

FAT CHANCE OIL AND GAS, LLC

March 14, 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 – Suttons #4-2

Attention:

Enclosed are duplicate copies of the Suttons #4-2 APD and the required attachments for your approval

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

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

Thank you for your prompt attention.

Sincerely,



Casey Osborn
Operations Manager/Agent

RECEIVED

MAR 16 2001

DIVISION OF
OIL, GAS AND MINING

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: 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 type="checkbox"/>				7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Fat Chance Oil and Gas, LLC				8. WELL NAME and NUMBER: Suttons #4-2	
3. ADDRESS OF OPERATOR: PO Box 7370		CITY Sheridan	STATE WY	ZIP 82801-7370	PHONE NUMBER: (307) 673-1500
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 637 FNL 654' FWL AT PROPOSED PRODUCING ZONE: same				9. FIELD AND POOL, OR WILDCAT: Wildcat	
13. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 5 miles west of Evanston				10. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 6N 7E	
				11. COUNTY: Rich	
14. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 654'		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) 1854'		18. PROPOSED DEPTH: 5,000		19. BOND DESCRIPTION: Utah DOGM Surety #885588C	
20. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6939' GR		21. APPROXIMATE DATE WORK WILL START: 4/21/2001		22. ESTIMATED DURATION: 10 days	

TIGHT HOLE

4570466 N
489362 E

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" H40 32.3#	500	G-Poz	250sx	1.77 12.5# lead
				50sx	1.17 15.8" tail
8 3/4"	7" K-55 20#	5,000	G-35/65 Poz	150sx	2.34 11#lead
	23#			50sx	1.27 14.2# tail
	PPE DEMO PLAN 2-06-00 3/22/01 RRM				

ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- COMPLETE DRILLING PLAN
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- 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 3/14/2001

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30057

(5/2000)

Approved by the Utah Division of Oil, Gas and Mining

RECEIVED

Date: 04-04-01

MAR 16 2001

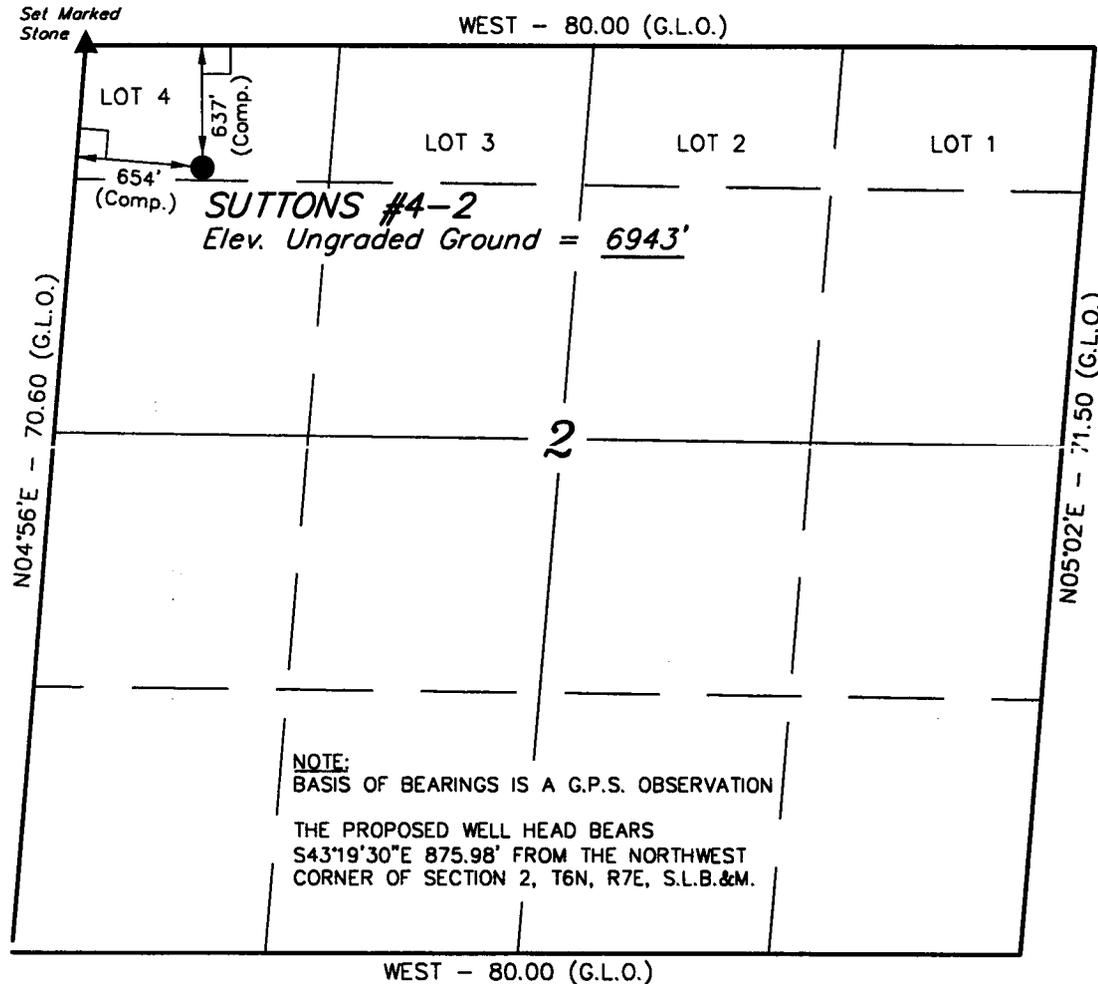
DIVISION OF OIL, GAS AND MINING

(See Instructions on Reverse Side)

T6N, R7E, S.L.B.&M.

QUANECO, LLC

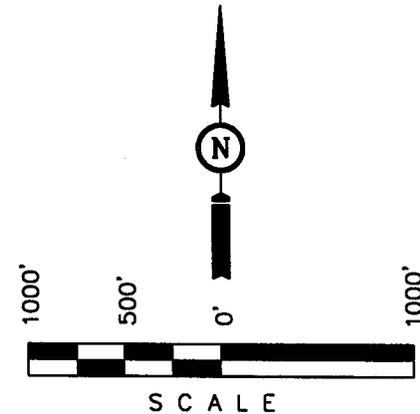
Well location, SUTTONS #4-2, located as shown in the LOT 4 of Section 2, T6N, R7E, S.L.B.&M., Rich County, Utah.



NOTE:
BASIS OF BEARINGS IS A G.P.S. OBSERVATION
THE PROPOSED WELL HEAD BEARS
S43°19'30"E 875.98' FROM THE NORTHWEST
CORNER OF SECTION 2, T6N, R7E, S.L.B.&M.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED IN THE SW 1/4 OF SECTION 31, T7N, 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 7184 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.

Robert J. Hay
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

LEGEND:

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

LATITUDE = 41°17'15"
LONGITUDE = 111°07'35"

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

SCALE 1" = 1000'	DATE SURVEYED: 3-8-01	DATE DRAWN: 3-13-01
PARTY C.T. D.T. D.COX	REFERENCES G.L.O. PLAT	
WEATHER COOL	FILE QUANECO, LLC	

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

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC
Suttons #4-2
T6N R7E, 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' – 5000'	Water, Oil
TD	5000'	

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. 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. 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.

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC

Suttons #4-2

T6N R7E, 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.

DRILLING PLAN

Operator: Fat Chance Oil and Gas, LLC

Suttons #4-2

T6N R7E, Rich County, Utah

6. EVALUATION PROGRAM

Coring:

Zones of interest will be cored and evaluated. Zones will be identified after evaluating mud logs and open-hole logs from the proposed Stacey Hollow 14-35 located in the SESW $\frac{1}{4}$ of Section 35, T7N, R7E

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.

