

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.  
U-01252A

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Hanging Rock Federal E

9. WELL NO.  
31-11

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLK.  
AND SURVEY OR AREA  
SEC. 31, T 11 S, R 24 E.

12. COUNTY OR PARISH  
UINTAH

13. STATE  
UT

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
18.4 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) 1980'

16. NO. OF ACRES IN LEASE  
10,092.71

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. 4060'

19. PROPOSED DEPTH  
4632'

20. ROTARY OR CABLE TOOLS  
ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
6027'

22. APPROX. DATE WORK WILL START\*  
March 15, 1997

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

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 Feb.21, 1997

(This space for Federal or State office use)

PERMIT NO. 43-047-32854 APPROVAL DATE \_\_\_\_\_

APPROVED BY John R. Baya TITLE Petroleum Engineer DATE 4/15/97

CONDITIONS OF APPROVAL, IF ANY:

\*See Instructions On Reverse Side

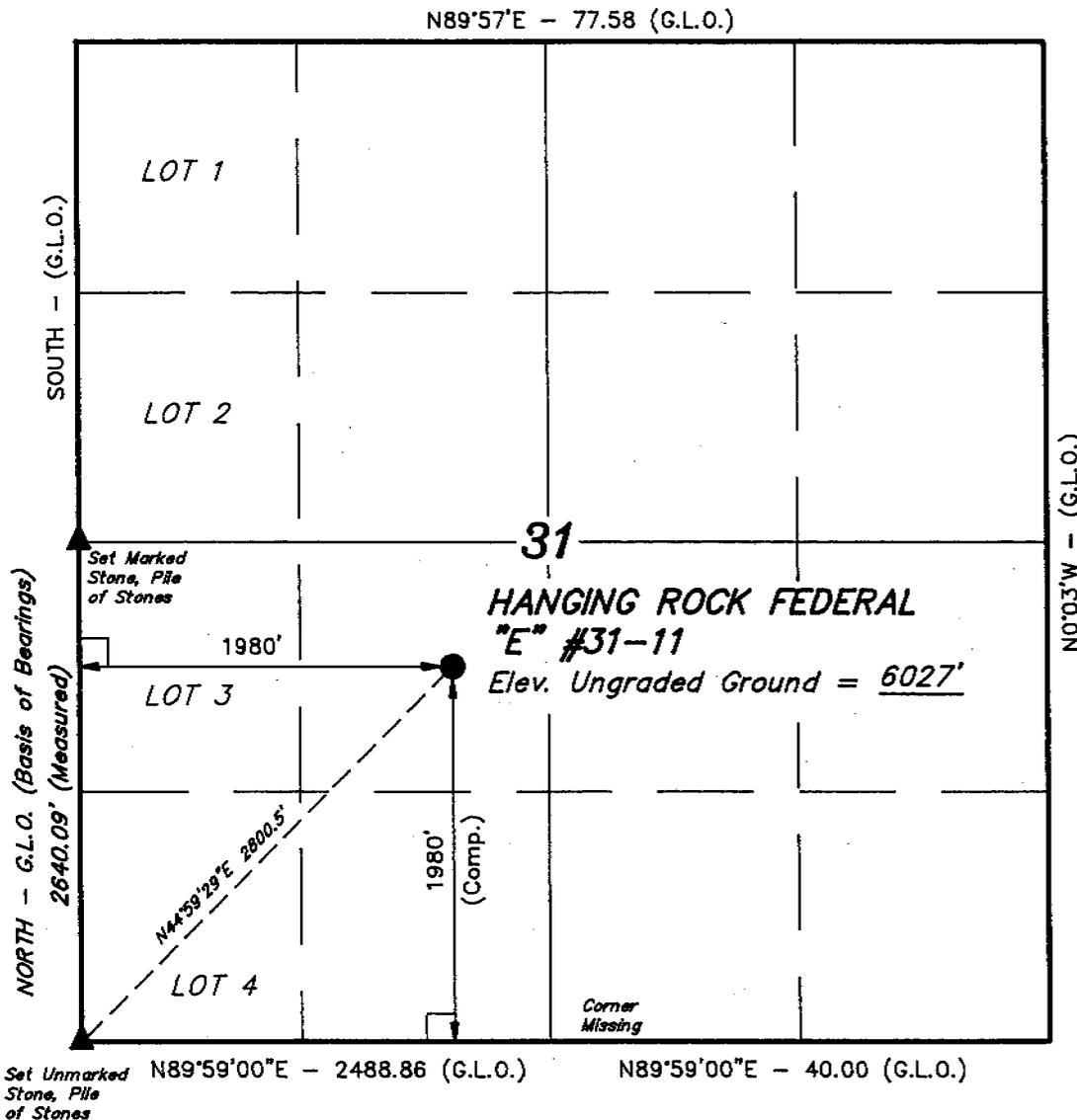
T11S, R24E, S.L.B.&M.

