

**From:** "Sewell, James" <jsewell@fmc-slc.com>  
**To:** <lishacordova@utah.gov>  
**Date:** 5/3/2005 10:44:50 AM  
**Subject:** FW: Seed Mix for DLL Locations

Lisha,

I have forwarded an email that I sent to Johnny Lewis with Quaneco. The seeds listed are the ones we would use in the mix. If you have any questions or concerns about them, let me know. We like to use a nice diverse mix, as it increases the chances of stand establishment and retention. It also results in a nice mix of forage for both domestic livestock and wildlife.

James Sewell  
 DL&L

Quaneco LLC  
 Murphy Ridge 1-32 E. 7-32  
 (ML-48456)  
 Johnny Lewis  
 (307) 673-1500

---

From: Sewell, James  
 Sent: Tuesday, May 03, 2005 8:51 AM  
 To: 'jass@fiberpipe.net'  
 Subject: Seed Mix for DLL Locations

Johnny,

If we were to reclaim do the seeding work on the location in Section 32, we would use the following mix.

Alfalfa  
 Sanfoin  
 Small Burnett  
 Cicer Milkvetch  
 Intermediate Wheatgrass  
 Great Basin Wildrye  
 NewHy Wheatgrass  
 Fourwing Saltbush  
 Forage Kochia

I think that is a nice mix with a diversity of grass, forbs, and shrubs.

James Sewell (435) 793-4288  
 Deseret Land and Livestock / surf. owner of surrounding lands.  
 Arca Foreman

**From:** "Johnny Lewis" <jass@fiberpipe.net>  
**To:** <jass@fiberpipe.net>, "ANNA/ JHL" <jass@trib.com>, "Bill@EMIT" <bcourtney@emittechnologies.com>, <ljames@fiberpipe.net>, <lishacordova@utah.gov>  
**Date:** 5/3/2005 1:00:20 PM  
**Subject:** Fw: Seed Mix for DLL Locations

Seed Mix for DLL Locations  
----- Original Message -----

From: Sewell, James  
To: jass@fiberpipe.net  
Sent: Tuesday, May 03, 2005 8:51 AM  
Subject: Seed Mix for DLL Locations

Johnny,

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Cicer Milkvetch

Intermediate Wheatgrass

Great Basin Wildrye

NewHy Wheatgrass

Fourwing Saltbush

Forage Kochia

I think that is a nice mix with a diversity of grass, forbs, and shrubs.

James Sewell

Deseret Land and Livestock

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No virus found in this incoming message.  
Checked by AVG Anti-Virus.  
Version: 7.0.308 / Virus Database: 266.11.2 - Release Date: 5/2/2005

**From:** Lisha Cordova  
**To:** jsewell@fmc-slc.com  
**Date:** 5/4/2005 10:29:09 AM  
**Subject:** Fwd: Re: Seed Mix

Hi James,

Can you provide us with information regarding the seeding rates, and method of application for the proposed seed mix (see James/DWR comments below), and add a little sagebrush to the mix?

>>> Scott Walker 05/03/05 6:28 PM >>>  
Hey Lisha,

WOW. To be honest I'm blown away. I have never seen such a wildlife friendly mix coming from a mining/oil reclamation company. The forbs look great. The grasses are ok. The Great Basin Wildrye would be nice but it's hard to tell from the pictures if it's a Great Basin Wildrye site. There may be better options than the Wildrye. But, it's ok. I would like to see some Sagebrush in the mix.

So all in all the mix looks ok but I couldn't approve the mix without reviewing the seeding rates, and method of application. For example, they could be seeding 3 lbs per acre with the mix being 95% Intermediate wheatgrass and 5% all the rest. In that case the mix would not be acceptable. Ok, so that's an exaggeration of reality, but the point is the total application rate and how many PLS pounds per acre of each species is a very important factor.

If you can get that information to me I would appreciate it.

Thanks.

Scott Walker  
Habitat Manager  
Northern Region  
Utah Division of Wildlife Resources  
515 East 5300 South  
Ogden, UT 84405  
801-476-2776  
[scottwalker@utah.gov](mailto:scottwalker@utah.gov)

>>> Lisha Cordova 05/03/05 5:35 PM >>>  
Hi Scott,

Attached are photos and a seed mix proposal for upcoming reclamation work at 2 well sites, provided by Deseret Land & Livestock ("DL&L"). The operator is Quaneco LLC, and the wells are; Murphy Ridge 1-32; and Murphy Ridge 7-32. Quaneco has reclaimed several locations on surrounding DL&L lands this past year and the seed mix is only a recommendation from them.

The wells are located on state lands in Section 32, T8N, R8E, Rich County, Ut (ML-48456) and are subject to a seed mix recommendation from DWR, therefore please review DL&Ls' proposal to see if it meets DWRs' requirements and make changes as you see fit.

The photos were taken on 10/14/04.

Thanks for your help!

Species in mix	PLS #s Req/ac	PLS		SEEDS Per Pound	Number of		
		of seed	Bulk lbs per acre		Pure live seeds/lb	live seeds per acre	live seeds per Sq. Ft.
1 Alalfa 'Ladak'	2	94.79	2.10990	230,457	218,452	436,905	10.03
2 Sainfoin	0.5	95.66	0.52266	21,632	20,694	10,347	0.24
3 Small Burnet 'Delar'	0.25	94.89	0.26347	54,502	51,715	12,929	0.30
4 Cicer Milkvetch 'Windsor'	0.5	93.50	0.53475	145,000	135,578	67,789	1.56
5 Intermediate Wheatgrass	1	90.81	1.10116	91,810	83,376	83,376	1.91
6 Great Basin Wildrye 'Trailhe	1	84.22	1.18742	135,000	113,692	113,692	2.61
7 Newby WG	1	87.40	1.14420	173,655	151,769	151,769	3.48
8 Fourwing Saltbush	0.5	45.21	1.10607	52,000	23,507	11,753	0.27
9 Forage Kochia	0.5	14.77	3.38460	527,907	77,987	38,993	0.90
10 Sagebrush, Mountain-Sanp	0.5	35.44	1.41076	2,500,000	886,050	443,025	10.17
	7.75		12.76501				31.46

**From:** Scott Walker  
**To:** James Sewell; Lisha Cordova  
**Date:** 5/11/2005 9:17:42 AM  
**Subject:** RE: Fwd: Quaneco LLC/DL&L/ML-48456

James, et al.  
Just a couple of things.

The lot of Kochia seed I used for estimating seeds per sq ft had a fairly low PLS rating. So I agree with your comments about 2 lbs of Kochia being fairly high, if the PLS of the planted lot is higher than what my calculations were based on. You could reduce the amount, but carefully check the PLS rating of the kochia seed.

The cost of forbs I increased (Sainfoin and Small burnet) are pretty reasonable. They will be around \$.80 - \$1.50 per pound. The seeding rate I recommended may seem high for these species. However, the seeds are large and the actual seeds per pound is quite low for these species.

Since you're not worried about using introduced vs natives, I would still recommend that you consider "Secar" Snake River Wheatgrass as opposed to the Bluebunch. The released varieties of bluebunch "Goldar and Whitmar" don't seem to perform as well as the "Secar". "Anatone" does ok, but the germplasm is all from the same general geographic area.

These are just a few thoughts, all in all it looks pretty good.

Keep up the good work.

Scott Walker  
Habitat Manager  
Northern Region  
Utah Division of Wildlife Resources  
515 East 5300 South  
Ogden, UT 84405  
801-476-2776  
scottwalker@utah.gov

>>> "Sewell, James" <jsewell@fmc-slc.com> 05/10/05 6:31 PM >>>  
Lisha, Johnny, and Scott,

I can adjust the seed mix for the location as necessary. Forb seeds are actually pretty expensive, but for a small project such as this, we can up the rate on both the sainfoin and small burnet. Over large acreage, both of those are defiantly over kill in the amount of seed. Planting two pounds of kochia per acre may well result in a stand of mainly forage kochia. I think that is too much. For the project, we could eliminate NewHy and plant blue bunch wheatgrass (rather than "Secar") at a rate of 2#/ac.

My seed mix is based on what is economical for larger acreages. We can certainly increase the percent forbs, as well as use some

different grasses, for a State Land well-site reclamation.

If you have any further questions, let me know. I can adjust the mix to whatever suits the needs of both the State of Utah and Quaneco. In the long haul, proper range management is the key to a successful reclamation project, not seed selection.

Thanks,

James Sewell  
Deseret Land and Livestock

-----Original Message-----

From: Lisha Cordova [mailto:[lishacordova@utah.gov](mailto:lishacordova@utah.gov)]  
Sent: Tuesday, May 10, 2005 4:40 PM  
To: [jass@fiberpipe.net](mailto:jass@fiberpipe.net); Sewell, James  
Cc: Scott Walker  
Subject: Re: Fwd: Quaneco LLC/DL&L/ML-48456

James (DL&L) and Johnny (Quanecco),

Please review the attached response from DWR & let me know if you concur.

Thanks for your patience.

>>> Scott Walker 05/10/05 1:12 PM >>>

Lisha,

I just quickly calculated the number of seeds per sq ft for the recommended seed mix. When doing a seeding I like to shoot for around 40 seeds per sq ft.

Species in mix	Number of live seeds per Sq. Ft.
Alalfa 'Ladak+	10.03
Sainfoin	0.24
Small Burnet 'Delar'	0.30
Cicer Milkvetch 'Windsor'	1.56
Intermediate Wheatgrass	1.91
Great Basin 'Trailhead'	2.61
Newhy WG	3.48
Fourwing Saltbush	0.27
Forage Kochia	0.90
Sagebrush, Mountain	10.17
	31.46

This mix is a little light on the seed and not balanced very well from a diversity prospective.

If I were to make a recommendation I would cut back the alfalfa to 1.5 #/ac and increase the Sainfoin to 3.5 #/ac and the Small burnet to 2.5 #/ac. (The seed for these forbs are relatively inexpensive)

I would cut back the Newhy to around .75 #/ac, and add another species of grass like "Secar" Snakeriver Wheatgrass at 1#/ac.

I would also increase the kochia to 2 #/ac.

I hope this helps. If you have any other questions please feel free to contact me.

For your information I have attached the table I used to calculate the seeds per sqft.

Good Luck with the project.

Scott Walker  
Habitat Manager  
Northern Region  
Utah Division of Wildlife Resources  
515 East 5300 South  
Ogden, UT 84405  
801-476-2776  
[scottwalker@utah.gov](mailto:scottwalker@utah.gov)

>>> Lisha Cordova 05/10/05 12:19 PM >>>

>>> Lisha Cordova 05/05/05 10:10 AM >>>  
Hi Scott,

Additional information is being provided to you regarding the seed mix proposal by DL&L (surrounding landowner) for reclamation/seed work planned soon at the Murphy Ridge 1-32 & 7-32 well sites (ML-48456) operated by Quaneco LLC.

Please review the proposal and let me know if it is acceptable to DWR, they added a little sage brush to the mix as you requested.

Species (PLS pounds per acre)

Alfalfa (2.0)  
Sanfoin (.5)  
Small Burnett (.25)  
Cicer Milkvetch (.5)  
Intermediate Wheatgrass (1.0)  
Great Basin Wildrye (1.0)  
NewHy Wheatgrass (1.0)  
Fourwing Saltbush (.5)  
Forage Kochia (.5)  
Hobble Creek Sage Brush (.5)

Total PLS pounds per acre is 7.75 according to the above calculations,

however James/DL&L says the application method (fall broadcast) they will use amounts to more like (+10 pounds per acre) based on previous seed jobs performed in the area.

Thanks for your assistance!

**CC:**           jass@fiberpipe.net

**From:** <jass@fiberpipe.net>  
**To:** <lishacordova@utah.gov>, <jsewell@fmc-slc.com>  
**Date:** 5/11/2005 12:40:23 PM

43-033-30061 (7-32) 43-033-30045 (1-32)  
43-033-30046 (7-32 LAD 12/31/04)

Lisha and James,

Everything sounds OK to me. As long as we can keep what is good for the land. I find it hard to believe that alfalfa and kochia are native to our area. Looking at the weather it may be the week of May 23 to 29 that I will be able to make it down to log wells and look things over.

Thanks,  
Johnny

Division of Oil, Gas and Mining  
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File Murphy Ridge 7-32  
(LA'd 12-31-04)  
(Loc.) Sec 32 Twp 8N Rng. 8E  
(API No.) 43-033-30046

Suspense  
(Return Date) \_\_\_\_\_  
(To-Initials) \_\_\_\_\_

Other  
\_\_\_\_\_  
\_\_\_\_\_

1. Date of Phone Call: 6/24/05 Time: 4:23

2. DOGM Employee (name) J. Cordova ( Initiated Call)  
Talked to:  
Name Lorna James ( Initiated Call) - Phone No. (307) 673-1500 ext. 10  
of (Company/Organization) Queneco (N2495)

3. Topic of Conversation: 1 mo. reseed ext. granted 5/24/05. Op was planning to submit a new APD - have not rec'd APD.

4. Highlights of Conversation:  
Msg. left on ans. machine.  
6/27/05 Re-surveyed, APD to follow.  
7/20/05 Lorna James - APD on the way, apologized for delay.

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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>			5. MINERAL LEASE NO: ML #48456	6. SURFACE: <u>Fee State</u>
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: Quaneco, LLC			9. WELL NAME and NUMBER: Murphy Ridge 7-32	
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: 1980' FNL 1980' FEL <u>495198 41,38767</u> AT PROPOSED PRODUCING ZONE: same <u>4581583 -111.05740</u>			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 T8N R8E S	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 9 miles NW of Evanston, Wyoming			12. COUNTY: Rich	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 619'	16. NUMBER OF ACRES IN LEASE: 812	17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 80		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	19. PROPOSED DEPTH: 4,500	20. BOND DESCRIPTION: SITLA Surety Bond #885708C		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6554' GR	22. APPROXIMATE DATE WORK WILL START: 10/1/2005	23. ESTIMATED DURATION: 15 days		

**PROPOSED CASING AND CEMENTING PROGRAM**

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT			
12 1/4"	9 5/8"	H40	32.3#	450	G-POZ	125 sx	2.0	14#
8 3/4"	7"	J55	23#	4,500	G-50/50 POZ	150 sx	2.25	11# lead
						<u>250 sx</u>	<u>1.22</u>	14.2# tail

**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) Bill Courtney TITLE Operations Assistant  
SIGNATURE Bill Courtney DATE 7-21-05

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30061

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

APPROVAL:  
Date: 09-22-05  
By: [Signature]

**RECEIVED**  
**JUL 26 2005**

DIV. OF OIL, GAS & MINING

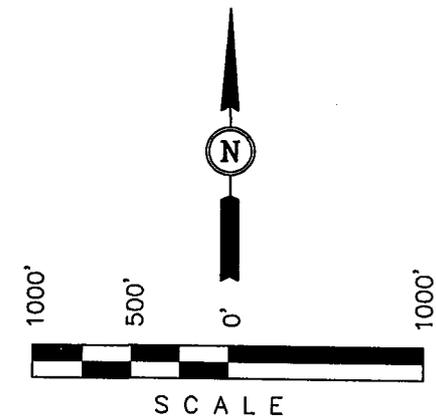
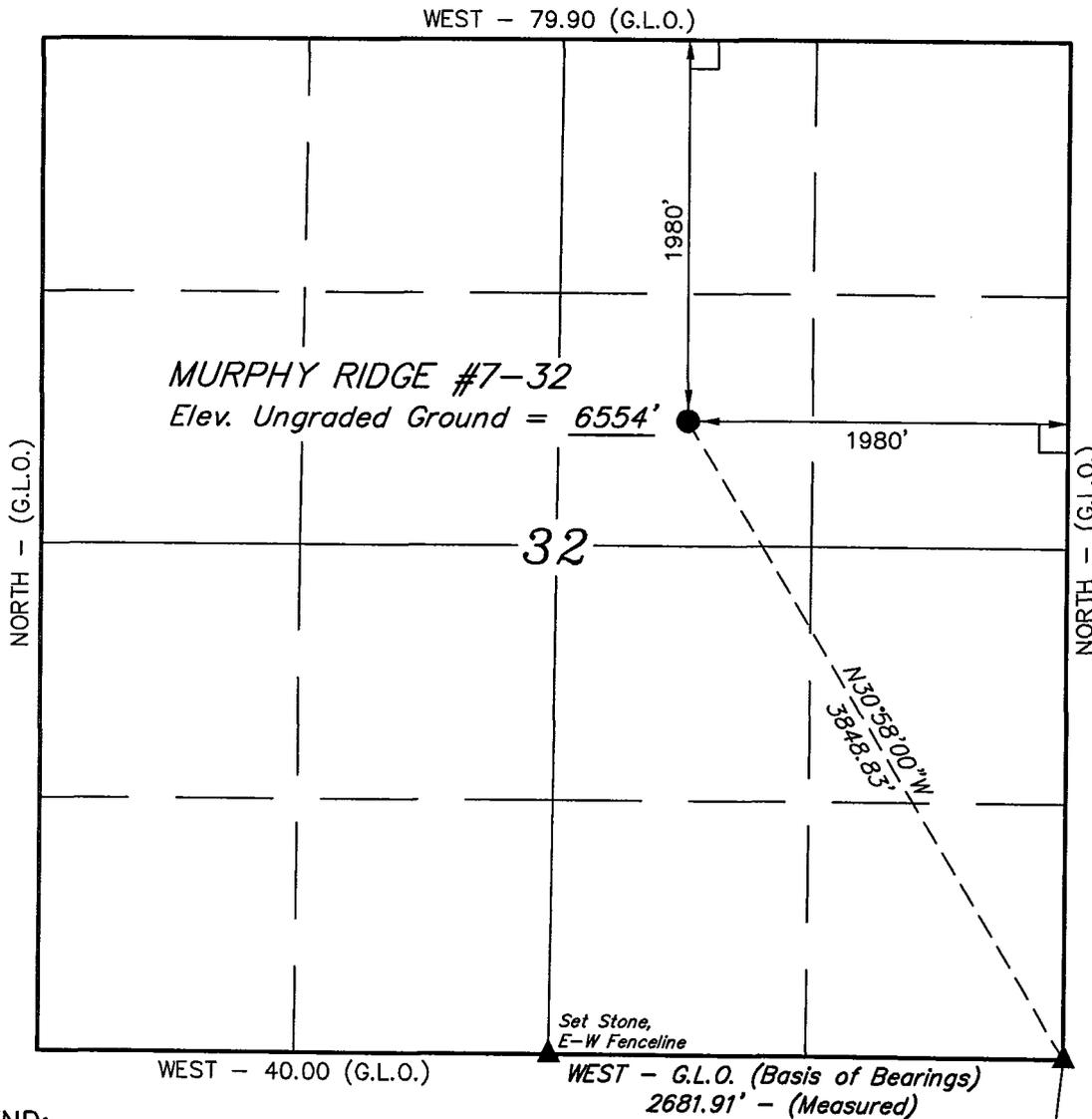
T8N, R8E, S.L.B.&M.

QUANECO, LLC.

Well location, MURPHY RIDGE #7-32, located as shown in the SW 1/4 NE 1/4 of Section 32, T8N, R8E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

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



CERTIFICATE

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

*John A. ...*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b> 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 06-09-05	DATE DRAWN: 06-22-05
PARTY A.F. B.W. L.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE QUANECO, LLC.	

LEGEND:

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

LATITUDE = 41°23'15"  
 LONGITUDE = 111°03'28"

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

Set Stone,  
 E-W Fenceline

WEST - 40.00 (G.L.O.)

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

WEST - 79.90 (G.L.O.)

NORTH - (G.L.O.)

NORTH - (G.L.O.)

# DRILLING PLAN

Operator: Quaneco, LLC  
Murphy Ridge 7-32  
T8N R8E, Rich County, Utah

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## 1. ESTIMATED TOPS OF GEOLOGIC MARKERS

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

## 2. ESTIMATED DEPTHS OF ANTICIPATED WATER AND GAS FORMATIONS

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

## 3. PRESSURE CONTROL EQUIPMENT

### Minimum Specifications:

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

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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: Quaneco, LLC  
Murphy Ridge 7-32  
T8N R8E, Rich County, Utah

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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: Quaneco, LLC  
Murphy Ridge 7-32  
T8N R8E, Rich County, Utah

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**6. EVALUATION PROGRAM**

Coring:

Zones of interest will be cored. Zones of interest will be identified after evaluating mud logs and open hole logs from the proposed Murphy Ridge #1 located in the NE/NE Section 32 T8N, R8E.

Logging:

One-man logging unit during drilling.

Open hole FDC-CNL-Sonic-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 nor anticipated.

**8. ADDITIONAL INFORMATION**

Anticipated spud of the proposed well will be immediately or as soon as practical after drilling and evaluating the proposed Murphy Ridge #1 located in the NE/NE Section 32 T8N, R8E.

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.

# **LIST OF CONTACTS**

## **OPERATOR:**

**Johnny Lewis  
Drilling and Completions Supervisor  
Box 7370  
Sheridan, Wyoming 82801  
Office: 307-673-1500  
Cell: 307-272-7744**

## **SURFACE LESSEE:**

**James Sewell  
Ranch Manager  
Deseret Land and Livestock  
125 Main Ranch Way  
Woodruff, Utah 84086  
Office: 435-793-4288**



APPROVAL OF ASSIGNMENT

Pursuant to item number 20 within that certain Surface Owners Agreement recited within the assignment portion hereof, Farmland Reserve, Inc., a Utah nonprofit corporation, successor in interest to Property Reserve, Inc. formerly known as Deseret Title Holding Corporation, hereby acknowledges and approves the assignment to Quaneco, L.L.C.

