

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE WATER SANDS LOCATION INSPE SUB. REPORT/abd.

970618 LOCATION abandoned off. June 16, 1997:

41

DATE FILED APRIL 15, 1996

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. UTU-66763 INDIAN

DRILLING APPROVED: MAY 30, 1996

SPUDED IN:

COMPLETED: 10.16.97 LA PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR:

PRODUCING ZONES:

Confidential

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED: June 16, 1997 LA

FIELD: WILDCAT

UNIT:

COUNTY: UINTAH

WELL NO. THIMBLE ROCK FEDERAL E 26-4 API NO. 43-047-32749

LOCATION 969 FNL FT. FROM (N) (S) LINE. 782 FWL FT. FROM (E) (W) LINE. NW NW 1/4 - 1/4 SEC. 26

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
------	------	------	----------	------	------	------	----------

11S	24E	26	FREEDOM ENERGY INC.				
-----	-----	----	---------------------	--	--	--	--

NOTICE OF STAKING
 (Not to be used in place of
 Application to Drill Form 9-331-C)

RMOGA
 5/5/82

5. Lease Number
 UTU-66763

1. Oil Well **Gas Well** **Other**

6. If Indian, Allottee or Tribe Name
 -

2. Name of Operator
 Freedom Energy, Inc.

7. Unit Agreement Name
 Thimble Rock

3. Address of Operator or Agent
 1856 Balsam Ave. Greeley, Co. 80631

8. Farm or Lease Name
 Thimble Rock Federal E

4. Surface Location of Well
 (Governmental 1/4 or 1/4 1/4)
 NW/4 660' FNL, 660' FWL Approx.
 Attach: Topographical or other acceptable map
 showing location, access road, and lease boundaries.

9. Well No.
 26-4

10. Field or Wildcat Name
 Wildcat

14. Formation Objective(s)
 Wasatch/Mesa Verde

15. Estimated Well Depth
 5500'

**11. Sec., T., R., M., or
 Blk and Survey or Area**
 Sec.26-T11S-R24E

12. County or Parish
 Uintah

13. State
 Utah

16. To Be Completed by Operator Prior to Onsite

- a. Location must staked
- b. Access Road Flagged
- c. Sketch and/or map of location, showing road, pad dimensions, reserve pit, cuts, and fills
 (To be provided at onsite)

17. To Be Considered By Operators Prior to Onsite

- a. H₂S Potential
- b. Private Surface Ownership
- c. Cultural Resources (Archaeology)
- d. Federal Right of Way

18. Additional Information
 TIGHT HOLE

19. Signed Paul Franks **Title** Vice-President **Date** 3-12-96

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 FREEDOM ENERGY, INC.

3. ADDRESS OF OPERATOR
 1433 - 17th St., Suite #300, Denver, Co 80202 303-292-2442

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 296' 136'
 At proposed prod. zone 969' ENL, 782' FWL, NW1/4, NW1/4, SEC. 26, T. 11 S., R. 24 E.

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 23 MILES SOUTH OF BONANZA, UT

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 782

16. NO. OF ACRES IN LEASE
 480

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 5500'

19. PROPOSED DEPTH
 5500'

20. ROTARY OR CABLE TOOLS
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5925'

22. APPROX. DATE WORK WILL START*
 MAY 15, 1996

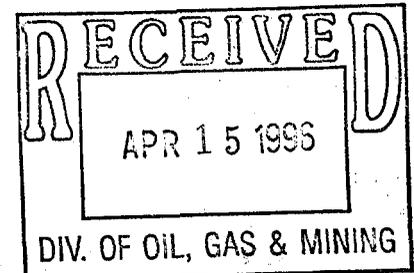
5. LEASE DESIGNATION AND SERIAL NO.
 UTU-66763
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 Thinble Rock
 7. UNIT AGREEMENT NAME
 Thinble Rock
 8. FARM OR LEASE NAME
 Thinble Rock Fed. E
 9. WELL NO.
 26-4
 10. FIELD AND POOL, OR WILDCAT
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SEC. 26, T. 11 S., R. 24 E.
 12. COUNTY OR PARISH
 UTAH
 13. STATE
 UT

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36#	300	TO SURFACE
7 7/8	4 1/2	11.6	T.D.	CMT TOP TO COVER THE OIL SHALE

OPERATOR REQUESTS PERMISSION TO DRILL THE SUBJECT WELL
 PLEASE SEE THE ATTACHED 10 POINT AND THE 13 POINT SURFACE
 USE PLAN.
 IF YOU REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT:

WILLIAM A. RYAN
 350 S., 800 E.
 VERNAL, UTAH
 801-789-0968
 801-823-6152



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED William A. Ryan TITLE Petroleum Engineer DATE April 8, 1996

(This space for Federal or State office use)

PERMIT NO. 43-047-32749 APPROVAL DATE _____

APPROVED BY J. B. Matthews TITLE Petroleum Engineer DATE 5/30/96

*See Instructions On Reverse Side

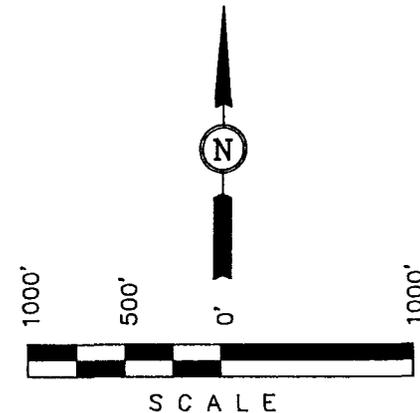
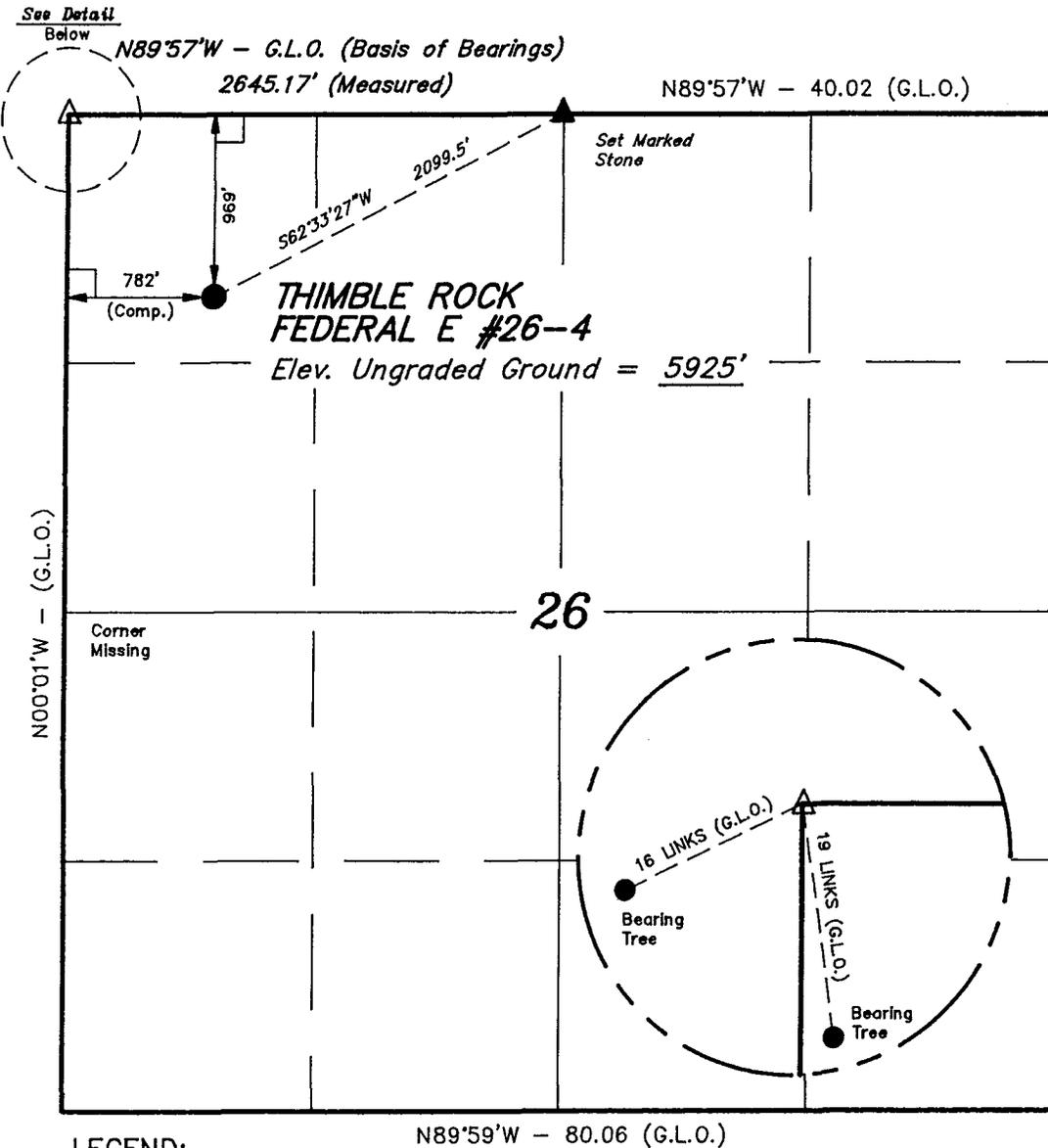
T11S, R24E, S.L.B.&M.