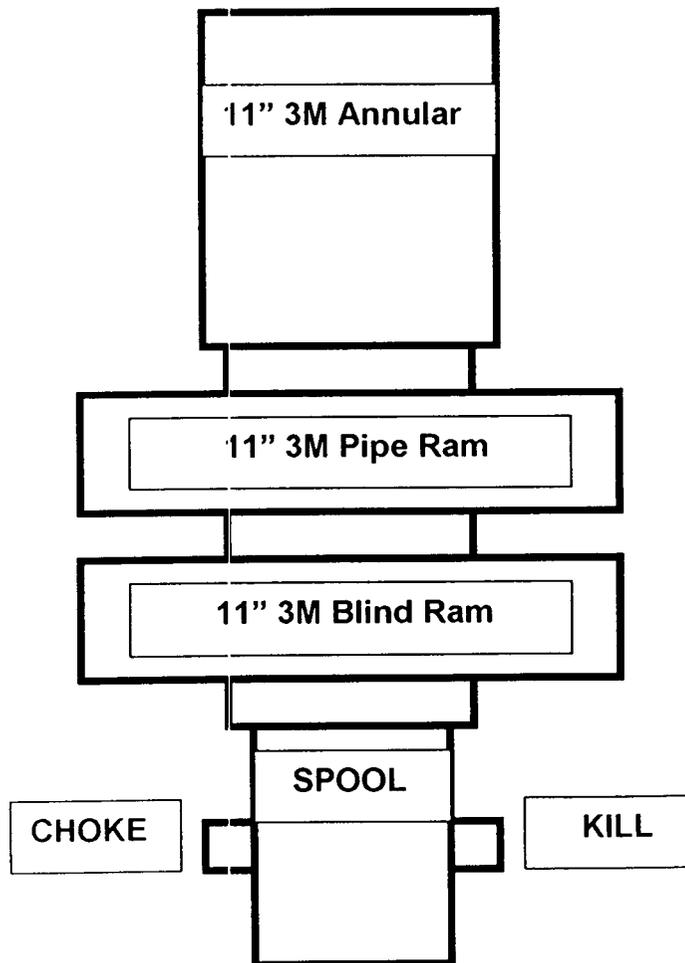
8. ADDITIONAL INFORMATION

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.

BOPE SCHEMATIC

API 3M - 11 - SRRA



KILL LINE – CHOKE LINE/MANIFOLD SCHEMATIC

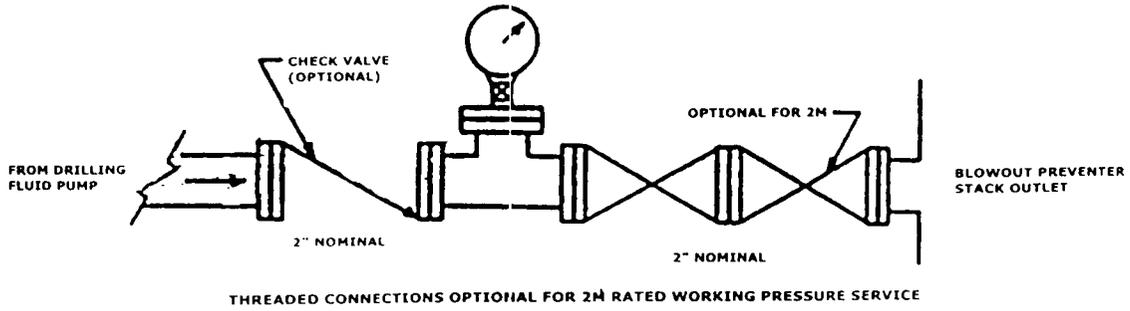


FIGURE K5-1. Typical kill line assembly for 2M and 3M rated working pressure service - surface installation.

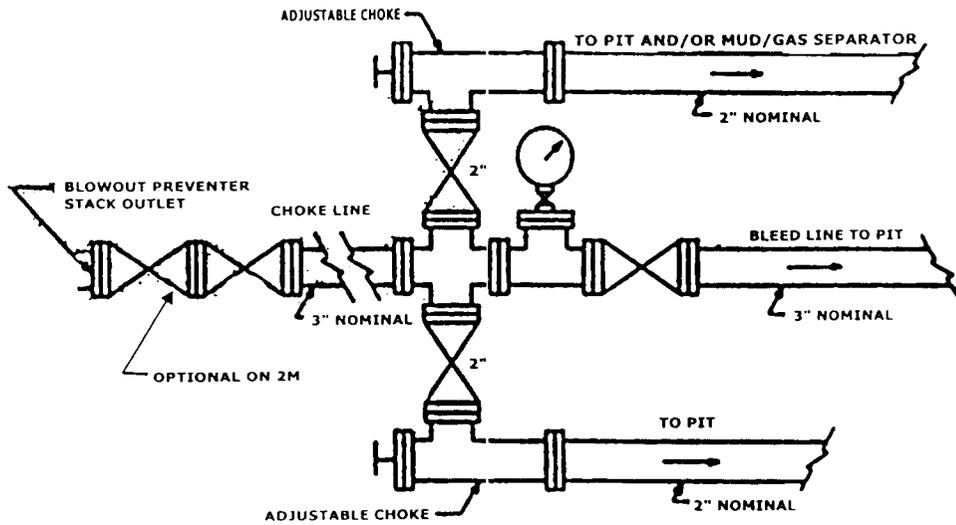


FIGURE K4-1. Typical choke manifold assembly for 2M and 3M rated working pressure service - surface installation.

DESIGNATION OF AGENT OR OPERATOR

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

LEASE NAME: Deseret

LEASE NUMBER: FEE

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:

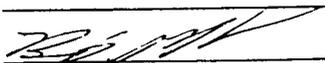
(Describe acreage to which this designation is applicable. Identify each oil and gas well by API number and name. Attach additional pages as needed.)
Township 8 North, Range 7 East, S.L.M.
Section 35: All

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: 11/07/2000

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

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

QUANECO, LLC.
SUTTONS #4-2
 LOCATED IN RICH COUNTY, UTAH
 SECTION 2, T6N, R7E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

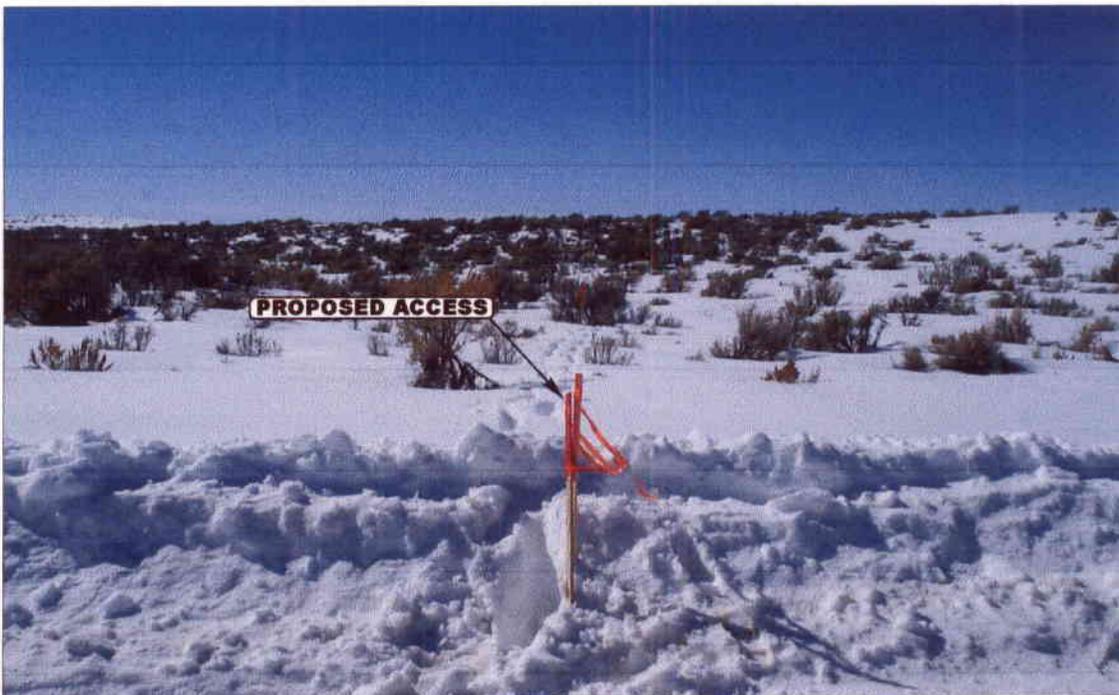


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: WESTERLY



- Since 1964 -

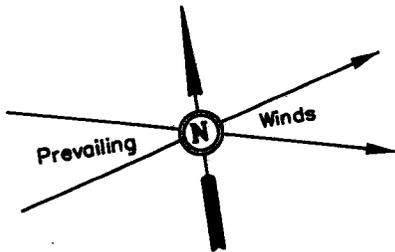
UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS	3	13	01	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: C.T.	DRAWN BY: K.G.	REVISED: 00-00-00		

QUANECO, LLC.

