



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

March 10, 2004

Lorna James
Quaneco, LLC
P O Box 7370
Sheridan WY 82801

Re: APD Rescinded – Sims 13-33, Sec. 33, T. 7N, R. 8E Rich County, Utah
API No. 43-033-30051

Dear Ms. James:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 20, 2001. On February 21, 2002 and on March 4, 2003, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 4, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager

APPLICATION FOR PERMIT TO DRILL			5. LEASE DESIGNATION AND SERIAL NUMBER: Fee		
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: Sims #13-33		
3. ADDRESS OF OPERATOR: 211 N. Robinson CITY OKC STATE OK ZIP 73102		PHONE NUMBER: (307) 673-1500	9. FIELD AND POOL, OR WILDCAT: Wildcat		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 795' FSL 552' FWL AT PROPOSED PRODUCING ZONE: Same			10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 33 7N 8E		
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 5 miles West of Evanston, Wyoming			11. COUNTY: Rich	12. STATE: UTAH	
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 552'	15. NUMBER OF ACRES IN LEASE: 52,395	16. NUMBER OF ACRES ASSIGNED TO THIS WELL: 160			
17. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) 1380'	18. PROPOSED DEPTH: 1,750	19. BOND DESCRIPTION: Utah DOGM Surety # 885588C			
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 7007' GR	21. APPROXIMATE DATE WORK WILL START: 2/1/2001	22. ESTIMATED DURATION: 5 days			

TIGHT HOLE
4570891 N
495913 E

23. **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#	200	G-Poz	100 sx	1.77	12.5# lead
						50 sx	1.17	15.8# tail
8 3/4"	7"	K-55	20#	1,750	G-35/65 Poz	150sx	2.34	11# lead
						50 sx	1.27	14.2# tail

24. **ATTACHMENTS**

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

<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN
<input checked="" 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 1/3/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30051

APPROVAL: **Approved by the Utah Division of Oil, Gas and Mining**
Date: 02-20-01
By: *[Signature]*

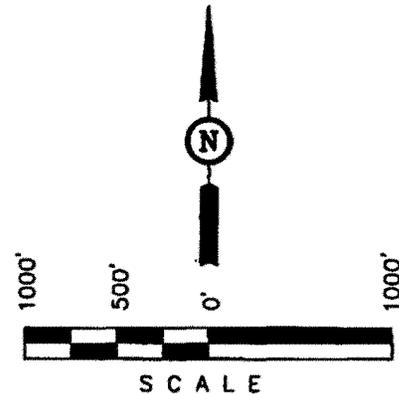
T7N, R8E, S.L.B.&M.

QUANECO, LLC

Well location, SIMS #13-33, located as shown in Lot 4 of Section 33, T7N, R8E, S.L.B.&M., Rich County, Utah.

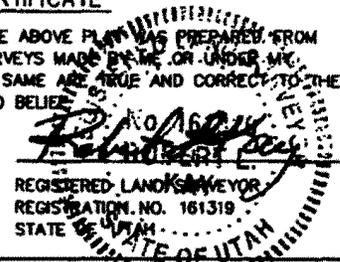
BASIS OF ELEVATION

BENCH MARK (D132-1958) LOCATED IN THE SW 1/4 OF SECTION 16, T6N, R8E, S.L.B.&M. TAKEN FROM THE MURPHY RIDGE QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6735 FEET.

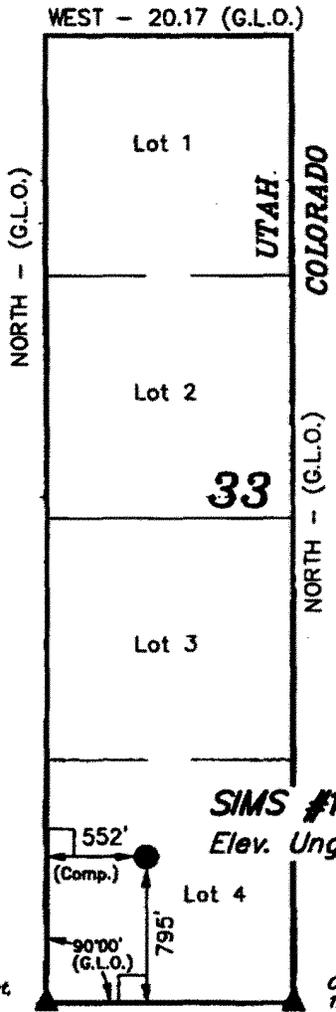


CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAN 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.



TIGHT HOLE
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 OIL, GAS AND MINERALS



SIMS #13-33
 Elev. Ungraded Ground = 7007'

NOTE:
 THE PROPOSED WELL BEARS N34°57'18"E
 968.1' FROM THE SOUTHWEST CORNER OF
 SECTION 33, T7N, R8E, S.L.B.&M.

1977 Private Cap
 #20860, Steel Post,
 Mound of Stones

C.C.
 1977 Private Cap
 #20860, Steel Post,
 Sandstone

N89°48'10"W - ASSUMED
 (Basis of Bearings)
 1355.36' - (Measured)

LEGEND:

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

LATITUDE = 41°17'29"
 LONGITUDE = 111°02'56"

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-19-00	DATE DRAWN: 12-22-00
PARTY D.A. J.T. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUANECO, LLC	

01/02/01 15:48 FAX 801 789 1813 U.B.L.S., INC. 207

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: 01/01/2001

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

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

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FEB 12 2001

DIVISION OF
OIL, GAS AND MINING



PALONE PETROLEUM

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

February 5, 2001

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

Re: Designation of Operator.

To whom it concerns,

Enclosed is a Designation of Operator Form, designating Fat Chance Oil and Gas, LLC as operator on several thousand acres in Rich, Summit and Morgan Counties. Fat Chance currently has active and pending APDs on portions of the acreage.

The leasehold will be assigned very shortly to Quaneco, LLC. Fat Chance will remain the operator on current and future wells. Will Quaneco have to designate Fat Chance after the assignments are made? If so let me know, so that we can get that done concurrent with assignments.

If you have any questions please contact me at the above telephone number or address.

Sincerely yours,

Bill Palone

enclosure

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DIVISION OF
OIL, GAS AND MINING

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 circe 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
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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
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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
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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

DRILLING PLAN
Operator: Fat Chance Oil and Gas, LLC
Sims 13-33
T7N R8E, Rich County, Utah

1. ESTIMATED TOPS OF GEOLOGIC MARKERS

<u>Formation</u>	<u>Depth</u>	<u>Fluid</u>
Wasatch	Surface – 800'	Potential water sands
Evanston/Adaville	800' – 1500'	Water, Possible Gas
Aspen	1500'-1750'	None
TD	1750'	

2. ESTIMATED DEPTHS OF ANTICIPATED WATER AND GAS FORMATIONS

The objective is the Aspen formation. Operator intends to evaluate shows in the Evanston/Adaville interval. 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 a pipe ram and blind ram.
2. 2M choke manifold consisting of two adjustable chokes and bleed line.
3. 2" Kill Line
4. 2" 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.

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

The surface casing will be pressure tested to 500 psi.

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

TIGHT HOLE

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DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC
Sims 13-33
T7N R8E, Rich County, Utah

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: 20# 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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DIVISION OF
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DRILLING PLAN
Operator: Fat Chance Oil and Gas, LLC
Sims 13-33
T7N R8E, Rich County, Utah

6. EVALUATION PROGRAM

Coring:

Zones of interest will be cored.

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 750 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 Aspen formation from which no hydrogen sulfide has been encountered nor in any formations above the Aspen. 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.

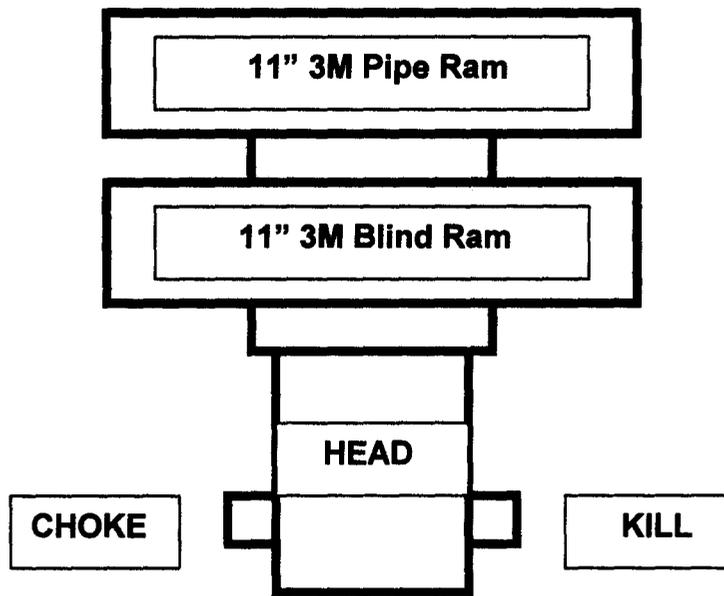
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DIVISION OF
OIL, GAS AND MINING

BOPE SCHEMATIC

API 3M - 11 - RR



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DIVISION OF
OIL, GAS AND MINING

KILL LINE – CHOKE LINE/MANIFOLD SCHEMATIC

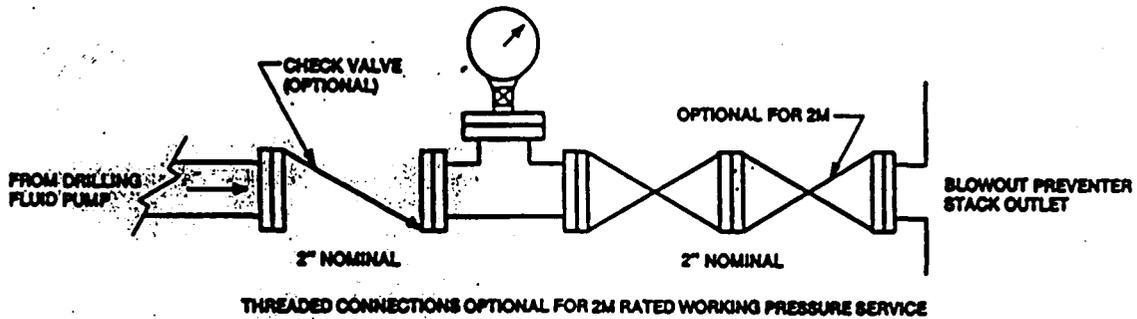


FIGURE K5-1. Typical kill line assembly for 2M and 3M rated working pressure service — surface installation.