Farmland Reserve, Inc., successor in interest to Property Reserve, Inc., formerly known as Deseret Title Holding Corporation

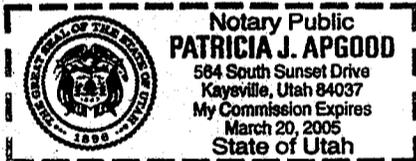
WJA  
@  
ALSL

WJK

By: John Wheeler  
Title: Pres

State of Utah )  
) ss.  
County of Salt Lake )

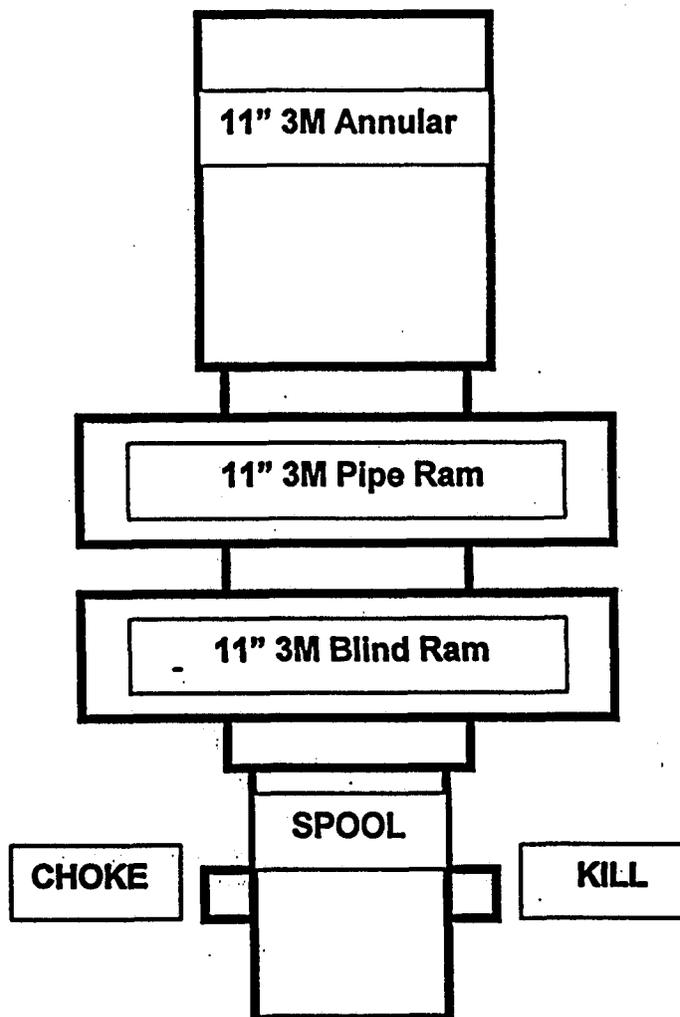
The foregoing instrument was acknowledged before me this 23<sup>rd</sup> day of May, 2003, by John St. Cruz the President of Farmland Reserve, Inc., a Utah nonprofit corporation, successor in interest to Property Reserve, Inc. formerly known as Deseret Title Holding Corporation.



Patricia J. Apgood  
Notary Public

# BOPE SCHEMATIC

API 3M - 11 - SRRA



# KILL LINE - CHOKE LINE/MANIFOLD SCHEMATIC

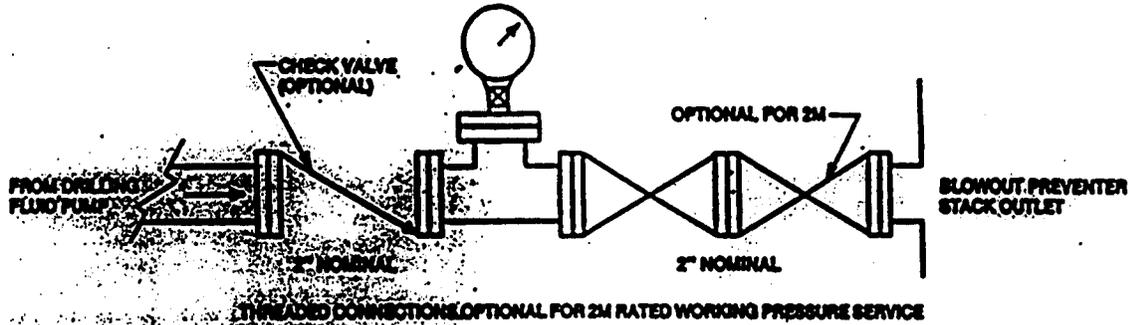


FIGURE K-1. Typical kill line assembly for 2M and 3M rated working pressure service — surface installation.

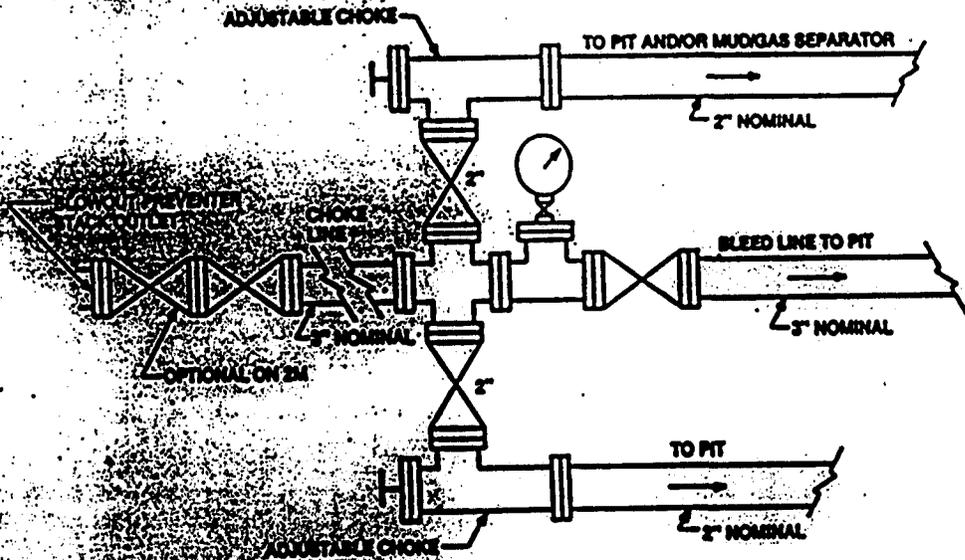


FIGURE K-2. Typical choke manifold assembly for 2M and 3M rated working pressure service — surface installation.

8/12/05 Surrounding  
Lands  
(not Sec. 32  
is State)

SURFACE OWNERS AGREEMENT

THIS AGREEMENT is 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 (hereinafter referred to as "PRI"), and BILLY JIM PALONE, d/b/a PALONE PETROLEUM (hereinafter referred to as "Palone").

WITNESSETH

WHEREAS, PRI is the owner of the surface estate of certain parcels of real property situated in Summit, Morgan, and Rich Counties, Utah as more specifically identified on Exhibit "A" attached hereto (hereinafter referred to as the "Property");

WHEREAS, Palone leases or will lease certain mineral interests underlying all or portions of the Property;

WHEREAS, Palone desires to develop the mineral interests; and

WHEREAS, Palone and PRI desire to enter into an agreement setting forth the damages to be paid PRI as a result of such mineral development.

NOW, THEREFORE, in consideration of the covenants and promises set forth herein to be kept and performed by the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. Access to Property. All operations of Palone, or any party acting as an agent of Palone, shall be conducted at the sole risk, cost and expense of Palone. PRI makes no representations or warranties regarding the existing or non-existence of any prior leases, rights-of-way, easements, licenses and other instruments and agreements affecting the Property, whether recorded or unrecorded.

2. Roads. Palone has the right to maintain, improve and use existing roads on the Property as well as to construct, maintain and use new roads on the Property on the following terms and conditions:

A. Palone shall advise PRI in reasonable detail of the location, width, cuts, fills, and bar ditches of each new road which it proposes to construct or each existing road it proposes to modify or use (in the case of use only, Palone shall only provide details of the location) on the Property and shall not commence the construction of any new road or modification of an existing road without first providing PRI such information and allowing PRI a reasonable time to review such

information. For each new road it proposes to construct, Palone and PRI agree to work together to select locations and designs of roads which will minimize disturbance of the Property while providing reasonable access to Palone.

B. Except as necessary for exploration of its mineral interests, all vehicular traffic will be restricted to the roads permitted to be used or constructed by Palone hereunder.

C. Palone shall construct and install such steel gates and cattle guards in all fences crossed or affected by Palone as may be necessary, due to the activities of Palone, for the proper protection and handling of PRI's livestock and to secure the Property from trespass. Palone shall also install culverts necessary to protect the road beds and to control and divert water.

D. Palone shall maintain the roads, gates, cattle guards, bridges, culverts and any other similar improvements (not to include any oil field equipment) to be used or constructed by Palone pursuant to this Agreement (the "Improvements") in a good and usable condition during the use thereof and, upon termination of use or abandonment by Palone of any such Improvements, Palone shall do whatever is practical to return the land upon which such Improvements are located to its original condition (including topography and drainage channels) to the extent it can reasonably do so, provided that Palone shall notify PRI in writing of any Improvements it intends to cease using and, if PRI so requests within ten (10) days of receipt of such notice, any such improvements shall be left in place in a good and usable condition and will thereupon become the sole property of PRI.

E. All gates will be kept closed at all times and when requested by PRI will be kept locked to restrict unauthorized entry. At Palone's option, Palone may maintain guards at any gates in lieu of locking said gates.

F. It is agreed and understood that traffic may be delayed for short periods while PRI is moving livestock through the Property and Palone's traffic movement must be coordinated with PRI's Representative so that such traffic movement will not interfere with PRI's movement of its livestock.

G. PRI shall have the right to use any roads constructed or improved by Palone hereunder for any purpose and without cost.

3. Well Locations. Palone has the right to construct, maintain and use drilling sites and/or well locations on the Property on the following terms and conditions:

A. Palone shall advise PRI in reasonable detail of the location, size, cuts, and fills of each new drilling site which it proposes to construct and shall not commence the construction of any new drilling site without first providing such information to PRI and allowing PRI a reasonable time to review such information. Palone and PRI agree to work together to select locations and designs of drilling sites which will minimize disturbance of the Property while providing reasonable access to Palone.

B. At the sole risk, cost and expense of Palone, upon completion of drilling a location where a well will not be operated, all drilling sites including reserve and mud pits, shall be reclaimed and restored as nearly as practical to their original condition, including topography and successfully revegetated after completion of any wells drilled.

C. At the sole risk, cost and expense of Palone, all drilling sites, including reserve and mud pits, where a well will be operated shall be reduced to the minimum area of disturbance needed for the operation of a well with the remaining area being reclaimed and restored as nearly as practical to its original condition and successfully revegetated after completion of any wells drilled.

D. At the sole risk, cost and expense of Palone, upon completion of the operating life of any well, all well sites, including reserve and mud pits, shall be reclaimed and restored as nearly as possible to their original condition (including topography) and successfully revegetated with native plants upon abandonment of any well.

4. Pipelines. Palone has the right to construct, maintain, repair and replace and use Pipelines on the Property on the following terms and conditions:

A. For purposes of this Agreement, a Pipeline shall be defined as including an injection line, flow line, gas or water line, and related facilities designed to primarily service wells which are located on the Property. For purposes of compensation, one Pipeline shall include any of the foregoing lines which are installed in the same ditch at the same time.

B. Palone shall advise PRI in reasonable detail of the location, size, cuts, and fills of each new Pipeline which it proposes to construct and shall not commence the construction of any such line without first providing such information to PRI and providing PRI a reasonable time to review such information. Palone and PRI agree to work together to select locations of

Pipelines which will minimize disturbance of the Property while providing reasonable access to Palone.

C. All Pipelines shall be buried below the surface of the land and where reasonably practical shall be buried below plow depth which shall be defined as being 36" or more in depth to the top of the Pipeline.

D. Upon completion of installation of a Pipeline or upon completion of any modifications or maintenance work resulting in disturbance of the soil, and at the sole risk, cost and expense of Palone, all disturbance resulting from such installation, modification, or maintenance, shall be reclaimed and restored as nearly as practical to their original condition and successfully revegetated.

E. Upon abandonment of a Pipeline, Palone shall abandon the Pipeline in-place and shall remove all other surface facilities or equipment placed upon the right-of-way, and shall restore the right-of-way to as near an original condition as reasonably practicable and will revegetate. All Pipelines will be abandoned according to federal, state, and local regulations, and in the event current or future federal, state, or local regulations require the removal of Pipelines, Palone shall be responsible for complying with these regulations.

5. Other Uses. Palone shall confer with PRI's Representative regarding any uses by Palone on the Property not described in Paragraphs 2, 3, and 4 hereof prior to commencing any such use.

6. Reclamation Standards. For the purposes of any reclamation required under this Agreement, the following standards shall apply:

A. Prior to commencement of any work which will necessitate revegetation, all top soil shall be set aside in such a reasonably practical manner that upon completion of the work or abandonment, the top soil can be replaced.

B. All revegetation shall be done according to a revegetation program and plant mix approved by or provided by both Palone and PRI.

C. Revegetation efforts shall continue until established stands have been obtained.

D. As requested by PRI, Palone shall use its best efforts to control the infestation of noxious weeds on any portion of the Property which is disturbed by

Palone by the timely spraying of control chemicals or other methods of control acceptable to PRI.

E. As discussed herein, all areas disturbed by Palone during operating, maintaining, protecting, marking, repairing, removing, or replacing the roads, well sites, drill sites, pipelines, appurtenances, equipment, and facilities shall be immediately filled, leveled, and graded at the expense of Palone to blend the disturbed area with the landscape as nearly as practical.

7. Work Standards. All operations of Palone on the Property shall be conducted in accordance with the following standards:

A. All operations of Palone shall be in a good and workmanlike manner consistent with recognized industry procedures and in accordance herewith.

B. Palone shall keep the roads, well locations, pipeline locations, and adjacent areas clean at all times and free of any trash, cans, papers, bottles or other debris resulting from Palone's operations hereunder.

C. In addition to any compensation specifically set forth herein, Palone shall repair, replace or reimburse PRI for all damages resulting from the operations of Palone on the Property to any roads, fences, corrals, gates, buildings, structures, water sources, water storage ponds and reservoirs, water pipelines and troughs, crops, livestock, or other improvements on the Property.

D. Palone agrees to replace or repair any levees disturbed or damaged by Palone's operations on the Property and to take the reasonably necessary precautions to channel and protect drainages and waterways affected by its operations on the Property.

E. Palone shall coordinate all operations so that they are conducted in a manner compatible with reasonable security implemented by PRI.

8. Compensation. As compensation for damages caused to the Property by the operations of Palone, Palone agrees to pay PRI the following damages:

A. Palone shall pay to PRI the sum of \$15.00 per rod for each road used or constructed by Palone on the Property.

B. Palone shall pay to PRI the sum of \$7,500 for each standard well or drilling site up to six (6) acres in size. For every additional acre or portion thereof, Palone shall pay to PRI the sum of \$1,200 per acre (to be pro rated for partial acres).

C. Palone shall pay to PRI the sum of \$15.00 per rod for each Pipeline constructed or installed on the Property.

D. Payment for any other damages caused by Palone not enumerated in this Paragraph shall be on a fair and reasonable basis to be negotiated by the parties for each such use.

E. All payments described in this Paragraph shall be paid in full prior to commencement of any work relating to said payment.

F. On September 1, 2001, all payments described in this Agreement shall be subject to escalation in proportion to the percentage increase in the Consumer Price Index (CPI-U, average all items, 1982-84 base) of the United States or its successor indicator ("CPI") over the preceding five years. Thereafter, all payments described in this Paragraph shall be increased annually in proportion to the percentage increase in the CPI over the preceding year.

9. Use Restrictions. No guns, firearms, alcoholic beverages, drugs, dogs, trail bikes, motorcycles, recreational use of ATV's, recreational use of snowmobiles, or recreational vehicles shall be permitted on the Property and Palone, its agents, representatives, and employees shall not hunt, fish, recreational camp, recreational hike, trap or conduct any recreational activities on the Property. Additionally, Palone shall not unnecessarily disturb the livestock and wildlife on the Property.

10. Permits/Legal Requirements. Palone shall comply will all laws, rules, and regulations pertaining to the Property and to Palone's operations thereon. Palone shall apply for and obtain such permits as may be required by any county, state, federal, or other duly constituted authorities. Palone agrees to indemnify and save harmless PRI for any penalty , fine, or assessment for failure to obtain such permits.

11. Taxes. Palone shall pay (1) all taxes and assessments that may be levied against the buildings, equipment, supplies, and fixtures necessary for the improvements placed on the Property by Palone and (2) all increases in taxes against the Property resulting from the construction of facilities upon or change in use by Palone of the Property.

12. Encumbrances. Palone shall not act nor omit to take any action which could result in encumbrances or liens of any kind or nature whatsoever to be asserted against the Property. The assertion of any lien or encumbrance shall require Palone, within thirty (30) days after receipt of notice of the filing or recording of such lien, either to remove the same from the Property as an encumbrance or to provide a bond to the benefit of PRI in the sum of at least twice the amount of such encumbrance or lien. Upon the provision of satisfactory surety as to such lien amount, Palone may litigate and contest such lien fully. If at the end of thirty (30) days no surety has been provided PRI may pay the lien or encumbrance, and Palone shall immediately reimburse PRI for all funds expended, including, but not limited to, reasonable attorneys' fees and recording costs.

13. Other Structures. Palone acknowledges that PRI has made no representation of the existence or nonexistence of other structures, improvements or pipelines located within or adjacent to the Property, and Palone agrees that it will be solely responsible for, and will repair or replace at its own expense, any and all damage to these structures, improvements or pipelines resulting from Palone's operations.

14. Indemnification. Palone shall fully indemnify and hold PRI, its members, employees, representatives and agents, harmless against any and all loss, damage, injury, claim, suit, judgment, order, fine, penalty, or demand of every kind or nature whatsoever, whether in law or equity arising out of Palone's operations and use of the Lands, including without limitation all costs of defense together with reasonable attorneys' fees therefor, provided, however, said loss does not arise out of or result solely from the actions of PRI, its employees, agents, representatives or contractors. This paragraph and the obligations herein shall survive the termination of this Agreement.

15. Default. If at any time Palone or any of its agents, representatives or contractors have breached any obligation imposed on it under this agreement, PRI shall notify Palone in writing setting out the facts relied upon by PRI as constituting Palone's breach hereof. To the extent reasonably possible, Palone will immediately bring its operations into compliance with this Agreement. As to operations that cannot be immediately brought into compliance, Palone shall not be considered to be in default of its obligation to eliminate or repair such breach if Palone promptly upon its receipt of such notice initiates corrective action and eliminates or remedies such breach within twenty (20) days of receipt of PRI's notice or, if the breach is of a nature that cannot reasonably be cured within such twenty (20) day period, promptly upon its receipt of such notice initiates curative action and thereafter diligently pursues all reasonable efforts to effect such cure. In the event Palone does not cure any breach as provided for herein, PRI shall have the right to, at its election, collect damages or terminate this Agreement.

16. No Partnership. Nothing contained in this Agreement shall create or be construed as creating a partnership, joint venture, or employment relationship between PRI and

Palone. Neither PRI nor Palone shall be liable, except as otherwise expressly provided in this Agreement, for any obligations or liabilities of the other. Palone expressly agrees to indemnify and hold PRI, and the property of PRI free and harmless from any and all obligations and liabilities incurred by Palone in conducting operations, whether conducted pursuant to this Agreement or otherwise on the Property.

17. Environment. Except as provided herein, Palone shall not commit or permit to be committed any waste upon the Property or permit a nuisance thereon. Furthermore, Palone shall not store (except as necessary for operations) or dispose of or allow to be stored (except as necessary for operations) or disposed of on the Property any hazardous substances (which for purposes of this paragraph shall not be defined to include oil, gas or associated produced water). Palone agrees to comply with all federal, state, and local environmental laws and to reimburse and indemnify and defend PRI from any costs or liabilities incurred by PRI as a result of Palone's breach of this provision. To the extent materials abandoned by Palone on the Property are deemed at any time to be hazardous substances under federal, state, or local law, Palone shall be responsible for removal of such substances and complying with any and all laws or regulations relating thereto.

18. Waiver. The failure of either party to insist upon strict performance of any of the covenants or conditions of this Agreement in any one or more instances shall not be construed as a waiver or relinquishment for the future of any such covenants or conditions, but the same shall be and remain in full force and effect.

19. Notice. All notices and other communications provided for in this Agreement shall be in writing and shall be sufficient for all purposes if (i) sent by fax to the fax number set forth below or at such other number as the respective party may designate by notice as provided herein, and concurrently sent by 1st class U.S. mail, (ii) is personally delivered, or (iii) sent by certified or registered U.S. mail, return receipt requested, postage prepaid, and addressed to the respective party at the address set forth below or at such other address as such party may hereafter designate by written notice to the other parties as herein provided.

To PRI:           Property Reerve, Inc.,  
                          f/k/a Deseret Title Holding Corporation  
                          Attn: Robert Stanton  
                          50 East North Temple Street  
                          Salt Lake City, Utah 84150-6320  
                          Fax: (801)240-2913

Until a successor representative is designated in writing to Palone, Robert Stanton shall be PRI's Representative for purposes of this Agreement.

To Palone: Billy Jim Palone  
P.O. Box 6  
Gillette, Wyoming 82717  
Fax:

Notice by mail shall be deemed effective and complete at the time it is received or served. Notice by fax shall be deemed effective and completed at the time the facsimile is sent.

20. Assignment. Palone may sell, transfer or assign all or a portion of its interest in this Agreement provided that the transferee specifically agrees in writing to be bound by this Agreement and PRI consents to such assignment, which consent shall not be unreasonably withheld. PRI may sell, transfer or assign its interest in this Agreement to any successor in interest to the Property or any portion thereof.

21. Miscellaneous Provisions. The parties hereto agree to the following additional provisions:

A. This Agreement is and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns.

B. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Utah.

C. No modification or variation of this Agreement shall be of any force or effect unless in writing executed by both of the parties hereto.

D. It is expressly stipulated and agreed that time shall be of the essence in this Agreement.

E. PRI and Palone each agree to pay and discharge all reasonable costs and expenses, including attorneys' fees, that shall be made and incurred by the prevailing party in enforcing the covenants and agreements of this Agreement.

F. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof and the Agreement shall be construed in all respects as if such invalid provision were omitted.

G. The parties hereto agree to execute such additional documents as may be necessary or desirable to carry out the intent of this Agreement.

H. The paragraph headings used herein are for the convenience of the parties and shall not be deemed to modify or construe the meaning hereof.

DATED as of the day and year first above written.

PRI:

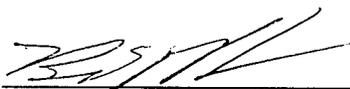
Property Reserve, Inc., formerly known as  
Deseret Title Holding Corporation, a Utah corp.

By 

Title: AUTHORIZED AGENT

Palone:

Billy Jim Palone

By 

Billy Jim Palone

7/21/2005

Quaneco, LLC

Waste Management Plan. 2005

Quaneco, LLC plans to operate, drill and test wells during the second and third quarters of 2005 in Rich County, Utah. Subject wells will be dewatered utilizing artificial lift. Produced water will be pumped to onsite lined surface pits. The onsite pits are approved in conjunction with the APD. All water that is produced exceeding the onsite pit capacity will be transferred to an out of state permitted commercial evaporative pit (Waste, Inc., Wyo DEQ#84-547R) or another permitted disposal well.

The estimated water volume produced on a per well per day basis is less than 100 barrels.

All wells are currently shut in and not producing any water.