FREEDOM ENERGY, INC.

Well location, THIMBLE ROCK FEDERAL E #26-4, located as shown in the NW 1/4 NW 1/4 of Section 26, T11S, R24E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

BENCH MARK 94EAM LOCATED IN THE NW 1/4 OF SECTION 26, T11S, R24E, S.L.B.&M. TAKEN FROM THE RAINBOW QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6017 FEET.



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.

CERTIFICATE OF LAND SURVEYING

ROBERT L. DAY

REGISTERED LAND SURVEYOR
REGISTRATION NO. 181319
STATE OF UTAH

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.
- △ = SECTION CORNERS RE-ESTABLISHED MATHEMATICAL BY BEARING TREES (NOT SET ON GROUND)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 3-30-96	DATE DRAWN: 4-1-96
PARTY L.D.T. M.R. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE FREEDOM ENERGY, INC.	

SELF-CERTIFICATION STATEMENT

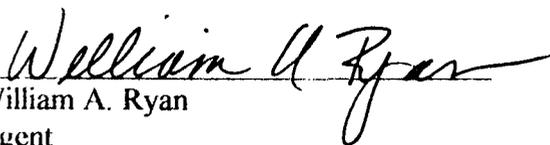
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Freedom Energy, Inc., is considered to be the operator of the following well.

Thimble Rock Federal E #26-4
NW 1/4, NW 1/4, Sec. 26, T11S, R24E
Lease UTU-66763
Uintah County, Utah

Freedom Energy, Inc., is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage is provided by Certificate of Deposit, BLM Bond #UT-1030.


William A. Ryan
Agent
Rocky Mountain Consulting
350 South, 800 East
Vernal, UT 84078

801 789-0968
801 823-6152

ADDENDUM TO APD

Thimble Rock Federal E #26-4
NW 1/4, NW 1/4, Sec. 26, T11S, R24E
Lease UTU-66763
Uintah County, Utah

HAZARDOUS MATERIALS DECLARATION

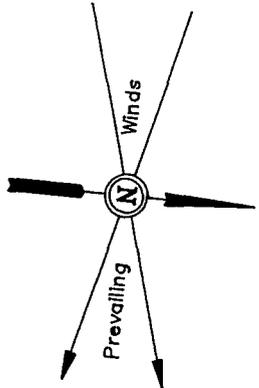
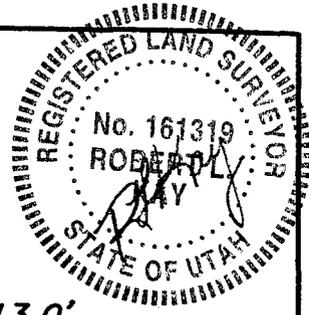
No chemical subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, stored, produced, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities will be used, produced, stored or transported, or disposed of in association with the drilling of this well.

LOCATION AND TYPE OF WATER SUPPLY

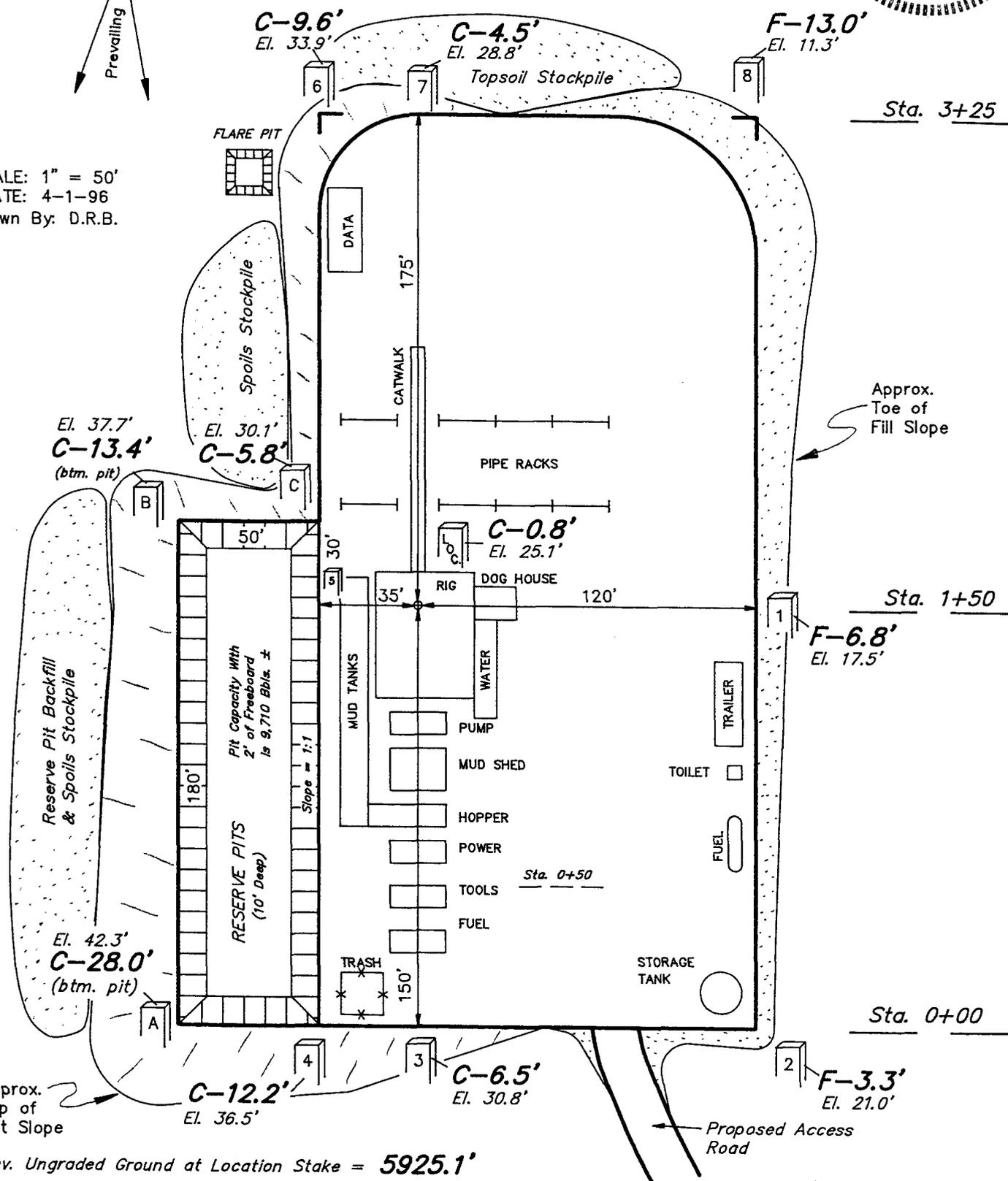
Water for drilling and cementing the subject well will be hauled by truck from Evacuation Creek under Dalbo's Temporary Application Number T69928.