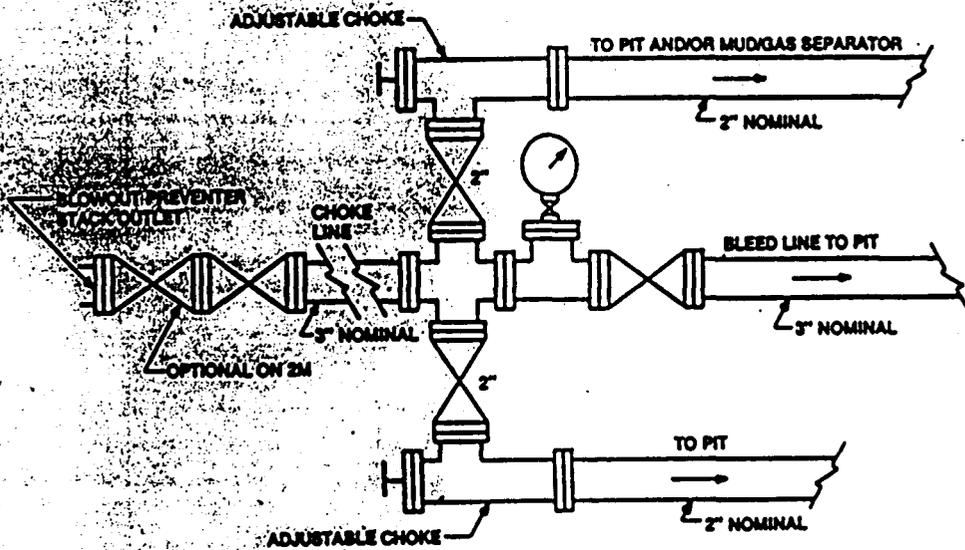


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

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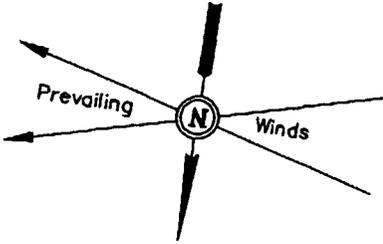
JAN 05 2001

DIVISION OF
OIL, GAS AND MINING

QUANECO, LLC.

LOCATION LAYOUT FOR

SIMS #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL

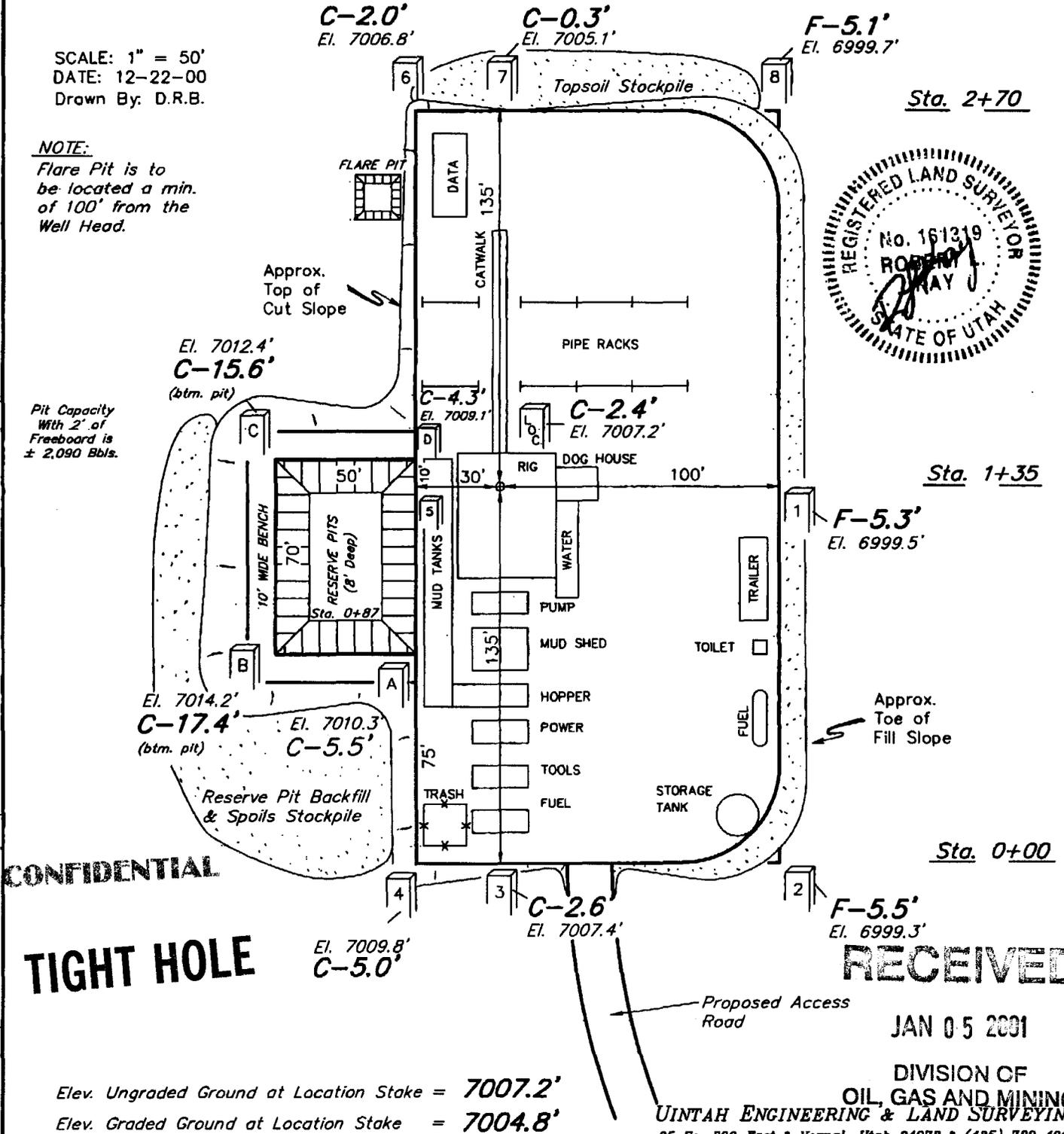


SCALE: 1" = 50'
DATE: 12-22-00
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.

Pit Capacity With 2' of Freeboard is ± 2,090 Bbls.



CONFIDENTIAL

TIGHT HOLE

RECEIVED

JAN 05 2001

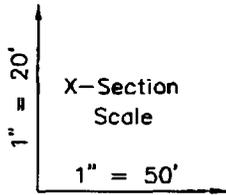
DIVISION OF OIL, GAS AND MINING
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 789-1017

Elev. Ungraded Ground at Location Stake = 7007.2'
Elev. Graded Ground at Location Stake = 7004.8'

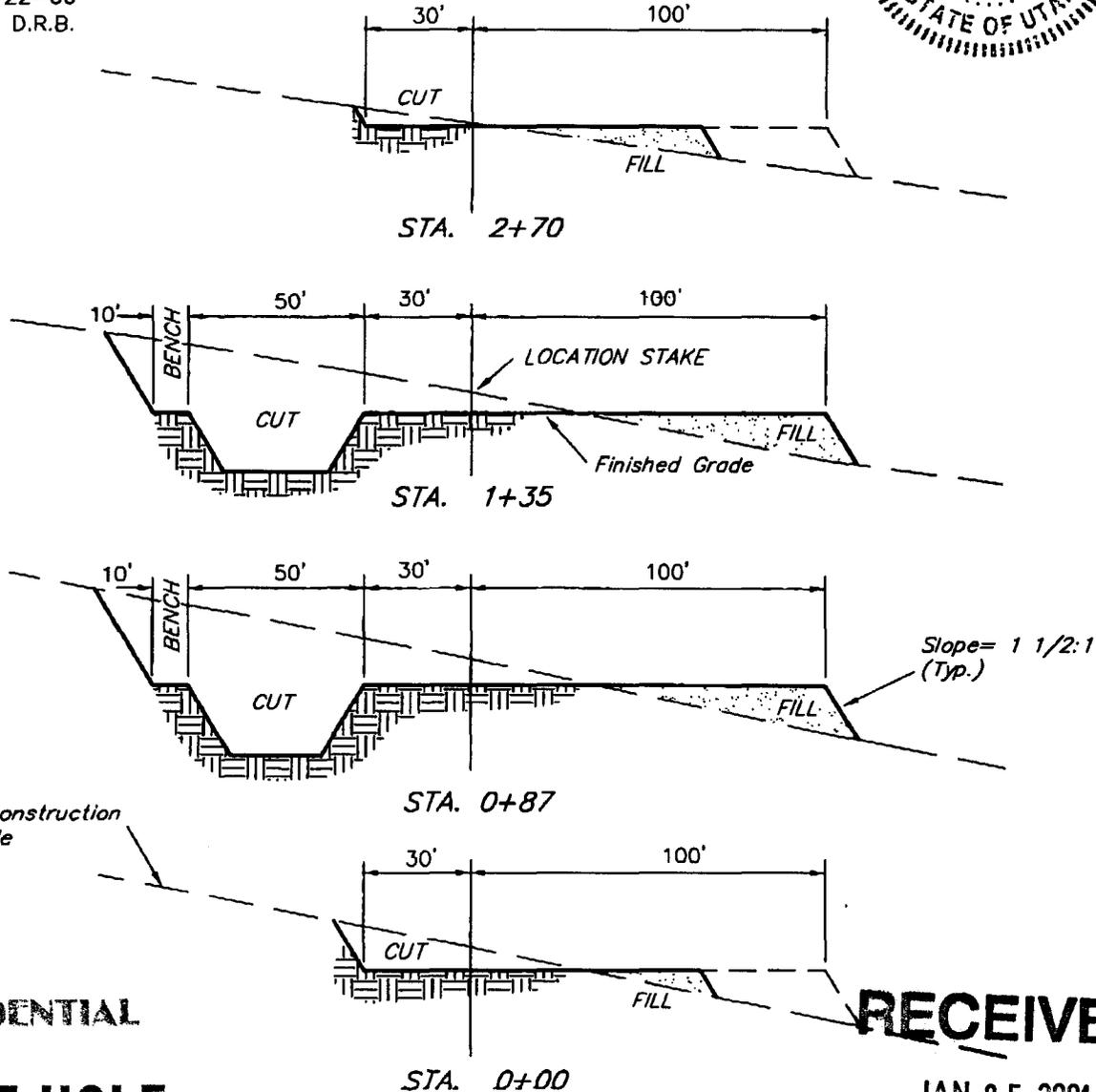
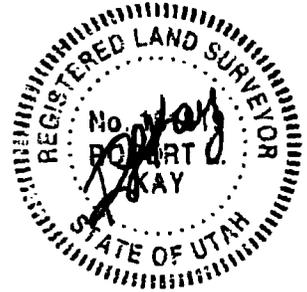
QUANECO, LLC.

TYPICAL CROSS SECTIONS FOR

SIMS #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL



SCALE: 1" = 50'
 DATE: 12-22-00
 Drawn By: D.R.B.