---

Lorna James  
Administrative Assistant

*\* onsite reserve pits for drilling water only.  
produced water to an approved facility. JC*

**QUANECO, LLC.**  
**MURPHY RIDGE #7-32**  
 LOCATED IN RICH COUNTY, UTAH  
 SECTION 32, T8N, R8E, S.L.B.&M.

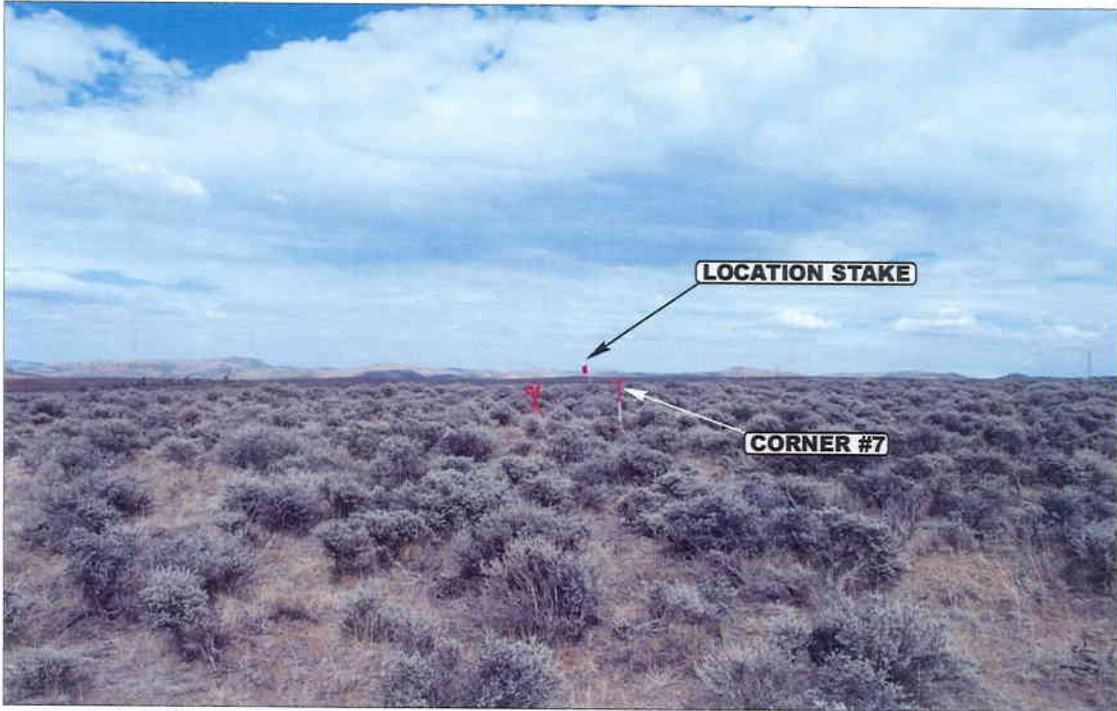


PHOTO: VIEW FROM CORNER #7 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



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

- Since 1964 -

<b>LOCATION PHOTOS</b>	<b>9</b>	<b>5</b>	<b>00</b>	<b>PHOTO</b>
	MONTH	DAY	YEAR	
TAKEN BY: D.K.	DRAWN BY: C.G.		REV: 06-22-05 L.K.	



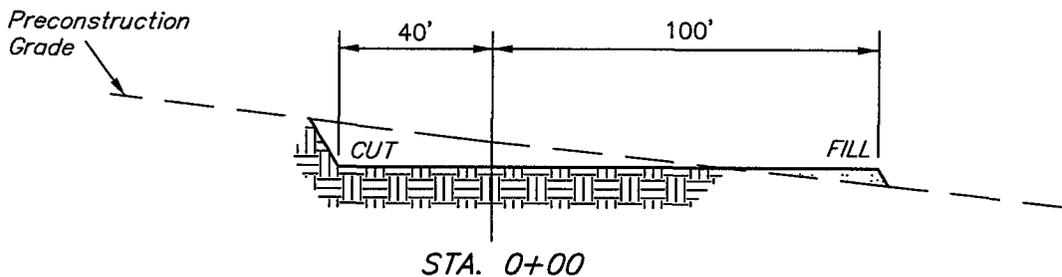
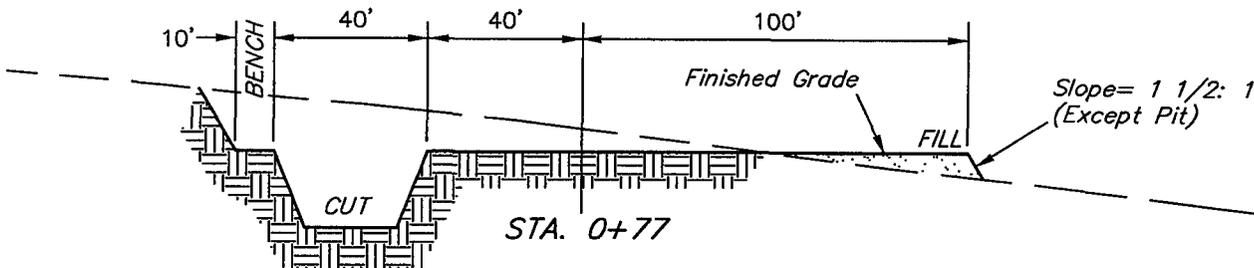
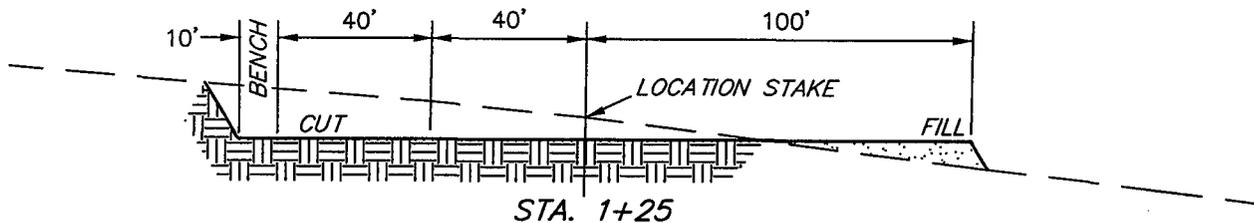
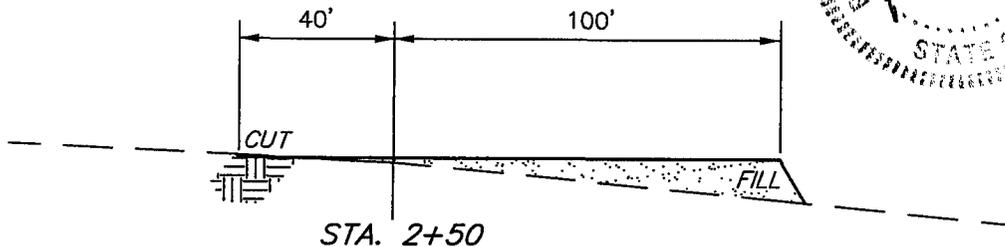
QUANECO, LLC.

TYPICAL CROSS SECTIONS FOR

MURPHY RIDGE #7-32  
SECTION 32, T8N, R8E, S.L.B.&M.  
1980' FNL 1980' FEL

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

Date: 06-22-05  
Drawn By: L.K.



APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,440 Cu. Yds.  
Remaining Location = 2,280 Cu. Yds.

TOTAL CUT = 3,720 CU.YDS.

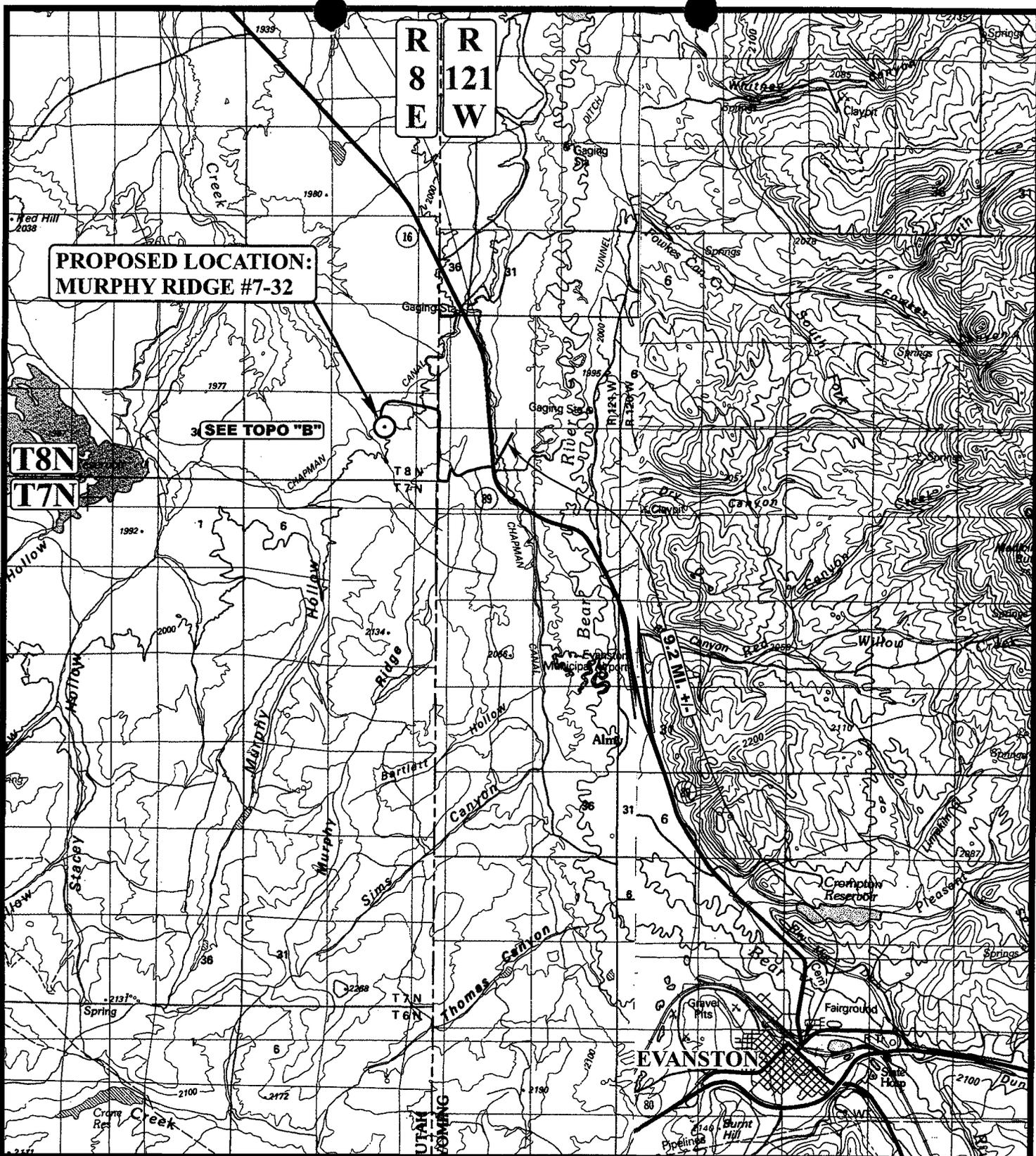
FILL = 1,400 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION = 2,250 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.) = 2,250 Cu. Yds.

EXCESS MATERIAL After Reserve Pit is Backfilled & Topsoil is Re-distributed = 0 Cu. Yds.

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



**LEGEND:**

○ PROPOSED LOCATION



**QUANECO, LLC.**

**MURPHY RIDGE #7-32  
SECTION 32, T8N, R8E, S.L.B.&M.  
1980' FNL 1980' FEL**



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

**TOPOGRAPHIC  
MAP**

<b>9</b>	<b>7</b>	<b>00</b>
MONTH	DAY	YEAR



SCALE: 1:100,000 DRAWN BY: C.G. REV: 06-22-05 L.K.



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

FORM 3

AMENDED REPORT   
(highlight changes)

<b>APPLICATION FOR PERMIT TO DRILL</b>				5. MINERAL LEASE NO: <b>ML #48456</b>	6. SURFACE: Fee
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: <b>Quaneco, LLC</b>				9. WELL NAME and NUMBER: <b>Murphy Ridge 7-32</b>	
3. ADDRESS OF OPERATOR: <b>PO Box 7370</b> CITY <b>Sheridan</b> STATE <b>WY</b> ZIP <b>82801</b>			PHONE NUMBER: <b>(307) 673-1500</b>	10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>	
4. LOCATION OF WELL (FOOTAGES)  AT SURFACE: <b>1980' FNL 1980' FEL</b>  AT PROPOSED PRODUCING ZONE: <b>same</b>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 32 T8N R8E S</b>	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: <b>9 miles NW of Evanston, Wyoming</b>				12. COUNTY: <b>Rich</b>	13. STATE: <b>UTAH</b>
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) <b>619'</b>		16. NUMBER OF ACRES IN LEASE: <b>812</b>		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: <b>80</b>	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) <b>NA</b>		19. PROPOSED DEPTH: <b>4,500</b>		20. BOND DESCRIPTION: <b>SITLA Surety Bond #885708C</b>	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): <b>6554' GR</b>		22. APPROXIMATE DATE WORK WILL START: <b>10/1/2005</b>		23. ESTIMATED DURATION: <b>15 days</b>	

24. **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#	450	G-POZ	125 sx	2.0 14#
8 3/4"	7"	J55	23#	4,500	G-50/50 POZ	150 sx	2.25 11# lead 14.2# tail

25. **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) Bill Courtney TITLE Operations Assistant

SIGNATURE Bill Courtney DATE 7-21-05

(This space for State use only)

API NUMBER ASSIGNED: 43-033-30061

APPROVAL:

**RECEIVED**  
**JUL 26 2005**

DIV. OF OIL, GAS & MINING

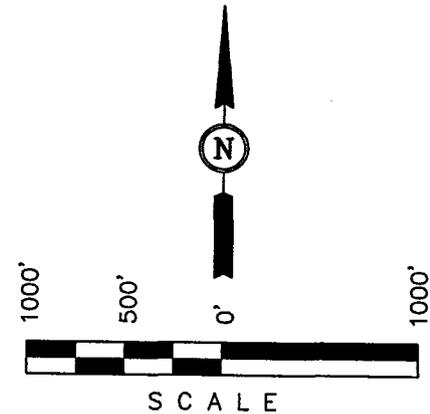
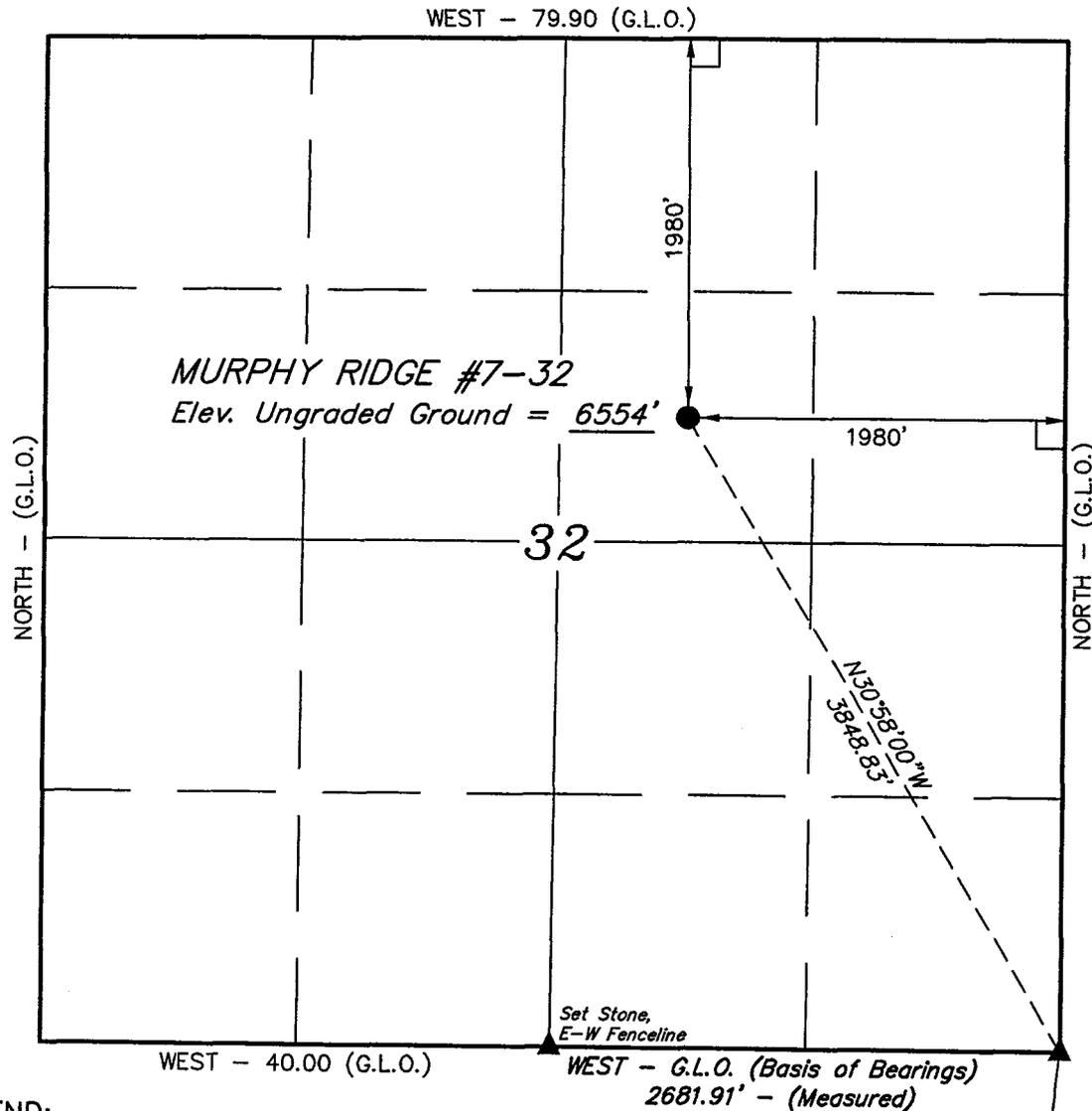
T8N, R8E, S.L.B.&M.

QUANECO, LLC.

Well location, MURPHY RIDGE #7-32, located as shown in the SW 1/4 NE 1/4 of Section 32, T8N, R8E, S.L.B.&M., Rich County, Utah.

BASIS OF ELEVATION

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



CERTIFICATE

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

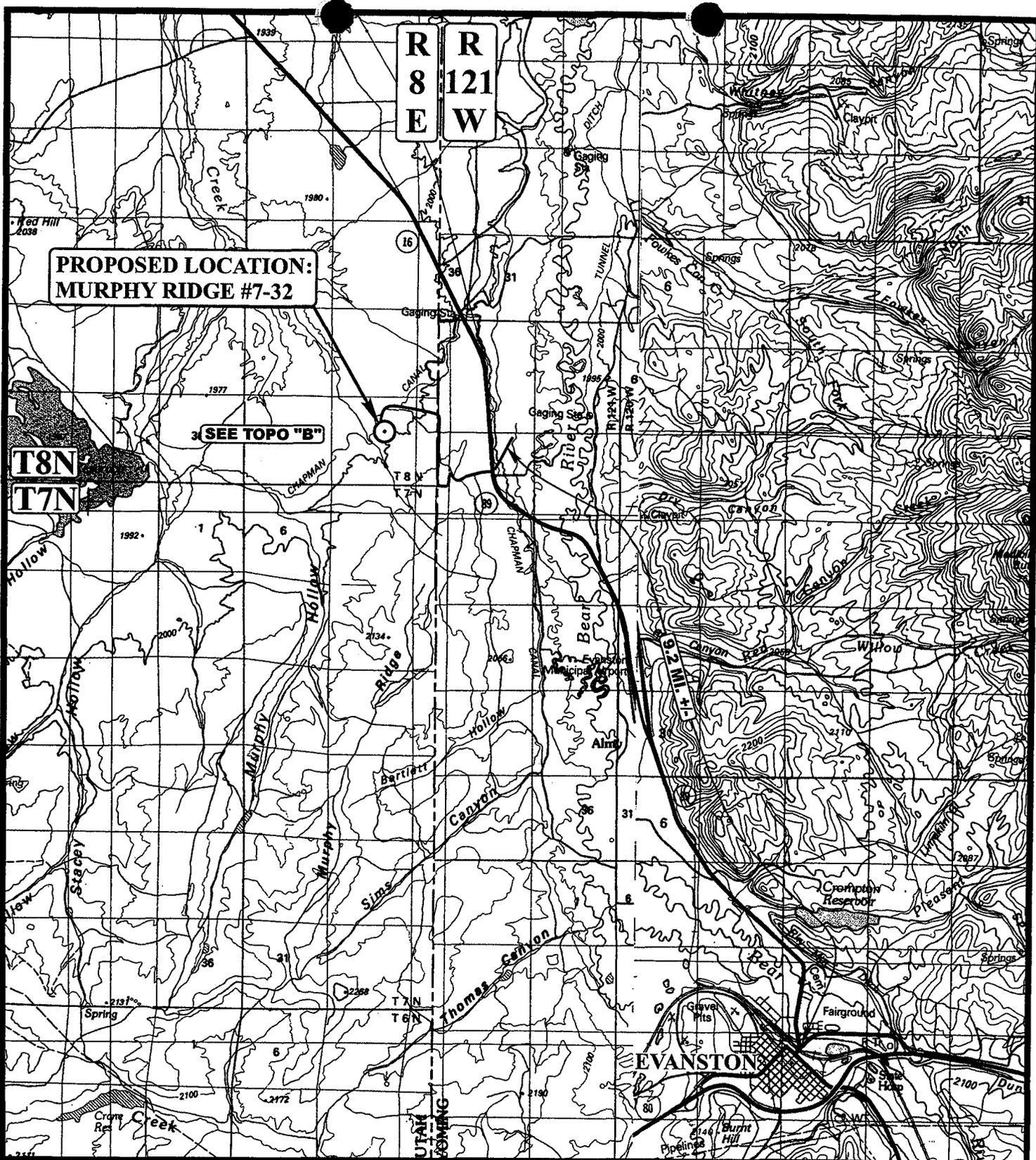
*John H. ...*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

LEGEND:

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

LATITUDE = 41°23'15"  
 LONGITUDE = 111°03'28"

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 06-09-05	DATE DRAWN: 06-22-05
PARTY A.F. B.W. L.K.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE QUANECO, LLC.	