LOCATION LAYOUT FOR

SUTTONS #4-2
SECTION 2, T6N, R7E, S.L.B.&M.
637' FNL 654' FWL



SCALE: 1" = 50'
DATE: 3-13-01
Drawn By: D.COX

Fibre Optic Line

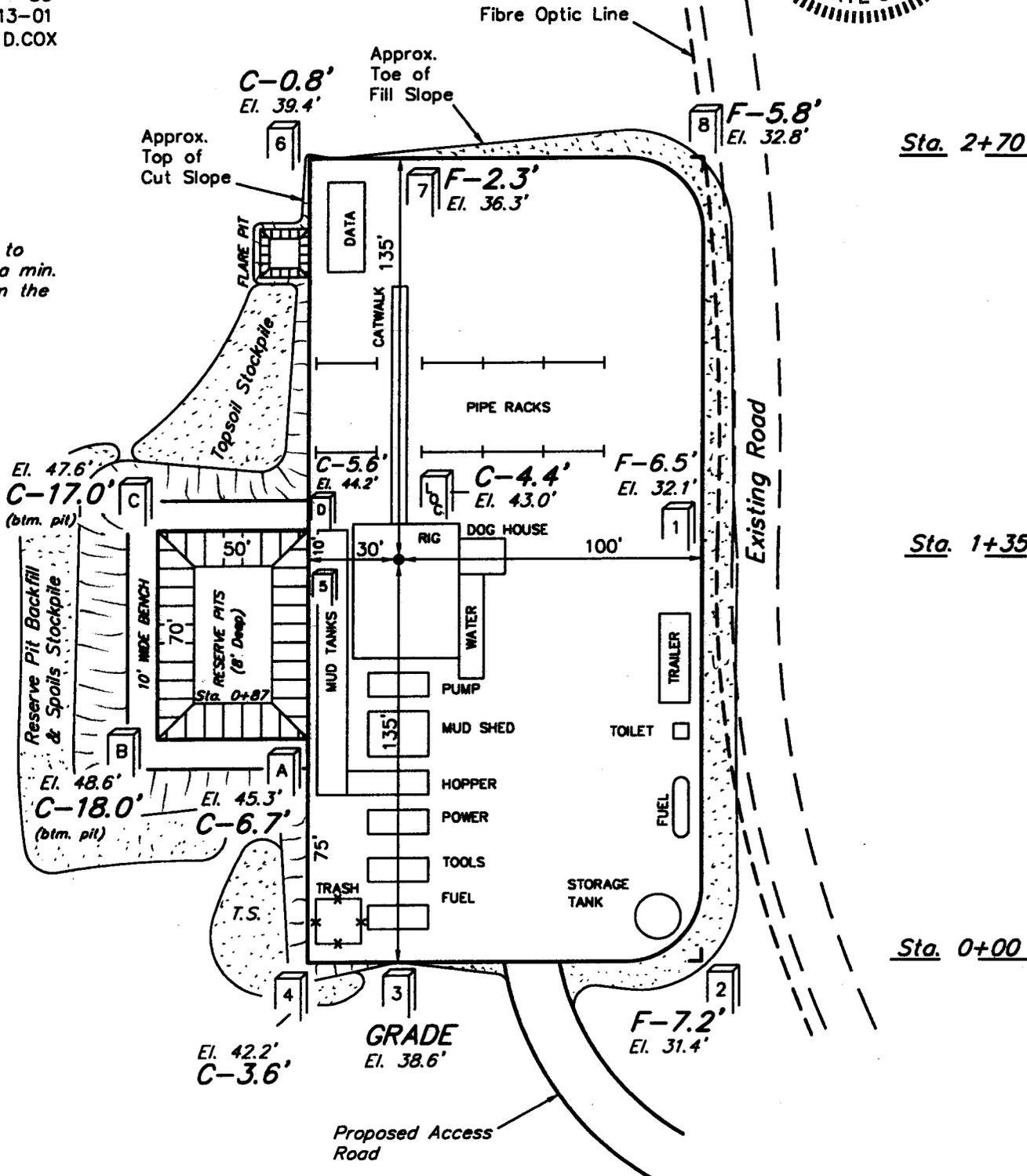
Approx. Toe of Fill Slope

Approx. Top of Cut Slope

Sta. 2+70

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.



Elev. Ungraded Ground at Location Stake = 6943.0'
Elev. Graded Ground at Location Stake = 6938.6'

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

QUANECO, LLC.

TYPICAL CROSS SECTIONS FOR

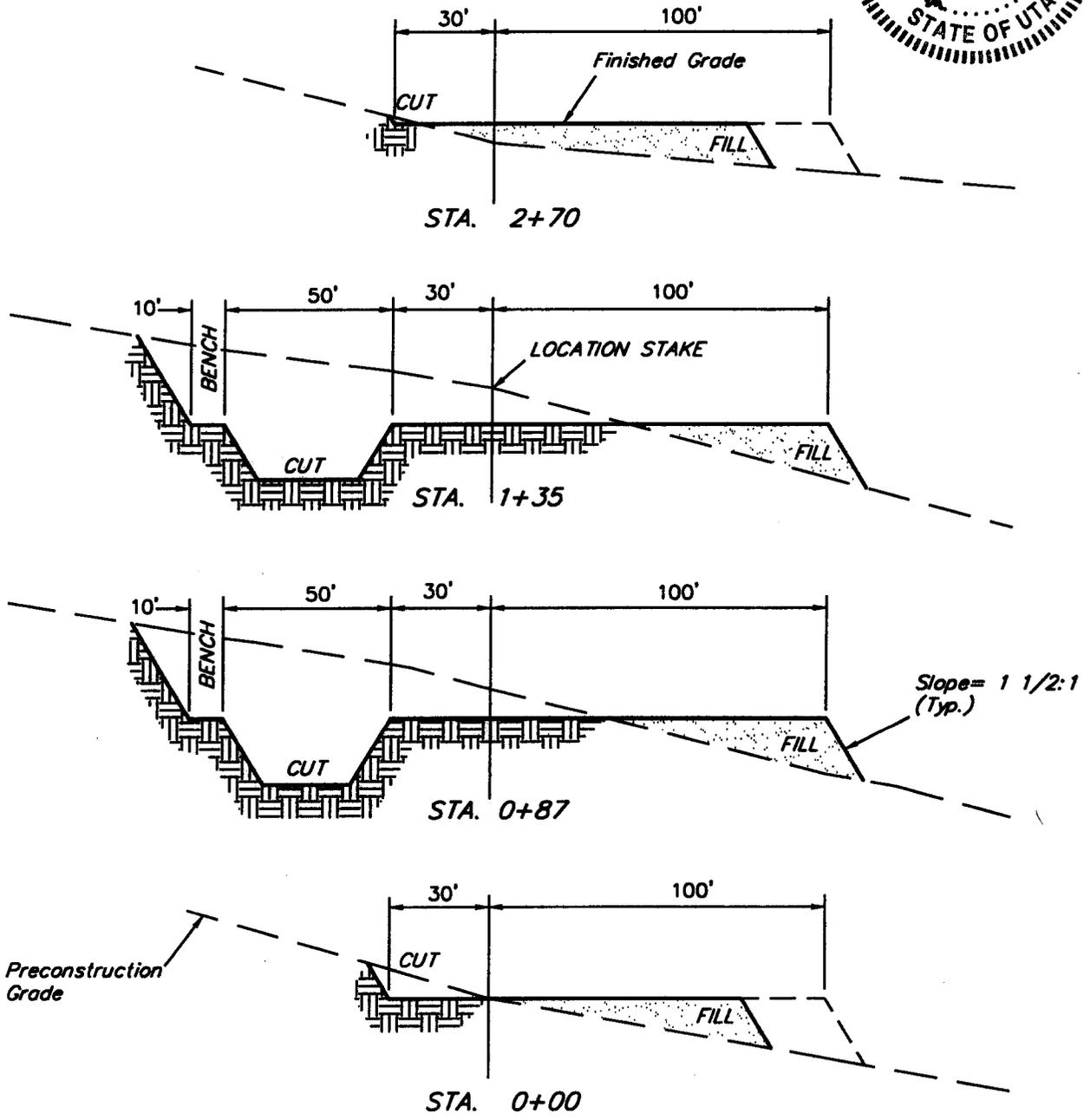
SUTTONS #4-2

SECTION 2, T6N, R7E, S.L.B.&M.