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TIGHT HOLE

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JAN 05 2001

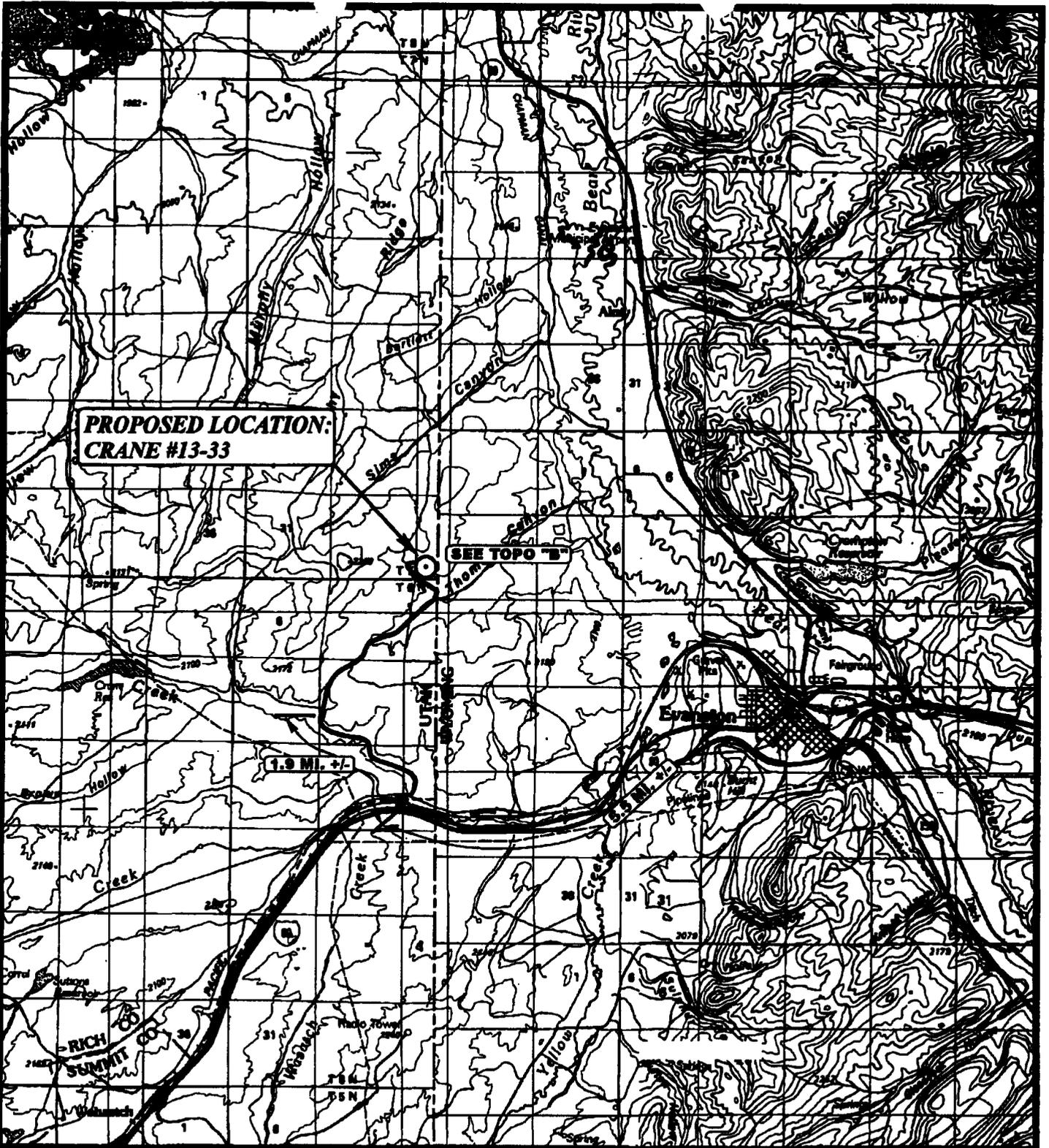
DIVISION OF
 OIL, GAS AND MINING

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 750 Cu. Yds.
Remaining Location	= 3,250 Cu. Yds.
TOTAL CUT	= 4,000 CU.YDS.
FILL	= 2,770 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,080 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,080 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.

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



LEGEND:

○ PROPOSED LOCATION



QUANECO, LLC.

CRANE #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL



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

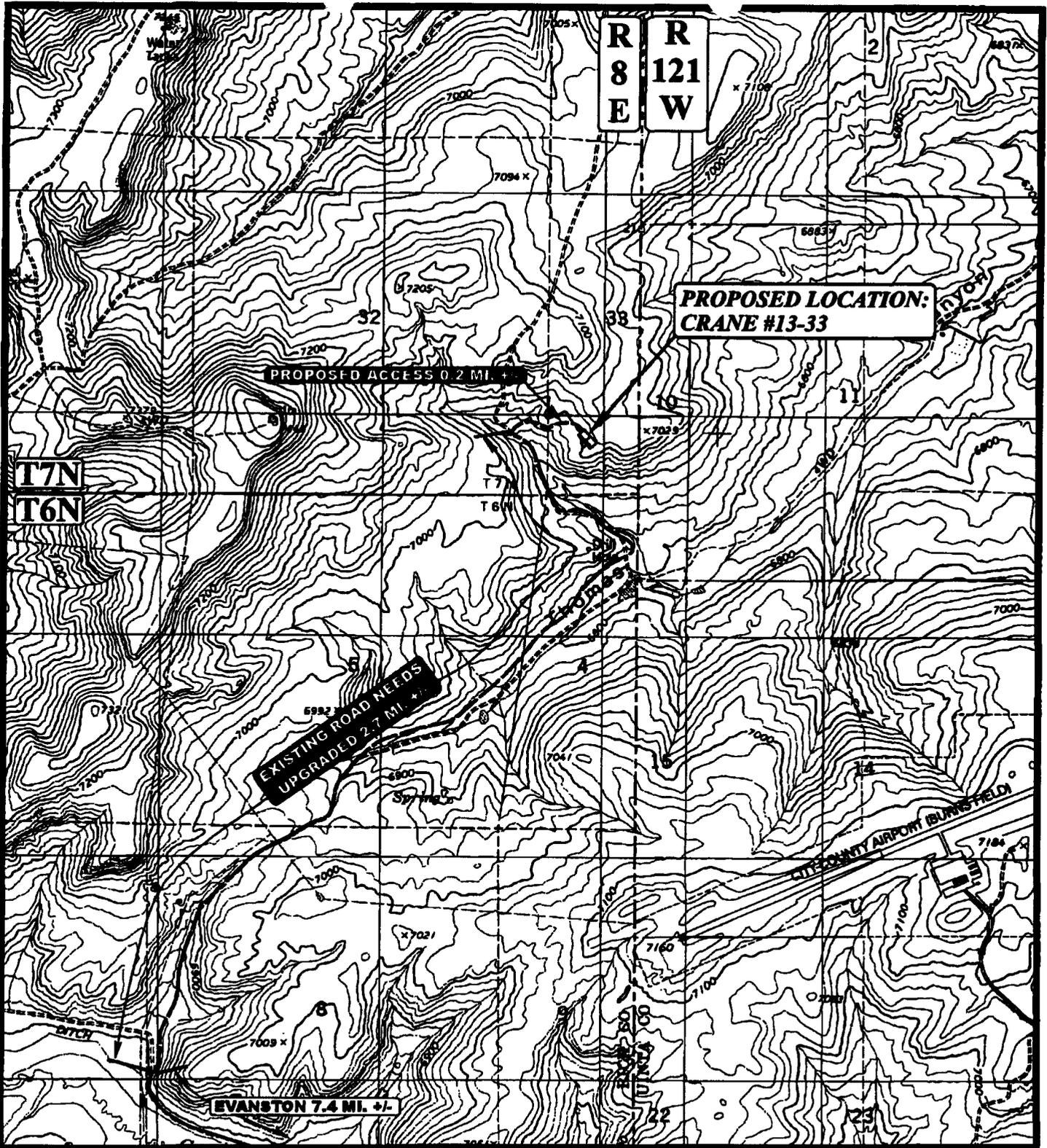
TOPOGRAPHIC 12 29 00
MAP MONTH DAY YEAR

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



TIGHT HOLE

CONFIDENTIAL



LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



QUANECO, LLC.

CRANE #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL



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

TOPOGRAPHIC 12 29 00
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00



TIGHT HOLE

CONFIDENTIAL

Fat Chance Oil and Gas, LLC.
a division of Quaneco, LLC

P.O. Box 7370
850 Val Vista
Sheridan WY 82801
307-673-1500 Phone
307-673-1400 Fax

January 5, 2001

Utah Dept. of Oil, Gas and Mining

ATTN: MIKE HEBERTSON
P.O. Box 145801
Salt Lake City UT 84114-5801

Dear Sir:

Enclosed, please find color copies of the plats that were submitted with APDs on January 4, 2001. We sincerely apologize that color copies were not sent at the same time as the original APDs.

Thank you for your time and consideration in this matter.

Sincerely,


Lorna K. James
Comptroller

RECEIVED

JAN 09 2001

DIVISION OF
OIL, GAS AND MINING

QUANECO, LLC.

SIMS #13-33

LOCATED IN RICH COUNTY, UTAH
SECTION 33, T7N, R8E, S.L.B.&M.

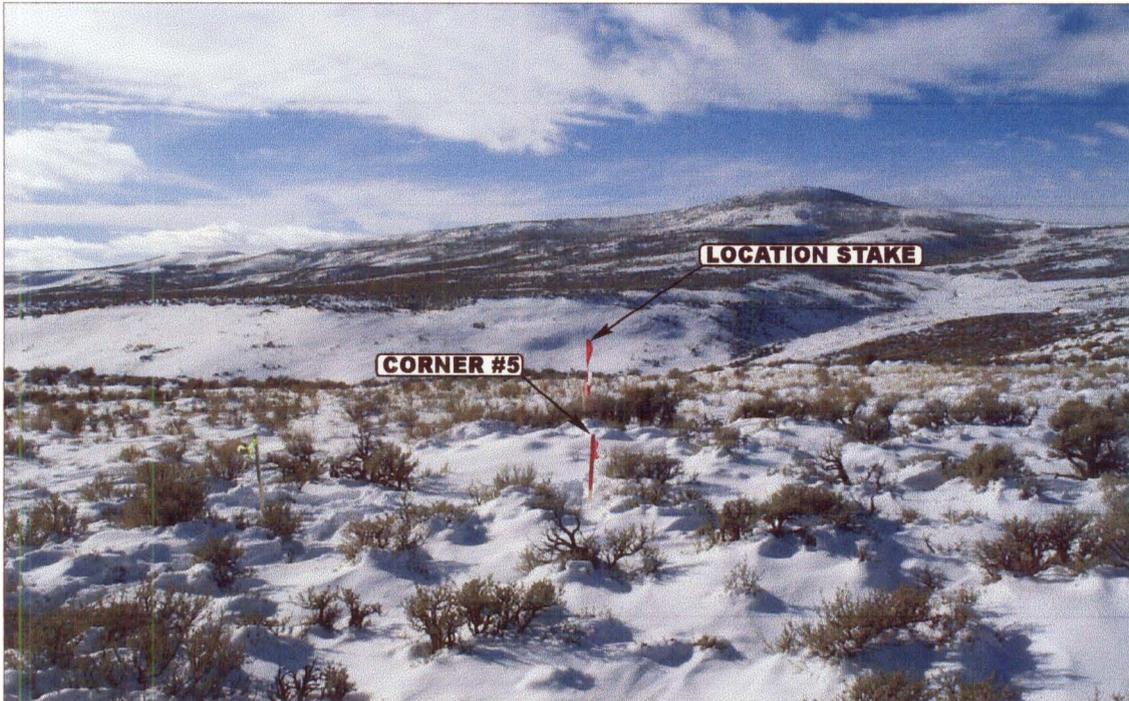


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



- Since 1964 -

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

LOCATION PHOTOS

12 29 00
MONTH DAY YEAR

PHOTO

TAKEN BY: D.A.

DRAWN BY: K.G.

REVISED: 00-00-00

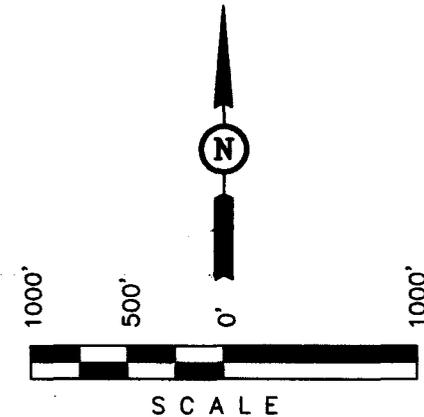
QUANECO, LLC

T7N, R8E, S.L.B.&M.