FREEDOM ENERGY, INC.

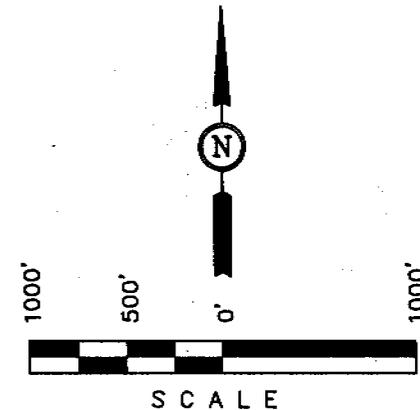
Well location, HANGING ROCK FEDERAL "E" #31-11, located as shown in the NE 1/4 SW 1/4 of Section 31, T11S, R24E, S.L.B.&M. Uintah County Utah.

BASIS OF ELEVATION

BLACK ELEVATION LOCATED IN THE SW 1/4 OF SECTION 24, T11S, R24E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6132 FEET.



N0°03'W - (G.L.O.)



CERTIFICATE

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

*Robert L. Gray*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 161319  
 STATE OF UTAH

<b>UINTAH ENGINEERING &amp; LAND SURVEYING</b>		
85 SOUTH 200 EAST - VERNAL, UTAH 84078		
(801) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 1-9-97	DATE DRAWN: 1-16-97
PARTY G.S. J.K. J.L.G.	REFERENCES G.L.O. PLAT	
WEATHER COLD	FILE FREEDOM ENERGY, INC.	

LEGEND:

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

**SELF-CERTIFICATION STATEMENT**

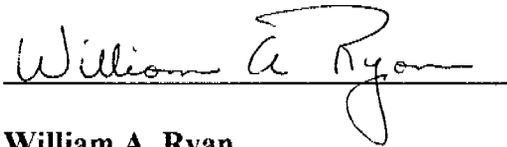
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

**Hanging Rock Federal E 31-11  
NE 1/4, SW 1/4, Section 31, T 11 S, R 24 E  
Lease U-01252A  
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.

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

**William A. Ryan  
Agent  
Rocky Mountain Consulting  
350 S. 800 E.  
Vernal UT 84078  
801-789-0968 Office  
801-823-6152 Cell  
801-789-0970 Fax**

## Ten Point Plan

Freedom Energy, Inc.  
Hanging Rock Federal E  
31-11

Surface Location NE 1/4, SE 1/4, Section 31, T 12 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	6,027' G.L.
Oil Shale	500	5,527
Wasatch	2,632	3,395
Mesaverde formation	4,232	1,795
T.D.	4,632	1,395

### 3. Producing Formation Depth:

Formation objective include the Wasatch and its submembers.