**PROPOSED LOCATION:  
MURPHY RIDGE #7-32**

**SEE TOPO "B"**

**T8N  
T7N**

**R8E  
R121W**

**LEGEND:**

○ PROPOSED LOCATION

**QUANECO, LLC.**

**MURPHY RIDGE #7-32  
SECTION 32, T8N, R8E, S.L.B.&M.  
1980' FNL 1980' FEL**

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



**TOPOGRAPHIC MAP** **9 7 00**  
MONTH DAY YEAR  
SCALE: 1:100,000 DRAWN BY: C.G. REV: 06-22-05 L.K. **A**  
TOPO

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/26/2005

API NO. ASSIGNED: 43-033-30061

WELL NAME: MURPHY RIDGE 7-32

OPERATOR: QUANECO, LLC ( N2495 )

CONTACT: BILL COURTNEY

PHONE NUMBER: 307-673-1500

PROPOSED LOCATION:

SWNE 32 080N 080E  
 SURFACE: 1980 FNL 1980 FEL  
 BOTTOM: 1980 FNL 1980 FEL  
 RICH  
 WILDCAT ( 1 )

LEASE TYPE: 3 - State

LEASE NUMBER: ML48456

SURFACE OWNER: ~~A - Fee State~~

PROPOSED FORMATION: ASPEN

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	D. C.	8/14/05
Geology		
Surface		

LATITUDE: 41.38767

LONGITUDE: -111.0574

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]  
(No. 04-002 )
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit  
(No. 23-1081 )
- RDCC Review (Y/N)  
(Date: 08/12/2005 )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

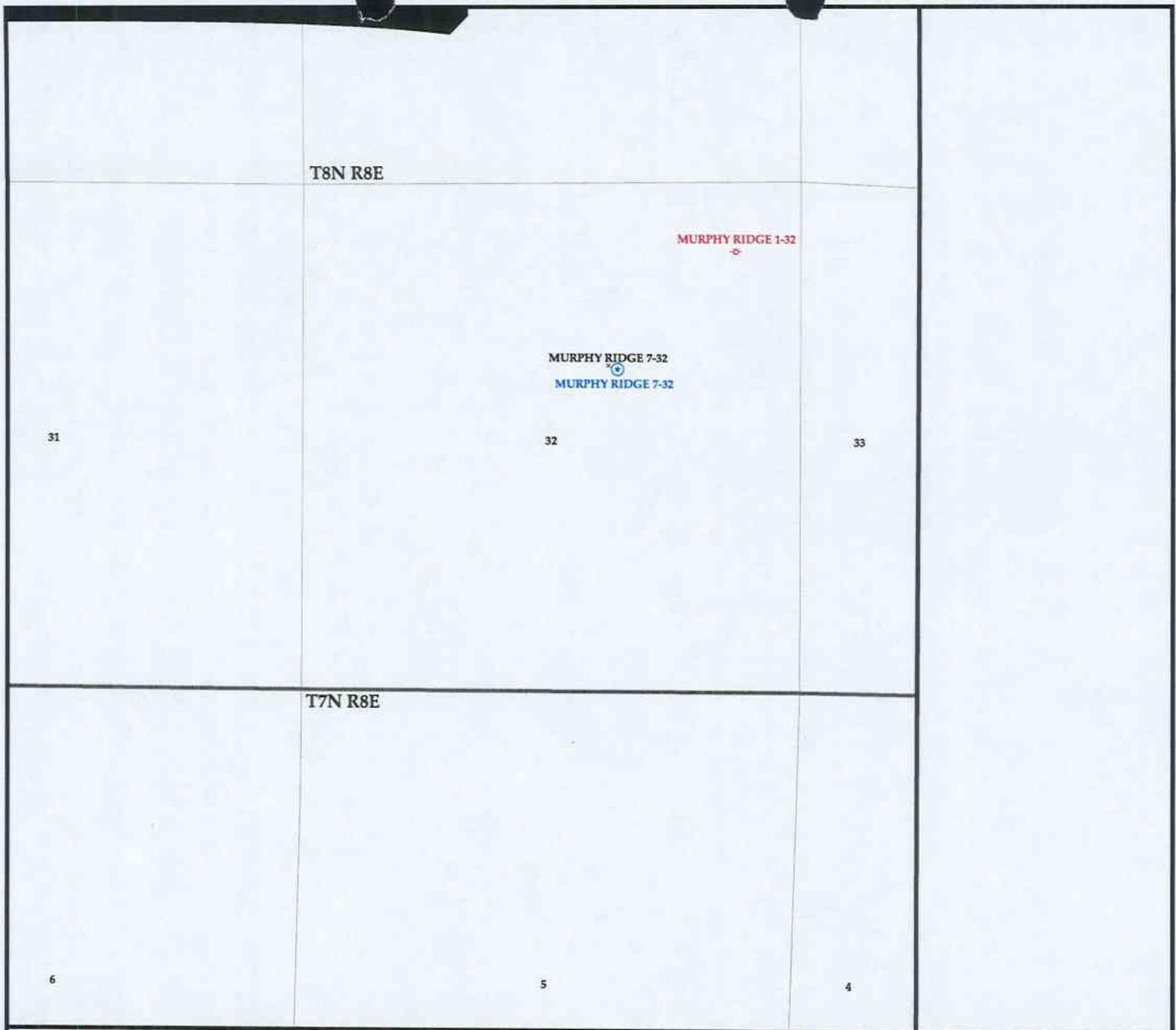
- R649-2-3.
- Unit \_\_\_\_\_
- R649-3-2. General  
Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit  
Board Cause No: \_\_\_\_\_  
Eff Date: \_\_\_\_\_  
Siting: \_\_\_\_\_
- R649-3-11. Directional Drill

COMMENTS:

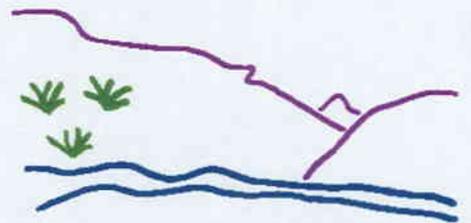
Needs Permit (8/31/05)

STIPULATIONS:

- 1- Spacing Strip
- 2- Cont Strip # 39 - (7" production, ±1000' md, Adaville Form)
- 3- STATEMENT OF BASIS



OPERATOR: QUANECO LLC (N2495)  
 SEC: 32 T. 8N R. 8E  
 FIELD: WILDCAT (001)  
 COUNTY: RICH  
 SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



Wells	Units.shp	Fields.shp
♠ GAS INJECTION	EXPLORATORY	ABANDONED
⊠ GAS STORAGE	GAS STORAGE	ACTIVE
× LOCATION ABANDONED	NF PP OIL	COMBINED
⊕ NEW LOCATION	NF SECONDARY	INACTIVE
⊖ PLUGGED & ABANDONED	PENDING	PROPOSED
* PRODUCING GAS	PI OIL	STORAGE
● PRODUCING OIL	PP GAS	TERMINATED
⊠ SHUT-IN GAS	PP GEOTHERML	
⊠ SHUT-IN OIL	PP OIL	
× TEMP. ABANDONED	SECONDARY	
○ TEST WELL	TERMINATED	
⊕ WATER INJECTION		
⊕ WATER SUPPLY		
♠ WATER DISPOSAL		

PREPARED BY: DIANA WHITNEY  
 DATE: 28-JULY-2005

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

**OPERATOR:** Quaneco LLC (N2495)

**WELL NAME & NUMBER:** Murphy Ridge 7-32

**API NUMBER:** 43-033-30061

**LOCATION:** 1/4,1/4 SWNE Sec: 32 Township: 8N Range: 8E 1980 FNL 1980 FEL

**Geology/Ground Water:**

This location is situated just west of the Utah-Wyoming state line and is about midway between two major thrust faults, the Crawford Thrust on the west and the Medicine Butte Thrust on the east. It will spud into a moderately permeable soil developed on the Tertiary age Wasatch Formation. It is likely that fresh water aquifers containing significant volumes of high quality ground water will be penetrated. Evidence from a nearby old seismic shot hole mentioned in the nearby Murphy Ridge # 1 (4303330045) Statement of Basis documents that near surface water is present within a mile of location. Thus far, I have not seen a description of the proposed casing and cement program so I have no inkling if it will adequately isolate any water-bearing strata. No underground and four surface water rights have been filed within a mile of the location but not on any underground sources. 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 a watercourse (Chapman Canal) that accesses the Bear River, the Operator should take adequate pains to protect any ground or surface water sources.

**Reviewer:** Christopher J. Kierst    **Date:** September 7, 2005

**Surface:**

An operator representative, landowner representatives (SITLA), surrounding landowner representative (DL&L), dirt contractor, and a DWR representative were present at the onsite conducted on August 31, 2005. Chapman Canal "the canal" is located approx. 500' west/northwest of the well site, water from the Neponset Reservoir (1/4 full & approx. 2-3 miles SW) flows through the canal to the Bear River, extra care needs to be taken to protect surface water sources. The proposed site construction plans, drilling plans, and topographic layout of the area will prevent canal waters and/or meteoric waters from entering the well pad/pit area, and meteoric waters and/or pit waters from leaving the site. Reserve pit backfill & spoils will be stockpiled on the south end of the well pad behind the reserve pit & dike. The reserve pit liner will need to be properly installed and maintained in the reserve pit with a synthetic liner with a minimum thickness of 12 mils, and if the pit is built in rock, geotextile or some other Division approved material will be required to underlay the liner. The well site is located within critical winter range for mule deer, and DWR recommends there be no construction or drilling activity from December 1 – April 1. DWR, surrounding landowner (DL&L), and Quaneco have determined a seed mixture for future site reclamation.

**Reviewer:** Lisha Cordova

**Date:** September 1, 2005

**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or August 12, 2005
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Quaneco, LLC proposes to drill the Murphy Ridge 7-32 well (wildcat) on State lease ML 48456, Rich County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) <b>(indicate county)</b> 1980' FNL 1980' FEL, SW/4 NE/4, Section 32, Township 8 North, Range 8 East, Rich County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. <b>Has the government been contacted?</b> No. b. <b>When?</b> c. <b>What was the response?</b> d. <b>If no response, how is the local government(s) likely to be impacted?</b>	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. <b>Has the representative and senator been contacted?</b> N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Bear River Association of Governments	
<b>10. For further information, contact:</b>    <b>Diana Whitney</b> <b>Phone: (801) 538-5312</b>	<b>11. Signature and title of authorized officer</b>   Gil Hunt, Acting Associate Director <b>Date: July 29, 2005</b>

**ON-SITE PREDRILL EVALUATION**  
**Division of Oil, Gas and Mining**

**OPERATOR:** Quaneco LLC (N2495)

**WELL NAME & NUMBER:** Murphy Ridge 7-32

**API NUMBER:** 43-033-30061

**LEASE:** ML-48456      **FIELD/UNIT:** Wildcat (001)

**LOCATION:** 1/4,1/4 SWNE Sec: 32 TWP: 8N RNG: 8E 1980 FNL 1980 FEL

**LEGAL WELL SITING:** 460' F SEC. LINE; 460' F 1/4,1/4 LINE; 920' F ANOTHER WELL.

**GPS COORD (UTM):** X = 495198 E; Y = 4581583 N SURFACE OWNER: SITLA

**PARTICIPANTS**

Lisha Cordova (DOGM), Ed Bonner & Jim Davis (SITLA), Scott Walker (DWR), Bill Courtney (Quaneco), James Sewell (Deseret Land & Livestock "DL&L"), and Terry Pruitt (TP Construction).

**REGIONAL/LOCAL SETTING & TOPOGRAPHY**

The well site is located on valley lands in the Overthrust Belt of northeastern Utah which is a region of highly complex mountain-forming faults and thrusts, approx. 9 miles north of I-80 & approx. 1-2 miles west of US Hwy 89 (Wyo.)/State Road 16 (Ut). The valley lands are open/extended, and heavily covered with sagebrush and native plants. The Crawford Mountains are located to the north, the Monte Cristo Range to the west, Wasatch/High Uinta Mountains to the south/southeast, and Murphy Ridge (Wyo.) is located to the east. The area slopes gently toward the northeast. The Neponset Reservoir (1/4 full), located approx. 2-3 miles southwest of the well site flows into the Chapman Canal approx. 500' west/northwest of the well site. At time of visit, there was no flowing water in the canal. TP Construction/DL&L conducting dirt work at the canal and when finished will divert water back into that section of the canal. Flowing water in the canal will ultimately reach the Bear River. The well site is located on SITLA lands surrounded by private/fee lands to the north & west, and federal lands to the south & east. According to Ed (SITLA), the land will be up for auction later this year and James Sewell (DL&L) stated that they have/are planning to bid for it.

**SURFACE USE PLAN**

**CURRENT SURFACE USE:** Cattle grazing, wildlife habitat, and hunting.

**PROPOSED SURFACE DISTURBANCE:** Pad 250'X140' with an attached 60'X40'reserve pit 8' deep with a capacity of 1620 barrels including 2' of freeboard. A 10' wide dike will surround the pits outer edges. Excess dirt material will be stockpiled behind reserve pit & dike, and around portions of the pad. An existing access road (+/- 1.7 miles in length) will be upgraded.

**LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS:** One shut-in gas well "Murphy Ridge 1-32/43-033-30045" drilled by Quaneco that is still being tested to determine the gas "CBM" potential. In addition, there are four approved "point to point" water rights (#23-1081, #23-1956, #23-

2493, and #23-2494, for stock watering cattle, source water "Dixon Hole Creek". A change application (#a26297) has been filed (1/31/02) for (#23-1081 & #23-1956) but has not been approved by Water Rights to date. There are no underground water wells/permits.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: If the well is successfully completed as a producing gas ("CBM") well, production facilities will consist of wellhead, compressor station, support equipment, gas meter/sales line, storage tank(s), and any other equipment deemed necessary. Oil production is not anticipated. A new buried pipeline will need to be installed that will most likely run alongside the access road(s) and tie into Questars' buried pipeline north of the site. Pipeline approval from the appropriate agency(s) will be pursued.

SOURCE OF CONSTRUCTION MATERIAL: From location and local sources/contractors.

ANCILLARY FACILITIES: A trailer will be located north of wellhead during drilling, and will be removed when the well is completed.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): No, Quaneco has been operating in this area for the past few years and the gas "CBM" potential in this area has not been determined. Also, their operations are on private & state lands that are inaccessible to the general public (DL&L/locked gates).

#### WASTE MANAGEMENT PLAN:

Portable chemical toilets will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters, which will be emptied into an approved landfill. Drilling fluid, and completion/frac fluid will be removed from the pit upon completion of the well. Cuttings will be buried in the pit unless oil based mud is used. If oil based mud is used disposal of the cuttings should be discussed with the Division. Used oil from drilling operations and support will be hauled to a used oil recycling facility. Produced water will be disposed of at an approved facility.

#### ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None observed.

FLORA/FAUNA: Flora at the site consists of Russian Thistle, Fox Tail, Western Wheatgrass, Halogeton Glomeratus, Sandburg Bluegrass, Saskatchewan (Needle & Thread), Rabbit Brush, and other native plants & grasses. Surrounding lands include all of the above & are heavily covered with small to medium sized sagebrush (previous disturbance at this site see MR 7-32/43-033-30046/LA). Fauna in area consists of elk, mule deer, antelope, lizards, rabbits, coyote, rodents, various bird types, raptors, etc.

SOIL TYPE AND CHARACTERISTICS: The surface soil is beige-light brown in color, and appears to have a high-clay content with minor amounts of sand and topsoil. Small gravel sized rocks, and medium-large sized

boulders are scattered around the site & surrounding areas.

SURFACE FORMATION & CHARACTERISTICS: Moderately permeable Quaternary alluvium overlying the Tertiary clays/algal limestones of the Wasatch formation +/- 1000' thick in this area.

EROSION/SEDIMENTATION/STABILITY: The site is stable. There are no visible drainages or ditches that intersect the site. The location is relatively flat, slopes gently toward the northeast, and will be built in mostly cut material. There are no cliffs or steep mountains in the near vicinity, surrounding vegetation is thick with small-medium sized sagebrush and native plants & grasses. The Chapman Canal is located approx. 500 feet west/northwest of the site, the proposed site construction plans, drilling plans, and topographic layout of the area will prevent canal waters and/or meteoric waters from entering the well pad/pit area, and meteoric waters and/or pit waters from leaving the site.

PALEONTOLOGICAL POTENTIAL: None observed, and no survey conducted by Quaneco. At the presite, Ed Bonner (SITLA) stated that a Paleo survey was not required.

#### RESERVE PIT

CHARACTERISTICS: The reserve pit will be built in 100% cut. No hard rock underlying the pit is anticipated, a reserve pit was previously dugout & reclaimed at the site (see 43-033-30046/LA'd 12/31/04). If hard rock is encountered, geotextile or some other approved material will be required to underlay the liner and will need to be installed properly to avoid liner puncture(s). The pit will be 8' deep with a capacity of 1620 barrels including 2' of freeboard. The pits outer edges will be surrounded by a 10' wide dike and will be fenced to deter cattle & wildlife.

LINER REQUIREMENTS (Site Ranking Form attached): 12 mils or higher.

#### SURFACE RESTORATION/RECLAMATION PLAN

SURFACE AGREEMENT: The site will be restored/reclaimed in accordance with SITLA agreement. Disturbed non-SITLA surrounding lands will be restored/reclaimed in accordance with private/fee land landowner(s) agreement. A copy of a "Surface Owners Agreement" between surrounding surface owner's Billy Jim Palone (Palone Petroleum) and Farmland Reserve Inc. (successor in interest to Property Reserve Inc. formerly known as Deseret Title Holding Corporation), and the operator "Quaneco LLC" has been provided.

CULTURAL RESOURCES/ARCHAEOLOGY: None observed. An cultural/arch survey has been conducted according to Bill Courtney (Quaneco), SITLA clearance/confirmation is needed before final APD approval will be granted.

## OTHER OBSERVATIONS/COMMENTS

Produced water will be transferred to an out of state permitted commercial evaporative pit (Waste, Inc., Wyo. DEQ #84-547R) or permitted disposal well, and/or Quaneco will submit an application for a non commercial disposal pit to be located in the near vicinity should the well and surrounding wells become productive. Zones of interest (yet to be determined from MR 1-32/43-033-30045 well logs) in the proposed Murphy Ridge 7-32 well will be cored. No abnormal pressures or temperatures, and no hydrogen sulfide gas is expected nor anticipated during drilling. Quaneco will submit water permit information (water for drilling from the Bear River and/or Chapman Canal), and will file Form 7 "Report of Water Encountered During Drilling" if groundwater is encountered during drilling. Scott Walker (DWR) requested winter drilling restrictions from Dec 1-April 1, Quaneco will abide by those restrictions unless DWR grants an exemption or waiver at a latter date. In May 2005, a seed mix for site reclamation was determined by DWR, DL&L, and Quaneco for previous site disturbance (see 43-033-30046/LA) and will be applicable to the new APD (Murphy Ridge 7-32/43-033-30061).

## ATTACHMENTS

Photos of the site were taken at the presite, and placed on file. Seed mix for site reclamation. Permit review - supporting documentation.

Lisha Cordova  
DOGM REPRESENTATIVE

August 31, 2005 / 9:00 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 *Water Enc. MR 1-32?	5	
75 to 100	10	10
25 to 75	15	
<25 or recharge area	20	
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000 *Chapman Canal 500'	2	2
200 to 300	10	
100 to 200	15	
< 100	20	
Distance to Nearest Municipal Well (feet)		
>5280	0	0
1320 to 5280	5	
500 to 1320	10	
<500	20	
Distance to Other Water Wells (feet)		
>1320 *Murphy Ridge 1-32 +/-1320'	0	0
300 to 1320	10	
<300	20	
Native Soil Type           *Surf-Wasatch		
Low permeability	0	
Mod. permeability	10	10
High permeability	20	
Fluid Type		
Air/mist	0	
Fresh Water       *Lightly Treated	5	5
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of		
hazardous constituents	20	
Drill Cuttings		
Normal Rock	0	0
Salt or detrimental	10	
Annual Precipitation (inches)		
<10	0	
10 to 20 *Woodruff +9" 1948-2005	5	5
>20	10	
Affected Populations		
<10	0	0
10 to 30	6	
30 to 50	8	
>50	10	
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	0

**Final Score**       32       (Level I Sensitivity)

Sensitivity Level I = 20 or more: total containment is required, consider criteria for excluding pit use.

Sensitivity Level II = 15-19: lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

**Conditions of Approval/Application for Permit to Drill:**

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.
2. If the reserve pit is built in rock, geotextile or some other Division approved material will be required to underlay the liner.
3. Reserve pit "for drilling fluids only" is to be fenced prior to drill rig leaving location, and will be closed in accordance with R649-3-16 "Reserve Pits and Other Onsite Pits".
4. Surface casing will be set through all active water zones; cement will be circulated to surface.
5. Berms and diversion ditches will be constructed and maintained to protect the well site and nearby Chapman Canal.
6. Form 7 "Report of Water Encountered During Drilling" will be submitted if water is encountered during drilling.