Well location, SIMS #13-33, located as shown in Lot 4 of Section 33, T7N, R8E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

BENCH MARK (D132-1958) LOCATED IN THE SW 1/4 OF SECTION 16, T6N, R8E, S.L.B.&M. TAKEN FROM THE MURPHY RIDGE QUADRANGLE, UTAH-WYOMING, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6735 FEET.

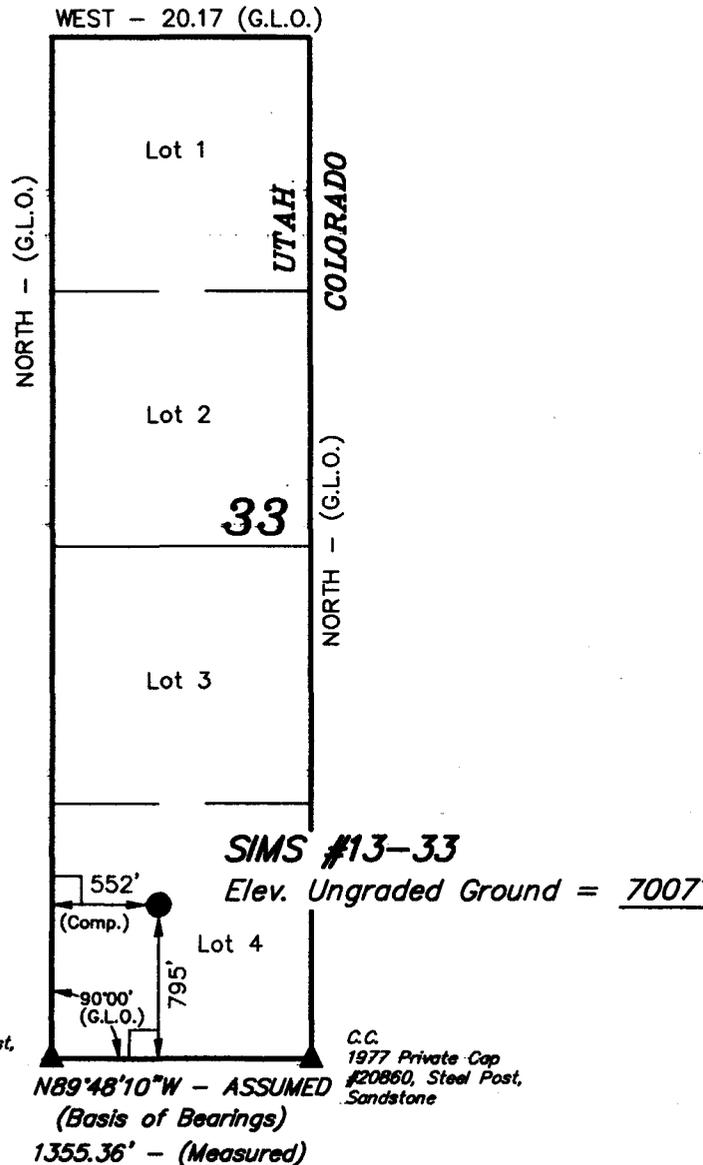


CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED AS PREPARED BY ME OR UNDER MY SUPERVISION AND THAT THE SAME IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH
 F.D. ROBERTA
 Feb 22 2001

RECEIVED
 JAN 09 2001
 DIVISION OF
 OIL, GAS AND MINING



NOTE:
 THE PROPOSED WELL BEARS N34°57'18"E 968.1' FROM THE SOUTHWEST CORNER OF SECTION 33, T7N, R8E, S.L.B.&M.

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

LATITUDE = 41°17'29"
 LONGITUDE = 111°02'56"

UINTAH ENGINEERING & LAND SURVEYING
 85 SOUTH 200 EAST - VERNAL, UTAH 84078
 (435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 12-19-00	DATE DRAWN: 12-22-00
PARTY D.A. J.T. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUANECO, LLC	

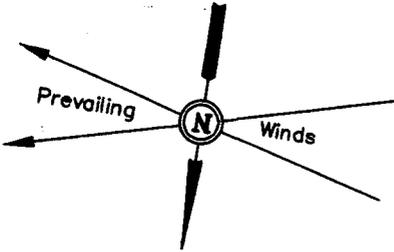
QUANECO, LLC.

LOCATION LAYOUT FOR

SIMS #13-33

SECTION 33, T7N, R8E, S.L.B.&M.

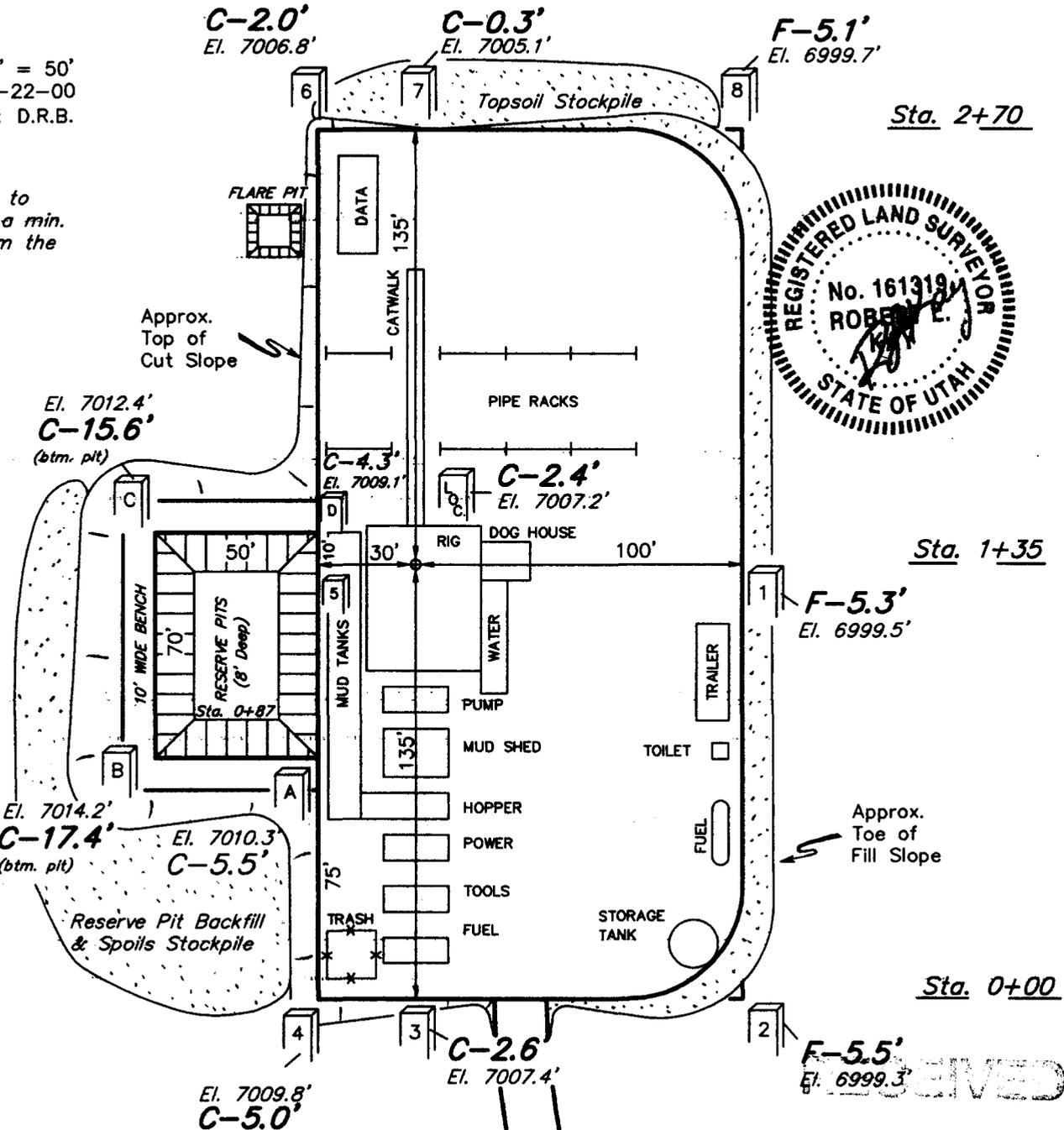
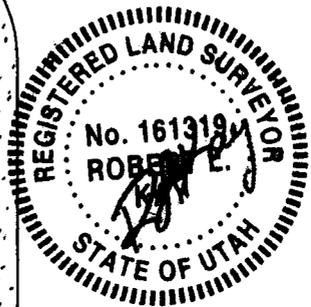
795' FSL 552' FWL



SCALE: 1" = 50'
DATE: 12-22-00
Drawn By: D.R.B.

NOTE:

Flare Pit is to be located a min. of 100' from the Well Head.



Elev. Ungraded Ground at Location Stake = **7007.2'**
Elev. Graded Ground at Location Stake = **7004.8'**

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

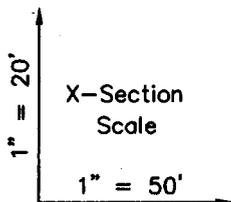
JAN 09 2001

DIVISION OF
OIL, GAS AND MINING

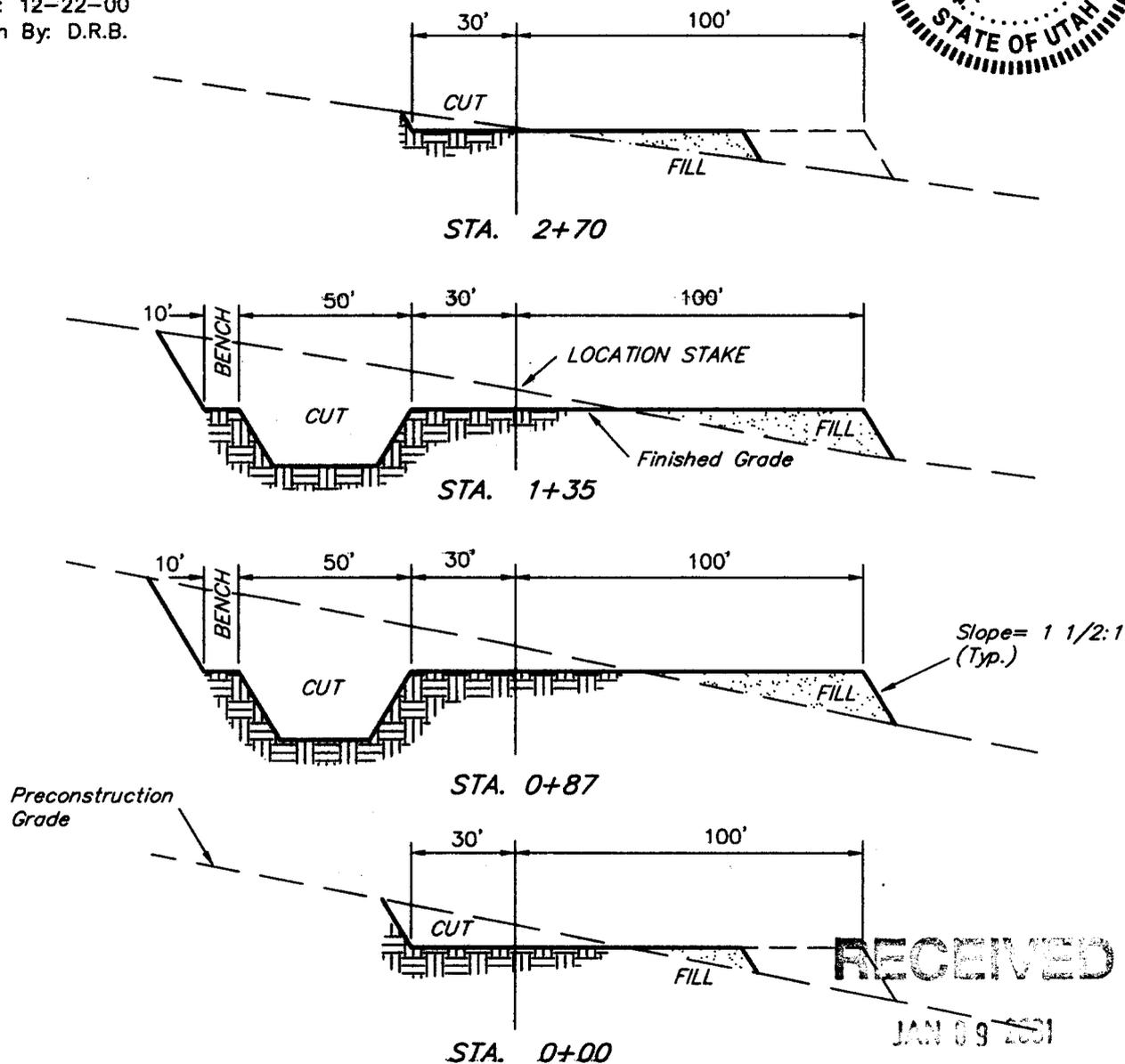
QUANECO, LLC.

