.5	Yes

NOTES

Tomorrows Tasks: Nu BOP-TIH with bit & scrapper-TOOH-TIH with 7" CICR-set @2700'-establish circ. & injection-pump cmt-TOOH-TIH with TCP gun & shoot @500'-TOOH-establish circ.-pump surface plug
--

REVINUE	COST
0	

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-27-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
6:30-JSA meeting
7:00-Finish loading tbg & well heads-wait for roads to dry up to move equip. into new location
10:00-Start moving equip. into new location-escort Tri Mack into location to fill up cementer-dig up anchors on all 4 previous locations
5:00-Spot in equip.-pick up last piece of equip.
7:00-Rig up-secure equip. & location
8:30-Crew travel
9:30

NAMES	HOURS	SUBSISTANCE
Darie Roehm	15.5	Yes
Kendall Sitts	15.5	Yes
Joseph Soliz	15.5	Yes
Armando Lopez	15.5	Yes
Mike Bossie	15.5	Yes

NOTES

Tomorrows Tasks: Nu BOP-TIH with bit & scrapper-TOOH-TIH with 7" CICR-set @2700'-establish circ. & injection-pump cmt-TOOH-TIH with TCP gun & shoot @500'-TOOH-establish circ.-pump surface plug
--

REVINUE	COST
0	

Sundry Number: 59826 API Well Number: 43033300450000

RECEIVED: Jan. 13, 2015

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-28-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
6:30-JSA meeting
7:00-Nd WH (had to cut off bolts)-Nu BOP-Ru floor
9:00-TIH with bit & scrapper to 2764' (88 jts)
11:00-TOOH-lay down bit & scrapper-lunch
12:15-TIH with 7" CICR to 2700'
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3:00-Start pumping 15.8# cmt (1 bbl FW-110sxs/22 bbls cmt-1 bbl FW-4 bbls disp. (pressured up to 1300 psi)-sting out-disp. 10 bbls)(Cmt: 60sxs/12 bbls below CICR & 50 sxs/10 bbls on top CICR-TOC 2446')
4:20-Lay down 11 jts (EOT @2355)-roll hole with 72 bbls (with corrosion inhibitor)
5:30-TOOH (8 stands in derrick-lay down remaining jts)
6:30-Pressure test csg to 1000 psi (good)-TIH with TCP gun & shoot 4 holes @500'-lay down tbg
8:30-Secure equip. & location
9:00-Crew travel
10:00

NAMES	HOURS	SUBSISTANCE
Darie Roehm	16	Yes
Kendall Sitts	16	Yes
Joseph Soliz	11	Yes
Armando Lopez	16	Yes
Mike Bossie	16	Yes

NOTES

Tomorrows Tasks: Establish circ. down 7" & up 9 5/8"-Nd BOP-Rig down-pump surface plug-dig out well-cut off WH-top off well-weld cap & marker onto well-back fill-prep all equip. to move to new location

REVINUE	COST
0	

MAGNA ENERGY SERVICE Rig 23

DATE	LOCATION
6-29-14	Company: Quaneco Murphy Ridge 1-32

SUMMARY

6:00-Crew travel
6:30-JSA meeting
7:00-Rd floor-dig out surface valve establish circ. down 7" & up 9 5/8" (good)
8:45-Rig down move equip. away from well
10:30-Start pumping 15.8# cmt (1 bbl FW-189sxs/38 bbls cmt) (Cmt: 500' to Surface inside & out)-lunch
12:30-Dig out well-cut off WH-top well off with 7sxs cmt-weld cap & marker onto well-start prepping equip. to move tomorrow
5:00-Secure equip. & location
5:30-Crew travel
6:30

NAMES	HOURS	SUBSISTANCE
Darie Roehm	12.5	Yes
Kendall Sitts	12.5	Yes
Armando Lopez	12.5	Yes
Mike Bossie	12.5	Yes