FREEDOM ENERGY, INC.

LOCATION LAYOUT FOR
 THIMBLE ROCK FEDERAL E #26-4
 SECTION 26, T11S, R24E, S.L.B.&M.
 969' FNL 782' FWL



SCALE: 1" = 50'
 DATE: 4-1-96
 Drawn By: D.R.B.



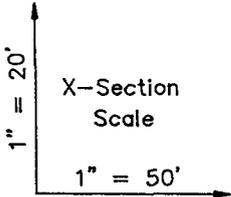
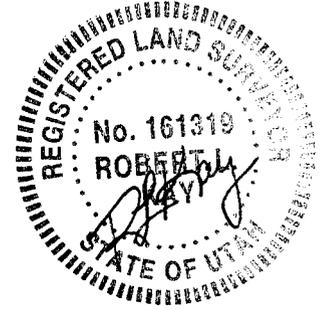
Elev. Graded Ground at Location Stake = **5924.3'**

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

FREEDOM ENERGY, INC.

TYPICAL CROSS SECTIONS FOR

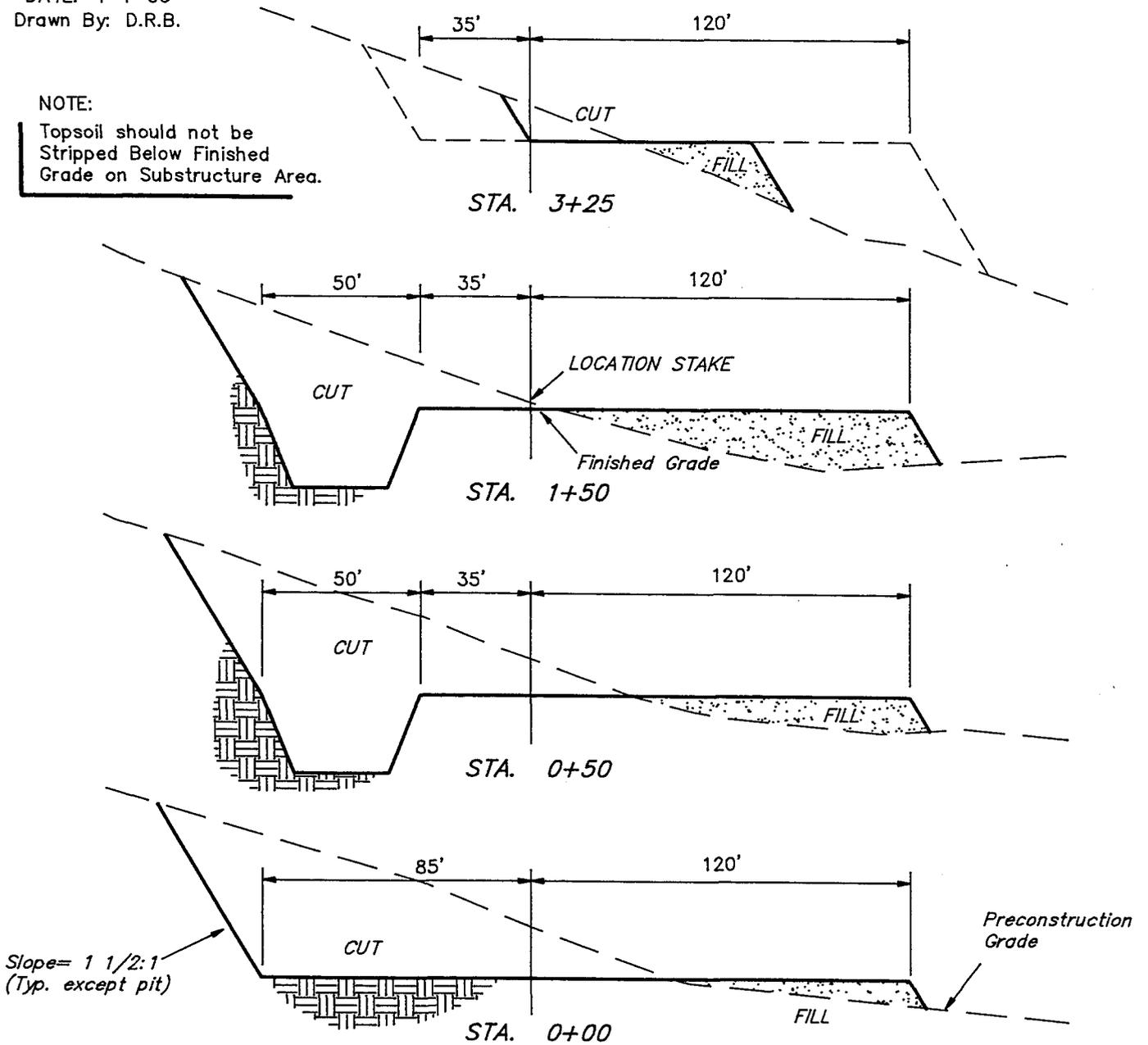
THIMBLE ROCK FEDERAL E #26-4
SECTION 26, T11S, R24E, S.L.B.&M.
969' FNL 782' FWL



DATE: 4-1-96
Drawn By: D.R.B.

NOTE:

Topsoil should not be Stripped Below Finished Grade on Substructure Area.