TYPICAL CROSS SECTIONS FOR

SIMS #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL



SCALE: 1" = 50'
DATE: 12-22-00
Drawn By: D.R.B.



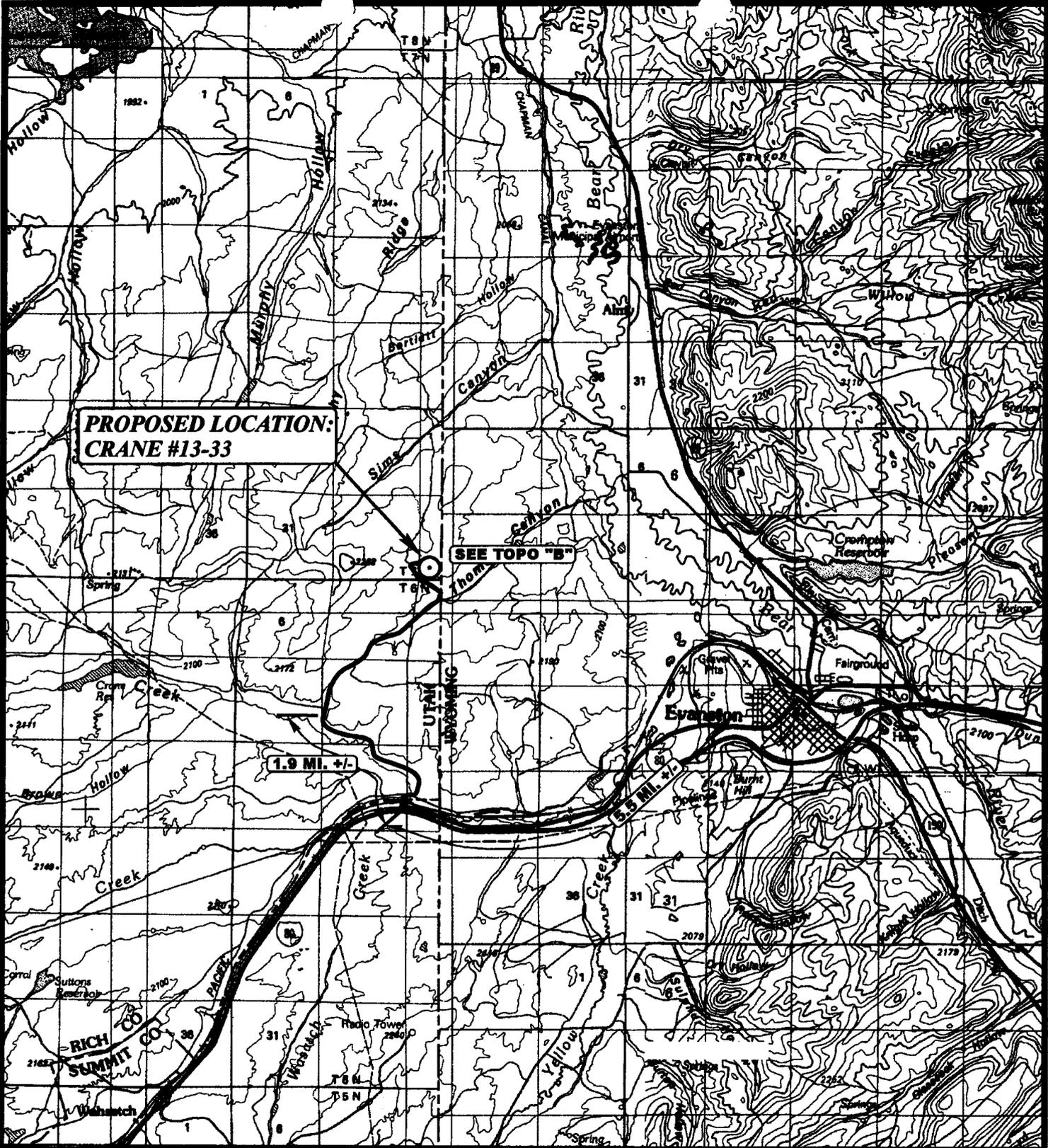
RECEIVED
JAN 09 2001

DIVISION OF
OIL, GAS AND MINING

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 750 Cu. Yds.
Remaining Location	= 3,250 Cu. Yds.
TOTAL CUT	= 4,000 CU.YDS.
FILL	= 2,770 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 1,080 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 1,080 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



**PROPOSED LOCATION:
CRANE #13-33**

SEE TOPO "B"

1.9 MI. +/-

Evanston

LEGEND:

⊙ PROPOSED LOCATION



QUANECO, LLC.

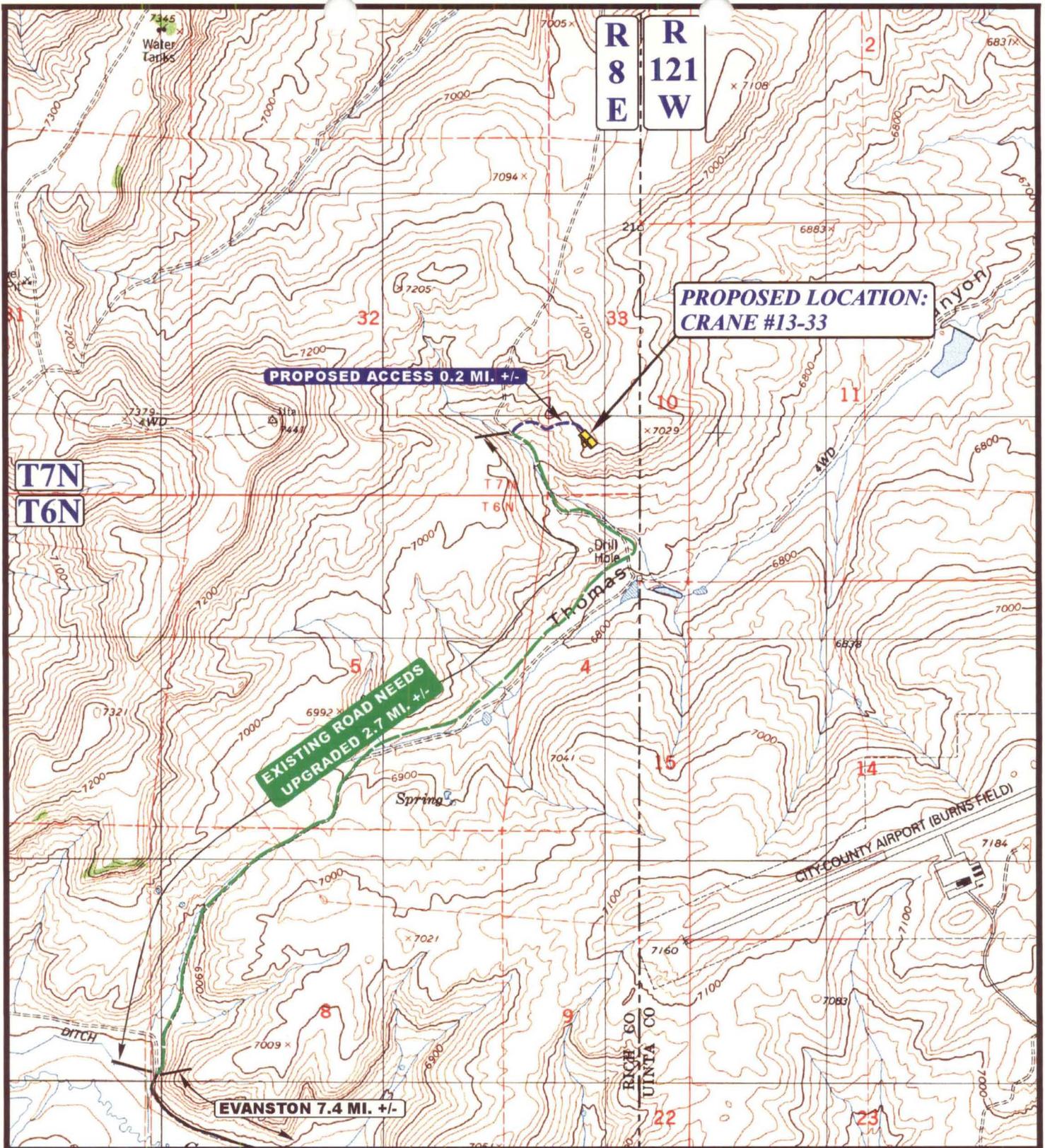
**CRANE #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL**



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

TOPOGRAPHIC 12 29 00
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: K.G. REVISED: 00-00-00





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



QUANECO, LLC.

CRANE #13-33
SECTION 33, T7N, R8E, S.L.B.&M.
795' FSL 552' FWL

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

TOPOGRAPHIC MAP **12 29 00**
 MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00 **B**
 TOPO

FAT CHANCE OIL AND GAS, LLC

January 4, 2001

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 - Crane 4-4, Crane 12-4, Sims 13-33

Attention:

Enclosed are duplicate copies of the Crane 4-4, Crane 12-4, and Sims 13-33 APDs with 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. Fat Chance Oil and Gas, LLC has received verbal approval from Deseret Land and Livestock, the surface lessee, to draw water from nearby reservoirs or streams.

Form 5, Designation of Operator, is not included at this time, but will be submitted in the very near future.

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

RECEIVED

JAN 05 2001

DIVISION OF
OIL, GAS AND MINING

FAT CHANCE OIL AND GAS, LLC

January 3, 2000

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

TIGHT HOLE

RE: Confidentiality of information: Sims 13-33

Attention:

CONFIDENTIAL

Fat Chance Oil and Gas, LLC formally requests that submitted information on the Sims 13-33 be held confidential.

Your cooperation is appreciated.

Sincerely,



**Casey Osborn
Operations Manager/Agent**

RECEIVED

JAN 05 2001

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**

TIGHT HOLE

CONFIDENTIAL

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JAN 05 2001

**DIVISION OF
OIL, GAS AND MINING**

Fat Chance Oil and Gas, LLC

P.O. Box 7370
Sheridan WY 82801
307-673-1500 Phone
307-673-1400 Fax

January 24, 2001

Utah Division of Oil, Gas and Mining
ATTN: Lisha Cordova
1594 W. North Temple
Suite 1210
Salt Lake City UT 84114-5801

Dear Lisha:

This affidavit is to inform your office that a surface owner agreement has been made and entered into as of the 21st day of June, 2000, by and between PROPERTY RESERVE, INC., formerly known as DESERET TITLE HOLDING CORPORATION, a Utah corporation (herein referred to as "PRI"), and FAT CHANCE OIL AND GAS, L.L.C.