Off Set Well Information:

Off set well: None

### 4. Proposed Casing :

<u>Hole</u> <u>Size</u>	<u>Casing</u> <u>Size</u> <u>Weight/Ft.</u>	<u>Grade</u> <u>&amp; Tread</u>	<u>Setting</u> <u>Depth</u>	<u>Casing</u> <u>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/LTC	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.
4 1/2	Lead Class "G" 3 % salt 16% gell 10# Gilsonite/sk	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 2000 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	Water/Gel

**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

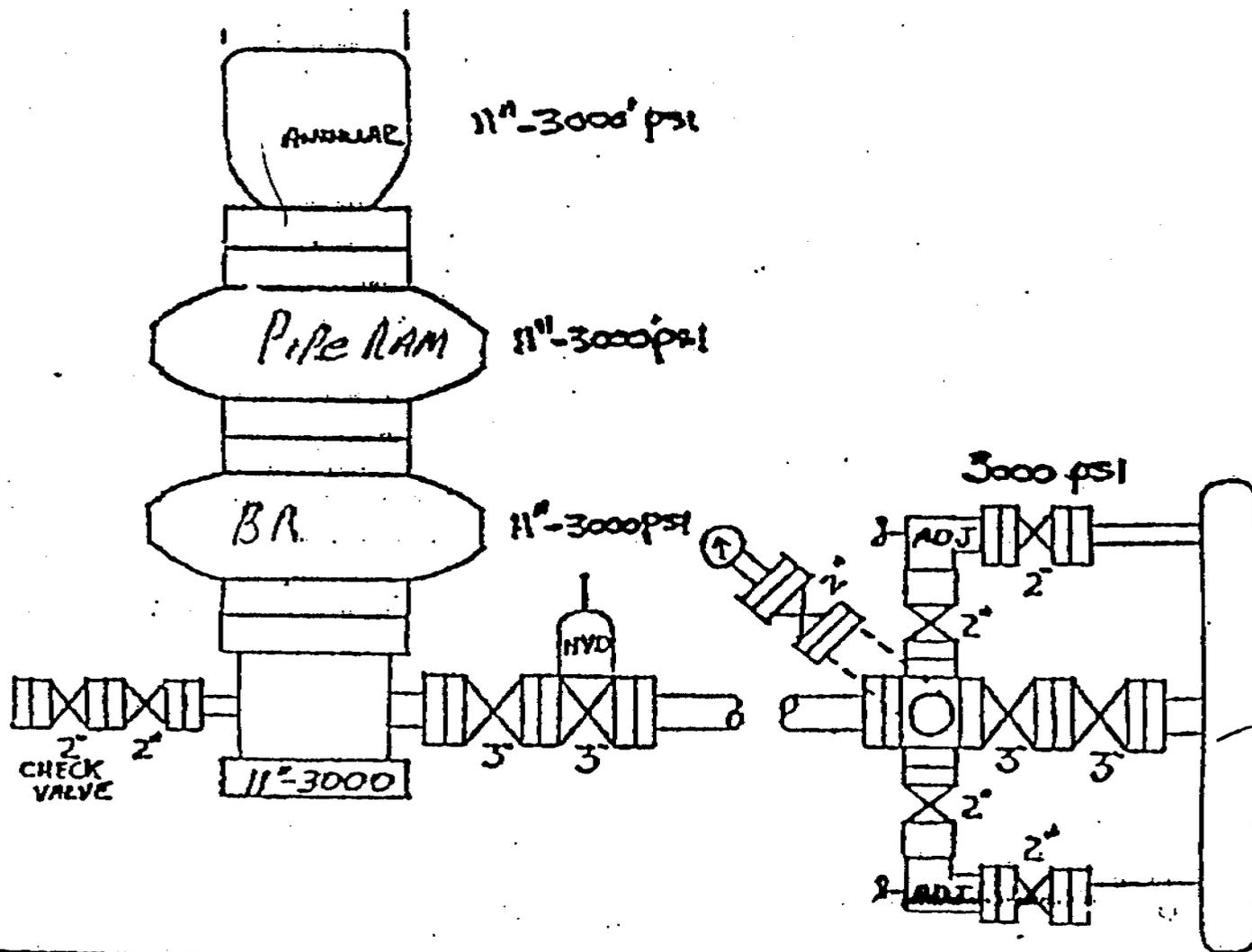
**9. Abnormalities (including sour gas):**

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 H<sub>2</sub>S.