NOTES

Tomorrows Tasks: Finish prepping equip. to move-start moving equip. to Rock Springs.
--

REVINUE	COST
0	

Sundry Number: 59826 API Well Number: 43033300450000

RECEIVED: Jan. 13, 2015

Company ORPHAN-NO RESPONSIBLE OPERAT

API Number 43033300450000

Well Name : MURPHY RIDGE 1-32

Sec ## Twn 8 N *Rng* 8 E *Qtr/Qtr* NENE

Date Inspected : 6/28/2014

Notes

Magna, Rig 23 (Darie Roehm, Toolpusher): Plug 1 completed, at time of arrival crew NU BOP, running behind schedule, had to cut off bolts to ND WH. HU bit & scraper to 2 7/8" tbg, TIH to 2764'/88 jts. TOO H & lay down B&S. HU 7" CICR, TIH & set @2700', sting out est circ, sting in & est inj rate 1.5 bpm/800#. HU cmtr, mix & pump 110 sxs (22.54 bbls) cmt (Class G Neat, 1.15yld, 15.8#), 60 sxs below (unable to get 100 sxs below as req. by DOGM Eng./DD, -40 sxs) & 50 sxs (+40 sxs) on top, TOC @2446', LD 11 jts/345.73' (EOT @2355). Load/roll hole w/corrosion inhibitor treated water (72 bbls). PU & stand 8/502.88' & LD 69.90/2197.12' (total). Pressure test csg 1000#/15 min.- held solid. HU TCP "tubing compression perf" gun (4 shot) to 2 7/8" tbg, TIH 8 stds/502.88', filling tbg w/water as TI, drop bar & not sure if charges went off (gun preloaded & Darie's 1st time). PU LD all tbg slowly & safety precautions taken, shots went off ok (downhole @502.88') as planned. At time of departure 8pm, crew RD. Will complete surface plug in the AM. Pic(s) in M Drive.

Inspector _____

Company ORPHAN-NO RESPONSIBLE OPERAT**API Number** 43033300450000*Well Name :* MURPHY RIDGE 1-32*Sec ## Twn* 8 N *Rng* 8 E *Qtr/Qtr* NENE*Date Inspected :* 6/29/2014*Notes*

Magna, Rig 23 (Darie Roehm, Toolpusher): Plug 2/surface completed. Established good circ down 7" & up 9 5/8". RD rig, dig out cellar & trench & started pulling up anchors. Prepare equipment for cmt ops & HU cmtr (problems with cmtr & triplex pump resolved). Mix & pump 189 sxs (38.72 bbls) cmt (Class G Neat, 1.15yld, 15.8#) 93 sxs out (16 sxs extra) & 96 sxs in, cmt to surface, RD & clean up. Prepare mkr plates/2. Cut WH/csg +3' below surface (buried mkr per DL&L/Landowners request). HU cmtr & top off w/cmt (7 sxs) & cleanup. Weld mkr plate w/weep hole in 7" csg & mkr plate w/op & well info on top. *Requested that site be cleared so TP Construction can conduct site reclamation in accordance with DL&L/Landowners agreement with Quaneco & TP Construction. Pic(s) in M Drive. *Darie said planning to remove everything from site except for; electric box (needs followup), bent tbg, rods & pump. **Onsite contractor "Chris Schwitzer/Schwitzer's/307-789-4358" said that he had called Quaneco to see if he could have bent tbg (& rods/pump?); said they would have an answer for him by Monday 6/30/14 - needs followup.