This agreement pertains to several wells, but for the purposes of this affidavit, specifically addresses Sims 13-33, located in the SW1/4 of the SW1/4, Section 33, T7N, R8E.

If you have any questions, please do not hesitate to call.

Sincerely,

Bill Courtney

Bill Courtney
Operations Assistant

State of Wyoming }
County of Sheridan } ss

The foregoing instrument was acknowledged before me by Bill Courtney this 24 day of January, 2001.

Witness my hand and official seal.

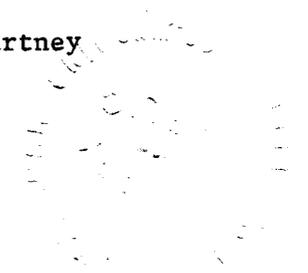
Lisa Belkovich
Notary Public

My commission expires May 19, 2002

RECEIVED

JAN 25 2001

DIVISION OF
OIL, GAS AND MINING



APPLICATION FOR TEMPORARY CHANGE OF WATER

STATE OF UTAH

Rec. by _____
 Fee Paid \$ _____
 Receipt # _____
 Microfilmed _____
 Roll # _____

For the purpose of obtaining permission to make a temporary change of water in the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Section 73-3-3 Utah Code Annotated 1953, as amended.

CHANGE APPLICATION NUMBER: t25190

WATER RIGHT NUMBER: 21 - 868

 This Change Application proposes to change the POINT(S) OF DIVERSION, PLACE OF USE, and NATURE OF USE.

1. OWNERSHIP INFORMATION.

- A. **NAME:** Deseret Livestock Company **INTEREST:** 100%
ADDRESS: 531 South State Street, Salt Lake City, UT 84111
- B. **PRIORITY OF CHANGE:** January 16, 2001 **FILING DATE:** January 16, 2001
- C. **EVIDENCED BY:**
 21-868

-----*
 * **DESCRIPTION OF CURRENT WATER RIGHT:** *
 -----*

2. SOURCE INFORMATION.

- A. **QUANTITY OF WATER:** 12.0 cfs
- B. **SOURCE:** Unnamed Tributary to Duck Creek **COUNTY:** Summit
- C. **POINT OF DIVERSION -- SURFACE:**
 (1) N 1290 feet E 300 feet from W¼ corner, Section 12, T 6N, R 7E, SLBM

3. STORAGE. Water is diverted for storage into:

- (1) Crane Reservoir, from Jan 1 to Dec 31.
CAPACITY: 775.700 ac-ft.
 Area inundated includes all or part of the following legal subdivisions:

BASE TOWN	RANG	SEC	NORTH-WEST¼				NORTH-EAST¼				SOUTH-WEST¼				SOUTH-EAST¼					
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE		
SL	6N	7E	10				***				X	***				***				
			11		X	X	X	***	X	X	X	X	***				***			
			12	X			X	***				***				***				

RECEIVED

JAN 25 2001

DIVISION OF
 OIL, GAS AND MINING
 Temporary Change

4. WATER USE INFORMATION.

The Water Right represented by this change application is SUPPLEMENTAL to other Water Rights.

IRRIGATION: from Apr 1 to Oct 15. IRRIGATING: 314.5000 acres.

STOCKWATERING: from Apr 1 to Oct 15. EQUIVALENT LIVESTOCK UNITS: 30,800.

5. PLACE OF USE. (Which includes all or part of the following legal subdivisions:)

BASE	TOWN	RANG	SEC	NORTH-WEST¼				NORTH-EAST¼				SOUTH-WEST¼				SOUTH-EAST¼						
				NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE			
SL	6N	7E	12	X		X	X	***			X	X	***			X	***	X	X	X	X	
			13		X			***					***				***					
SL	6N	8E	7			X		***					***	X	X		X	***	X	X	X	X
			8					***					***		X		***					
			16			X		***					***	X			***					
			17	X	X			***	X		X	X	***					***			X	
			18					***	X	X			***									

THE FOLLOWING CHANGES ARE PROPOSED:

6. SOURCE INFORMATION.

A. QUANTITY OF WATER: 4.0 acre-feet REMAINING WATER: Same as HERETOFORE

B. SOURCE: Crane Creek Res., Neponset Res., Springs COUNTY: Rich

C. POINTS OF DIVERSION -- SURFACE: Changed as Follows:

- (1) S 1000 feet W 100 feet from NE corner, Section 11, T 6N, R 7E, SLBM
 DIVERT WORKS: Pump
 SOURCE: Crane Reservoir
- (2) N 200 feet W 1600 feet from SE corner, Section 35, T 7N, R 7E, SLBM
 DIVERT WORKS: pump
 SOURCE: Springs
- (3) N 1730 feet W 1415 feet from SE corner, Section 35, T 8N, R 7E, SLBM
 DIVERT WORKS: pump
 SOURCE: Neponset Reservoir

D. COMMON DESCRIPTION: Deseret Ranch

7. WATER USE INFORMATION. Changed as Follows:

INDUSTRIAL: from 01/01/2001 to 12/31/2002 testing of geologic formations

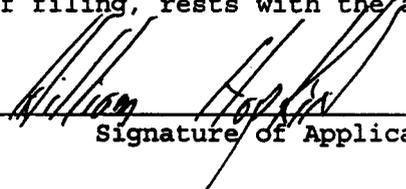
8. PLACE OF USE. Changed as Follows:

(Which includes all or part of the following legal subdivisions:)

BASE TOWN	RANG	SEC	NORTH-WEST¼				NORTH-EAST¼				SOUTH-WEST¼				SOUTH-EAST¼							
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE				
SL	6N	8E	4	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
			6	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
			7	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
			8	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
SL	7N	7E	11	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
SL	7N	8E	21	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
			29	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
			33	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
SL	8N	7E	32	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X
			35	X	X	X	X	***	X	X	X	X	***	X	X	X	X	***	X	X	X	X

9. SIGNATURE OF APPLICANT(S).

The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application, through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).



 Signature of Applicant(s)

*Sign & return w/
 \$75.00 fee*

DIVISION OF WATER RIGHTS
 1780 N. RESEARCH PARKWAY
 SUITE 104
 NORTH LOGAN, UTAH 84341-1941

RECEIVED
 JAN 25 2001
 DIVISION OF
 OIL, GAS AND MINING

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 01/05/2001

API NO. ASSIGNED: 43-033-30051

WELL NAME: SIMS 13-33
 OPERATOR: FAT CHANCE OIL & GAS (N1395)
 CONTACT: CASEY OSBORN

PHONE NUMBER: 307-673-1500

PROPOSED LOCATION:
 SWSW 33 070N 080E
 SURFACE: 0795 FSL 0552 FWL
 BOTTOM: 0795 FSL 0552 FWL
 RICH
 WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	02/11/01
Geology		
Surface		

LEASE TYPE: 4
 LEASE NUMBER: FEE
 SURFACE OWNER: 4

PROPOSED FORMATION: Aspen

RECEIVED AND/OR REVIEWED:

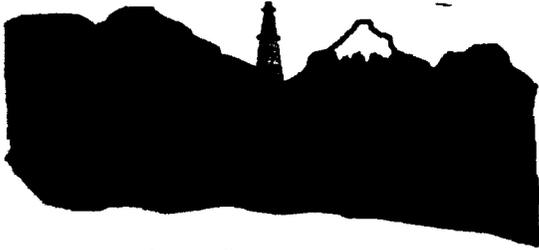
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 885588C)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5 (B) or 190-3
- Water Permit
(No. 21-868)
- RDCC Review (Y/N)
(Date: Str. 1-12-01 & Comments due 1-30-01
- Fee Surf Agreement (Y/N) #Per'd 1-25-01

LOCATION AND SITING:

- R649-2-3. Unit _____
- R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- R649-3-11. Directional Drill

COMMENTS: Need Presite. (Conducted 2-14-01)

STIPULATIONS: ① STATEMENT OF BASIS



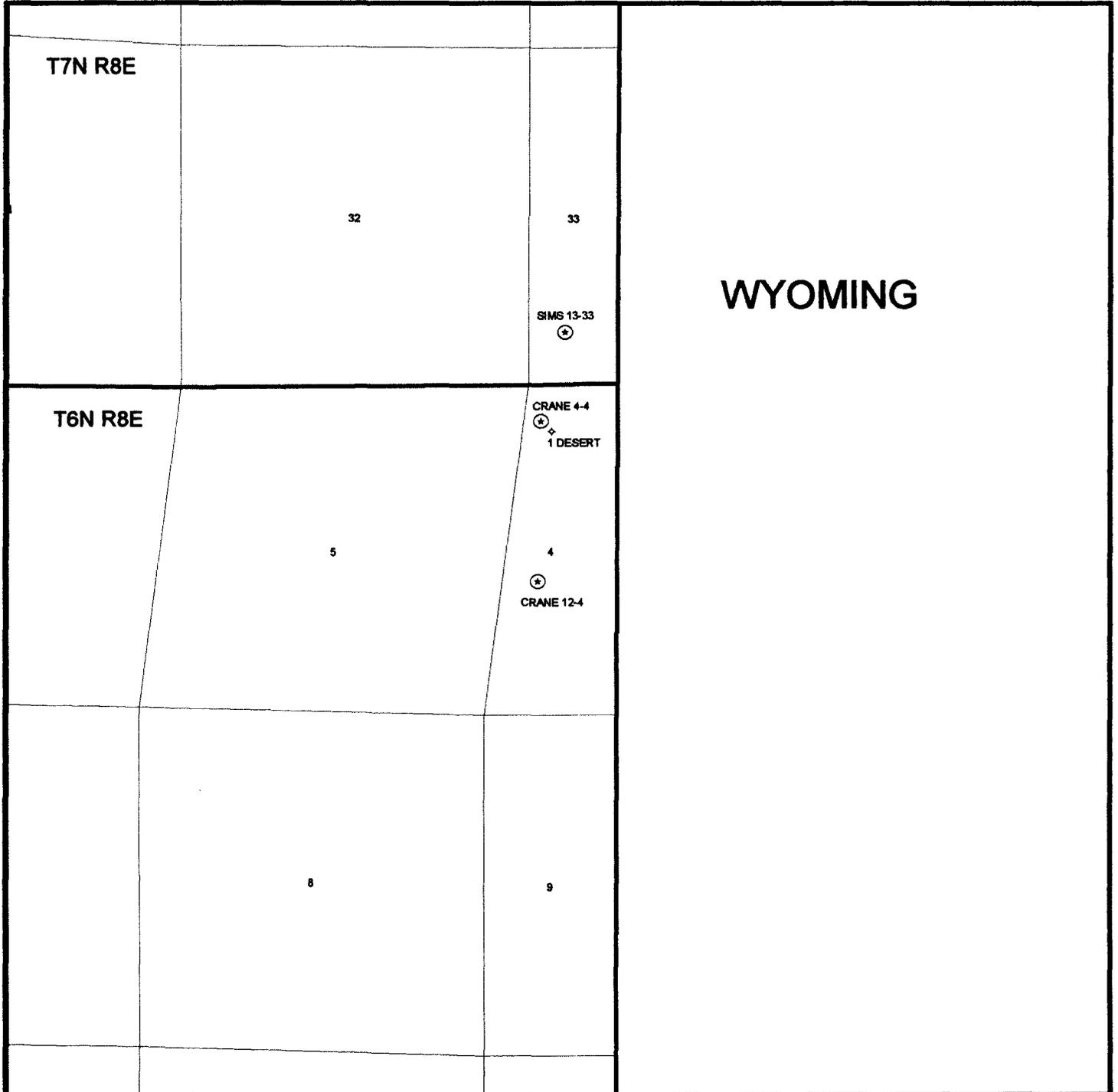
Utah Oil Gas and Mining

OPERATOR: FAT CHANCE O&G LLC (N1395)