**10. Drilling Schedule:**

The anticipated starting date is March 15, 1997. Duration of operations expected to be 30 days.

Exhibit "A"



BOP Stack Arrangement

SCALE NONE

**FREEDOM ENERGY, INC.**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**CRUISER FEDERAL E**

**31-11**

**LOCATED IN**

**SNE 1/4, SW 1/4**

**SECTION 31, T 11 S, R 24 E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: U-01252A**

**SURFACE OWNERSHIP: FEDERAL**

## 1. Existing Roads

To reach the Freedom Energy Inc., Hanging Rock Federal E 33-11 well location, in Section 33, 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 6.1 miles to the Cedar Corrals and turn right (north). Proceed .6 miles to the existing two track. Turn left (west) follow the two track to the proposed location. Please note that the access road has been changed. The **road will not** follow the pipe line.

All roads to the proposed access road are State or County maintained roads.

Please see the attached map for additional details.

## 2. Planned access road

Approximately 1.2 miles of upgraded road construction will be required.

The proposed road has been staked.

The road will be built to the following standards:

A) Approximate length	6,336 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
L) All new construction on lease	No

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.

A **Right of Way will be required**. Access from the Uintah County road to the lease boundary will require a Right of Way. The lease boundary is the southern section line in Section 33, T11S, R24E. The approximate length of the Right of way will be .8 miles (4224').

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	None
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) Injection 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 are to 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. Pipe Line**

A proposed surface gas line has been staked on the ground (yellow flagging). The proposed line is approximately 600 feet long. The line will be constructed east of the proposed location. The line will tie in to an existing 4" line. There will be no additional surface disturbances required for the installation of a gathering line. The line will be a 2 or 4" steel line. The line will be welded on the pad. After welding the line will be pulled with a small cat to the tie in.

The gas meter run 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 permit # 49-1595 The distribution point is in Section 7, T11S,

R25E. A second location may be used it would be United Utilities water station in Section 13, T11S, R23E. 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.** Unless the pit is blasted or soil conditions warrant a pit liner.

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 for at this time and none are foreseen for the future.

**9. Well-site layout**

Location dimensions are as follow:

A)	Pad length	325 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	5.6 ft.
H)	Total cut yds	6280 cu. yds.
I)	Pit location	west side
J)	Top soil location	east side
K)	Access road location	south side
L)	Flare pit	west corner

Please see the attached location diagram for additional details.

Please note: The trees on the west side off the location need to stay in place. The trees and rocks will be used as a screen for eagles nests on the cliffs.

A silt catchment will be constructed south and east of the location. The dirt contractor will contact the BLM before construction of the location starts. The BLM will locate the dam site at that time. The dam will be 60-70' wide, 12' high with a spill way on one side.

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:**

Access road	Federal
Location	Federal
Pipe line	Federal

The State of Utah School Trust Lands has been contacted and arrangements have been made for access on the State School Trust Lands.

**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 not been surveyed, as soon as the snow melts an archeological survey will be conducted and the report sent to your office.

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 is in the bottom of Asphalt Wash located 3 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 on 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

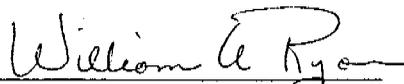
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, the applicable laws, regulations, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. 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 Feb. 21, 1997

  
William A. Ryan  
Petroleum Engineer  
Rocky Mountain Consulting

Onsite Date:

January 28, 1997

Participant on joint inspection:

William Ryan

Rocky Mountain Consulting

Byron Tolman

BLM

Steve Matsen

BLM

Steve Strong

BLM

### Statement of use of Hazardous Material

No chemical(s) from the EPA's Consolidated list of Chemicals subject to Reporting Under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986. will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored, transported, disposed, or associated with the proposed action.