State Online Services

Agency List

Business.utah.gov

Search Utah.gov

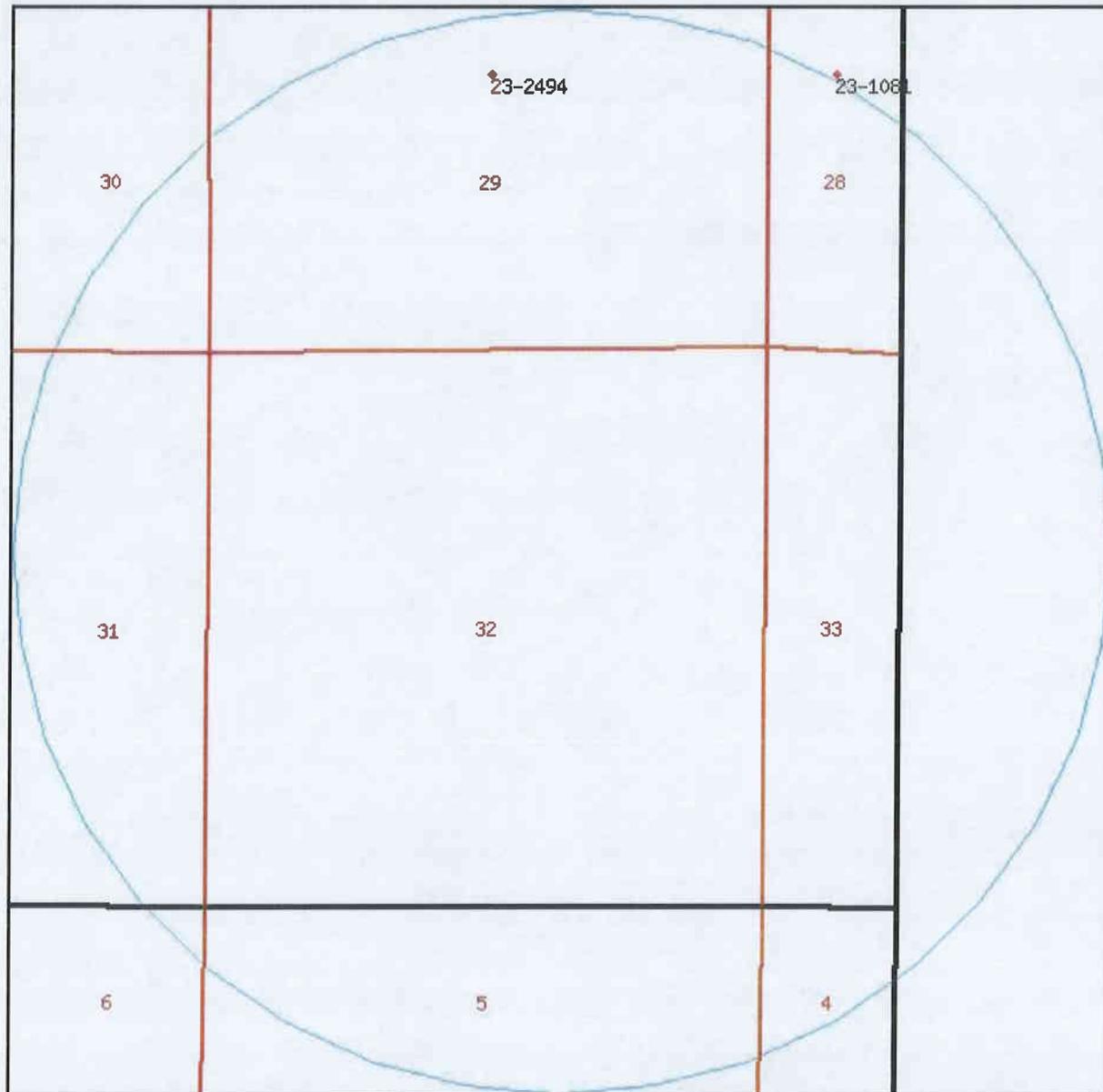


# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 09/07/2005 11:04 AM

Radius search of 5280 feet from a point S1980 W1980 from the NE corner, section 32, Township 8N, Range 8E, SL b&m  
Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



0 700 1400 2100 2800 ft

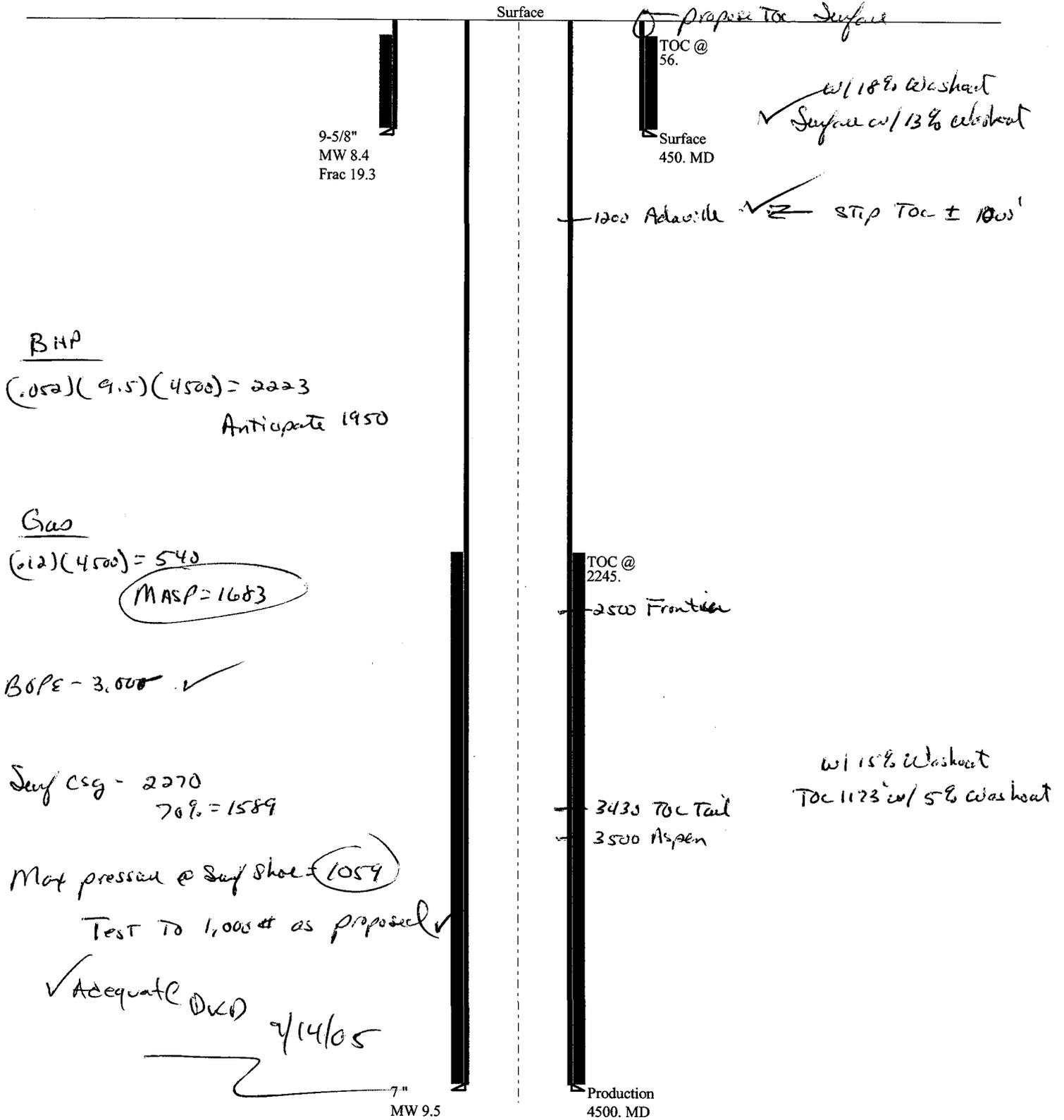
**Water Rights**

<b>WR Number</b>	<b>Diversion Type/Location</b>	<b>Well Log</b>	<b>Status</b>	<b>Priority</b>	<b>Uses</b>	<b>CFS</b>	<b>ACFT</b>	<b>Owner Name</b>
<u>23-1081</u>	Point to Point 0 0 28 8N 8E SL		P	18730000		0.000	0.000	FARMLAND RESERVE INC. - LDS CHURCH SEE TITLE DOCUMENTS ON 23-907
<u>23-1956</u>	Point to Point 0 0 29 8N 8E SL		P	18730000		0.000	0.000	FARMLAND RESERVE INC. - LDS CHURCH SEE TITLE DOCUMENTS ON 23-907
<u>23-2493</u>	Point to Point S40 E420 N4 29 8N 8E SL		P	19010000		0.000	0.000	FARMLAND RESERVE INC. - LDS CHURCH SEE TITLE DOCUMENTS ON 23-907
<u>23-2494</u>	Point to Point S340 W60 N4 29 8N 8E SL		P	19010000		0.000	0.000	FARMLAND RESERVE INC. - LDS CHURCH SEE TITLE DOCUMENTS ON 23-907

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# 09-05 Quaneco Murphy ridge 7-32

## Casing Schematic



Well name:	<b>09-05 Quaneco Murphy ridge 7-32</b>	
Operator:	<b>Quaneco LLC</b>	Project ID:
String type:	Surface	43-033-30061
Location:	Rich County	

<b>Design parameters:</b>	<b>Minimum design factors:</b>	<b>Environment:</b>
<b>Collapse</b>	<b>Collapse:</b>	H2S considered? No
Mud weight: 8,400 ppg	Design factor 1.125	Surface temperature: 75 °F
Design is based on evacuated pipe.		Bottom hole temperature: 81 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 162 ft
	<b>Burst:</b>	Cement top: 56 ft
	Design factor 1.00	
<b>Burst</b>		Completion type is subs
Max anticipated surface pressure: 396 psi		Non-directional string.
Internal gradient: 0.120 psi/ft	<b>Tension:</b>	
Calculated BHP 450 psi	8 Round STC: 1.80 (J)	
No backup mud specified.	8 Round LTC: 1.80 (J)	
	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	
	Tension is based on buoyed weight.	<b>Re subsequent strings:</b>
	Neutral point: 395 ft	Next setting depth: 4,500 ft
		Next mud weight: 9,500 ppg
		Next setting BHP: 2,221 psi
		Fracture mud wt: 19,250 ppg
		Fracture depth: 450 ft
		Injection pressure 450 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	450	9.625	32.30	H-40	ST&C	450	450	8.876	28.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	196	1370	6.977	450	2270	5.04	13	254	19.93 J

Prepared by: Clinton Dworshak  
Utah Div. of Oil & Mining

Phone: 801-538-5280  
FAX: 801-359-3940

Date: September 14, 2005  
Salt Lake City, Utah

Remarks:  
Collapse is based on a vertical depth of 450 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

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

Well name:	<b>09-05 Quaneco Murphy ridge 7-32</b>	
Operator:	<b>Quaneco LLC</b>	Project ID:
String type:	Production	43-033-30061
Location:	Rich County	

**Design parameters:**

**Collapse**

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

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 75 °F  
 Bottom hole temperature: 138 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 1,500 ft  
 Cement top: 2,246 ft

**Burst**

Max anticipated surface pressure: 396 psi  
 Internal gradient: 0.406 psi/ft  
 Calculated BHP 2,221 psi

No backup mud specified.

**Tension:**

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

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

Completion type is subs  
 Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4500	7	23.00	J-55	ST&C	4500	4500	6.25	208
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	2221	3270	1.472	2221	4360	1.96	89	284	3.20 J

Prepared by: Clinton Dworshak  
 Utah Div. of Oil & Mining

Phone: 801-538-5280  
 FAX: 801-359-3940

Date: September 14, 2005  
 Salt Lake City, Utah

Remarks:  
 Collapse is based on a vertical depth of 4500 ft, a mud weight of 9.5 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

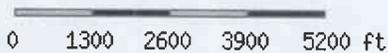
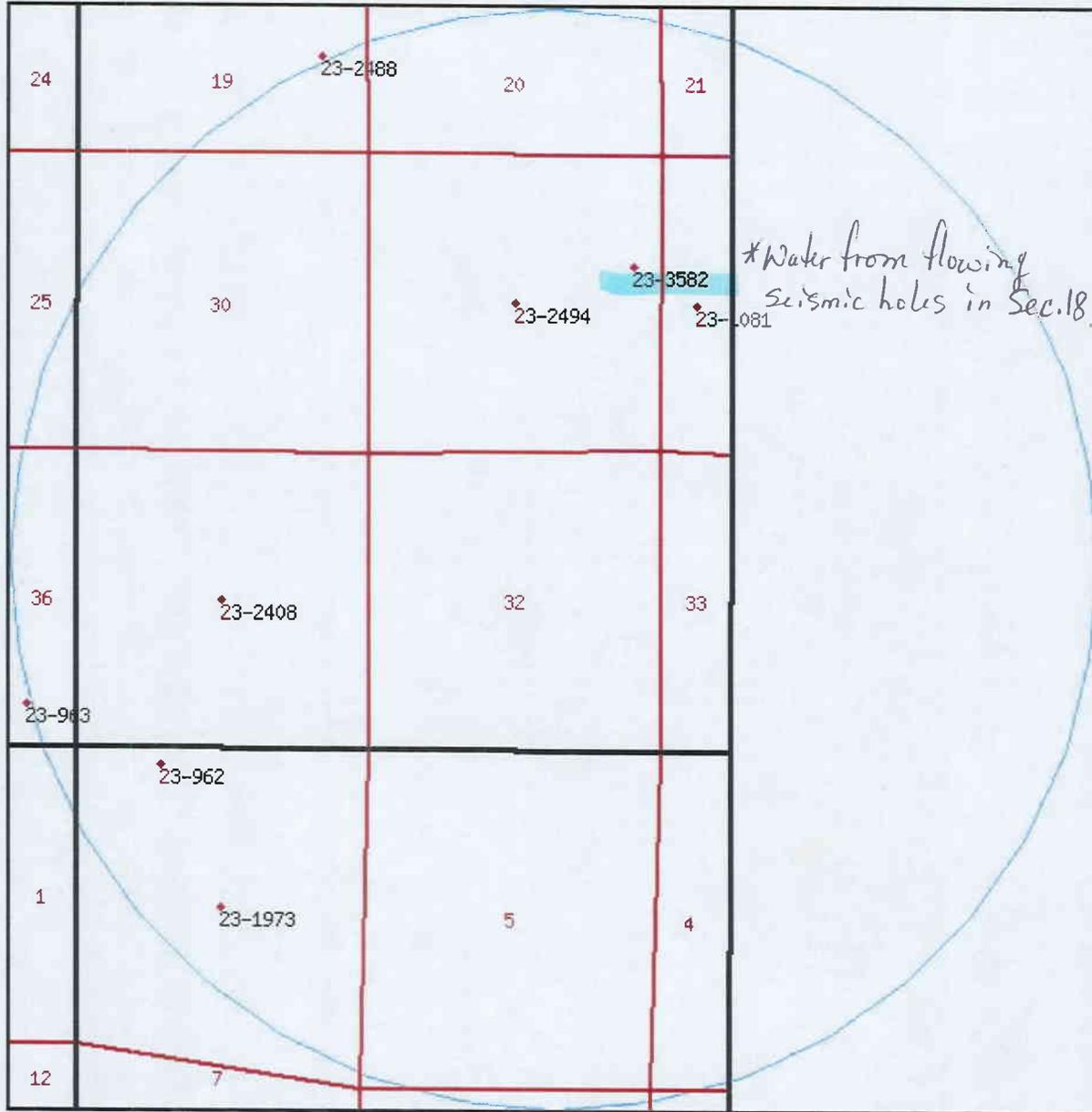


# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 08/09/2005 03:10 PM

Radius search of 10000 feet from a point S1980 W1980 from the NE corner, section 32, Township 8N, Range 8E, SL b&m Criteria:wrtypes=all podtypes=all status=all usetypes=all



### Water Rights

STATE OF UTAH - DIVISION OF WATER RIGHTS -- DATA PRINT OUT for 23-3583(A55274)

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/09/2005 Page 1

WRNUM: 23-3583 APPLICATION/CLAIM NO.: A55274 CERT. NO.:

OWNERSHIP\*\*\*\*\*

NAME: USA Bureau of Land Management
ADDR: 2370 South 2300 West
Salt Lake City UT 84119

LAND OWNED BY APPLICANT?

DATES, ETC.\*\*\*\*\*

FILED: 09/29/1980 PRIORITY: 09/29/1980 PUB BEGAN: 11/27/1980 PUB ENDED: NEWSPAPER:
ProtestEnd: | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [Approved] | ActionDate:04/01/1981 | PROOF DUE: 04/30/1995
EXTENSION: 04/27/1995 | ELEC/PROOF: [ ] | ELEC/PROOF: | CERT/WUC: 11/01/1996 | LAP, ETC: | PROV LETTER:
RENOVATE: | RECON REQ: | TYPE: [ ]

PD Book No. Map:

Type of Right: Application to Appropriate Source of Info: Certificate Status: Certificate

LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: 0.002 cfs OR 8.4 acre-feet SOURCE: Flowing Seismic Holes

COUNTY: Rich COMMON DESCRIPTION: 3 miles SW Woodruff Narrows

POINT OF DIVERSION -- UNDERGROUND:

(1) S 719 ft E 3148 ft from NW cor, Sec 18, T 8N, R 8E, SLBM
DIAMETER OF WELL: ins. DEPTH: to ft. YEAR DRILLED: WELL LOG? No WELL ID#:
Comment:

PLACE OF USE OF WATER RIGHT\*\*\*\*\*

NORTH-WEST% NORTH-EAST% SOUTH-WEST% SOUTH-EAST%
NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 07 T 8N R 8E SLBM \* : : : \* \* X: : : \* \* : : : \* \* : : : \*

USES OF WATER RIGHT\*\*\*\*\*

WATER RIGHT CLAIMS IN COMMON: 3583
###STOCKWATERING: 300 Cattle or Equivalent Diversion Limit: 8.4 ac-ft. PERIOD OF USE: 01/01 TO 12/31
###WILDLIFE Incidental wildlife PERIOD OF USE: 01/01 TO 12/31

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*

STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINT OUT for 23-3582(A55273)

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/09/2005 Page 1

WRNUM: 23-3582 APPLICATION/CLAIM NO.: A55273 CERT. NO.:

OWNERSHIP\*\*\*\*\*

NAME: USA Bureau of Land Management
ADDR: 2370 South 2300 West
Salt Lake City UT 84119

LAND OWNED BY APPLICANT?

DATES, ETC.\*\*\*\*\*

FILED: 09/29/1980 | PRIORITY: 09/29/1980 | PUB BEGAN: 11/27/1980 | PUB ENDED: | NEWSPAPER:
ProtestEnd: | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [ ] | ActionDate:04/01/1981 | PROOF DUE: 04/30/2006
EXTENSION: | ELEC/PROOF: [ ] | ELEC/PROOF: | CERT/WUC: | LAP, ETC: | PROV LETTER:
RENOVATE: | RECON REQ: | TYPE: [ ]

PD Book No. Map:

Type of Right: Application to Appropriate Source of Info: Application to Appropriate Status: Approved

LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: 0.01 cfs SOURCE: Flowing seismic hole

COUNTY: Rich COMMON DESCRIPTION: Woodruff Narrows, SW 4 miles

POINT OF DIVERSION -- UNDERGROUND:

(1) S 2012 ft E 2174 ft from N4 cor, Sec 29, T 8N, R 8E, SLBM
DIAMETER OF WELL: ins. DEPTH: to ft. YEAR DRILLED: WELL LOG? No WELL ID#:
Comment:

PLACE OF USE OF WATER RIGHT\*\*\*\*\*

NORTH-WEST% NORTH-EAST% SOUTH-WEST% SOUTH-EAST%
NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 29 T 8N R 8E SLBM \* X: X: X: X\* \* X: X: X: X\* \* X: X: X: X\* \* X: X: X: X\*

USES OF WATER RIGHT\*\*\*\*\*

WATER RIGHT CLAIMS IN COMMON: 3582

###STOCKWATERING: 150 Cattle or Equivalent Diversion Limit: PERIOD OF USE: 01/01 TO 12/31
###WILDLIFE PERIOD OF USE: 01/01 TO 12/31

APPLICATIONS FOR EXTENSIONS OF TIME WITHIN WHICH TO SUBMIT PROOF\*\*\*\*\*

FILED: 04/27/1995 | PUB BEGAN: 07/07/1995 | PUB ENDED: | NEWSPAPER: Uinta County Herald
ProtestEnd:08/03/1995 | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [Approved] | ActionDate:07/08/1996 | PROOF DUE: 07/31/2000

FILED: 07/28/2000 | PUB BEGAN: 09/22/2000 | PUB ENDED: | NEWSPAPER: Uinta County Herald
ProtestEnd:10/19/2000 | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [Approved] | ActionDate:11/17/2000 | PROOF DUE: 04/30/2004

FILED: 04/30/2004 | PUB BEGAN: 05/21/2004 | PUB ENDED: 05/28/2004 | NEWSPAPER: Uinta County Herald
ProtestEnd:06/17/2004 | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [Approved] | ActionDate:11/05/2004 | PROOF DUE: 04/30/2006

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*



EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

The source was an exploratory drill and is free flowing. A perforated pipe will be inserted and the water will piped a short distance to a watering trough.

Lined area for additional explanatory text.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*[Handwritten Signature]*  
Signature of Applicant\*

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH,  
County of Salt Lake } ss

On the 10<sup>th</sup> day of September, 1980, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires: May 9, 1972.

(SEAL)

*David J. Watson*  
Notary Public

RICH COUNTY

55269 (23-3580) Bureau of Land Management, 2370 S. 2300 W., SLC, UT 0.022 sec. ft. of water is to be diverted from a stream, at a point N. 1259 ft. W. 6457 ft. from NE Cor. Sec. 4, T12N, R6E (Old Laketown Canyon); and used for stockwatering 250 cattle and wildlife in SE $\frac{1}{4}$  Sec. 32, T13N, R6E.

55270 (23-3581) Bureau of Land Management, 2370 S., 2300 W., SLC, UT 0.005 sec. ft. of water is to be diverted from a spring, at a point S. 1088 ft. W. 357 ft. from NE Cor. Sec. 4, T12N, R6E (3 mi E. of Laketown); and used for stockwatering 200 cattle and wildlife in NE $\frac{1}{4}$ NE $\frac{1}{4}$  Sec. 4, T12N, R6E.

55273 (23-3582) Bureau of Land Management, 2370 S. 2300 W., SLC, UT 0.01 sec. ft. of water is to be diverted from a well , at S. 12572 ft. E. 7454 ft. from NW Cor. Sec. 18, T8N, R8E (5 mi NE of Neponset Res.); and used for stockwatering 150 cattle and wildlife in Sec. 29, T8N, R8E.

55274 (23-3583) Bureau of Land Management, 2370 S. 2300 W., SLC, UT 0.1007 sec. ft. of water is to be diverted from four wells , at the following points: 1) S. 687 ft. E. 2743 ft.; 2) S. 687 ft. E. 2958 ft.; 3) S. 671 ft. E. 3176 ft.; 4) S. 667 ft. E. 3402 ft.; all from NW Cor. Sec. 18, T8N, R8E (6 mi SE of Woodruff); and used for stockwatering 1200 cattle, and wildlife in Secs. 7, 8, and 18, T8N, R8E.

Protests resisting the granting of these applications with reasons therefore must be filed in duplicate with the State Engineer, 231 E. 400 S., SLC, UT 84111, on or before Jan. 10, 1981.

Dee C. Hansen  
STATE ENGINEER

Published in the Deseret News Nov. 27, Dec. 4, and 11, 1980.



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
UTAH GEOLOGICAL SURVEY

Michael O. Leavitt  
Governor

Kathleen Clarke  
Executive Director

M. Lee Allison  
State Geologist

1594 West North Temple, Suite 3110

PO Box 146100

Salt Lake City, Utah 84114-6100

801-537-3300

801-537-3400 (Fax)

<http://www.ugs.state.ut.us>

August 18, 2000

Bill Palone  
P.O. Box 6  
Gillette WY 82717

RE: Paleontological File Search for proposed well project. Rich County, Utah  
U.C.A. 63-73-19 compliance; literature search for paleontological specimens or sites

Dear Bill:

I have conducted a paleontological file search for the proposed well project in Sec 32, T8N, R8E, Rich County, Utah in response to your phone call of August 16, 2000.

There are no paleontological localities recorded in the project area in Section 32, T8N, R8E. The Tertiary Wasatch Formation, which is exposed throughout this section, has yielded significant vertebrate fossil material in other parts of Utah. However, the potential for the discovery of significant vertebrate fossil localities is fairly low in this area. So unless fossils are discovered as a result of construction activities, this project should have no effect on paleontological resources. If you have any questions, please call me at (801) 537-3311.