FIELD: WILDCAT (001)

SEC. 4, T6N, R8E,

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

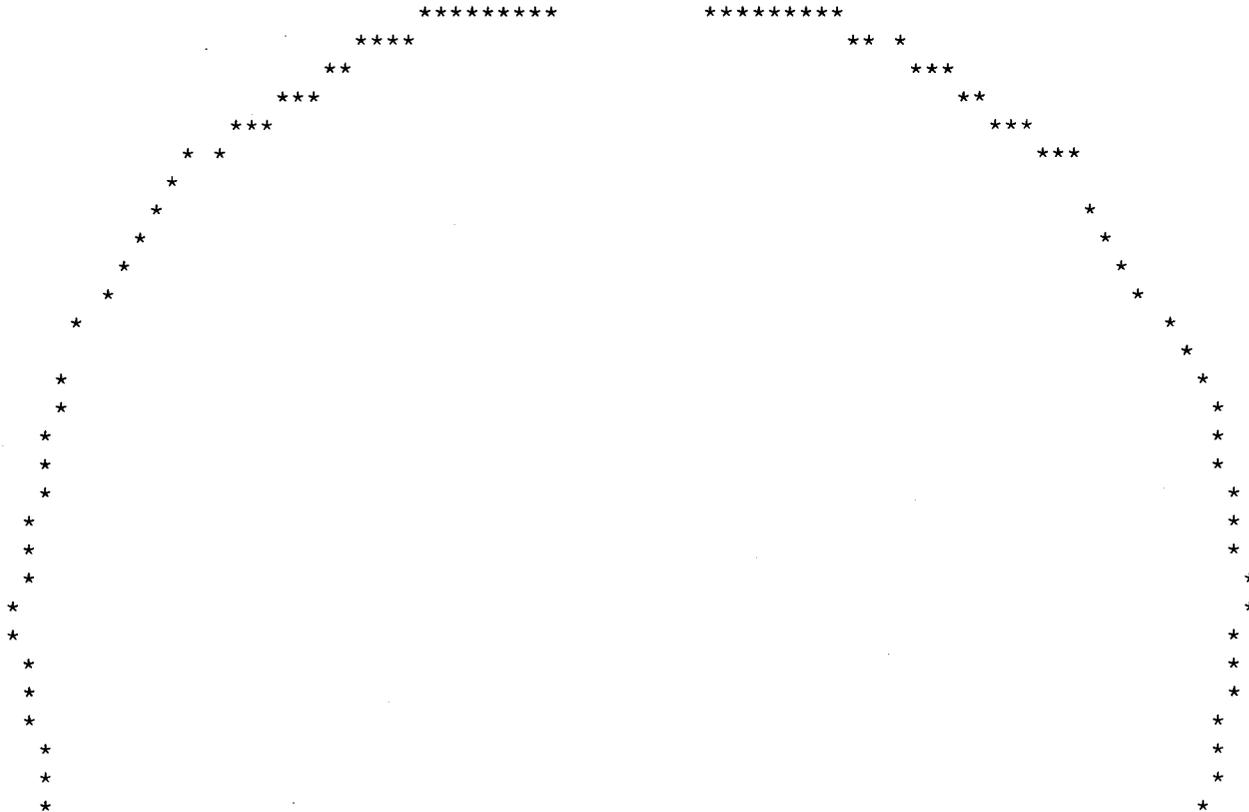


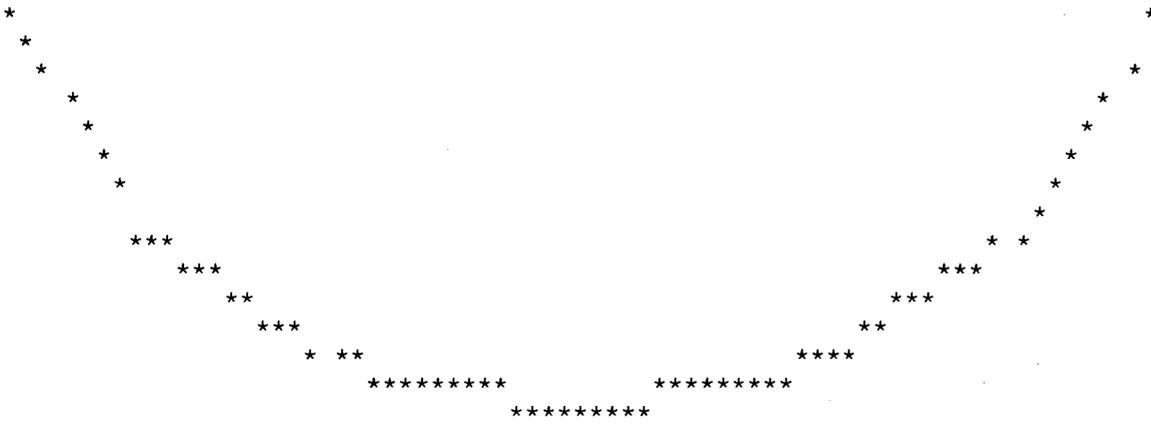
UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED MON, FEB 5, 2001, 8:35 AM
PLOT SHOWS LOCATION OF 0 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
N 795 FEET, E 552 FEET OF THE SW CORNER,
SECTION 33 TOWNSHIP 7N RANGE 8E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET

N O R T H







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

February 9, 2001

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

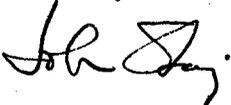
SUBJECT: Application for permit to drill - proposal to drill a wildcat well the Sims #13-33
on a Fee lease
State Identification Number: 01-350

Dear Ms Cordova:

The Resource Development Coordinating Committee (RDCC), representing the State of Utah, has reviewed this proposal and has no comments at this time.

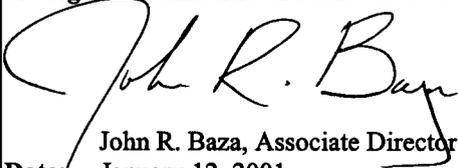
The Committee appreciates the opportunity to review this proposal. Please direct any other written questions regarding this correspondence to the Resource Development Coordinating Committee at the above address or call Carolyn Wright at (801) 538-1535 or John Harja at (801) 538-1559.

Sincerely,


for Natalie Gochnour
State Planning Coordinator

NG/ar

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 Approval	
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 Sims #13-33 well (wildcat) on a Fee lease, 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) SW/4, SW/4, Section 33, Township 7 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: Lisha Cordova Phone: (801) 538-5296	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: January 12, 2001

02-01 Fat Chance Sims 13-3

Casing Schematic

Surface

TOC @ 0. TOC @ 0.

~ 25% WASHOUT

9-5/8"
MW 9.
Frac 19.3

Surface
200. MD

~ w/ 15% WASHOUT
± 296'

BOP.

$$\begin{array}{r} .052 \times 9.5(1750) = 865 \\ .12(1750) < 210 > \\ \hline 655 \end{array}$$

~ w/ 9% WASHOUT

∴ 3M BOP is
ADEQUATE
R. M. K.
2/14/01

7"
MW 9.5

Production
1750. MD

Well name:	02-01 Fat Chance Sims 13-33	
Operator:	Fat Chance Oil	Project ID:
String type:	Surface	43-033-30051
Location:	Rich Co.	

Design parameters:

Collapse

Mud weight: 9.000 ppg
Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.494 psi/ft
Calculated BHP: 99 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

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 air weight.

Neutral point: 173 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 68 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 200 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 1,750 ft
Next mud weight: 9.500 ppg
Next setting BHP: 864 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 200 ft
Injection pressure: 200 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	200	9.625	32.30	H-40	ST&C	200	200	8.876	12.7
					ONLY TUBING TYPE AVAILABLE				
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	93	1370	14.66	99	2270	23.01	6	254	39.34 J

Prepared R.A.McKee
by: Utah Dept. of Natural Resources

Date: February 14, 2001
Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
Collapse is based on a vertical depth of 200 ft, a mud weight of 9 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:	02-01 Fat Chance Sims 13-33	
Operator:	Fat Chance Oil	Project ID:
String type:	Production	43-033-30051
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: 65 °F
 Bottom hole temperature: 90 °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 864 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 air weight.
 Neutral point: 1,502 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	1750	7	20.00	H-40	ST&C	1750	1750	6.331	69.9
					Low cost joint				
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	864	1970	2.28	864	2720	3.15	35	176	5.03 J

Prepared R.A.McKee
 by: Utah Dept. of Natural Resources

Date: February 14,2001
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 1750 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.

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

Operator Name: Fat Chance Oil and Gas LLC.

Name & Number: Sims # 13-33

API Number: 43-033-30051

Location: 1/4,1/4 SW SW Sec. 33 T. 7 N 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. There is one active water right within a mile of this location that indicate good water is present within a mile of location at a shallow depth or at the surface. 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 an active water drainage and extra care will be taken to protect any ground or surface water sources.

Reviewer: K. Michael Hebertson

Date: 15-Feb-2001

Surface:

The surface belongs to Deseret Land and Livestock and persons representing Deseret Land and Livestock were invited to the on-site inspection . 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 not yet specified by the surface owner. An amendment to the surface use agreement is being worked on and should be finalized sometime in December. At the pre site review the operator was asked to provide an affidavit stating that the surface use agreement is being revised .

Reviewer: K. Michael Hebertson

Date: 15-Feb-2001

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. Berms or ditches will be placed on all cut and fill slopes to catch and contain any fluids escaping location.
7. Snow and brush will be removed before any soil disturbance occurs, and snow and soil will not be mixed.

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

OPERATOR: Fat Chance Oil and Gas, LLC
WELL NAME & NUMBER: Sims # 13-33
API NUMBER: 43-033-30051
LEASE: Fee (Deseret Land and Livestock) FIELD/UNIT: Wildcat
LOCATION: 1/4,1/4 SW SW Sec 33 TWP: 7 N RNG: 8 E 795 FSL 552 FWL
LEGAL WELL SITING: 460' from the drilling unit boundary and 920' from other wells
GPS COORD (UTM): X = 495,913 E; Y = 4,570,891 N Calculated
SURFACE OWNER: Deseret Land and Livestock

PARTICIPANTS

Mike Hebertson (DOG M), Casey Osborn (Fat Chance), Bill Hopkin (Deseret Land & Livestock)
Shane Kennedy (Searle Construction)

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 80 is about 1.5 miles to the south. The Uinta County Airport is located about 1 mile east. Thomas Canyon is the access route to the location, and is also an active drainage with several developed water resources. Crane Creek, which flows eastward out of Thomas Canyon, is active all year long and eventually flows into the Bear River. The City of Evanston is about 5 miles to the east. The surface is Paleocene age Wasatch formation with possible Evanston formation underlying the area. The land slopes to the southwest 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 270' X 180' pad, outboard soil storage, and a 50' X 70' X 8' outboard attached pit, an existing road accesses the location to within ¼ mile and new road will be required to reach location.