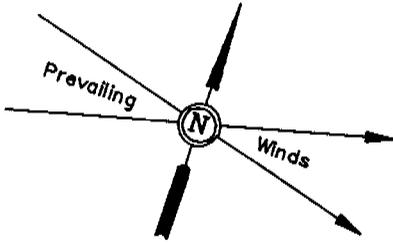
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William A Ryan  
Agent for Freedom Energy  
Rocky Mountain Consulting  
350 S. 800 E.  
Vernal Utah, 84078

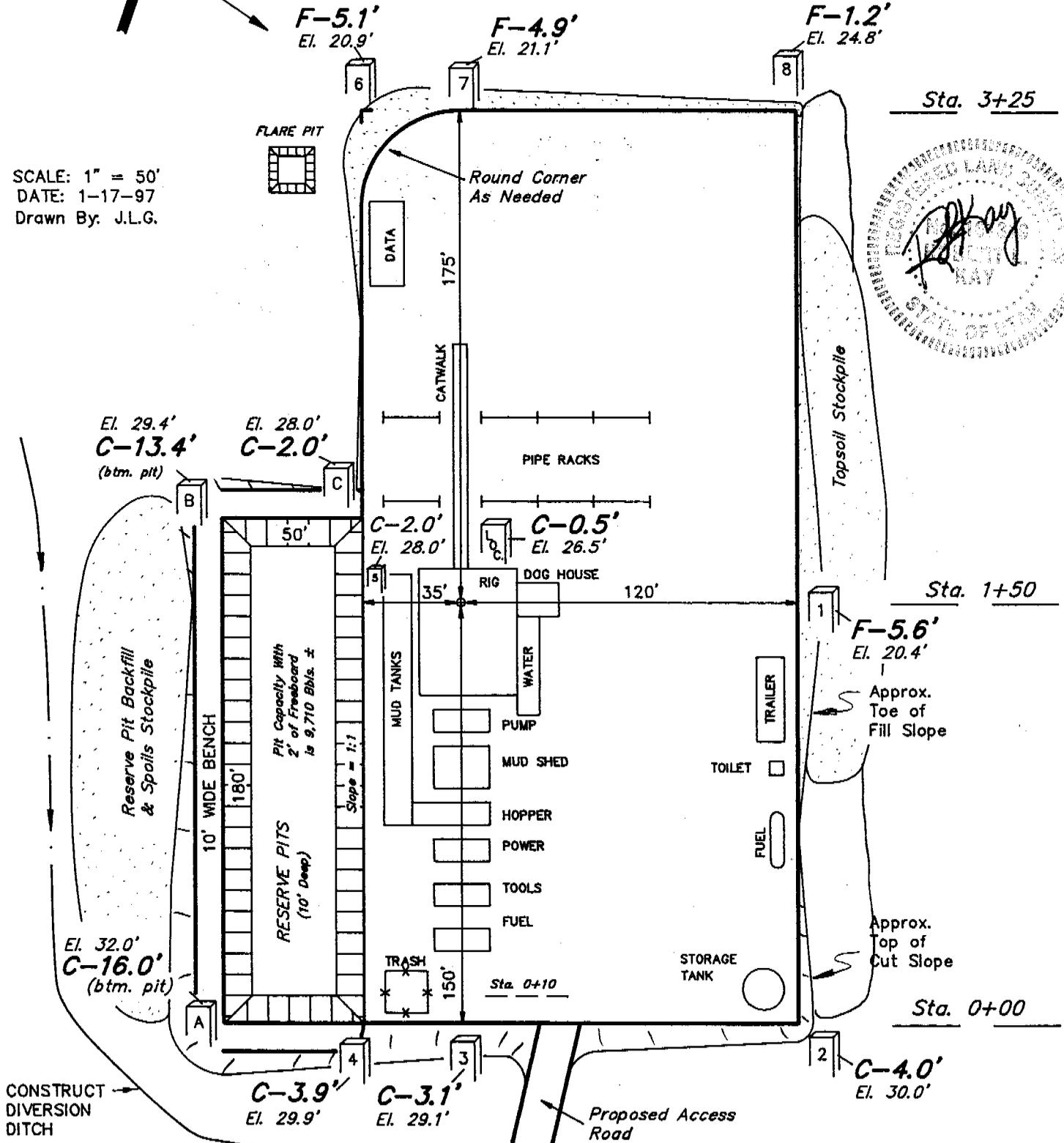
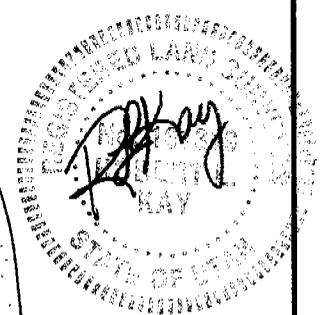
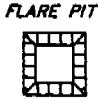
Telephone  
(801) 789-0968 office  
(801) 823-6152 cellular  
(801) 789-0970 fax