637' FNL 654' FWL



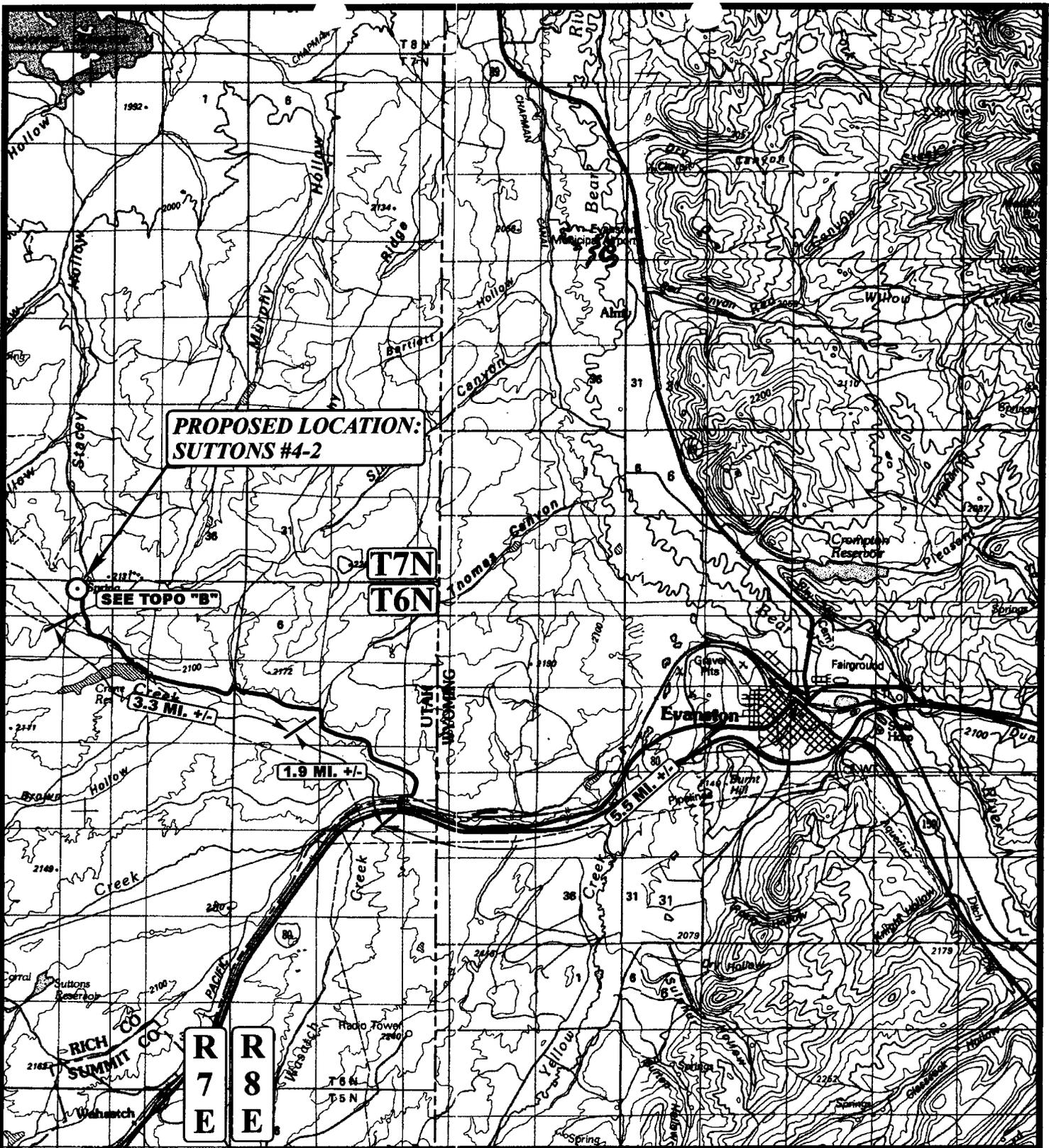
1" = 20'
 X-Section Scale
 1" = 50'
 DATE: 3-13-01
 Drawn By: D.COX



APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	750 Cu. Yds.
Remaining Location	=	3,760 Cu. Yds.
TOTAL CUT	=	4,510 CU.YDS.
FILL	=	3,260 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:
SUTTONS #4-2**

SEE TOPO "B"

**T7N
T6N**

1.9 MI. +/-

3.3 MI. +/-

0.5 MI. +/-

**R 7 E
R 8 E**

LEGEND:

○ PROPOSED LOCATION

QUANECO, LLC.

**SUTTONS #4-2
SECTION 2, T6N, R7E, S.L.B.&M.
637' FNL 654' FWL**



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

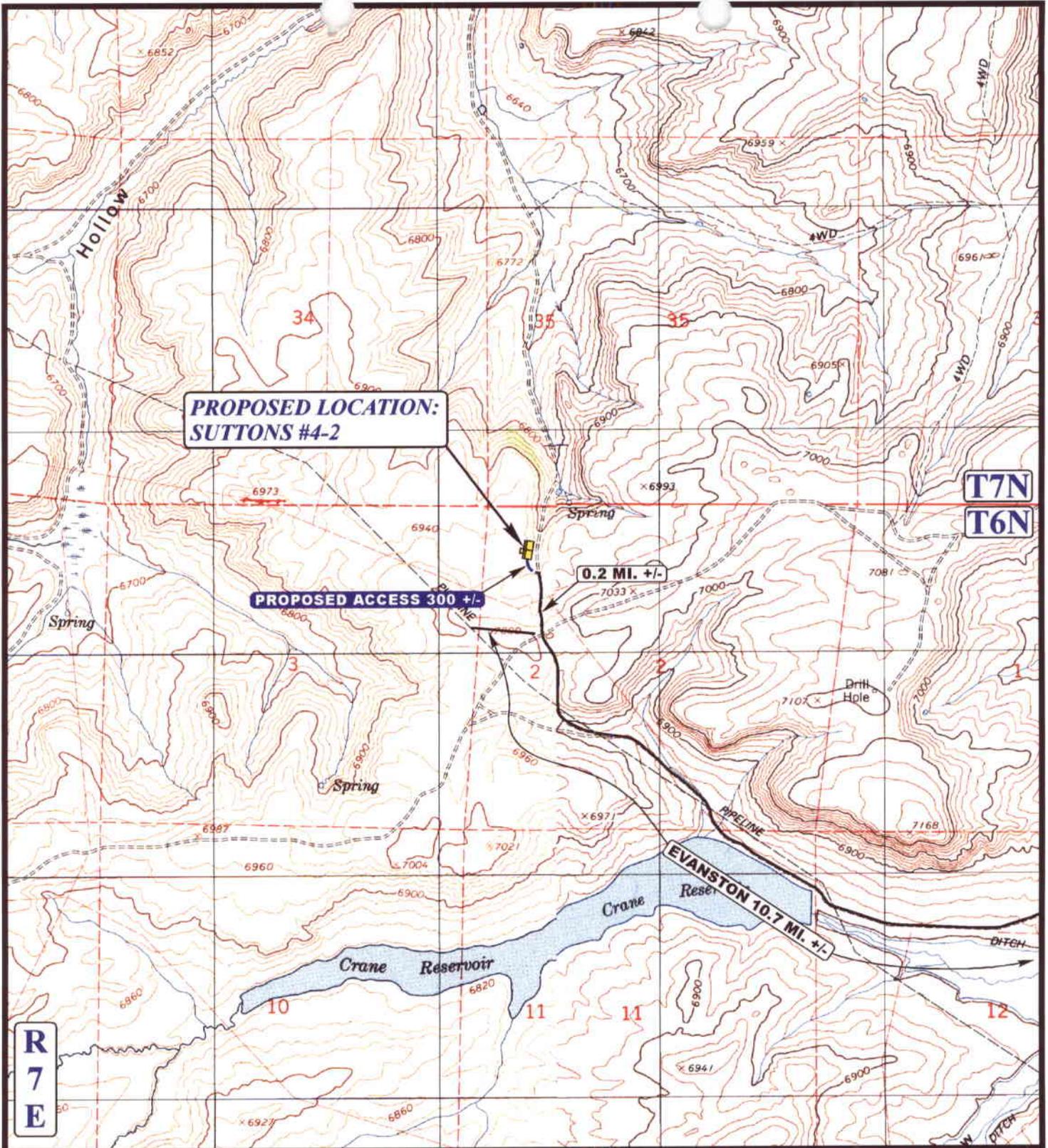


**TOPOGRAPHIC
MAP**

3 13 01
MONTH DAY YEAR

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





LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



QUANECO, LLC.