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

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 placed on location and 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 Thomas Canyon and the water resources that are present along the drainage.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: This location is perched directly above Thomas Canyon and several developed water resources, and there is an active spring within 1.1 miles of this location. All precautions will be taken to insure the integrity of these resources.

FLORA/FAUNA: Open sagebrush, and grass meadows, cactus, birds, lizards, coyotes, rodents, raptors, occasional elk, deer pronghorn and sage grouse. Critical winter range.

SOIL TYPE AND CHARACTERISTICS: Mostly clay with very little sand, lots of small rocks to larger pit 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. 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

A surface use agreement is in place.

SURFACE AGREEMENT: There is a surface use agreement.

CULTURAL RESOURCES/ARCHAEOLOGY: Archaeological survey is not required.

OTHER OBSERVATIONS/COMMENTS:

The well lies within a mile of the Uinta County Airport in Evanston Wyoming. An adequate waste management plan has not been submitted. The access road was changed at the time of the presite by the surface owner and a more suitable plan for conservation of the runoff was put into place. The operator was agreeable to the change and the matter concluded at the time of the inspection. The stability of this site was discussed with regards to the removal of snow in the winter and the impact of the spring thaw. It was suggested that the snow be removed along with the sage brush and grasses before any soil was

moved. Snow and soil should not be mixed to prevent the possible liquefaction of the soil during the thaw.

ATTACHMENTS:

Photographs taken.

K. Michael Hebertson
DOGM REPRESENTATIVE

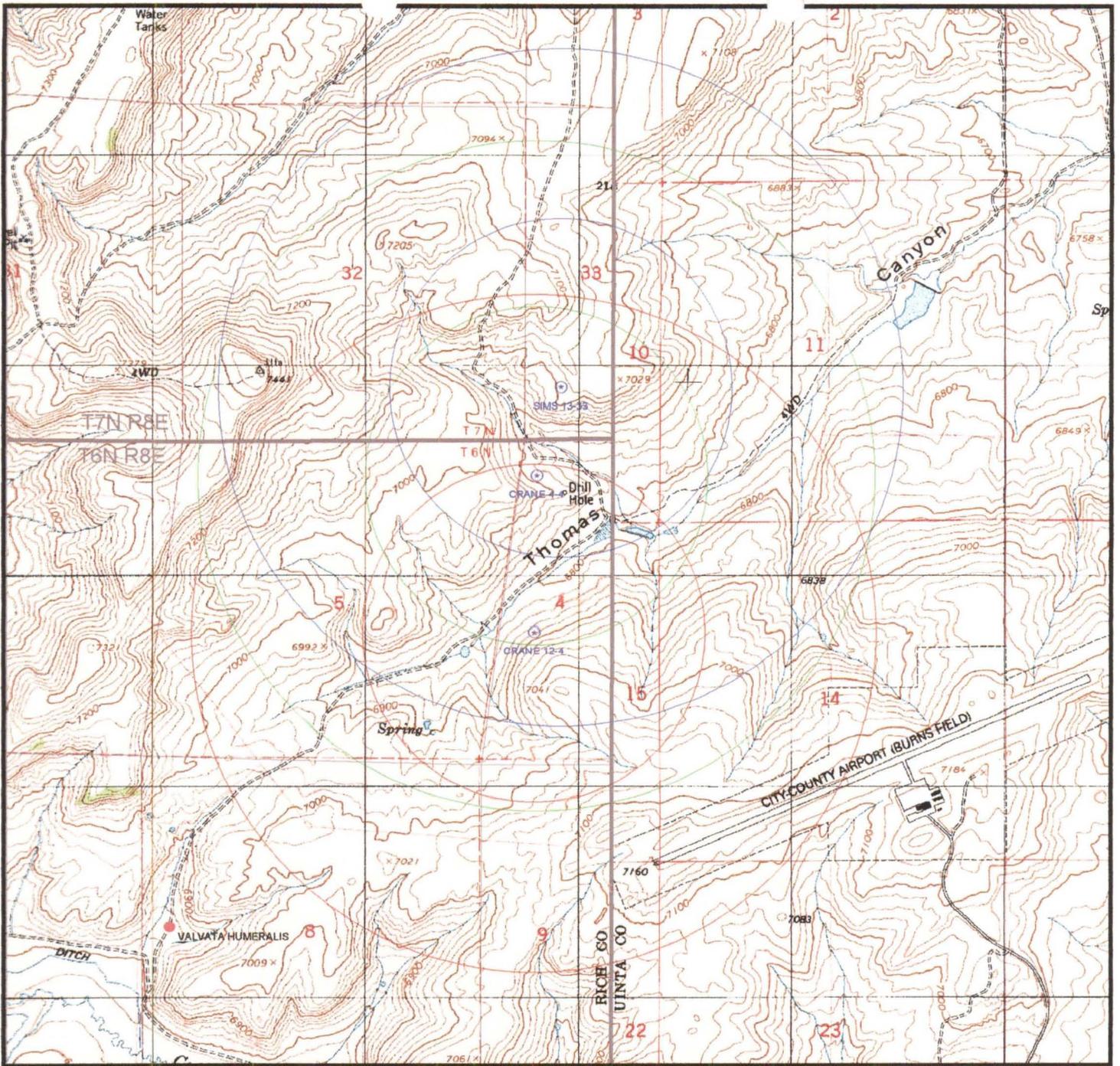
15-Feb-2001 10:00 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Groundwater Contamination 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>0</u>

Final Score 60 (Level I Sensitivity)

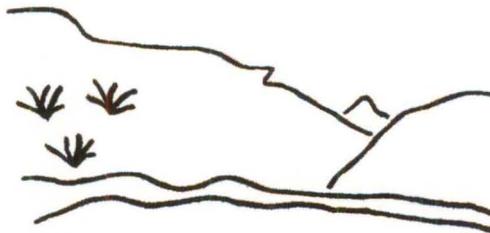
Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.



- Sections
- Township

Wells

- ⊕ GAS INJECTION
- ⊙ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- * PRODUCING GAS
- PRODUCING OIL
- + SHUT-IN GAS
- + SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- WATER SUPPLY
- ⊖ WATER DISPOSAL



Utah Oil Gas and Mining



The State of Utah Division of Oil, Gas & Mining does not guarantee or warrant the accuracy of any data presented herein that is not generated or maintained by the Division. All of the data presented is available in the public sector and can be inspected at the offices of the various divisions or agencies which are responsible for generating the data.



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

801-358-3940 (Fax)

801-538-7223 (TDD)

February 20, 2001

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

Re: Sims 13-33 Well, 795' FSL, 552' FWL, SW SW, Sec. 33, T. 7 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 43-033-30051.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

er

Enclosures

cc: Rich County Assessor

Operator: Fat Chance Oil and Gas, LLC
Well Name & Number Sims 13-33
API Number: 43-033-30051
Lease: FEE

Location: SW SW **Sec.** 33 **T.** 7 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
- 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 Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

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: 795' FSL 552' FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 33 7N 8E		8. WELL NAME and NUMBER: Sims 13-33
		9. API NUMBER: 4303330051
		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 checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Extension of Permit
	<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 on year extension of approval for permit to drill to allow further evaluation of offset wells.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 02-21-02
By: *[Signature]*

RECEIVED
FEB 19 2002
DIVISION OF
OIL, GAS AND MINING

NAME (PLEASE PRINT) <u>Bill Courtney</u>	TITLE <u>Operations Assistant</u>
SIGNATURE <u><i>Bill Courtney</i></u>	DATE <u>2/13/2002</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

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:

Sims 13-33

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

9. API NUMBER:

4303330051

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: 795' FSL 552' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 33 T7N 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: _____
	<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:

Fee

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:

Sims 13-33

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

9. API NUMBER:

4303330051

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: 795' FSL 552' FWL

COUNTY: Rich

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 33 T7N 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: _____
	<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 of permit to drill.

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 03-04-03
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 03-04-03
Initials: LJO

NAME (PLEASE PRINT) Lorna James

TITLE Administrative Assistant

SIGNATURE *Lorna James*

DATE 2/14/2003

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FEB 20 2003

LWP

CONFIDENTIAL

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: 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: 795' FSL 552' FWL COUNTY: Rich		8. WELL NAME and NUMBER: Sims 13-33
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 33 T7N R8E S STATE: UTAH		9. API NUMBER: 4303330051
		10. FIELD AND POOL, OR WILDCAT: Wildcat

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

Operator requests a one year extension of permit to drill.

COPY SENT TO OPERATOR
Date: 03-04-03
Initials: GH

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 03-04-03
By: [Signature]

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>2/14/2003</u>

(This space for State use only)

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FEB 20 2003

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): N1395 - Fat Chance Oil & Gas, LLC PO Box 7370 Sheridan, WY 82801 Phone: 1-(307) 673-1500	TO: (New Operator): 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 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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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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: 795' FSL 552' FWL COUNTY: Rich QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWSW 33 T7N R8E S STATE: UTAH		8. WELL NAME and NUMBER: Sims 13-33
		9. API NUMBER: 4303330051
		10. FIELD AND POOL, OR WILDCAT: Wildcat

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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# 885588C


Fat Chance Oil & Gas, LLC
Casey Osborn


Quaneco, LLC
Casey Osborn

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

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AUG 25 2003



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

March 10, 2004

Lorna James
Quaneco, LLC
P O Box 7370
Sheridan WY 82801

Re: APD Rescinded – Sims 13-33, Sec. 33, T. 7N, R. 8E Rich County, Utah
API No. 43-033-30051

Dear Ms. James:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on February 20, 2001. On February 21, 2002 and on March 4, 2003, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 4, 2004.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager



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

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

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

November 25, 2004

Lorna James
Fat Chance Oil & Gas, LLC
PO Box 7370
Sheridan, WY 82801

Re: Notification of Sale or Transfer of Fee Lease Interest

Dear Ms. James:

The Division has received notification of a operator change from Fat Chance Oil & Gas, LLC to Quaneco, LLC for the attached list of wells which are located on fee leases.

Utah Administrative Rule R649-2-10 states; the owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise Fat Chance Oil & Gas, LLC of its responsibility to notify all individuals with an interest in this lease (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association
Box 1292
Roosevelt, Utah 84066

Your assistance in this matter is appreciated.

Sincerely,

Earlene Russell
Engineering Technician

cc: Utah Royalty Owners Association, Lamar Wilson
John R. Baza, Associate Director

Fat Chance Oil & Gas, LLC
November 25, 2004

ATTACHMENT "A"

<u>Well Name</u>	<u>Sec.-Twp -Rng.</u>	<u>API Number</u>
NEPONSET 4-35	35 080N 070E	4303330048
CRANE 4-4	04 060N 080E	4303330049
CRANE 12-4	04 060N 080E	4303330050
SIMS 13-33	33 070N 080E	4303330051
CRANE 13-8	08 060N 080E	4303330052
CRANE 6-7	07 060N 080E	4303330053
CRANE 13-6	06 060N 080E	4303330054
CRANE 13-18	18 060N 080E	4303330055
STACEY HOLLOW 14-35	35 070N 070E	4303330056
SUTTONS 4-12	12 060N 070E	4303330058
CRAWFORD 4-25	25 090N 070E	4303330065
COALVILLE 9-3	03 020N 050E	4304330322
COALVILLE 12-3	03 020N 050E	4304330323