# FREEDOM ENERGY, INC.

LOCATION LAYOUT FOR  
 HANGING ROCK FEDERAL "E" #31-11  
 SECTION 31, T11S, R24E, S.L.B.&M.  
 1980' FSL 1980' FWL



SCALE: 1" = 50'  
 DATE: 1-17-97  
 Drawn By: J.L.G.



Elev. Ungraded Ground at Location Stake = 6026.5'

Elev. Graded Ground at Location Stake = 6026.0'

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

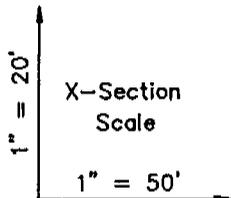
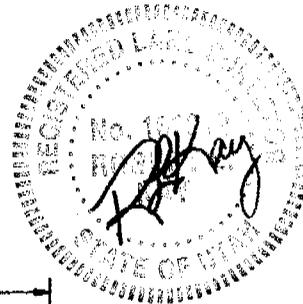
**FREEDOM ENERGY, INC.**

**TYPICAL CROSS SECTIONS FOR**

**HANGING ROCK FEDERAL "E" #31-11**

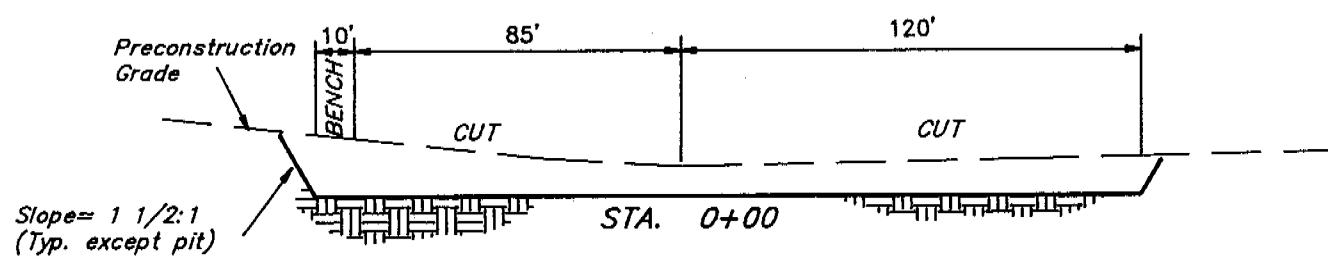
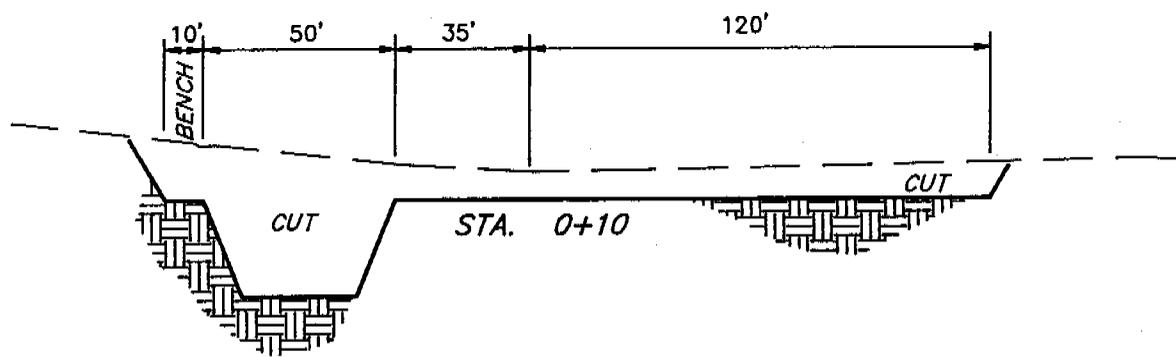
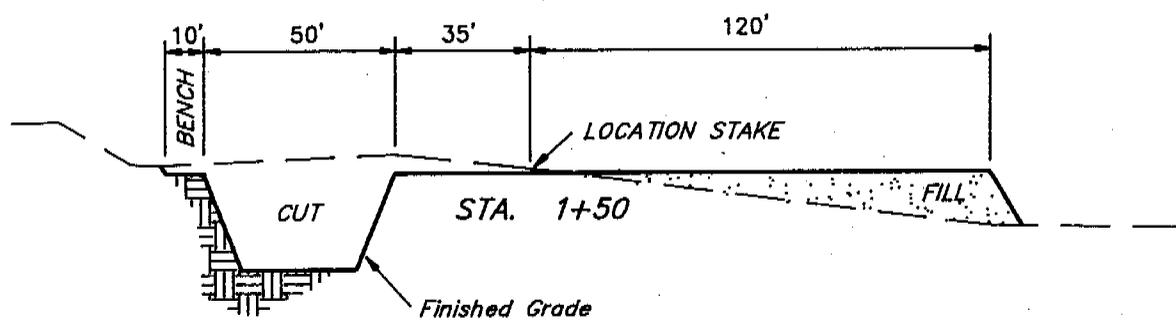
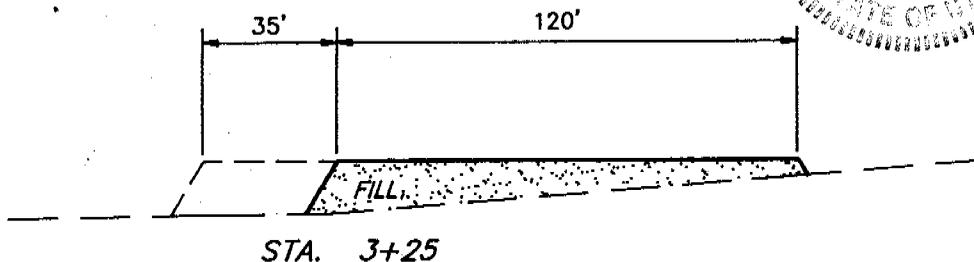
**SECTION 31, T11S, R24E, S.L.B.&M.**

**1980' FSL 1980' FWL**



DATE: 1-17-97

Drawn By: J.L.G.