SUTTONS #4-2
SECTION 2, T6N, R7E, S.L.B.&M.
637' FNL 654' FWL



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

TOPOGRAPHIC
MAP

3	13	01
MONTH	DAY	YEAR

SCALE: 1" = 2000' DRAWN BY: K.G. REVISED: 00-00-00



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

FORM 3

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(highlight changes)

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SIGNATURE *Casey Osborn* DATE 3/14/2001

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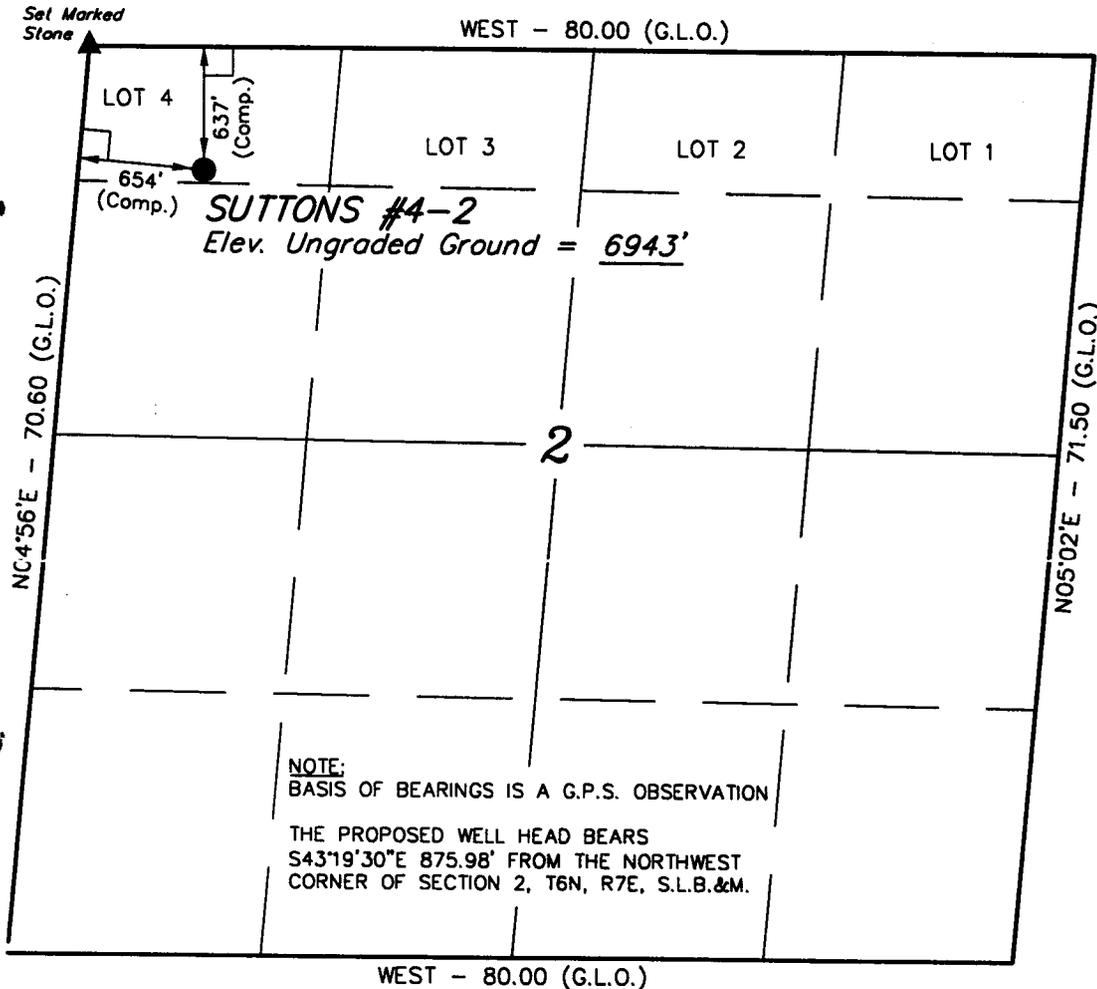
APPROVAL:
MAR 16 2001

CONFIDENTIAL

T6N, R7E, S.L.B.&M.

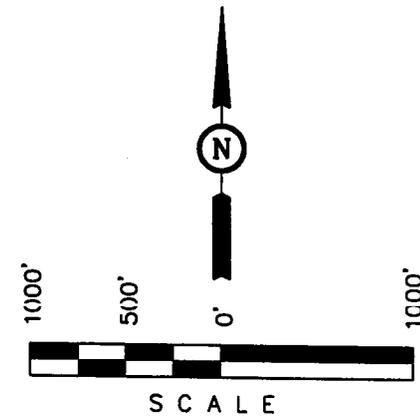
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Robert H. Cox
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161312
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PARTY C.T. D.T. D.COX	REFERENCES G.L.O. PLAT	

FAT CHANCE OIL AND GAS, LLC

March 14, 2001

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

RE: Suttons 4-2 – Exception Location

Attention:

Upon review of the field survey of the Suttons 4-2, it is evident that the section is a "short" section and divided into lots along the north boundary. Therefore, the proposed location is within 460' of the SWNW $\frac{1}{4}$ of Section 2, T6N, R7E. Fat Chance Oil and Gas, LLC is the lessee of the minerals in all of Section 2, T6N, R7E and requests that this application be approved based upon the submitted survey.

Thank you for your prompt attention and cooperation.

Sincerely,



Casey Osborn
Operations Manager

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DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL
TIGHT HOLE

FAT CHANCE OIL AND GAS, LLC

March 14, 2001

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: Sutton 4-2

Attention:

Fat Chance Oil and Gas, LLC formally requests that submitted information on the Suttons 4-2 be held confidential.

Your cooperation is appreciated.

Sincerely,



Casey Osborn
Operations Manager/Agent

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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

March 14, 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 Suttons #4-2, located in the NW1/4 of the NW1/4, Section 2, T6N, R7E.

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

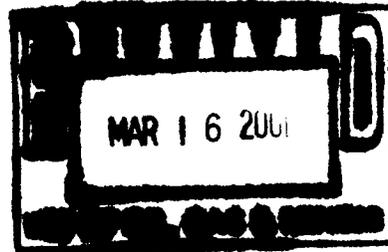
Sincerely,



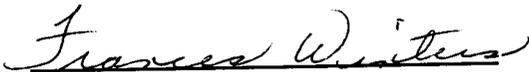
Casey Osborn
Operations Assistant

State of Wyoming)
) ss

County of Sheridan)

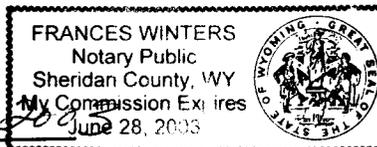


The foregoing instrument was acknowledged before me by Casey Osborn on this 14th day of March, 2001.



Notary Public

My commission expires June 28, 2003



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/16/2001

API NO. ASSIGNED: 43-033-30057

WELL NAME: SUTTONS 4-2
 OPERATOR: FAT CHANCE OIL & GAS (N1395)
 CONTACT: CASEY OSBORN

PHONE NUMBER: 307-673-1500

PROPOSED LOCATION:
 NWNW 02 060N 070E
 SURFACE: 0637 FNL 0654 FWL
 BOTTOM: 0637 FNL 0654 FWL
 RICH
 WILDCAT (1)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	RAM	3/27/01
Geology		
Surface		

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

PROPOSED FORMATION: KELVN

RECEIVED AND/OR REVIEWED:

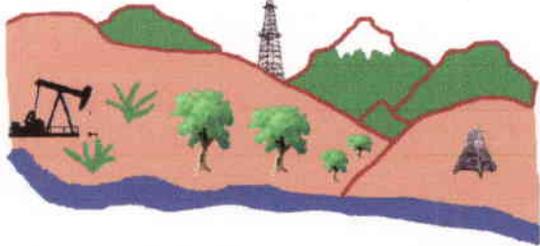
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[4]
(No. 885588C)
- Potash (Y/N)
- Oil Shale (Y/N) *190-5 (B) or 190-3
- Water Permit
(No. 21-868)
- NCC Review (Y/N)
(Date: 04/03/2001)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

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

COMMENTS: Need Presite. (3-21-01)