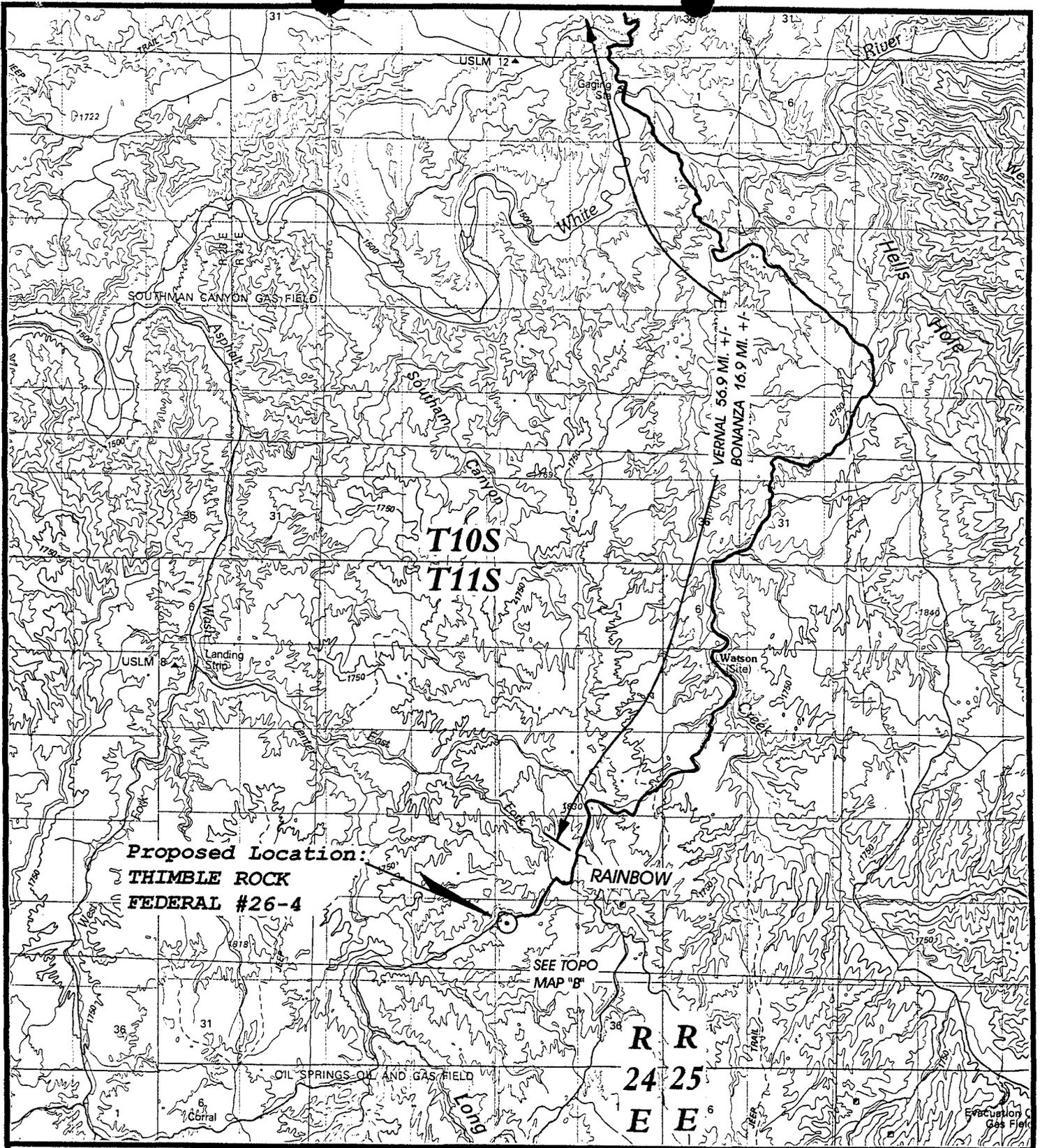


APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 10,810 Cu. Yds.
TOTAL CUT	= 11,910 CU.YDS.
FILL	= 7,520 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,990 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 1,630 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017



Proposed Location:
THIMBLE ROCK
FEDERAL #26-4

SEE TOPO
 MAP "B"

R R
24 25
E E



**TOPOGRAPHIC
 MAP "A"**

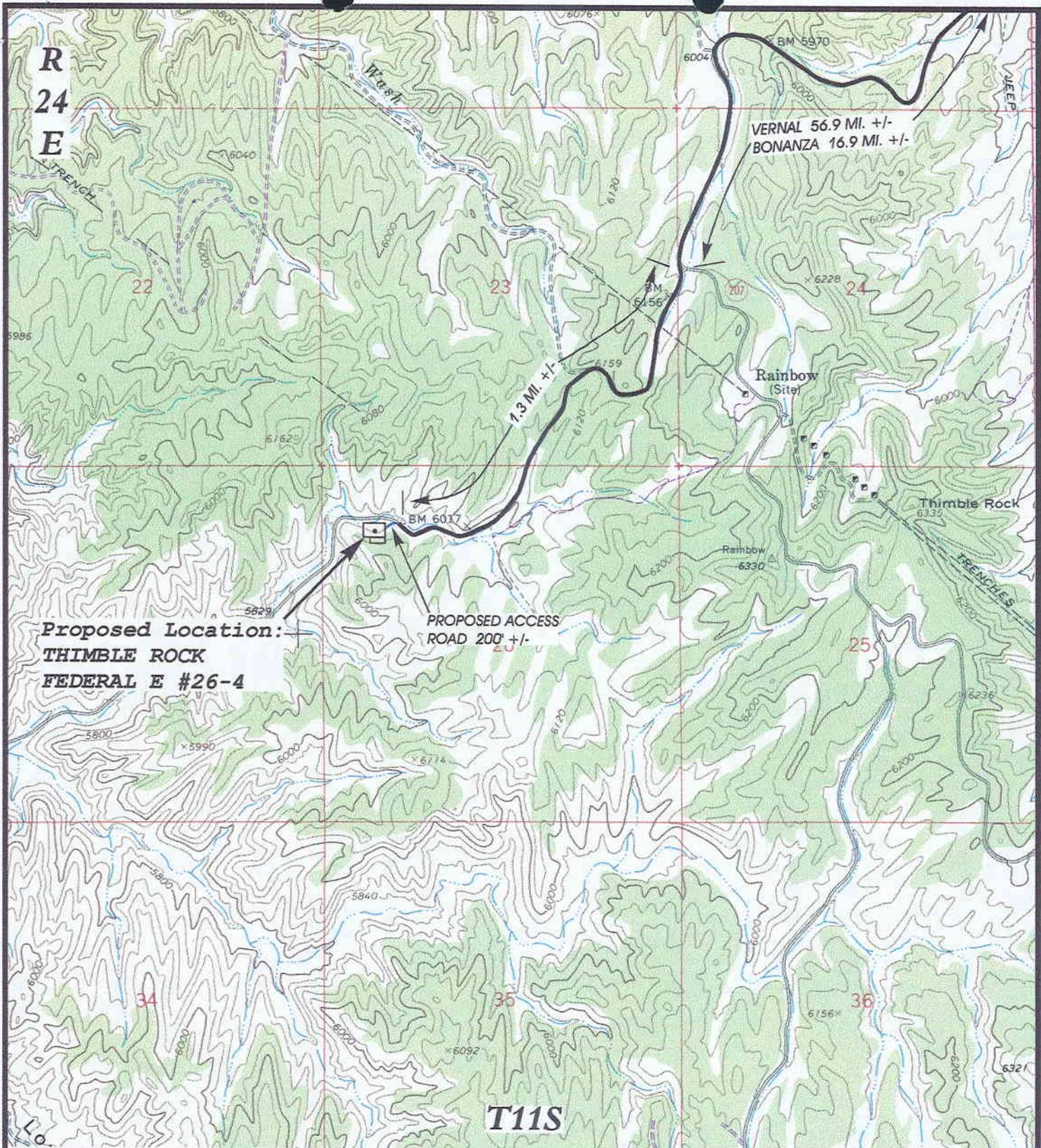
DATE: 4-1-96
 Drawn by: C.B.T.

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017



FREEDOM ENERGY, INC.

THIMBLE ROCK FEDERAL #26-4
 SECTION 26, T11S, R24E, S.L.B.&M.
 969' FNL 782' FWL



Proposed Location:
THIMBLE ROCK
FEDERAL E #26-4

PROPOSED ACCESS
ROAD 200' +/-

VERNAL 56.9 MI. +/-
BONANZA 16.9 MI. +/-

T11S



TOPOGRAPHIC
MAP "B"

DATE: 4-1-96
Drawn by: C.B.T.



FREEDOM ENERGY, INC.

THIMBLE ROCK FEDERAL E #26-4
SECTION 26, T11S, R24E, S.L.B.&M.
969' FNL 782' FWL

UINTAH ENGINEERING & LAND SURVEYING
 85 So. 200 East * Vernal, Utah 84078 * (801) 789-1017

SCALE: 1" = 2000

Ten Point Plan

Freedom Energy, Inc.
Timble Rock Unit
Thimble Rock Federal E
E 26-4

Surface Location NW 1/4, NW 1/4, Section 26, T. 11 S., R. 24 E.