Sincerely,

Martha Hayden  
Paleontological Assistant

**COPY**

QUANECO

*Committed to American Energy Independence*

---

September 1, 2005

State of Utah  
School and Institutional  
Trust Lands Administration  
ATTN: Mr. Jim Davis  
675 East 500 South  
Suite 500  
Salt Lake City UT 84102-2818

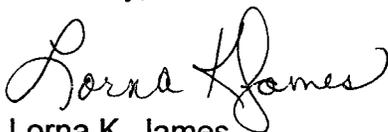
RE: Onsite – Murphy Ridge 7-32 CBNG well permit

Dear Mr. Davis,

After you met with Mr. Bill Courtney from our company on August 31, 2005 in order to complete an onsite, I was informed that you had requested a copy of the paleontological file search completed in August 2000. I have attached a copy for your convenience. If any further information is required, please do not hesitate to request said information and it will be supplied to you as soon as possible.

Thank you for your time and consideration in this matter.

Sincerely,



Lorna K. James  
Administrative Assistant

Cc: Lisha Cordova – Utah Division of Oil, Gas and Mining

**COPY**

Tel: (307) 673-1500 Fax: (307) 673-1400  
1043 Coffeen Avenue, Suite B2, Sheridan, Wyoming 82801

QUANECO

*Committed to American Energy Independence*

RECEIVED

SEP 06 2005

DIV. OF OIL, GAS & MINING

September 1, 2005

State of Utah  
Division of Oil, Gas and Mining  
ATTN: Ms. Lisha Cordova  
PO Box 145801  
Salt Lake City UT 84114-5801

RE: Onsite – Murphy Ridge 7-32 CBNG well permit

Dear Ms. Cordova,

After you met with Mr. Bill Courtney from our company on August 31, 2005 in order to complete an onsite, I was informed that Mr. Jim Davis with SITLA had requested a copy of the paleontological file search completed in August 2000. I have responded to Mr. Davis and have forwarded him an original survey showing the location layout as well as the paleontological file search. I have attached a copy of the letter to Mr. Davis and the letter regarding the paleontological file search for your convenience.

If any further information is required, please do not hesitate to request said information and it will be supplied to you as soon as possible.

Thank you for your time and consideration in this matter.

Sincerely,



Lorna K. James  
Administrative Assistant

QUANECO

*Committed to American Energy Independence*

September 9, 2005

State of Utah  
Division of Oil, Gas and Mining  
ATTN: LISHA CORDOVA  
PO Box 145801  
Salt Lake City UT 84114-5801

RE: Water Management Plan for Murphy Ridge 7-32 /43-033-30061

Dear Ms. Cordova,

Because Chapman Ditch has no water at this time and the uncertainty of the ability to obtain water from the Bear River in Wyoming through purchase of appropriated water from irrigators, we plan to buy water from a source such as Mountain States Water Service in Evanston for drilling purposes.

We respectfully request the authorization to obtain water from another source if it becomes available in the future at such time that drilling occurs.

Thank you for your time and consideration in this matter.

Sincerely,



Lorna James  
Administrative Assistant

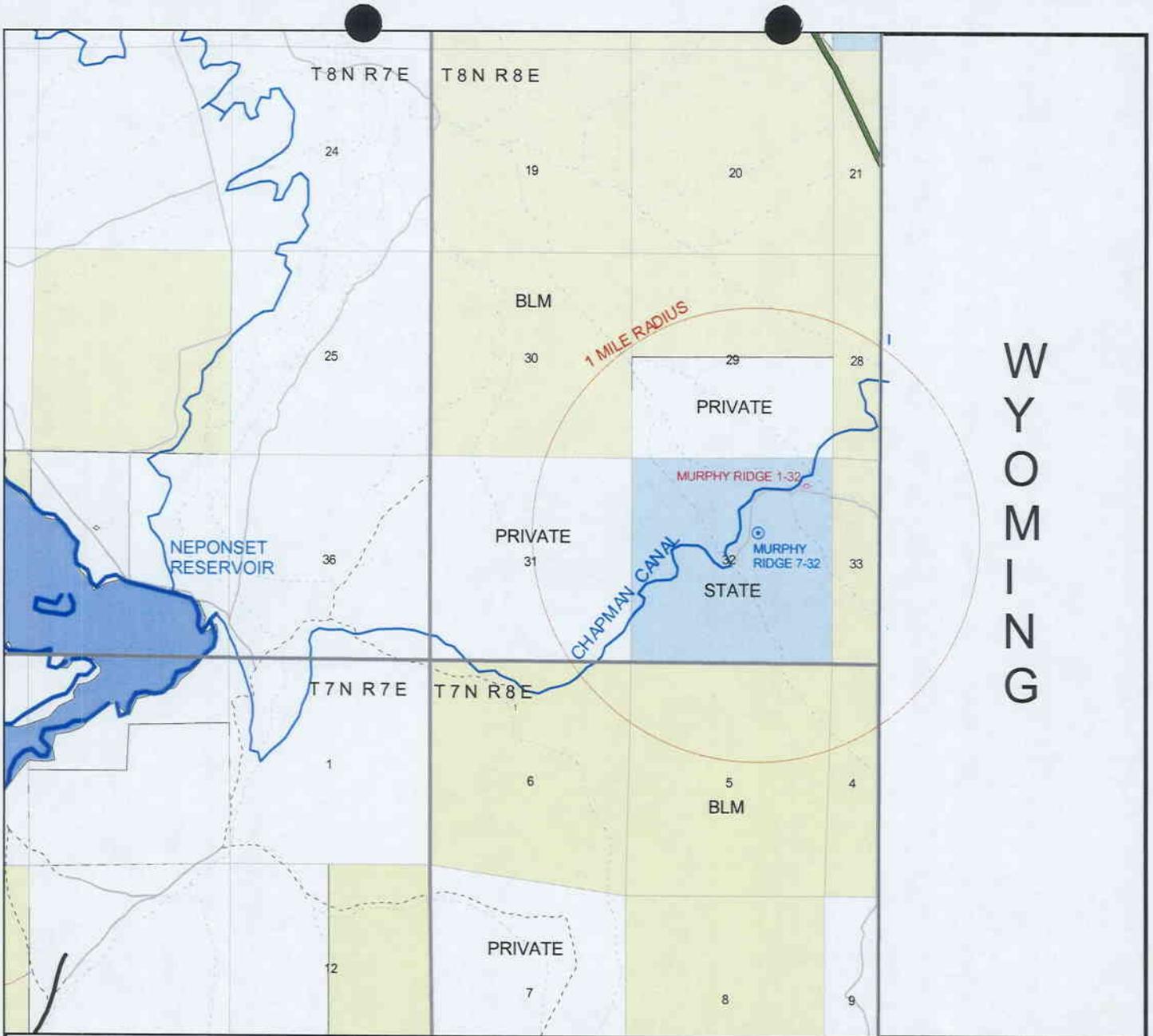
RECEIVED

SEP 12 2005

DIV. OF OIL, GAS & MINING

Tel: (307) 673-1500 Fax: (307) 673-1400

 Sheridan, Wyoming 82801

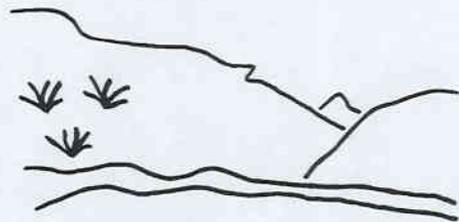


## Legend

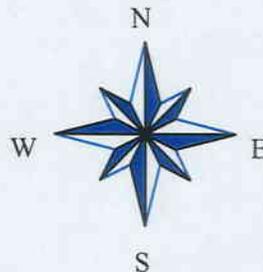
### Wells

- 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

- County Boundary
- Field Status**
- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Sections



Utah Oil Gas and Mining



Prepared by: Lisha Cordova  
 Date: August 5, 2005  
 Quad: Q0726/Neponset Reservoir NE

Chart  
19

# CRAWFORD MOUNTAINS AREA

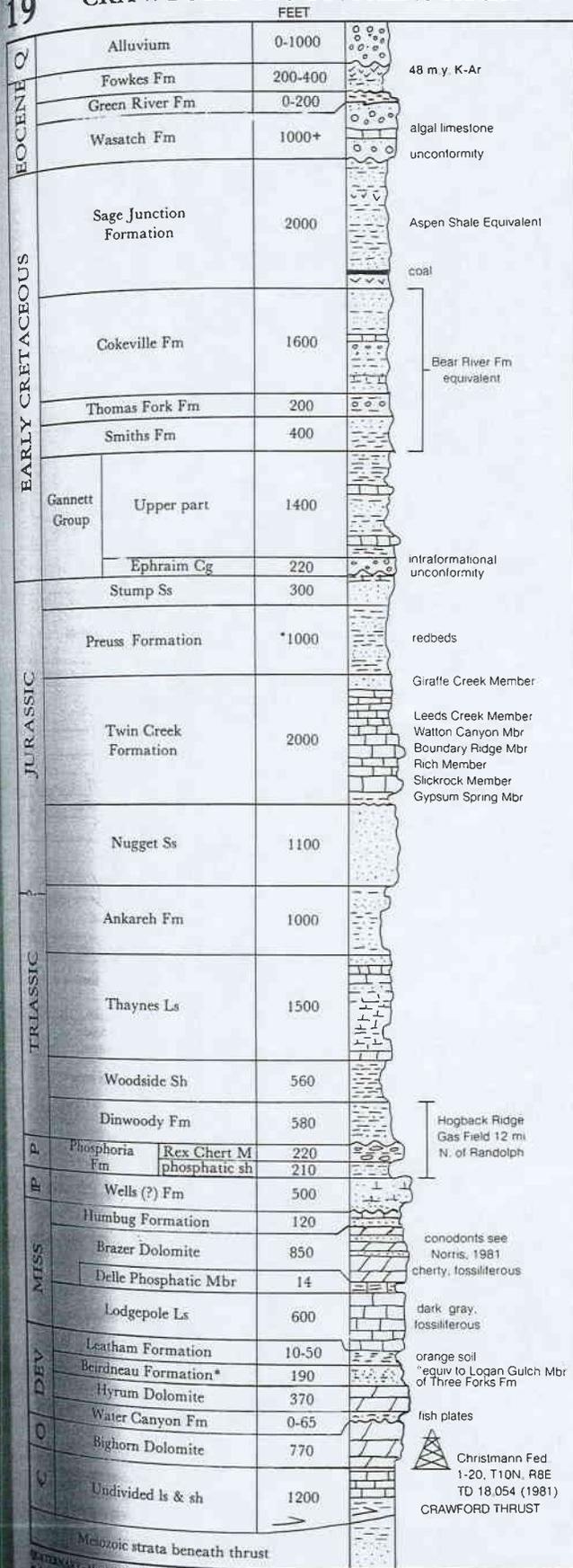
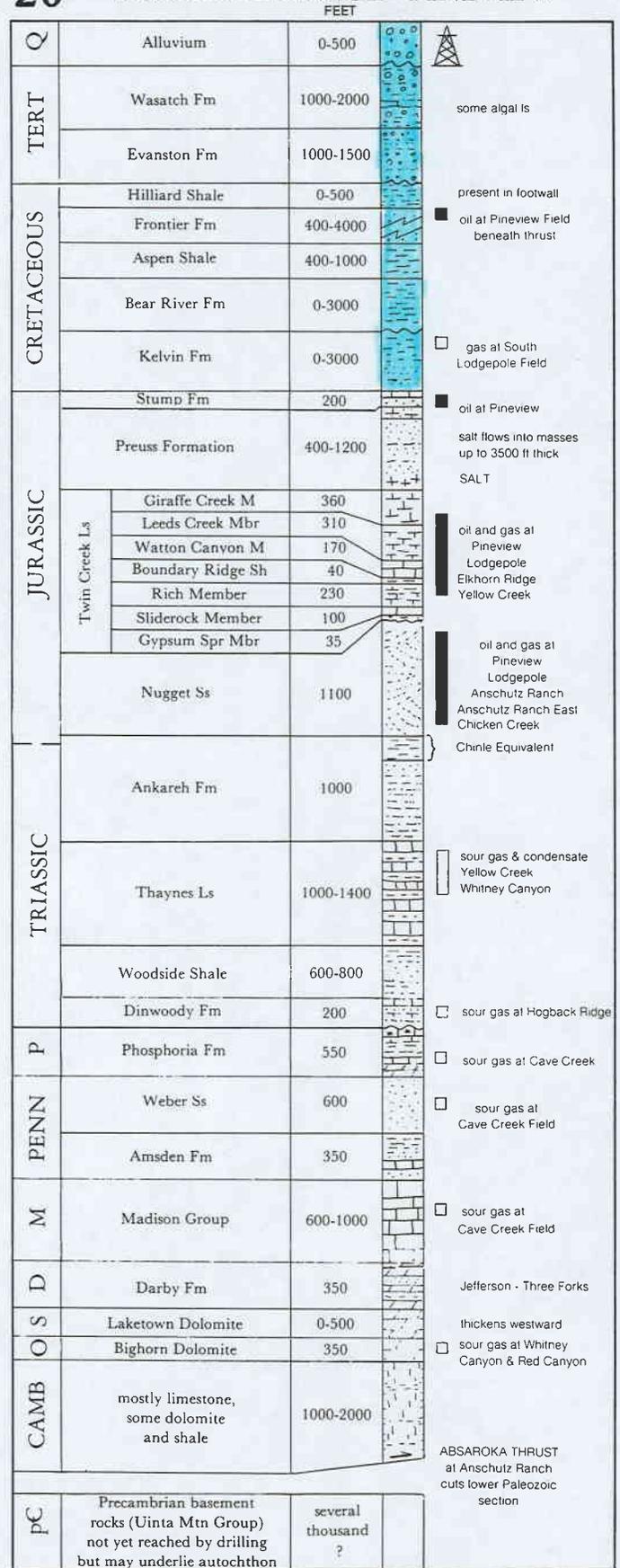


Chart  
20

# ANSCHUTZ RANCH - PINEVIEW



GENERAL REFERENCES - VerPlog & DeBruin, 1982; West & Lewis, 1982; Lelek, 1982; STUMP - Pipiringos & Imlay, 1979; MORGAN - Picard, 1977; MADISON - Rose, 1977; PINEVIEW FIELD - Connor & Coviin, 1977; Loucks, 1975.

**WOODRUFF, UTAH (429595)****Period of Record Monthly Climate Summary****Period of Record : 7/ 1/1948 to 3/31/2005**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
Average Max. Temperature (F)	28.2	31.8	41.6	53.7	64.0	72.9	81.6	80.3	71.7	59.8	42.0	30.7	54.9
Average Min. Temperature (F)	2.5	4.9	15.6	24.1	31.6	38.7	43.6	41.3	32.5	23.1	14.3	5.1	23.1
Average Total Precipitation (in.)	0.52	0.51	0.60	0.89	1.09	1.06	0.75	0.80	1.01	0.94	0.66	0.53	9.38
Average Total SnowFall (in.)	8.6	7.9	6.2	4.0	0.7	0.1	0.0	0.0	0.6	2.6	5.9	7.3	44.0
Average Snow Depth (in.)	4	5	2	0	0	0	0	0	0	0	1	2	1

Percent of possible observations for period of record.

Max. Temp.: 99.8% Min. Temp.: 99.7% Precipitation: 99.8% Snowfall: 99.2% Snow Depth: 80.9%

Check [Station Metadata](#) or [Metadata graphics](#) for more detail about data completeness.*Western Regional Climate Center, [wrcc@dri.edu](mailto:wrcc@dri.edu)*

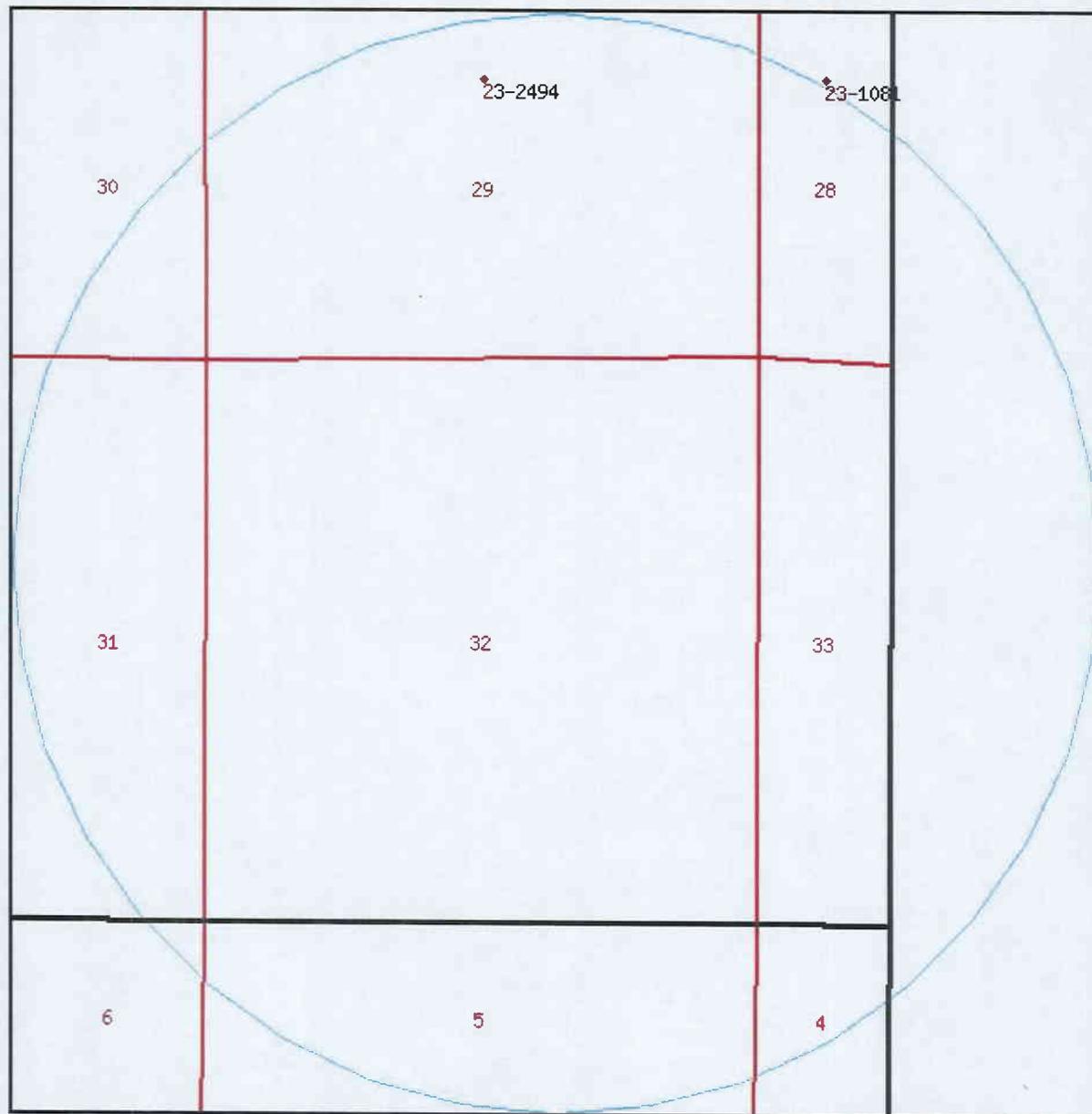


# UTAH DIVISION OF WATER RIGHTS

## WRPLAT Program Output Listing

Version: 2004.12.30.00      Rundate: 08/05/2005 04:16 PM

Radius search of 5280 feet from a point S1980 W1980 from the NE corner, section 32, Township 8N, Range 8E, SL b&m Criteria:wrtypes=W,C,E podtypes=all status=U,A,P usetypes=all



0    700    1400    2100    2800 ft

### Water Rights

WR Number	Diversion Type/Location	Well Log	Status	Priority	Uses	CFS	ACFT	Owner Name
<u>23-1081</u>	Point to Point 0 0 28 8N 8E SL		P	18730000		0.000	0.000	FARMLAND RESERVE INC. - L. CHURCH SEE TITLE DOCUMENTS ON 23 907
<u>23-1956</u>	Point to Point 0 0 29 8N 8E SL		P	18730000		0.000	0.000	FARMLAND RESERVE INC. - L. CHURCH SEE TITLE DOCUMENTS ON 23 907
<u>23-2493</u>	Point to Point S40 E420 N4 29 8N 8E SL		P	19010000		0.000	0.000	FARMLAND RESERVE INC. - L. CHURCH SEE TITLE DOCUMENTS ON 23 907
<u>23-2494</u>	Point to Point S340 W60 N4 29 8N 8E SL		P	19010000		0.000	0.000	FARMLAND RESERVE INC. - L. CHURCH SEE TITLE DOCUMENTS ON 23 907

[Natural Resources](#) | [Contact](#) | [Disclaimer](#) | [Privacy Policy](#) | [Accessibility Policy](#)

STATE OF UTAH – DIVISION OF WATER RIGHTS -- DATA PRINT OUT for 23-1081

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/05/2005 Page 1

WRNUM: 23-1081 APPLICATION/CLAIM NO.: CERT. NO.:

CHANGES: a26297 Unapproved

OWNERSHIP\*\*\*\*\*

NAME: Farmland Reserve Inc. - LDS Church
ADDR: see title documents on 23-907
50 East North Temple, 12th Floor Room 1242
Salt Lake City UT 84150

LAND OWNED BY APPLICANT?

DATES, ETC.\*\*\*\*\*

FILED: PRIORITY: 00/00/1873 PUB BEGAN: PUB ENDED: NEWSPAPER:
ProtestEnd: PROTESTED: [No ] HEARNG HLD: SE ACTION: [ ] ActionDate: PROOF DUE:
EXTENSION: ELEC/PROOF: [ ] ELEC/PROOF: CERT/WUC: LAP, ETC: PROV LETTER:
RENOVATE: RECON REQ: TYPE: [ ]

PD Book No. 1 Map: 55a

Type of Right: Diligence Claim Source of Info: Proposed Determination Status:

LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: SOURCE: Dixon Hole Creek

COUNTY: Rich COMMON DESCRIPTION:

POINT OF DIVERSION -- POINT TO POINT:
( 1)Stockwatering directly on stream from a point at 0 ft.,
to a point in NE4NE4 Sec 29, T8N, R8E, SLEB.
Source:

PLACE OF USE OF WATER RIGHT\*\*\*\*\*

NORTH-WEST¼ NORTH-EAST¼ SOUTH-WEST¼ SOUTH-EAST¼
NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 28 T 8N R 8E SLEB \*LOT 1
Sec 29 T 8N R 8E SLEB \* : : : \* \* : X: : \* \* : : : \* \* : : : \*

USES OF WATER RIGHT\*\*\*\*\*

WATER RIGHT CLAIMS IN COMMON: See WUC 23-914.
Referenced To: 23-914 Claims Groups: Type of Reference -- Claims: X Purpose: X Remarks: X
For PURPOSE & PERIOD OF USE, see WUC 23-914.