STIPULATIONS: ① STATEMENT OF BASIS



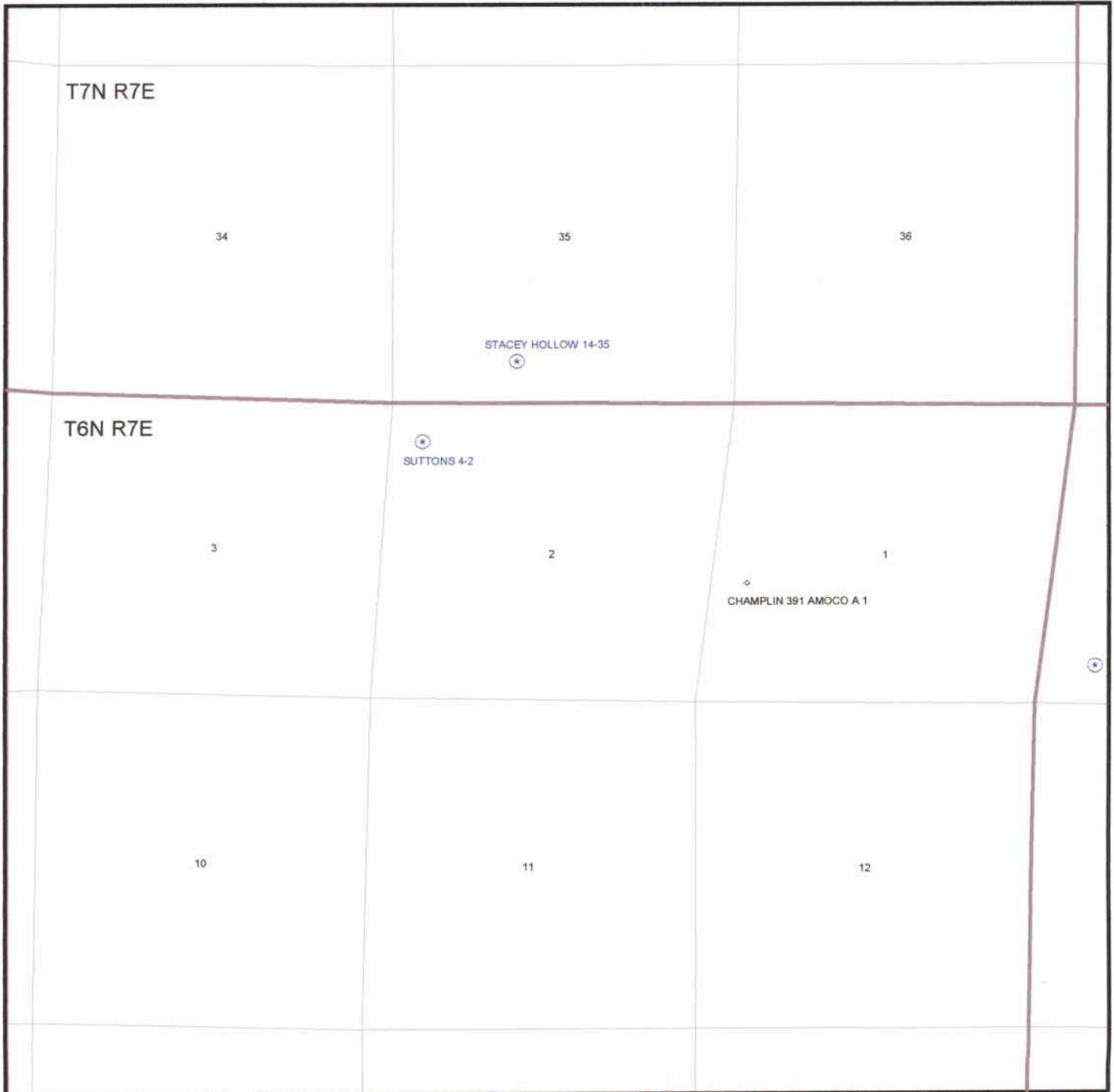
Utah Oil Gas and Mining

OPERATOR: FAT CHANCE O&G LLC (N1395)

SEC. 2, T6N, R7E

FIELD: WILDCAT (001)

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



03-01 Fat Chance Suttons
Casing Schematic

Surface

9-5/8"
MW 9.
Frac 19.3

TOC @
0.

Surface
500. MD

~ 25% WASH-OUT

BOP

$$.052(9.5) 5000 = 2470 \text{ psi}$$

$$\begin{array}{l} \text{GAS} \\ \text{G.M.D.} \end{array} \cdot 12 \cdot 5000 = \langle 600 \rangle$$

$$\underline{\underline{1870 \text{ psi}}}$$

PROPOSUN 3 M STACK /
2 M CNOKE - Adequate.

R.A.M. Ker
3/27/01

TOC @
3259.

~ 10% WASH-OUT

7"
MW 9.5

Production
5000. MD

Well name:

03-01 Fat Chance Suttons 4-2

Operator: **Fat Chance Oil**

String type: **Surface**

Project ID:
43-033-30057

Location: **Rich Co.**

Design parameters:

Collapse

Mud weight: 9.000 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: 72 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 200 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 0 psi
Internal gradient: 0.494 psi/ft
Calculated BHP 247 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 air weight.
Neutral point: 434 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 5,000 ft
Next mud weight: 9.500 ppg
Next setting BHP: 2,468 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 500 ft
Injection pressure 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	500	9.625	32.30	H-40	ST&C Assumed OK.	500	500	8.876	31.7
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	234	1370	5.86	247	2270	9.20	16	254	15.73 J

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

Date: March 27,2001
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 500 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: **03-01 Fat Chance Suttons 4-2**
 Operator: **Fat Chance Oil**
 String type: **Production** Project ID: **43-033-30057**
 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

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 135 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 368 ft

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.494 psi/ft
 Calculated BHP 2,468 psi

Burst:

Design factor 1.00

Cement top: 3,259 ft

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: 4,286 ft

*Per Drilling Plan
 C. OSBORN
 3/27/01 Danyle*

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	5000	7	23.00	J-55	ST&C Assumed	5000	5000	6.25	231.1
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	2468	3270	1.33	2468	4360	1.77	115	284	2.47 J

Assumed Terms Adequate.

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

Date: March 27, 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 5000 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.

N-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Fat Chance Oil and Gas, LLC

WELL NAME & NUMBER: Suttons #4-2

API NUMBER: 43-033-30057

LEASE: Fee(Deseret Land and Livestock) FIELD/UNIT: Wildcat

LOCATION: 1/4,1/4 NW NW Sec 2 TWP: 6 N RNG: 7 E 637 FNL 654 FWL

LEGAL WELL SITING: 460' from the drilling unit boundary and 920' from other wells

GPS COORD (UTM): X = 489,362 E; Y = 4,570,466 N Calculated 489,404 E & 4,570,487 N GPS

SURFACE OWNER: Deseret Land and Livestock

PARTICIPANTS

Mike Hebertson, John Baza (DOGM), Casey Osborn (Fat Chance), Terry Pruitt (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 80 is about 3 miles to the south. The Uinta County Airport is located about 3 miles east. Crane Creek drainage is the access route to the location, and is also an active drainage with several developed water resources. Crane Creek Reservoir, flows eastward out of the canyon and is active all year long. It eventually flows into the Bear River near Evanston. The City of Evanston is 6-7 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. 300 feet of new road will be required.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: There are no existing wells within 1 mile of this location. One new permit is within the one mile radius.

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 chemical toilets which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will be moved to an approved landfill. No crude oil is expected to be produced. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and salt saturated cuttings will be stabilized in place, then buried.

Produced water will be gathered to the evaporation pit and eventually disposed of at an approved disposal facility. Used oil from drilling operations and support will be hauled to a used oil re-cycling facility and re-used.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: This location uphill from Crane Reservoir about 1.2 miles and several developed water resources are within one mile. There is an active spring and a stock watering pond within ¼ mile. 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, light gray to dark brown in color. Some pit run type gravel. SM to SP type soils.

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 location of the actual well bore will be moved west from the access road about 30 – 40 feet. A fiber optics cable runs down the middle of the road and a splice box is on the edge of the pad where the fill would probably cover it when the pad is built. The 30 foot wall will place the facilities in view of more of the surrounding country, however it will aid in the erosion control and channeling of fluids around the location.

ATTACHMENTS:

Photographs were not taken.

K. Michael Hebertson
DOGM REPRESENTATIVE

21-March-2001 11:20 AM
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>10</u>

Final Score 65 (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: Suttons #4-2
API Number: 43-043-30057
Location: 1/4,1/4 NW NW 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 are 7 active water rights within a mile of this location, which 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 near an active spring and drainage, extra care will be taken to protect any ground or surface water sources.