1. Surface Formation:

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	5,925' G.L.
Wasatch	2,590	3,335
Mesaverde formation	4,400	1,525
T.D.	5,500	425

3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well: Gas Well Hanging Rock Fed. 1-16 Sec. 1, T. 12 S., R. 23.E.

4. Proposed Casing :

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/Ft.</u>	<u>Grade & Tread</u>	<u>Setting Depth</u>	<u>Casing New/Used</u>
12 1/2	9 5/8	36	J-55/STC	300	New
7 7/8	4 1/2	11.6	J-55/STC	T.D.	Used/inspected

Cement Program:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Class "G" 2% Calcium 1/4 #/sk cello flake	200 sks.	1.18 cu. ft./sk.	15.6 lbs./gal.

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
4 1/2	Lead Class "G" 3 % salt 16% gell 10# sk/Gilsonite	200 sks	3.90 cu. ft./sk.	11.0 lbs./gal.
	Tail Class "G" 10% salt 10% gypsum 2% WR15 .4 lbs/sk FL 25	500 sks +/-	1.53 cu. ft./sk.	14.8 lbs./gal.

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000 psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs/gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-300	Air/Clear Water	----	No Control	Water/Gel
300-2000	Clear Water	----	No Control	Water/Gel
2000-T.D.	8.4-8.6	30	No Control	5% KCL

7. Auxiliary Equipment:

Upper Kelly cock, full opening stabbing valve, 2 1/2" Choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.

d) Logging:	Type	Interval
	DLL/SFL W/GR and SP	T.D. to Surf. Csg
	FDC/CNL W/GR and CAL	T.D. to Surf. Csg

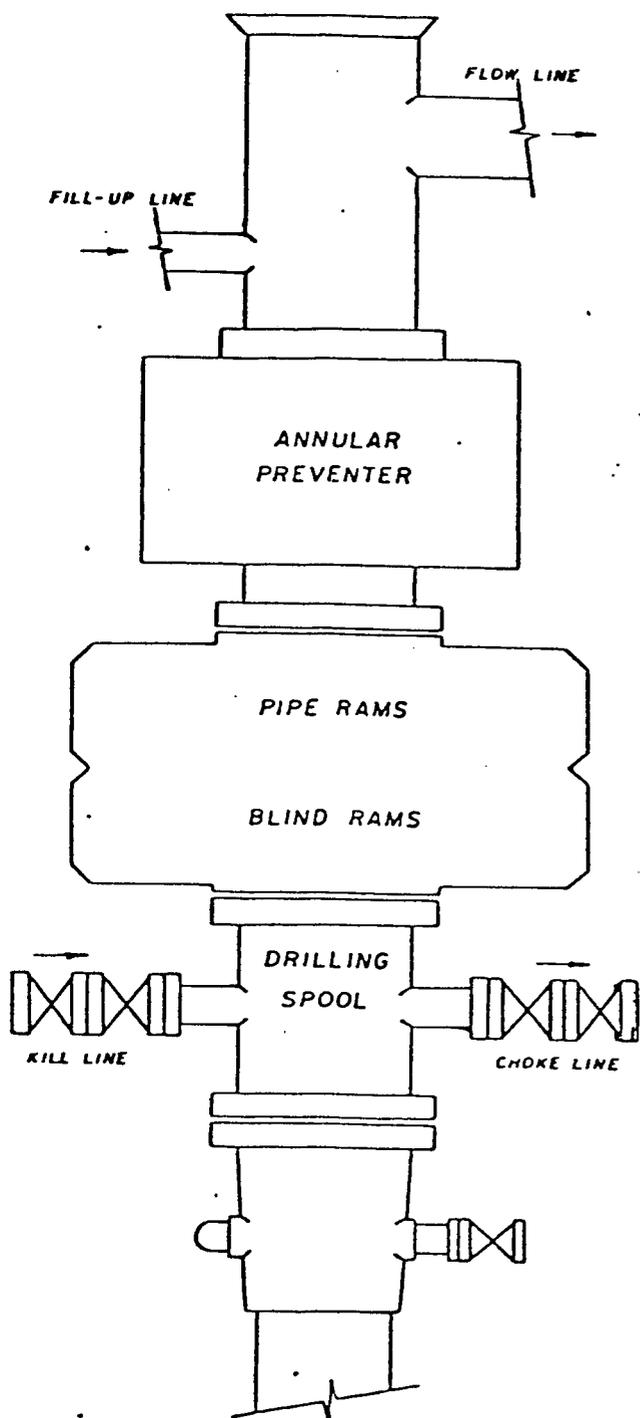
9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

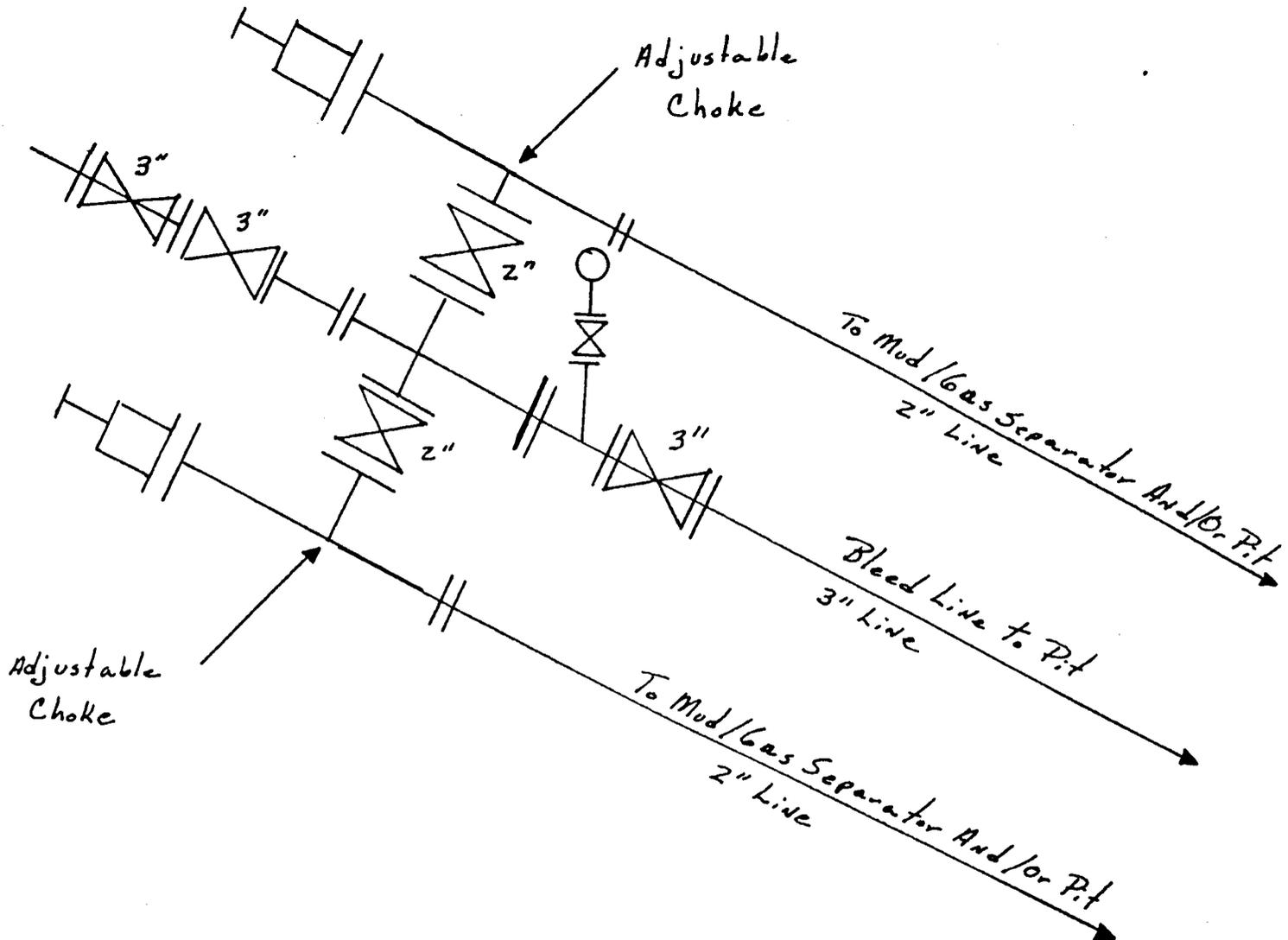
10. Drilling Schedule:

The anticipated starting date is May 15, 1996. Duration of operations expected to be 30 days.