\*\*\*\*\*END OF DATA\*\*\*\*\*

STATE OF UTAH - DIVISION OF WATER RIGHTS - DATA PRINT OUT for 23-1956

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/05/2005 Page 1

WRNUM: 23-1956 APPLICATION/CLAIM NO.: CERT. NO.:

CHANGES: a26297 Unapproved

OWNERSHIP\*\*\*\*\*

NAME: Farmland Reserve Inc. - LDS Church
ADDR: see title documents on 23-907
50 East North Temple, 12th Floor Room 1242
Salt Lake City UT 84150

LAND OWNED BY APPLICANT?

DATES, ETC.\*\*\*\*\*

FILED: PRIORITY: 00/00/1873 PUB BEGAN: PUB ENDED: NEWSPAPER:
ProtestEnd: PROTESTED: [No ] HEARNG HLD: SE ACTION: [ ] ActionDate: PROOF DUE:
EXTENSION: ELEC/PROOF: [ ] ELEC/PROOF: CERT/WUC: LAP, ETC: PROV LETTER:
RENOVATE: RECON REQ: TYPE: [ ]

PD Book No. 1 Map: 55a

Type of Right: Diligence Claim Source of Info: Proposed Determination Status:

LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: SOURCE: Dixon Hole Creek

COUNTY: Rich COMMON DESCRIPTION:

POINT OF DIVERSION -- POINT TO POINT:
( 1)Stockwatering directly on stream from a point in NW4NE4 Sec 29, T8N, R8E, SLBM,
to a point in NE4NW4 Sec 29, T8N, R8E, SLBM.
Source:

PLACE OF USE OF WATER RIGHT\*\*\*\*\*

NORTH-WEST¼ NORTH-EAST¼ SOUTH-WEST¼ SOUTH-EAST¼
NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 29 T 8N R 8E SLBM \* : X: : \* \* X: : : \* \* : : : \* \* : : : \*

USES OF WATER RIGHT\*\*\*\*\*

WATER RIGHT CLAIMS IN COMMON: See WUC 23-914.
Referenced To: 23-914 Claims Groups: Type of Reference -- Claims: X Purpose: X Remarks: X
For PURPOSE & PERIOD OF USE, see WUC 23-914.

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*

STATE OF UTAH - DIVISION OF WATER RIGHTS - DATA PRINT OUT for 23-2493

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/05/2005 Page 1

WRNUM: 23-2493 APPLICATION/CLAIM NO.: CERT. NO.:

OWNERSHIP\*\*\*\*\*

NAME: Farmland Reserve Inc. - LDS Church
ADDR: see title documents on 23-907
50 East North Temple, 12th Floor Room 1242
Salt Lake City UT 84150

LAND OWNED BY APPLICANT?

DATES, ETC.\*\*\*\*\*

FILED: PRIORITY: 00/00/1901 PUB BEGAN: PUB ENDED: NEWSPAPER:
ProtestEnd: PROTESTED: [No] HEARING HLD: SE ACTION: [ ] ActionDate: PROOF DUE:
EXTENSION: ELEC/PROOF:[ ] ELEC/PROOF: CERT/WUC: LAP, ETC: PROV LETTER:
RENOVATE: RECON REQ: TYPE: [ ]

PD Book No. 1 Map: 55a

Type of Right: Diligence Claim Source of Info: Proposed Determination Status:

LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: SOURCE: Dixon Hole Creek

COUNTY: Rich COMMON DESCRIPTION:

POINT OF DIVERSION:
( 1)Stockwatering directly on reservoir located at S40 ft. E420 ft. from N4 corner, Sec 29, T8N, R8E, SLEB.
Source:

PLACE OF USE OF WATER RIGHT\*\*\*\*\*

Sec 29 T 8N R 8E SLEB NORTH-WEST¼ NORTH-EAST¼ SOUTH-WEST¼ SOUTH-EAST¼
NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
\* : : : \* \* X: : : \* \* : : : \* \* : : : \*

USES OF WATER RIGHT\*\*\*\*\*

WATER RIGHT CLAIMS IN COMMON: See WUC 23-914.
Referenced To: 23-914 Claims Groups: Type of Reference -- Claims: X Purpose: X Remarks: X
For PURPOSE & PERIOD OF USE, see WUC 23-914.

Storage from 01/01 to 12/31, inclusive, in Unnamed with a maximum capacity of 0.800 acre-feet, located in:

Height of Dam: NORTH-WEST¼ NORTH-EAST¼ SOUTH-WEST¼ SOUTH-EAST¼
Area Inundated: NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 20 T 8N R 8E SLEB \* : : : \* \* : : : \* \* : : : \* \* : : X: \*
Sec 29 T 8N R 8E SLEB \* : : : \* \* X: : : \* \* : : : \* \* : : : \*

Small Dam Required?: No

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*

STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINT OUT for 23-2494

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/05/2005 Page 1

WRNUM: 23-2494 APPLICATION/CLAIM NO.: CERT. NO.:

OWNERSHIP\*\*\*\*\*

NAME: Farmland Reserve Inc. - LDS Church
ADDR: see title documents on 23-907
50 East North Temple, 12th Floor Room 1242
Salt Lake City UT 84150

LAND OWNED BY APPLICANT?

DATES, ETC.\*\*\*\*\*

FILED: PRIORITY: 00/00/1901 | PUB BEGAN: | PUB ENDED: | NEWSPAPER:
ProtestEnd: | PROTESTED: [No ] | HEARNG HLD: | SE ACTION: [ ] | ActionDate: | PROOF DUE:
EXTENSION: | ELEC/PROOF: [ ] | ELEC/PROOF: | CERT/WUC: | LAP, ETC: | PROV LETTER:
RENOVATE: | RECON REQ: | TYPE: [ ]

PD Book No. 1 Map: 55a

Type of Right: Diligence Claim Source of Info: Proposed Determination Status:

LOCATION OF WATER RIGHT\*\*\*\*\*

FLOW: SOURCE: Dixon Hole Creek

COUNTY: Rich COMMON DESCRIPTION:

POINT OF DIVERSION:
( 1) Stockwatering directly on reservoir located at S340 ft. W60 ft. from N4 corner, Sec 29, T8N, R8E, SLEB.
Source:

PLACE OF USE OF WATER RIGHT\*\*\*\*\*

Sec 29 T 8N R 8E SLEB NORTH-WEST% NORTH-EAST% SOUTH-WEST% SOUTH-EAST%
NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
\* : X: : \* \* : : : \* \* : : : \* \* : : : \*

USES OF WATER RIGHT\*\*\*\*\*

WATER RIGHT CLAIMS IN COMMON: See WUC 23-914.
Referenced To: 23-914 Claims Groups: Type of Reference -- Claims: X Purpose: X Remarks: X
For PURPOSE & PERIOD OF USE, see WUC 23-914.

Storage from 01/01 to 12/31, inclusive, in Unnamed with a maximum capacity of 1.800 acre-feet, located in:

Height of Dam: NORTH-WEST% NORTH-EAST% SOUTH-WEST% SOUTH-EAST%
Area Inundated: NW NE SW SE NW NE SW SE NW NE SW SE NW NE SW SE
Sec 29 T 8N R 8E SLEB \* : X: : \* \* X: : : \* \* : : : \* \* : : : \*

Small Dam Required?: No

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*

STATE OF UTAH -- DIVISION OF WATER RIGHTS -- DATA PRINT OUT for a26297(23-914)

(WARNING: Water Rights makes NO claims as to the accuracy of this data.) RUN DATE: 08/08/2005 Page 1

CHANGE: a26297 WATER RIGHT: 23-914 CERT. NO.: AMENDATORY? No

BASE WATER RIGHTS: 23-1081, 23-1805, 23-1856, 23-1894, 23-1895, 23-1898, 23-1901, 23-1902, 23-1903, 23-1904, 23-1905, 23-1907, 23-1908, 23-1956, 23-1957, 23-1963, 23-1965, 23-1966, 23-1967, 23-1968, 23-1974, 23-1975, 23-2046, 23-2231, 23-2273, 23-2274, 23-2275, 23-2276, 23-2277, 23-2360, 23-2370, 23-2371, 23-2372, 23-2373, 23-2374, 23-2375, 23-914, 23-915, 23-916, 23-918, 23-919, 23-920, 23-921, 23-922, 23-978

RIGHT EVIDENCED BY: 23-914/916, 918/922, 978, 1081, 1805, 1856, 1894, 1895, 1898, 1901/1905, 1907, 1908, 1956, 1957, 1963, 1965/1968, 1970, 1974, 1975, 2046, 2231, 2273/2277, 2360, 2370/2375, see expl

CHANGES: Point of Diversion [X], Place of Use [X], Nature of Use [X], Reservoir Storage [X].

NAME: Farmland Reseve Inc. - LDS Church  
 ADDR: 50 East North Temple, 12th Floor Room 1242  
 Salt Lake City UT 84150

REMARKS:

FILED: 01/31/2002 | PRIORITY: 01/31/2002 | ADV BEGAN: 08/09/2002 | ADV ENDED: 08/16/2002 | NEWSPAPER: Uinta County Herald  
 ProtestEnd: 09/05/2002 | PROTESTED: [No ] | HEARING HLD: | SE ACTION: [ ] | ActionDate: | PROOF DUE:  
 EXTENSION: | ELEC/PROOF: [ ] | ELEC/PROOF: | CERT/WUC: | LAP, ETC: | PROV LETTER:  
 RENOVATE: | RECON REQ: | TYPE: [ ]

Status: Unapproved

\*\*\*\*\* H E R E T O F O R E \*\*\*\*\*  
 \*\*\*\*\* H E R E A F T E R \*\*\*\*\*

FLOW: 630.92 acre-feet  
 SOURCE: Stacey/Murphy Hollow, Dry Creeks  
 COUNTY: Rich  
 Right evidenced by cont.: 23-2386, 2388, 2390, 2404, 2408, 2423, 2425, 2473, 2480/2483, 2485/2489, 2493, 2494, 3277/3279, 3805  
 PLACE OF USE: is watering at the sources  
 STOCKWATERING: see Water Right Number 23-914

FLOW: 630.92 acre-feet  
 SOURCE: Stacey/Murphy Hollow, Dry Creeks and tributaries  
 COUNTY: Rich COM DESC: Deseret Ranch  
 POINT OF DIVERSION & PLACE OF USE:  
 described as follows: diversion from ponds, springs, creeks, etc. located in all or parts of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, T6N, R7E; Sections 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 31, 32, 33, 34, 35, 36, T7N, R7E; Sections 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 29, 30, 31, T7N, R8E; Sections 1, 2, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 29, 32, 33, 34, 35, 36, T8N, R7E; Sections 26, 34, 35, 36, T9N, R7E; Sections 6, 7, 8, 17, 18, 19, 20, 21, 28, 29, 30, 31, T8N, R8E; Sections 1, 12, T6N, R6E, all SLB&M, in the Stacey-Murphy Hollow Creeks sub-drainage basin area. See map on file.  
 The definition of total evaporation loss for all existing ponds is quantified at 299.5 acres of surface area with a rate of 1.86 acre-feet per acre = 557 AF  
 sole supply for stock and wildlife = 2640 BLU

POINT(S) OF DIVERSION ----->  
 Point Surface:

CHANGED AS FOLLOWS: (Click Location link for WRPLAT)

(1) S 50 ft E 610 ft from W4 cor, Sec 01, T 7N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-964 now 23-3805  
 (2) S 300 ft W 1120 ft from N4 cor, Sec 06, T 7N, R 8E, SLEB  
 Dvrting Wks:  
 Source: 23-962 now 23-3805  
 (3) S 620 ft E 1620 ft from W4 cor, Sec 24, T 8N, R 6E, SLEB  
 Dvrting Wks:  
 Source: 23-928 now 23-3805  
 (4) S 920 ft E 1060 ft from NW cor, Sec 12, T 8N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-1805  
 (5) N 200 ft E 1070 ft from W4 cor, Sec 13, T 8N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-1601 now 23-3805  
 (6) N 1730 ft W 1415 ft from SE cor, Sec 35, T 8N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-965 now 23-3805  
 (7) N 790 ft W 900 ft from SE cor, Sec 36, T 8N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-963 now 23-3805  
 (8) S 910 ft W 845 ft from E4 cor, Sec 19, T 8N, R 8E, SLEB  
 Dvrting Wks:  
 Source: 23-2488  
 (9) N 265 ft E 910 ft from SW cor, Sec 26, T 9N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-1806 now 23-3805  
 (10) N 460 ft W 490 ft from S4 cor, Sec 26, T 9N, R 7E, SLEB  
 Dvrting Wks:  
 Source: 23-1726 now 23-3805

Point to Point:  
 Stockwatering directly on stream from a point at:  
 N 150 ft W 1250 ft from SE cor, Sec 01, T 6N, R 6E, SLEB  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEB  
 Source: 23-3278  
 Stockwatering directly on stream from a point at:  
 N 50 ft W 50 ft from S4 cor, Sec 01, T 6N, R 6E, SLEB  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEB  
 Source: 23-3279  
 Stockwatering directly on stream from a point in:  
 SE4SW4 Sec 01, T 6N, R 6E, SLEB  
 to a point in:  
 SE4NE4 Sec 33, T 7N, R 7E, SLEB  
 Source: 23-914  
 Stockwatering directly on stream from a point in:  
 SE4NW4 Sec 02, T 6N, R 7E, SLEB  
 to a point in:  
 NW4NW4 Sec 35, T 7N, R 7E, SLEB  
 Source: 23-1974  
 Stockwatering directly on stream from a point at:  
 S 600 ft W 720 ft from NE cor, Sec 04, T 6N, R 7E, SLEB  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEB  
 Source: 23-2370  
 Stockwatering directly on stream from a point at:  
 S 570 ft E 60 ft from W4 cor, Sec 05, T 6N, R 7E, SLEB  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEB  
 Source: 23-2373  
 Stockwatering directly on stream from a point at:  
 N 930 ft W 80 ft from E4 cor, Sec 05, T 6N, R 7E, SLEB  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEB  
 Source: 23-2360

Point to Point:  
 Stockwatering directly on stream from a point in:  
 NE4NW4 Sec 09, T 6N, R 7E, SLEB  
 to a point in:  
 NW4NW4 Sec 26, T 9N, R 7E, SLEB  
 Source: main stem & tributaries to Stacey/Murphy Hollows

Stockwatering directly on stream from a point at:  
 N 710 ft W 380 ft from E4 cor, Sec 05, T 6N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEBM  
 Source: 23-2231

Stockwatering directly on stream from a point at:  
 N 110 ft W 2290 ft from E4 cor, Sec 05, T 6N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , BM  
 Source: 23-1908

Stockwatering directly on stream from a point in:  
 NW4NE4 Sec 06, T 6N, R 7E, SLEBM  
 to a point in:  
 NE4NE4 Sec 33, T 7N, R 7E, SLEBM  
 Source: 23-2372

Stockwatering directly on stream from a point at:  
 N 670 ft W 860 ft from S4 cor, Sec 06, T 6N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEBM  
 Source: 23-3277

Stockwatering directly on stream from a point at:  
 N 2660 ft W 60 ft from S4 cor, Sec 06, T 6N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , BM  
 Source: 23-1907

Stockwatering directly on stream from a point at:  
 S 730 ft W 870 ft from E4 cor, Sec 06, T 6N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEBM  
 Source: 23-2375

Stockwatering directly on stream from a point at:  
 S 735 ft W 785 ft from E4 cor, Sec 06, T 6N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , SLEBM  
 Source: 23-2374

Stockwatering directly on stream from a point at:  
 N 325 ft E 210 ft from SW cor, Sec 01, T 7N, R 7E, SLEBM  
 to a point at:  
 0 ft 0 ft from cor, Sec , T , R , BM  
 Source: 23-920

Stockwatering directly on stream from a point in:  
 SW4SW4 Sec 01, T 7N, R 7E, SLEBM  
 to a point in:  
 SE4SW4 Sec 36, T 8N, R 7E, SLEBM  
 Source: 23-2371

Stockwatering directly on stream from a point in:  
 SE4NW4 Sec 02, T 7N, R 7E, SLEBM  
 to a point in:  
 NE4NW4 Sec 02, T 7N, R 7E, SLEBM  
 Source: 23-2390

Stockwatering directly on stream from a point in:  
 SE4SW4 Sec 03, T 7N, R 7E, SLEBM  
 to a point in:  
 NE4SE4 Sec 03, T 7N, R 7E, SLEBM  
 Source: 23-916

Stockwatering directly on stream from a point in:  
 SW4SE4 Sec 09, T 7N, R 7E, SLEBM  
 to a point in:  
 SE4NE4 Sec 09, T 7N, R 7E, BM  
 Source: 23-1895

Stockwatering directly on stream from a point in:  
SW4NW4 Sec 09, T 7N, R 7E, SLBM  
to a point in:  
SE4NE4 Sec 09, T 7N, R 7E, SLBM  
Source: 23-2473

Stockwatering directly on stream from a point at:  
S 600 ft W 820 ft from E4 cor, Sec 09, T 7N, R 7E, SLBM  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , BM  
Source: 23-919

Stockwatering directly on stream from a point at:  
S 600 ft W 820 ft from E4 cor, Sec 09, T 7N, R 7E, SLBM  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , BM  
Source: 23-919

Stockwatering directly on stream from a point at:  
S 1420 ft E 170 ft from NW cor, Sec 09, T 7N, R 7E, SLBM  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , BM  
Source: 23-921

Stockwatering directly on stream from a point in:  
SW4SW4 Sec 11, T 7N, R 7E, SLBM  
to a point in:  
NE4NE4 Sec 11, T 7N, R 7E, BM  
Source: 23-1902

Stockwatering directly on stream from a point at:  
S 1500 ft E 250 ft from N4 cor, Sec 11, T 7N, R 7E, SLBM  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , BM  
Source: 23-1905

Stockwatering directly on stream from a point in:  
SE4NW4 Sec 12, T 7N, R 7E, SLBM  
to a point in:  
SW4SW4 Sec 01, T 7N, R 7E, SLBM  
Source: 23-2388

Stockwatering directly on stream from a point in:  
SW4SE4 Sec 13, T 7N, R 7E, SLBM  
to a point in:  
NE4SW4 Sec 12, T 7N, R 7E, SLBM  
Source: 23-2386

Stockwatering directly on stream from a point in:  
SE4SE4 Sec 15, T 7N, R 7E, SLBM  
to a point in:  
NE4NE4 Sec 15, T 7N, R 7E, BM  
Source: 23-1901

Stockwatering directly on stream from a point in:  
SE4SW4 Sec 15, T 7N, R 7E, SLBM  
to a point in:  
NE4SE4 Sec 15, T 7N, R 7E, SLBM  
Source: 23-2423

Stockwatering directly on stream from a point in:  
SW4SW4 Sec 21, T 7N, R 7E, SLBM  
to a point in:  
SW4SE4 Sec 16, T 7N, R 7E, BM  
Source: 23-1894

Stockwatering directly on stream from a point in:  
SE4SW4 Sec 21, T 7N, R 7E, SLBM  
to a point in:  
NE4SE4 Sec 21, T 7N, R 7E, SLBM  
Source: 23-2425

<p>Stockwatering directly on reservoir located at:  N 300 ft E 440 ft from SW cor, Sec 23, T 7N, R 7E, SLEBM  Source: 23-918</p>	
<p>Stockwatering directly on stream from a point at:  N 530 ft E 530 ft from W4 cor, Sec 23, T 7N, R 7E, SLEBM  to a point at:  0 ft 0 ft from cor, Sec , T , R , BM  Source: 23-1904</p>	
<p>Stockwatering directly on stream from a point at:  N 220 ft E 450 ft from SW cor, Sec 25, T 7N, R 7E, SLEBM  to a point at:  0 ft 0 ft from cor, Sec , T , R , BM  Source: 23-978</p>	
<p>Stockwatering directly on stream from a point in:  SW4SE4 Sec 25, T 7N, R 7E, SLEBM  to a point in:  NE4NE4 Sec 25, T 7N, R 7E, SLEBM  Source: 23-1963</p>	
<p>Stockwatering directly on stream from a point at:  N 100 ft W 500 ft from SE cor, Sec 27, T 7N, R 7E, SLEBM  to a point at:  0 ft 0 ft from cor, Sec , T , R , BM  Source: 23-1903</p>	
<p>Stockwatering directly on stream from a point in:  SW4SW4 Sec 27, T 7N, R 7E, SLEBM  to a point in:  NW4NW4 Sec 23, T 7N, R 7E, BM  Source: 23-1898</p>	
<p>Stockwatering directly on stream from a point in:  SE4SE4 Sec 27, T 7N, R 7E, SLEBM  to a point in:  SE4NE4 Sec 27, T 7N, R 7E, SLEBM  Source: 23-2046</p>	
<p>Stockwatering directly on stream from a point in:  SE4SW4 Sec 29, T 7N, R 7E, SLEBM  to a point in:  SE4NE4 Sec 29, T 7N, R 7E, SLEBM  Source: 23-2404</p>	
<p>Stockwatering directly on stream from a point in:  SE4SW4 Sec 29, T 7N, R 7E, SLEBM  to a point in:  SE4NE4 Sec 29, T 7N, R 7E, SLEBM  Source: 23-2404</p>	
<p>Stockwatering directly on stream from a point at:  S 680 ft W 1220 ft from E4 cor, Sec 32, T 7N, R 7E, SLEBM  to a point at:  0 ft 0 ft from cor, Sec , T , R , SLEBM  Source: 23-2273</p>	
<p>Stockwatering directly on stream from a point at:  N 100 ft W 2180 ft from E4 cor, Sec 33, T 7N, R 7E, SLEBM  to a point at:  0 ft 0 ft from cor, Sec , T , R , SLEBM  Source: 23-2277</p>	
<p>Stockwatering directly on stream from a point at:  S 700 ft E 1400 ft from W4 cor, Sec 33, T 7N, R 7E, SLEBM  to a point at:  0 ft 0 ft from cor, Sec , T , R , SLEBM  Source: 23-2275</p>	

Stockwatering directly on stream from a point at: S 1110 ft E 450 ft from W4 cor, Sec 33, T 7N, R 7E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , SLBM Source: 23-2274	
Stockwatering directly on stream from a point at: S 10 ft W 2590 ft from E4 cor, Sec 33, T 7N, R 7E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , SLBM Source: 23-2276	
Stockwatering directly on stream from a point at: N 400 ft W 650 ft from SE cor, Sec 33, T 7N, R 7E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , BM Source: 23-922	
Stockwatering directly on stream from a point at: N 300 ft E 770 ft from SW cor, Sec 35, T 7N, R 7E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , SLBM Source: 23-1975	
Stockwatering directly on stream from a point in: SW4SE4 Sec 07, T 7N, R 8E, SLBM to a point in: NE4NE4 Sec 07, T 7N, R 8E, SLBM Source: 23-1970	
Stockwatering directly on stream from a point at: S 1000 ft E 500 ft from W4 cor, Sec 19, T 7N, R 8E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , BM Source: 23-1967	
Stockwatering directly on stream from a point in: SW4SW4 Sec 19, T 7N, R 8E, SLBM to a point in: NE4NW4 Sec 19, T 7N, R 8E, SLBM Source: 23-1965	
Stockwatering directly on stream from a point at: N 650 ft E 390 ft from SW cor, Sec 19, T 7N, R 8E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , BM Source: 23-1966	
Stockwatering directly on stream from a point at: S 820 ft E 750 ft from W4 cor, Sec 19, T 7N, R 8E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , BM Source: 23-1968	
Stockwatering directly on stream from a point at: S 140 ft W 450 ft from NE cor, Sec 01, T 8N, R 7E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , BM Source: 23-1856	
Stockwatering directly on stream from a point in: SW4SW4 Sec 25, T 8N, R 7E, SLBM to a point in: NW4SW4 Sec 26, T 9N, R 7E, SLBM Source: 23-915	
Stockwatering directly on stream from a point at: S 850 ft W 1600 ft from E4 cor, Sec 19, T 8N, R 8E, SLBM to a point at: 0 ft 0 ft from cor, Sec , T , R , SLBM Source: 23-2486	

.....  
Stockwatering directly on stream from a point at:  
S 1230 ft W 450 ft from E4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2489  
.....