Reviewer: K. Michael Hebertson

Date: 19-Mar-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. The site is actively being used by several types of wildlife and signs of active use are everywhere on the ground. The surface owner does not currently have objection to the operation.

Reviewer: K. Michael Hebertson

Date: 19-Mar-2001

Conditions of Approval/Application for Permit to Drill:

1. The location will be moved up hill 30-40 feet to accommodate a fiber optics line in the road.
2. A 12-mil minimum thickness synthetic pit liner is required.
3. 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.

QUANECO, LLC.
SUTTONS #4-2
 LOCATED IN RICH COUNTY, UTAH
 SECTION 2, T6N, R7E, S.L.B.&M.



PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

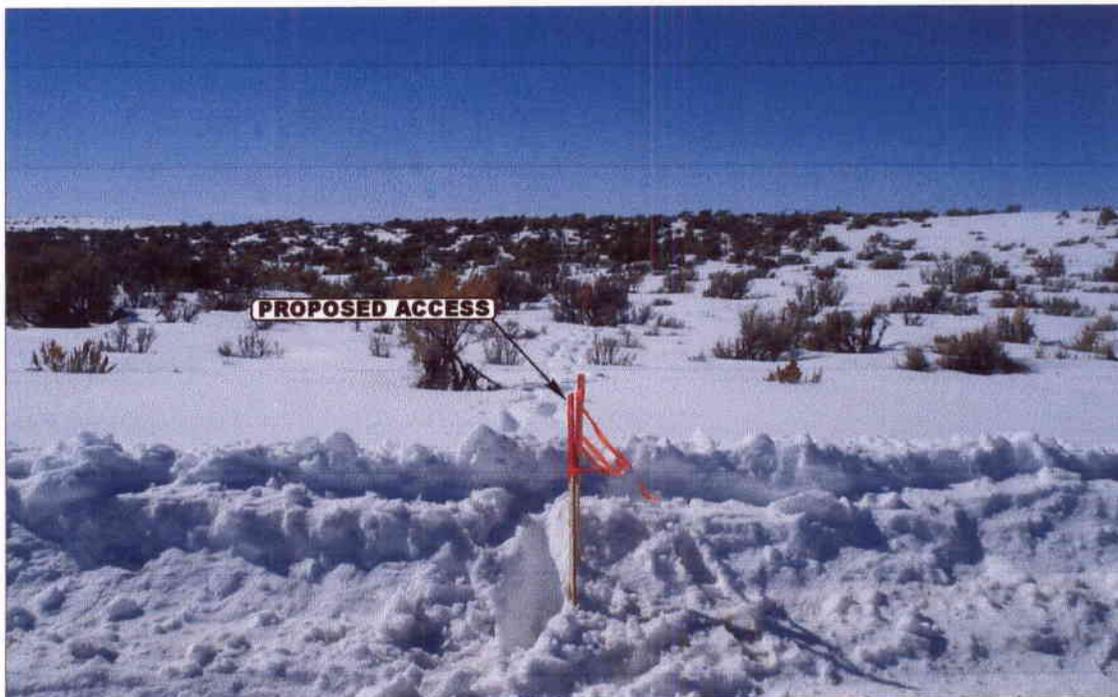


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

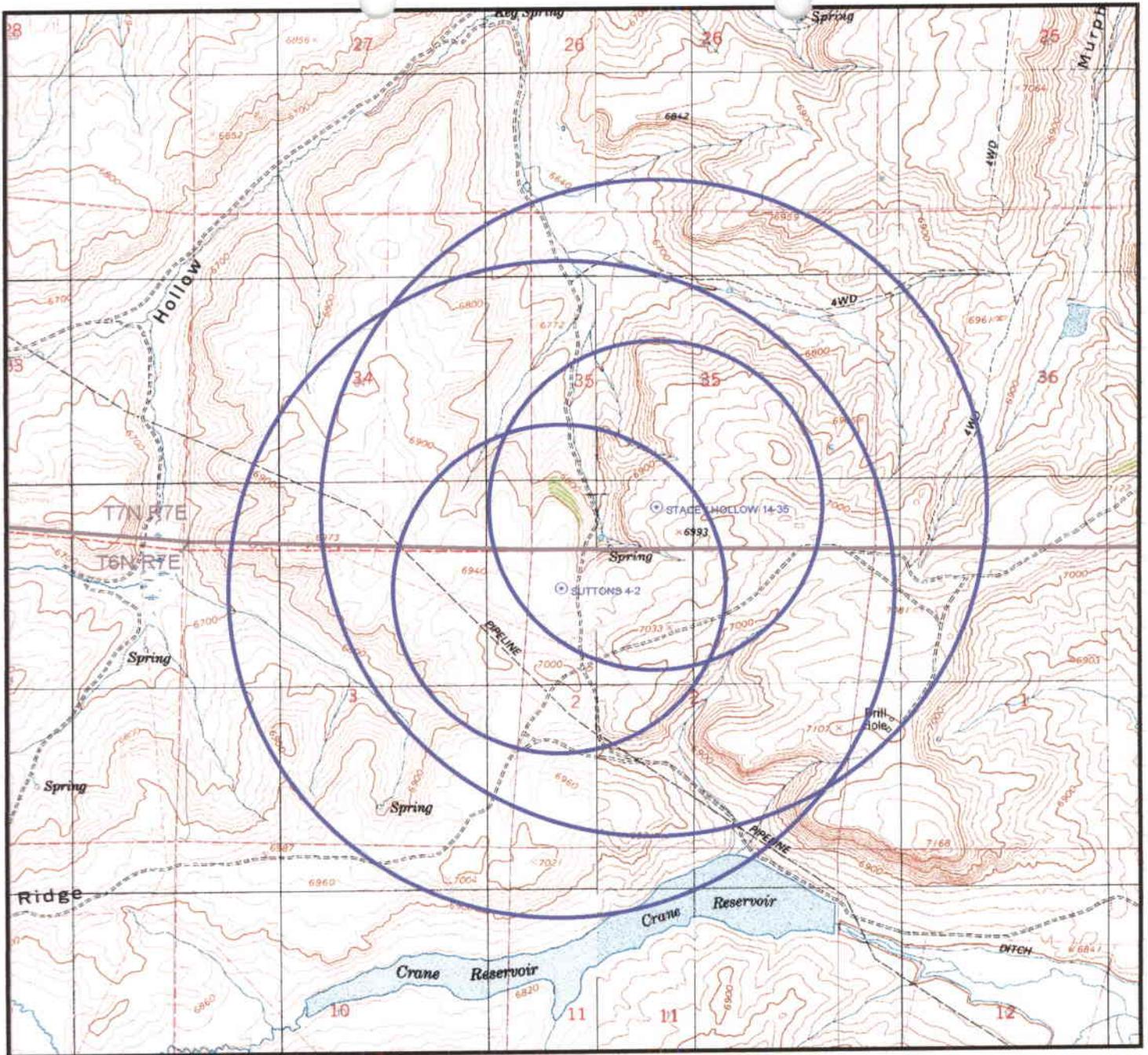
CAMERA ANGLE: WESTERLY



- Since 1964 -

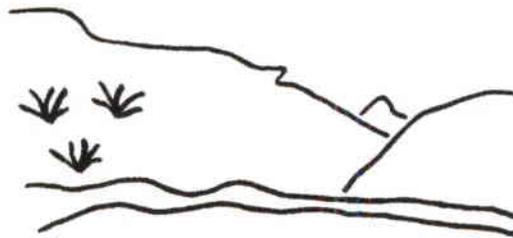
UELS Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 435-789-1017 uels@uelsinc.com