BOP AND PRESSURE CONTAINMENT DATA



1. BOP equip shall consist of a double gate, hydraulically operated preventer with pipe & blind rams or two single ram type preventers, one equipped w/pipe rams, the other w/blind rams.
2. BOP's are to be well braced w/ hand controls extended clear of substructure.
3. Accumulator to provide closing pressure in excess of that required w/sufficient volume to operate all components.
4. Auxiliary equipment: Lower kelly cock, full opening stabbing valve, 2½" choke manifold, pit level indicator &/or flow sensors w/alarms.
5. All BOP equipment, auxiliary equipment stand pipe & valves & rotary hose to be tested to the rate pressure of the BOP's at time of installation & every 30 days thereafter. BOP's to be mechanically checked daily.
6. Modification of hook-up or testing procedure must be approved in writing on tour reports by wellsite representative.



3,000 Psi Choke Manifold Equipment *

* Note: Configuration May Vary

Bill Ryan
6/10/90

SELF-CERTIFICATION STATEMENT

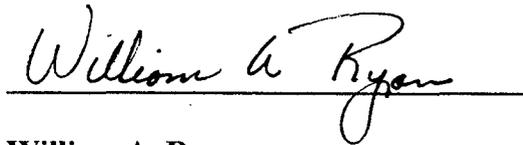
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that Freedom Energy, Inc., is considered to be the operator of the following well.

**Thinle Rock E #26-4
NW 1/4, NW 1/4, Section 26, T. 11 S., R. 24 E.
Lease U-66763
Uintah County, Utah**

Freedom Energy, Inc., is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage is provided by Certificate of Deposit, held in Womens Bank, 821 17th Street, Denver, Colorado 80202; Account Number UT-1001

A handwritten signature in cursive script that reads "William A. Ryan". The signature is written in black ink and is positioned above a solid horizontal line.

**William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
801-789-0968
801-823-6152**

FREEDOM ENERGY, INC.
13 POINT SURFACE USE PLAN
FOR WELL
THIMBLE ROCK FEDERAL E
26-4
LOCATED IN
NW 1/4, NW 1/4
SECTION 26, T. 11 S., R. 24 E., U.S.B.&M.
UINTAH COUNTY, UTAH
THIMBLE ROCK UNIT
LEASE NUMBER: U-66763
SURFACE OWNERSHIP: FEDERAL

1. Existing Roads

To reach the Freedom Energy Inc., Thimble Rock Federal E # 26-4 well location, in Section 26, T. 11 S., R. 24 E., from Bonanza, Utah:

Starting in Bonanza, Utah proceed south on the paved road for 4 miles. Turn south (left) on the Book cliffs road (dirt road). Proceed south 3.9 miles to the Greeks Corrals. Turn west (right) at the fork in the road. Proceed 8.3 miles to the Asphalt Wash sign. Stay to the south (left) of the sign. Proceed .7 miles to the Rainbow sign. Stay to the west (right) of the sign. This is also called the Kings Wells road. Proceed 1.3 miles to the proposed location.

All roads to the proposed location are State or County maintained roads.

Please see the attached map for additional details.

2. Planned access road

Approximately 100 feet of new road construction will be required.

The proposed road has been staked.

The road will be built to the following standards:

A) Approximate length	100 Ft.
B) Right of Way width	30 Ft.
C) Running surface	18 Ft.
D) Surfacing material	Native soil
E) Maximum grade	5%
F) Fence crossing	None
G) Culvert	None
H) Turnouts	None
I) Major cuts and fills	None
J) Road flagged	Yes
K) Access road surface ownership	Federal

Newly constructed roads will be built using native soils from borrow pits on either or both sides of the road. The road will be crowned and ditched. Ditches will be constructed along either side where it is determined necessary to handle run off and minimize the possibility of erosion.

Please see the attached location plat for additional details.

No right of way will be required. Access from the Uintah County road will be on lease.

All Travel will be confined to existing access road right of ways.

Access road and surface disturbing activities will conform to standards outlined in the USGS publication (1978) surface operating standards for oil and gas development.

3. Location of existing wells

The following wells are located within one mile radius of the location site.

A) Producing wells

Gas well Thimble Rock Fed. 23-15 Sec. 23, T.11 S., R. 24 E.

B) Water wells None

C) Abandoned wells None

D) Temporarily abandoned wells None

E) Disposal wells None

F) Drilling wells None

G) Shut in wells None

H) Infection wells None

I) Monitoring or observation wells None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities, and production gathering service lines.

All production facilities will be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a desert brown color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is Desert Brown (10 YR 6/4).

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulations identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, comingling on lease or off lease, of production, will have prior written approval from the authorized officer.

A proposed gas line has been staked on the ground (yellow flagging). The proposed line is approximately 300 feet long. The line will leave the north side of the location and cross under the county road. The line will tie in to the existing Freedom Energy 4" gathering line. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2" steel line.

The gas meter runs will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office. All measurement facilities will conform with API and AGA standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing the subject well will be hauled by truck from Evacuation Creek. Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravels or pit lining material will be obtained from private sources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will not be lined.

The reserve pit will not be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90 day period an application for approval for a permanent disposal method and location will be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follow:

A)	Pad length	300 ft.
B)	Pad width	155 ft.
C)	Pit depth	10 ft.
D)	Pit length	180 ft.
E)	Pit width	50 ft.
F)	Max cut	13.4 ft.
G)	Max fill	13.0 ft.
H)	Total cut yds	11,910 cu. yds.
I)	Pit location	south side
J)	Top soil location	west side
K)	Access road location	east side
L)	Flare pit	south west corner

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
- D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
- E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped and stockpiled. This will amount to approximately 1,000 cubic yards of material. Placement of the top soil is noted on the attached location plat. When all drilling and completion activities have been completed the unused portion of the location (the area outside the dead men.) will be recontoured and the topsoil spread over the disturbed area.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Any drainage rerouted during the construction activities shall be restored to its original line of flow or as near as possible.

All disturbed areas will be recontoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the soil covering the reserve pit will be allowed. The objective is to keep seasonal rain fall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

After September 15, and before the ground freezes.

Seed will be broadcast or drilled at the time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage and the seed mixture will be proportionately larger (double the lbs. per acre).

At such time as the well is plugged and abandoned the operator will submit a surface reclamation plan to the surface management agency for prescribed seed mixture and reseeding requirements.

11. Surface ownership:

Federal

12. Other information

A) Vegetation:

The vegetation coverage is slight. The majority of the existing vegetation consists of sage brush. Rabbit brush, bitter brush and indian rice grass are also found on the location.

B) Dwellings:

There are no dwellings, or other facilities within a one mile radius of the location.