Inspector _____

Division of Oil, Gas and Mining
ORPHAN-NO RESPONSIBLE OPERATOR
CHANGE WORKSHEET (for state use only)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:	9/16/2014
FROM: (Old Operator): N2495-Quaneco, LLC	TO: (New Operator): N9999-Orphan-No Responsible Operator

Docket Number:	2014-013
Cause Number:	281-01

WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	Mineral	Surface	WELL TYPE	WELL STATUS
Crane 16-4	4	060N	080E	4303350001	18372	4	4	OW	DRL
MURPHY RIDGE 1-32	32	080N	080E	4303330045	12970	3	4	GW	S
CRANE 4-4	4	060N	080E	4303330049	13056	4	4	GW	S
CRANE 12-4	4	060N	080E	4303330050	13057	4	4	GW	S
STACEY HOLLOW 14-35	35	070N	070E	4303330056	13104	4	4	GW	S

DATA ENTRY:

1. Date bond received on: 9/11/2014
2. Changes entered in the Oil and Gas Database on: 1/9/2015
3. Date RBDMS changed to "Claimed" on: 7/29/2014

COMMENTS:

Per the Board of Oil, Gas and Mining well(s) moved to N9999 Orphan-No Responsible Operator for Division plugging.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

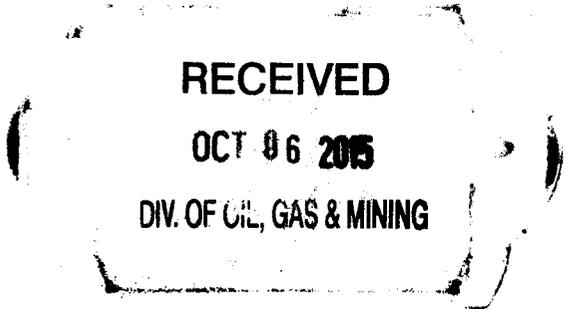
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: <u>Quanico</u>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: _____ STATE _____ ZIP _____		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____		8. WELL NAME and NUMBER: <u>Murphy Ridge 1-32</u>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <u>NENE 32 8N 8E</u>		9. API NUMBER: <u>4303330045</u>
PHONE NUMBER: _____		10. FIELD AND POOL, OR WILDCAT:
COUNTY: <u>Rich</u>		
STATE: <u>UTAH</u>		

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: <u>9/2015</u>	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input checked="" 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.
Reclamation of well site is complete



NAME (PLEASE PRINT) Michael Meek for Faermland Reserves Inc. TITLE Manager
SIGNATURE [Signature] DATE 10/6/2015

(This space for State use only)



Lisha Cordova <lishacordova@utah.gov>

Quaneco

1 message

Lisha Cordova <lishacordova@utah.gov> 435.535.6262
To: "Mike Meek (DL&L)" <msmeek@ari-slc.com>

Tue, Sep 8, 2015 at 12:36 PM

Mr. Meek,

**AKA Farmland Reserves Inc.*

As discussed earlier today, attached is a list of wells that the Division is seeking a Landowners Release for.

Please call if you have any questions, and thank you so much for your assistance & patience throughout this process.

Much appreciated!
Lisha

—
Lisha Cordova, Env. Scientist
Division of Oil, Gas and Mining
1594 W. North Temple, Suite 1210
Salt Lake City, Utah 84116
T: 801-538-5296
C: 801-396-3902
lishacordova@utah.gov

2 attachments

20150908 List of Wells (for Landowners Release).xlsx
11K

Form 9 Sundry Notices & Reports On Wells.PDF
102K

Operator	API #	Well Name	Qtr/Qtr	Section	Township	Range	County	Status
Quaneco	4303330049	Crane 4-4	NWNW	4	6 N	8 E	Rich	PA
Quaneco	4303330050	Crane 12-4	NWSW	4	6 N	8 E	Rich	PA
Quaneco	4303350001	Crane 16-4	S-NW	4	6 N	8 E	Rich	PA
Quaneco	4303330052	Crane 13-8	SWSW	8	6 N	8 E	Rich	PA
Quaneco	4303350002	Crane 17-8	SESW	8	6 N	8 E	Rich	LA
Quaneco	4303330056	Stacy Hollow 14-35	SESW	35	7 N	7 E	Rich	PA
Quaneco	4303330045	Murphy Ridge 1-32	NENE	32	8 N	8 E	Rich	PA