LOCATION PHOTOS			3	13	01	PHOTO
TAKEN BY: C.T.			MONTH	DAY	YEAR	
DRAWN BY: K.G.			REVISED: 00-00-00			



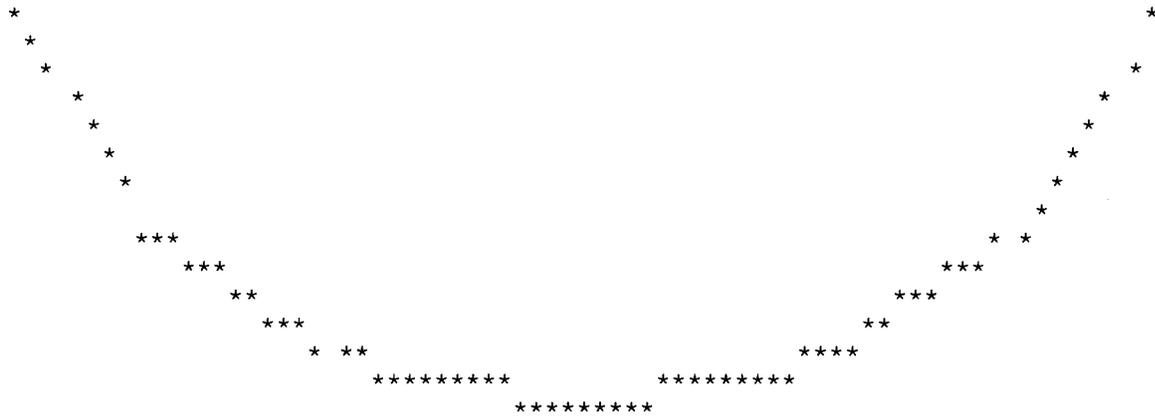
Well Status

- GAS INJECTION
- GAS STORAGE
- × LOCATION ABANDONED
- ⊙ NEW LOCATION
- ◇ PLUGGED & ABANDONED
- ★ PRODUCING GAS
- PRODUCING OIL
- ◇ SHUT-IN GAS
- ◇ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- WATER SUPPLY
- ⊙ WATER DISPOSAL
- Sections
- ▭ Township



Utah Oil Gas and Mining

The Division of Oil, Gas & Mining does not warrant or guarantee the accuracy of any data or information contained herein, and is not responsible for the accuracy of data not under its immediate controll.



UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

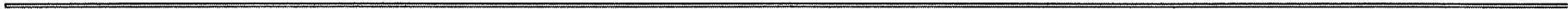
MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST CNR SEC TWN RNG B&M
0	23 1974	.0000	.00	Unnamed Fork Stacey Hollow Cre	
	WATER USE(S):				PRIORITY DATE: 00/00/18
	Deseret Livestock Company			531 South State Street	Salt Lake City
1	23 1975	.0000	.00	Unnamed Fork of Stacey Hollow	
	WATER USE(S):				PRIORITY DATE: 00/00/19
	Deseret Livestock Company			531 South State	Salt Lake City
2	t25190	.0000	4.00	Crane Creek Res., Neponset Res. N	200 W 1600 SE 35 7N 7E SL
	WATER USE(S): OTHER				PRIORITY DATE: 01/16/20
	Deseret Livestock Company			531 South State Street	Salt Lake City
3	23 1974	.0000	.00	Unnamed Fork Stacey Hollow Cre	
	WATER USE(S):				PRIORITY DATE: 00/00/18

Deseret Livestock Company

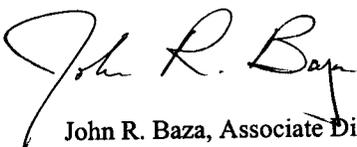
531 South State Street

Salt Lake City

.



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

1. Administering State Agency Oil, Gas and Mining 1594 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 & Gas LLC proposes to drill the Suttons 4-2 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) NW/4, NW/4, Section 2, Township 6 North, Range 7 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: March 19, 2001

Fax Transmittal Form



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

To

Name: Lisha Gordova

Organization Name/Dept: OGCC

Phone number: _____



3940

From

Quaneco, LLC

Phone: 307-673-1500

Fax: 307-673-1400

Name: Bill Courtney

Date sent: 3-22-2001

Time Sent: _____

Number of pages including cover page: 4

Message:

Lisha -

Per our conversation I have enclosed our water agreement with Desert Livestock. The wells you currently waiting on this to complete your files are the Stacey Hollow 14-35, Crane 13-18, and the latest Sutton 4-2. Thank you for all your help.

Bill Courtney



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WATER RIGHTS

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
Robert L. Morgan
State Engineer

1836 West North Temple, Suite 220
Salt Lake City, Utah 84118-9156
801-538-7240
801-538-7315 (Fax)

March 19, 2001

Deseret Livestock Company
531 South State Street
Salt Lake City, UT 84111

ATTN: William Hopkin

RE: Temporary Change 21-868 (1:25349)

Dear Mr. Hopkin:

EXPIRATION DATE: March 19, 2001

The State Engineer's office has reviewed your application for temporary change and feels this application can be approved subject to prior rights.

This Decision is subject to the provisions of Rule R625-6-17 of the Division of Water Rights and to Section 63-46b-13 and 73-3-14 of the Utah Code Annotated, 1953, which provide for filing either a Request for Reconsideration with the State Engineer or an appeal with the appropriate District Court. A Request for Reconsideration must be filed with the State Engineer within 20 days of the date of this Decision. However, a Request for Reconsideration is not a prerequisite to filing a court appeal. A court appeal must be filed within 30 days after the date of this Decision, or if a Request for Reconsideration has been filed, within 30 days after the date the Request for Reconsideration is denied. A Request for Reconsideration is considered denied when no action is taken 20 days after the Request is filed.

Sincerely,


Robert M. Pocheringham, P.E.
Northern Area Engineer

RMF:gf



Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File SUTTONS 4-2

Suspense

Other

(Loc.) Sec 2 Twp 6 N Rng. 7 E
(API No.) 43-033-30057

(Return Date) _____

(To-Initials) _____

1. Date of Phone Call: 3-27-01 Time: 11:00 AM

2. DOGM Employee (name) AL MIKOE (Initiated Call)

Talked to:

Name CASBY OSBORN (^{RETURNED} Initiated Call) - Phone No. () _____

of (Company/Organization) FAT CHANCE O&G

3. Topic of Conversation: DISCREPANCY BETWEEN APD FACE
PAGE 5 DRILLING PLAN FOR 7" CSG.
20 #/1 V. 23 #/1.

4. Highlights of Conversation: 1. WANTED TO RECTIFY DISCREPANCY.
2. CONCERN OF 20 #/1 COLLAPSE @
5000' TD

C. OSBORN CONFIRMED THAT PIPE WOULD BE
23 #/1 TO RESOLVE DISCREPANCY. (TO ADDRESS
COLLAPSE ISSUE)

I NOTED 23 #/1 PIPE ON FACE PAGE

RAMIK



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)

April 4, 2001

Fat Chance Oil and Gas, LLC
PO Box 7370
Sheridan, WY 82801

Re: Suttons 4-2 Well, 637' FNL, 654' FWL, NW NW, Sec. 2, T. 6 North, R. 7 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 43-033-30057.

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 Suttons 4-2
API Number: 43-033-30057
Lease: FEE

Location: NW NW **Sec.** 2 **T.** 6 North **R.** 7 East

Conditions of Approval

1. General

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

2. Notification Requirements

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: 637' FNL 654' FWL		8. WELL NAME and NUMBER: Suttons 4-2
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 T6N R7E S		9. API NUMBER: 4303330057
COUNTY: Rich County		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 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 (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 Pemrit
	<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 approval for permit to drill to allow further evaluation of offset wells.

RECEIVED

APR 12 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>4/8/2002</u>

(This space for State use only)

COPY SENT TO OPERATOR
Date: 04-15-02
Initials: CHD

(See Instructions on Reverse Side)

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 04-15-02
By: *[Signature]*

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: Fee
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: Suttons 4-2	
2. NAME OF OPERATOR: Fat Chance Oil & Gas, LLC		9. API NUMBER: 4303330057
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: 637' FNL 654' FWL		COUNTY: Rich
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 T6N R7E S		STATE: UTAH

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12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Reclamation completed with the exception of reseeded which will be done in October 2002

RECEIVED

JUN 17 2002

**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>6/13/2002</u>

(This space for State use only)



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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

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

June 20, 2002

Casey Osborne
Fat Chance Oil & Gas LLC
P O Box 7370
Sheridan, WY 82801

Re: APD Rescinded – Suttons 4-2, Sec. 2, T. 6N, R. 7E – Rich County, Utah
API No. 43-033-30057

Dear Mr. Osborne:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining on April 4, 2001. On April 15, 2002, the Division granted a one-year APD extension. On June 17, 2002 the Division received a sundry notice stating that the well site has been reclaimed. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective June 17, 2002.

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 Mason
Engineering Technician

cc: Well File
Gil Hunt, Technical Services Manager

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

FORM 9

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QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWNW 2 6N 7E S STATE: UTAH		

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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.

Reclamation complete

RECEIVED
NOV 05 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>10/31/2002</u>

(This space for State use only)