C) Archeology:

The location has been surveyed and there are no archaeological, historical, or cultural sites near the proposed site. Please see the attached archaeological clearance map.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would afflict such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water in in the bottom of Asphalt Wash located 2 miles to the north.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

a) Location construction

At least forty eight (48) hours prior to construction of location and access roads

b) Location completion

Prior to moving in the drilling rig.

c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

d) Casing string and cementing

At least twenty-four (24) hours prior to running casing and cementing all casing strings.

e) BOP and related equipment tests

At least twenty-four (24) hours prior to initialing pressure tests.

f) First production notice

With in five (5) business days after the new well begins, or production resumes after well has been off production for more than ninety 90 days.

H) Flare pit

The flare pit will be located a minimum of 30 feet from the reserve pit fence and 100 feet from the bore hole on the south and east side of the location, between points 5 and 6 on the location plat. All fluids will be removed from the pit within 48 hours of occurrence.

12. Lessees or Operator's representative and certification

A) Representative

Name: William A. Ryan

Address: Rocky Mountain Consulting
350 South, 800 East
Vernal, Utah 84078

Telephone:
Office 801-789-0968
Fax 801-789-0970
Cellular 801-823-6152

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees.

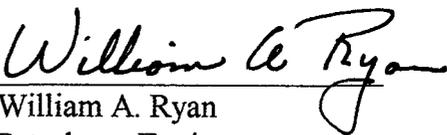
The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be performed by Freedom Energy, Inc. and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date April 10, 1996


William A. Ryan
Petroleum Engineer
Rocky Mountain Consulting

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 04/15/96

API NO. ASSIGNED: 43-047-32749

WELL NAME: THIMBLE ROCK FED E 26-4
OPERATOR: FREEDOM ENERGY INC (N3285)

PROPOSED LOCATION:

NWNW 26 - T11S - R24E
SURFACE: 0969-FNL-0782-FWL
BOTTOM: 0969-FNL-0782-FWL
UINTAH COUNTY
WILDCAT FIELD (001)

LEASE TYPE: FED
LEASE NUMBER: UTU-66763

PROPOSED PRODUCING FORMATION: ~~MSVD~~

MVRD

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Federal State Fee
(Number 47-1001)
- Potash (Y/N)
- Oil shale (Y/N)
- Water permit
(Number 769828)
- RDCC Review (Y/N)
(Date: _____)

LOCATION AND SITING:

- R649-2-3. Unit: _____
- R649-3-2. General.
- R649-3-3. Exception.
- Drilling Unit.
Board Cause no: _____
Date: _____

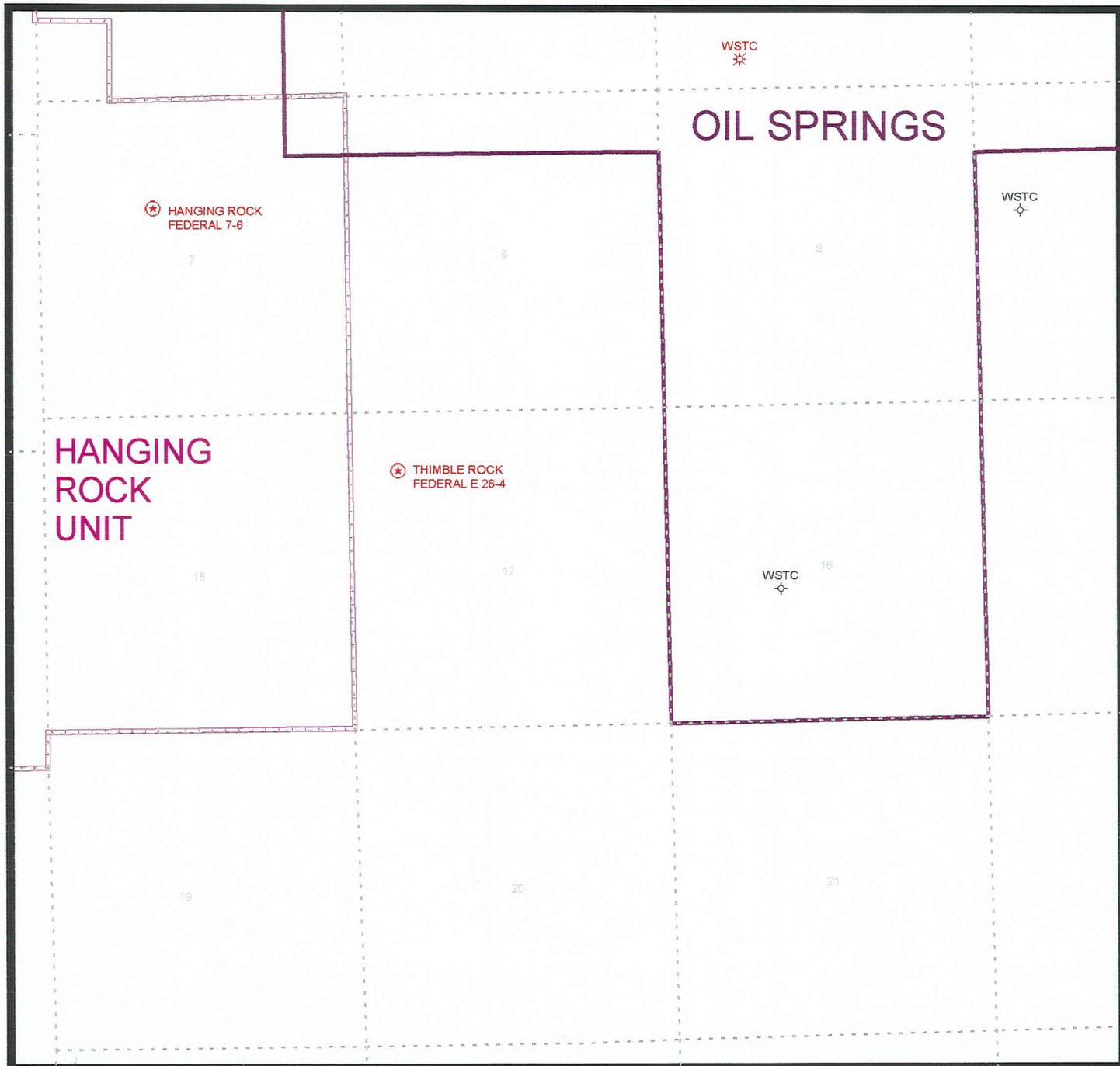
COMMENTS: ~~NEEDS EXCEPTION PLACING REQUEST.~~

STIPULATIONS: ~~1. WATER USE PERMIT NO. OR SPECIFIED~~

~~COMMERCIAL SOURCE WILL BE PROVIDED BY SURFACE~~

~~NOTICE PRIOR TO COMMENCEMENT OF DRILLING OPERATIONS~~

FREEDOM ENERGY
HANGING ROCK UNIT
SEC. 17, T12S, R24E
UINTAH COUNTY, UAC R649-3-3



PREPARED:
DATE: 15-APR-96

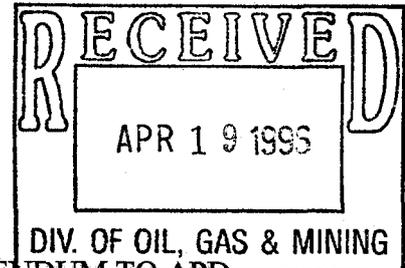


Office (801) 789-0968
Cellular (801) 823-6152

350 S. 800 E.
Vernal, UT 84078

April 16, 1996

Utah Division of Oil, Gas & Mining
Three Triad Center, Suite 350
355 West North Temple
Salt Lake City, UT 84180-1203



RE: ~~ADDENDUM TO APD~~
FREEDOM ENERGY
THIMBLE ROCK FEDERAL E
WELL #26-4

Dear Sirs:

The operator respectfully requests a spacing exception for the proposed Thimble Rock Federal E #26-4 in Sec. 26, T11S, R24E. The location was moved from the center of the quarter section at the time of the on site inspection with the BLM. The BLM determined that the location should be moved due to topographic and other considerations.