Stockwatering directly on stream from a point at:  
N 340 ft E 1780 ft from W4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2481  
.....

Stockwatering directly on stream from a point in:  
SE4SE4 Sec 19, T 8N, R 8E, SLEB  
to a point in:  
SE4NE4 Sec 24, T 8N, R 7E, SLEB  
Source: 23-1957  
.....

Stockwatering directly on stream from a point at:  
S 330 ft W 2400 ft from E4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2483  
.....

Stockwatering directly on stream from a point at:  
S 720 ft W 2230 ft from E4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2485  
.....

Stockwatering directly on stream from a point at:  
S 980 ft W 1140 ft from E4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2487  
.....

Stockwatering directly on stream from a point at:  
N 140 ft W 2450 ft from E4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2482  
.....

Stockwatering directly on stream from a point at:  
N 450 ft E 2200 ft from W4 cor, Sec 19, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2480  
.....

Stockwatering directly on stream from a point at:  
0 ft 0 ft from cor, Sec 28, T 8N, R 8E, SLEB  
to a point in:  
NE4NE4 Sec 29, T 8N, R 8E, SLEB  
Source: 23-1081  
.....

Stockwatering directly on stream from a point in:  
NW4NE4 Sec 29, T 8N, R 8E, SLEB  
to a point in:  
NE4NW4 Sec 29, T 8N, R 8E, SLEB  
Source: 23-1956  
.....

Stockwatering directly on stream from a point at:  
S 40 ft E 420 ft from N4 cor, Sec 29, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2493  
.....

Stockwatering directly on stream from a point at:  
S 340 ft W 60 ft from N4 cor, Sec 29, T 8N, R 8E, SLEB  
to a point at:  
0 ft 0 ft from cor, Sec , T , R , SLEB  
Source: 23-2494  
.....

Stockwatering directly on stream from a point in: SW4SW4 Sec 31, T 8N, R 8E, S1E1 to a point in: NE4NE4 Sec 35, T 8N, R 8E, S1E1 Source: 23-2408	
--	--

PLACE OF USE ----->	CHANGED as follows:
<pre> --NW¼-- --NE¼-- --SW¼-- --SE¼--  N N S S   N N S S   N N S S   N N S S   W E W E   W E W E   W E W E   W E W E                  </pre>	<pre> --NW¼-- --NE¼-- --SW¼-- --SE¼--  N N S S   N N S S   N N S S   N N S S   W E W E   W E W E   W E W E   W E W E                  </pre>
	Sec 09 T 6N R 7E S1E1 Sec 26 T 9N R 7E S1E1

NATURE OF USE ----->	CHANGED as follows:
SUPPLEMENTAL to Other Water Rights: Yes	SUPPLEMENTAL to Other Water Rights: Yes
STK: 30800 Cattle or Equivalent USED 01/01 - 12/31	STK: 15000 Cattle or Equivalent USED 01/01 - 12/31
	OTH: OTHER: pond evaporation USED 01/01 - 12/31
	OTH: OTHER: stockwatering for incidental wildlife USED 01/01 - 12/31

RESERVOIR STORAGE -->	SAME AS HERETOFORE, AND IN ADDITION TO:
Storage 01/01 to 12/31, in Clark Hollow Reservoir with a maximum capacity of 1.600 acre-feet, located in:	Storage 01/01 to 12/31, in all existing ponds with a maximum capacity of acre-feet, located in:
<pre> --NW¼-- --NE¼-- --SW¼-- --SE¼-- Height of Dam: ft  N N S S   N N S S   N N S S   N N S S  Area Inundat acs W E W E   W E W E   W E W E   W E W E                  </pre>	<pre> --NW¼-- --NE¼-- --SW¼-- --SE¼-- Height of Dam: ft  N N S S   N N S S   N N S S   N N S S  Area Inundat acs W E W E   W E W E   W E W E   W E W E                  </pre>
Sec 09 T 7N R 7E S1E1 * : : * : : * : : * : : * : : * : : *	Small Dam Permit Required?: No

\*\*\*\*\*E N D O F D A T A\*\*\*\*\*

Project Number: 5520

Sponsor: Division of Oil, Gas and Mining

Counties Affected: Rich

Description: Application for Permit to Drill - proposal to drill a wildcat wel. the Murphy Ridge 7-32 on State lease ML 48456

Comments Due to Sponsor 08/15/2005

**Possible significant impacts likely to occur:**

Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.

**Comments:**

Provision for granting the drilling permit should include provisions as standard that:

- 1- Erosion rates from the drilling site will not exceed the tolerable erosion rate as established by USDA/NRCS during the duration of the easement.
- 2- Following drilling, areas disturbed shall be seeded with seed of >90% viability, with non-invasive seed, of a species and variety (ies) which is native and/or recommended for the site by USDA/NRCS and/or USU Extension Service.
- 3- One year following completion of drilling, vegetative cover surrounding the drilling site in all disturbed areas shall equal or exceed the greater of the percentage of vegetative cover of the drilling site area prior to disturbance, or of the land surrounding the drilling site disturbance.

Before permitting drilling site development to proceed, conditions should be included within the permit to protect environmental quality, sustain valuable natural resources, and to reduce future costs on the treasury of Utah and its citizens. These conditions should include -

- A) Net erosion from the total comprehensive drilling site project shall not exceed 'tolerable' erosion rates as determined by USDA / NRCS for agricultural soils. Although the land is not in agricultural use, maintaining these standards will preserve and protect natural resource values of the soil and in the waters downslope of the project area.
- B) Erosion from any one site or disturbance will not exceed the tolerable erosion rate by greater than 2.0 times the tolerable rate.
- C) All sites disturbed by the project shall be restored to appropriate species, variety, and density of vegetative cover when drilling site installation is completed.
- D) No discharge or runoff of hydrocarbons from vehicles, drilling site, wells, tanks, nor any other source shall be permitted nor allowed which might enter waters of the state.
- E) Project drilling site placements and all other ground disturbing activities shall be

designed, engineered, and implemented to minimize crossing of and/or disturbance to streams, washes, gullies, arroyos, or other depressions where resulting erosion potential or habitat value might be high.

- F) Appropriate maintenance of pumping, extraction, drilling site, and all other facilities shall be ongoing for duration of lease to sustain ecological function including habitat, soil stability, vegetative cover, and prevention of damage to the environment including release or deposition of materials that are toxic or otherwise detrimental.
- G) Upon ultimate termination of the lease in the future, drilling site and all other disturbances shall be appropriately removed and sites restored as closely as possible to equal or exceed vegetative cover, soil stability and soil permeability as existed prior to project implementation. A bond shall be provided to insure such restoration.

**From:** Robert Clark  
**To:** "CarolynWRIGHT@Utah.gov".mime.MNET; Whitney, Diana  
**Date:** 8/9/2005 8:16:45 AM  
**Subject:** Re: New RDCC Projects Notice (08/07/2005)

Due to the short turn around time, DAQ comments pertaining to **RDCC #5520** are being sent directly to DOG&M.

**Comments begin:** The proposed wildcat well, Murphy Ridge 7-32, on State Lease 48456 is subject to Utah Air Quality Rule R307-205-3, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Division of Air Quality, but steps need to be taken to minimize fugitive dust, such as, watering and/or chemical stabilization, providing vegetative or synthetic cover and windbreaks. The proposed well drilling project may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are constructed at the site. A permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, SLC, UT, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. A copy of the rules are found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.**

Robert Clark  
Utah Division of Air Quality  
536-4435

>>> Carolyn Wright <CarolynWRIGHT@Utah.gov> 8/7/2005 10:20 AM >>>  
New projects received between August 01, 2005 and August 07, 2005  
Please mark each project you will be commenting on and reply to this message.  
New project details can be found on our website

Other Proposed Actions

Project Number: 5531

Sponsor: DOI/FWS

SLB&M:

Counties Affected:

Description: Migratory Bird Hunting; Proposed Migratory Bird Hunting Regulations on Certain Federal Indian Reservations and Ceded Lands for the 2005-06 Season - Proposed rule. Federal Register Notice dated 8/5/05, page 45336.

Will Comment Comments Due to GOPB 08/08/2005 Project Number: 5522

Sponsor: DOI/FWS

SLB&M:

Counties Affected:

Description: Migratory Bird Hunting; Proposed Frameworks for Early-Season Migratory Bird Hunting Regulations; Notice of Meetings; Proposed Rule. Federal Register Notice dated 8/1/05, page 44200.

Will Comment Comments Due to GOPB 08/15/2005 Project Number: 5526

Sponsor: Environmental Protection Agency

SLB&M:

Counties Affected:

Description: Agency Information Collection Activities; Continuing Collection; Submission to OMB for Review and Approval; Comment Request; Water Quality Standards Regulation (Renewal), EPA ICR #0988.09, OMB Control #2040-0049. Federal Register Notice dated 8/3/05, page 44628.

Will Comment Comments Due to GOPB 08/26/2005 Project Number: 5537

Sponsor: Division of Parks and Recreation

SLB&M:

Counties Affected: Salt Lake

Description: Propoerty Sale 1051 West and Bangerter

Will Comment Comments Due to GOPB 08/29/2005 Project Number: 5535

Sponsor: Division of Wildlife Resources

SLB&M:

Counties Affected: Juab

Description: Toms Creek - Rotenone treatment project to restore Snake Valley Bonneville cutthroat trout

Will Comment Comments Due to GOPB 08/29/2005 Project Number: 5524

Sponsor: Division of Forestry, Fire and State Lands

SLB&M: Sec. 1-8, 12, 13, 17-21, 24, 25, 28-36 T8N, R8W; Sec. 1-12, 18,19, 30, 31 T8N, R9W

Counties Affected: Box Elder

Description: West Rozel Oil, Gas and Hydrocarbon Lease Offering V

Will Comment Comments Due to GOPB 09/02/2005 Project Number: 5534

Sponsor: DOI/OPfc of Surface Mining Reclamation and Enforcement

SLB&M:

Counties Affected:

Description: Notice of Proposed Information Collection for 1029-0111 and 1029-0112. Federal Register Notice dated 8/5/05, page 45422.

Will Comment Comments Due to GOPB 09/27/2005

Short Turn Around

Project Number: 5520

Sponsor: Division of Oil, Gas and Mining

SLB&M:

Counties Affected: Rich

Description: Application for Permit to Drill - proposal to drill a wildcat wel. the Murphy Ridge 7-32 on State lease ML 48456

Comments Due to Sponsor 08/15/2005

Stream Alterations

Project Number: 5521

Sponsor: Division of Water Rights

SLB&M: Sec. 15, T3S, R7E

Counties Affected: Wasatch

Description: Provo River, Unnamed Tributary (No. 05-55-16SA) - replacement culvert

Comments Due to Sponsor 08/21/2005 Project Number: 5523

Sponsor: Division of Water Rights

SLB&M: Sec. 21, T1S, R3E

Counties Affected: Salt Lake

Description: Lamb's Creek Tributary - replacement culvert

Comments Due to Sponsor 08/02/2005 Project Number: 5527

Sponsor: Division of Water Rights

SLB&M: Sec. 13, T6S, R21E

Counties Affected: Uintah

Description: Green River (No. 05-45-19SA) - diversion maintenance

Comments Due to Sponsor 08/24/2005 Project Number: 5538

Sponsor: Division of Water Rights

SLB&M: Sec. 8, T12S, R16E

Counties Affected: Carbon

Description: Nine Mile Creek (No. 05-90-06SA) - repair, bank stabilization

Comments Due to Sponsor 08/25/2005 Project Number: 5539

Sponsor: Division of Water Rights

SLB&M: Sec. 6, T27S, R15E

Counties Affected: San Juan

Description: Unnamed Spring, and Stream (No. 05-05-05SAA0 - new diversion structure

Comments Due to Sponsor 08/25/2005 Project Number: 5540

Sponsor: Division of Water Rights

SLB&M: Sec. 32, T33S, R24E

Counties Affected: San Juan

Description: Montezuma Creek (No. 05-09-04SA) - new culvert

Comments Due to Sponsor 08/25/2005 Project Number: 5541

Sponsor: Division of Water Rights

SLB&M: Sec. 13, T6S, R21E

Counties Affected: Uintah

Description: Uintah River (No. 05-45-19SA) - diversion maintenance

Comments Due to Sponsor 08/25/2005

Environmental Quality

Project Number: 5525

Sponsor: Department of Environmental Quality

SLB&M:

Counties Affected: Cache

Description: One Public Notice (daqe-nn0052004-05) - air quality permit

Comments Due to Sponsor 08/03/2005 Project Number: 5536

Sponsor: Department of Environmental Quality

SLB&M:

Counties Affected: Emery

Description: One Public Notice (DAQE-NN2920003-05) - air quality permit

Comments Due to Sponsor 08/05/2005 Project Number: 5528

Sponsor: Department of Environmental Quality

SLB&M:

Counties Affected: Salt Lake

Description: One Public Notice (DAQE-NN1214004-05) - air quality permit

Comments Due to Sponsor 08/05/2005

Information

Project Number: 5530

Sponsor: Dept. of Energy

SLB&M:

Counties Affected: Grand, San Juan

Description: Remediation of the Moab Uranium Mill Tailings - FEIS. Federal Register Notice dated 8/5/05, page 45380.

Comments Due to Sponsor 08/05/2005 Project Number: 5532

Sponsor: DOI/BLM

SLB&M:

Counties Affected:

Description: Application Procedures, Execution and Filing of Forms: Correction of State Office Addresses for Filings and Recordings, Proper Offices for Recording of Mining Claims - Final rule. Federal Register Notice dated 8/5/05, page 45312.

Comments Due to Sponsor 08/05/2005 Project Number: 5533

Sponsor: DOI/BLM

SLB&M:

Counties Affected:

Description: Notice of Utah Resource Advisory Council Meeting. Federal Register Notice dated 8/5/05, page 45418.

Comments Due to Sponsor 08/05/2005 Project Number: 5529

Sponsor: USDA/Forest Service - Dixie, Fishlake National Forests

SLB&M:

Counties Affected:

Description: Revision of Land Management Plan - Notice of adjustment to FR Notice of Vol. 67, No. 90, p. 31178, May 9, 2002, and Vol. 67, No. 91, p. 31761, May 10, 2002, and transition to the 2005 Planning Rule at 36 CFR 219 (FR. Vol. 70, No. 3./January 5, 2005, 1023. Federal Register Notice dated 8/4/05, page 44884.

Comments Due to Sponsor 08/05/2005

**CC:** Mcneill, Dave

**From:** Brad Hill  
**To:** Chris Kierst  
**Date:** 09/01/2005 5:16:05 PM  
**Subject:** Fwd: Quaneco/Murphy Ridge 7-32 Onsite

Would you please do an SOB for this well then print it out and pass to Dianna.

>>> Lisha Cordova 9/1/2005 4:42 PM >>>  
Hi Brad,

Onsite, pit ranking, and SOB (need help) in N:Drive, O&G Permits, Presites, Quaneco, MR 7-32.

Photos in M:Drive, files, O&G, wells, 033, 4303330061, images, 08312005.

Thanks for your help!

**From:** Ed Bonner  
**To:** Whitney, Diana  
**Date:** 9/22/2005 9:37:44 AM  
**Subject:** Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC  
Archy Bench 11-24-12-32  
Archy Bench 11-24-24-32  
Rainbow 12-24-12-16  
Rainbow 12-24-41-16

GLNA, LLC  
Paradox Basin #1

The Houston Exploration Company  
Little Pack Mountain 1-16-12-20  
Little Pack Mountain 7-32-12-20

Quaneco, LLC  
Murphy Ridge 7-32

Rosewood Resources  
Stirrup State 7-32

Westport Oil & Gas Company  
Bonanza 1023-2B (1 significant site which must be avoided)  
Bonanza 1023-2D  
Bonanza 1023-2H  
Bonanza 1023-16J

XTO Energy Inc  
State of Utah 17-8-18-14  
State of Utah 17-8-18-12

If you have any questions regarding this matter please give me a call.

**CC:** Garrison, LaVonne; Hill, Brad; Hunt, Gil



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

September 22, 2005

Quaneco, LLC  
P O Box 7370  
Sheridan, WY 82801

Re: Murphy Ridge 7-32 Well, 1980' FNL, 1980' FEL, SW NE, Sec. 32,  
T. 8 North, R. 8 East, Rich County, Utah

Gentlemen:

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

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-033-30061.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

cc: Rich County Assessor  
SITLA

Operator: Quaneco, LLC  
Well Name & Number Murphy Ridge 7-32  
API Number: 43-033-30061  
Lease: ML-048456

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

### Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

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

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

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

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.
8. Cement volume for the 7" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to  $\pm 1000'$  MD in order to adequately isolate the Adaville Formation.

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML# 48456</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Quaneco, LLC</b>		8. WELL NAME and NUMBER: <b>Murphy Ridge 7-32</b>
3. ADDRESS OF OPERATOR: <b>PO Box 7370 Sheridan WY 82801</b>		9. API NUMBER: <b>4303330061</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1980' FNL, 1980' FEL</b>		10. FIELD AND POOL, OR WILDCAT: <b>Wildcat</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>SWNE 32 T8N R8E S</b>		COUNTY: <b>Rich</b>
		STATE: <b>UTAH</b>

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

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

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

Operator requests a one year extension of Permit to Drill.

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

Date: 09-25-06  
By: [Signature]

NAME (PLEASE PRINT) <u>Lorna James</u>	TITLE <u>Administrative Assistant</u>
SIGNATURE <u>[Signature]</u>	DATE <u>9/12/2006</u>

(This space for State use only)

**COPY SENT TO OPERATOR**  
Date: 9/12/06  
Initials: RJM

**RECEIVED**  
**SEP 14 2006**  
DIV. OF OIL, GAS & MINING

RESET

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

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

**API:** 43-033-30061  
**Well Name:** Murphy Ridge 7-32  
**Location:** 1980' FNL, 1980' FEL, SWNE Sec 32., T8N, R8E  
**Company Permit Issued to:** Quaneco, LLC  
**Date Original Permit Issued:** 9/22/2005

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

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

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

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

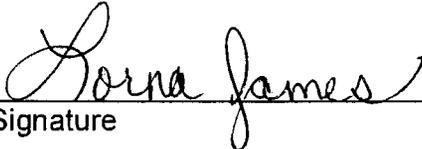
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

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

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

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

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

  
Signature

9/12/2006  
Date

Title: Administrative Assistant

Representing: Quaneco, LLC

**RECEIVED**  
**SEP 14 2006**  
DIV. OF OIL, GAS & MINING



**State of Utah**

**Department of  
Natural Resources**

MICHAEL R. STYLER  
*Executive Director*

**Division of  
Oil, Gas & Mining**

JOHN R. BAZA  
*Division Director*

JON M. HUNTSMAN, JR.  
*Governor*

GARY R. HERBERT  
*Lieutenant Governor*

October 15, 2007

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

Re: APD Rescinded – Murphy Ridge 7-32, Sec. 32, T. 8N, R. 8E  
Rich County, Utah API No. 43-033-30061

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 September 22, 2005. On September 25, 2006, the Division granted a one-year APD extension. On October 13, 2007, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective October 13, 2007.

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  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
ML-48456

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

**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.

8. WELL NAME and NUMBER:  
Murphy Ridge 7-32

9. API NUMBER:  
4303330046 & 43-033-30061

10. FIELD AND POOL, OR WILDCAT:  
Wildcat

1. TYPE OF WELL OIL WELL  GAS WELL  OTHER \_\_\_\_\_

2. NAME OF OPERATOR:  
Quaneco, LLC

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

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: 1980' FNL 1980' FEL COUNTY: Rich  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNE 32 T8N R8E S STATE: UTAH

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Operator requests approval of reclamation and removal of well from bond. Landowner release of liability attached

EP

NAME (PLEASE PRINT) Lorna James TITLE Admin Assistant  
SIGNATURE Lorna James DATE 1/12/2012

(This space for State use only)

**RECEIVED**  
JAN 12 2012

**DESERET LAND AND LIVESTOCK**

PO Box 250, Woodruff, UT 84086, (435) 793-4288

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Memo

Date: December 20, 2011

To: Paul Mysyk  
Quaneco, LLC  
From: Mike Meek  
CC: Lisha Cordova  
RE: Murphy Ridge 7-32 Reclamation

---

Paul,

As of December 20<sup>th</sup> 2008, all of the reclamation work on the Murphy Ridge 7-32 location has been completed. Terry Pruitt has completed the necessary dirt work. Deseret Land and Livestock has completed re-seeding the location. We used a mix of grasses, forbs, and shrubs, that should blend in well with the native vegetation

As per our agreement, DL&L will assume any future responsibility for re-establishing vegetation on the site. Quaneco LLC has fulfilled their obligation to the landowner, in terms of returning the site to an acceptable condition. I will send a copy of this memo to Lisha Cordova, with the Utah Department of Oil, Gas, and Minerals.

Thanks,



Mike Meek  
General Manager  
Deseret Land and Livestock

**RECEIVED**

**JAN 12 2012**

DIV. OF OIL, GAS & MINING