If you require additional information, please contact this office.

Sincerely,

A handwritten signature in cursive script that reads "William A. Ryan".

William A. Ryan
Agent for Freedom Energy, Inc.

WAR/dmr



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

May 30, 1996

Freedom Energy, Inc.
1433 17th Street Suite 300
Denver, Colorado 80202

Re: Thimble Rock Federal E 26-4 Well, 969' FNL, 782' FWL, NW NW,
Sec. 26, T. 11 S., R. 24 E., Uintah 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 43-047-32749.

Sincerely,

R. J. Firth
Associate Director

lwp
Enclosures
cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office
WAPD



Operator: Freedom Energy, Inc.
Well Name & Number: Thimble Rock Federal E 26-4
API Number: 43-047-32749
Lease: UTU-66763
Location: NW NW Sec. 26 T. 11 S. R. 24 E.

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours following spudding the well or commencing drilling operations. Contact Jimmie Thompson at (801)538-5340.

Notify the Division prior to commencing operations to plug and abandon the well. Contact Frank Matthews or Mike Hebertson at (801)538-5340.

3. Reporting Requirements

All required reports, forms and submittals shall 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 FREEDOM ENERGY, INC.

3. ADDRESS OF OPERATOR
 1433 - 17th St., Suite #300, Denver, Co 80202 303-292-2442

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 969' ENL, 782' FWL, NW1/4, NW1/4, SEC. 26, T. 11 S., R. 24 E.
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR PORT OF CALL
 23 MILES SOUTH OF BONANZA, UT

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT.
 (Also to nearest drlg. unit line, if any) 782

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5925'

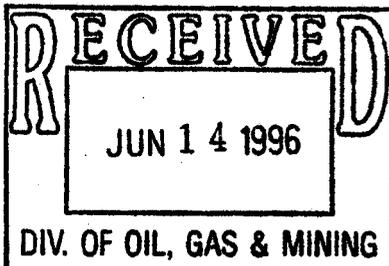
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	36#	300	TO SURFACE
7 7/8	4 1/2	11.6	T.D.	CMT TOP TO COVER THE OIL SHALE

OPERATOR REQUESTS PERMISSION TO DRILL THE SUBJECT WELL
 PLEASE SEE THE ATTACHED 10 POINT AND THE 13 POINT SURFACE
 USE PLAN.

IF YOU REQUIRE ADDITIONAL INFORMATION PLEASE CONTACT:

WILLIAM A. RYAN
 350 S., 800 E.
 VERNAL, UTAH
 801-789-0968
 801-823-6152



RECEIVED
 APR 12 1996

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: This proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If program is to drill or deepen, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program.

24. SIGNED William A. Ryan TITLE Petroleum Engineer DATE April 8, 1996

(This space for Federal or State office use)

PERMIT NO: _____ APPROVAL DATE _____
 ASSISTANT DISTRICT MANAGER MINERALS
 APPROVED BY [Signature] TITLE _____ DATE MAY 30 1996

CONDITIONS OF APPROVAL IF ANY: _____
 CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

NOTICE OF APPROVAL

*See Instructions On Reverse Side

14-080-601-098

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Freedom Energy, Inc.

Well Name & Number: Thimble Rock Federal E 26-4

API Number: 43-047-32749

Lease Number: U - 66763

Location: NWNW Sec. 26 T.11S R. 24E

NOTIFICATION REQUIREMENTS

- | | | |
|------------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and
Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related
Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production
Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 3M system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

The Vernal District Office shall be notified, at least 24 hours prior to initiating the pressure tests, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

As a minimum, the usable water and oil shale resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the top of the Mahogany oil shale zone, identified at 530 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

The Vernal District Office shall be notified at least 24 hours prior to the running and cementing of all casing strings, in order to have a BLM representative on location while running and cementing all casing strings.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. .Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to \pm 330 ft., and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The Vernal District Office shall be notified, during regular work hours (7:45 a.m.-4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted on initial meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

The APD approval is valid only until November 21, 1996 unless production is established from another well within the lease prior to that date. If production in paying quantities is established prior to that date then the APD is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period, if production in paying quantities has been established from another well from within the lease hold.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Ed Forsman (801) 789-7077
Petroleum Engineer

Wayne P. Bankert (801) 789-4170
Petroleum Engineer

Jerry Kenczka (801) 781-1190
Petroleum Engineer

BLM FAX Machine (801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE CONDITIONS OF APPROVAL

a. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five working days the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate

If the operator wishes, at any time, to relocate activities to avoid expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.

b. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, or the appropriate County Extension Office. On BLM administered lands it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or hazardous chemicals.

c. The 300 foot long gas line and it's road crossing would be constructed according to the listed conditions of approval for surface gas lines.

CONDITIONS OF APPROVAL FOR THE SURFACE GAS LINE

1. No blading will be allowed on surface pipelines unless the Vernal Field Office minerals staff are consulted and approval has been obtained prior to the blading.
2. Greg Darlington of the Vernal Office Minerals Staff will be notified 24 hours prior to the start of construction.
3. Surface lines will be either black or brown in color. The color of the pipeline should be similar to the color of the well pad facilities in the vicinity.
4. Pipeline construction will not occur during periods of wet soil conditions. Rutting can create severe soil erosion problems, especially on steep slopes. Operations should cease until soils are dry or frozen to avoid erosion rutting and related runoff problems.
5. The surface gas line shall not block or change the course of existing drainages. Drainage crossings will be designed to prevent damage to the flowline during periods of high seasonal and storm runoff in the area affected.
6. If cultural resources are found during construction, all work which could impact these resources will stop and the Vernal Field Office will be notified.
7. Vehicle use will be restricted to the pipeline route in off road areas. It will be authorized there as needed for construction and maintenance and operations on the lease.
8. The metering of all gas production will be done in accordance with Onshore Order No. 5.

6/17/97



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

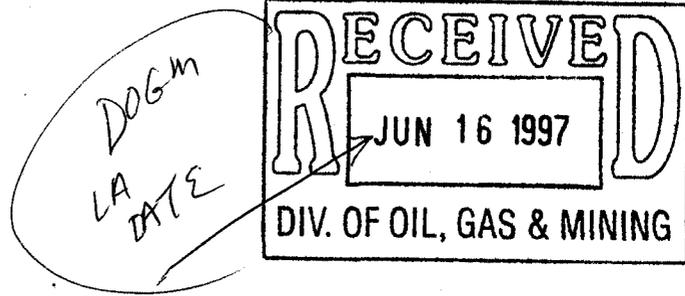
Vernal District Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (801) 781-4400
Fax: (801) 781-4410

IN REPLY REFER TO:
3160
UT08300

June 11, 1997

William A. Ryan
Freedom Energy Inc.
350 S 800 E
Vernal, UT 84078



Re: Notification of Expiration
Well No. Thimble Rock Fed. 26-4
Section 26, T11S, R24E
Lease No. U-66763

43-047-32749

CONFIDENTIAL

Dear Mr. Ryan:

The Application for Permit to Drill the above-referenced well was approved on May 30, 1996. Since that date, no known activity has transpired at the approved location. Applications for Permit to Drill are effective for a period of one year. In view of the foregoing, this office is notifying you the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Margie Herrmann
Legal Instruments Examiner

cc: State Div. OG&M