**APPROXIMATE YARDAGES**

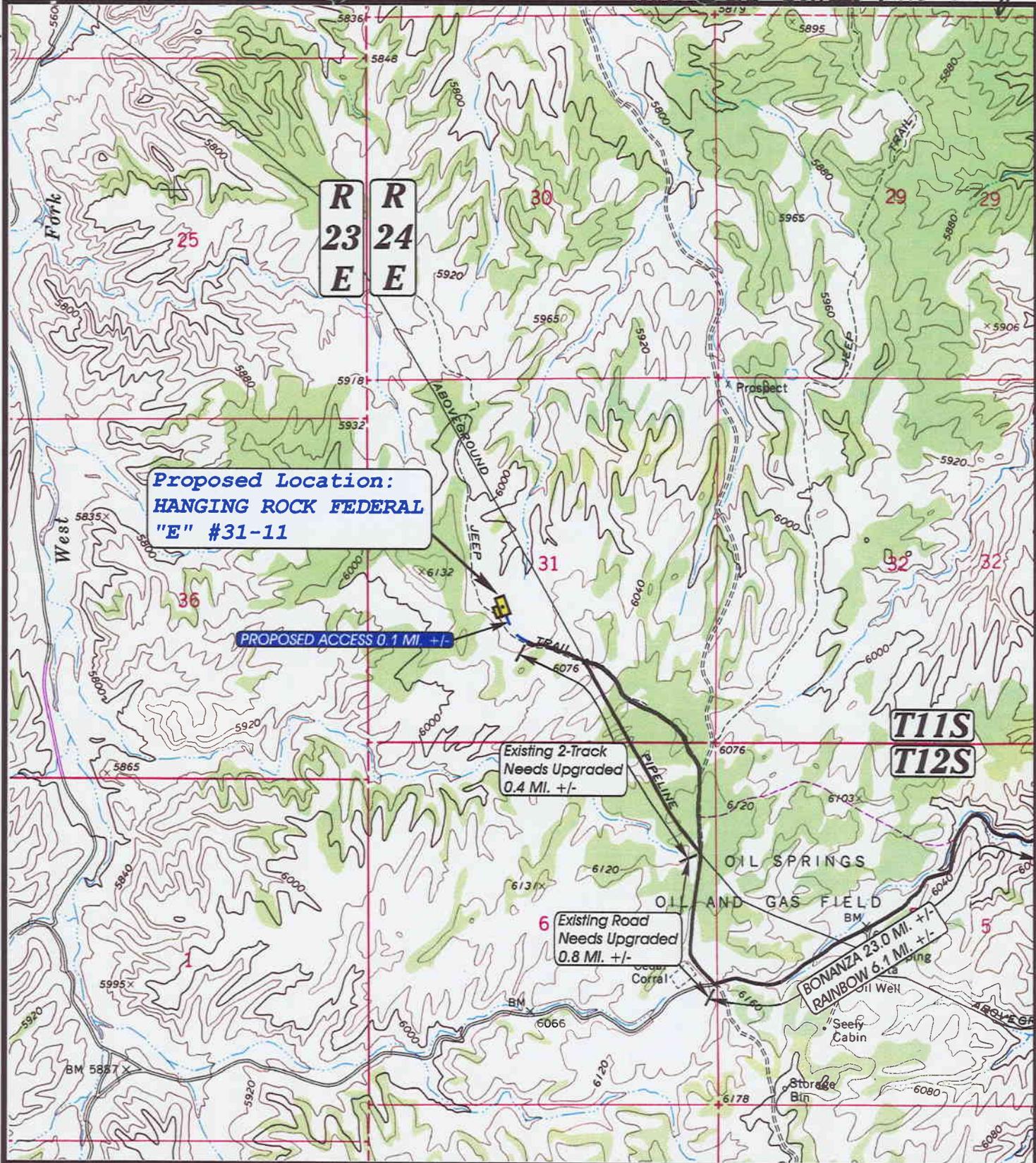
(6") Topsoil Stripping	= 1,100 Cu. Yds.
Remaining Location	= 5,180 Cu. Yds.
<b>TOTAL CUT</b>	<b>= 6,280 CU.YDS.</b>
<b>FILL</b>	<b>= 2,240 CU.YDS.</b>

EXCESS MATERIAL AFTER 5% COMPACTION	= 3,920 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,360 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 1,560 Cu. Yds.

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



Please Refer to Section Road Changes



**Proposed Location:  
HANGING ROCK FEDERAL  
"E" #31-11**

**PROPOSED ACCESS 0.1 MI. +/-**

**Existing 2-Track  
Needs Upgraded  
0.4 MI. +/-**

**Existing Road  
Needs Upgraded  
0.8 MI. +/-**

**BONANZA 23.0 MI. +/-  
RAINBOW 6.1 MI. +/-**

**UELS**

**TOPOGRAPHIC  
MAP "B"**

**DATE: 1-17-97  
Drawn by: J.L.G.**

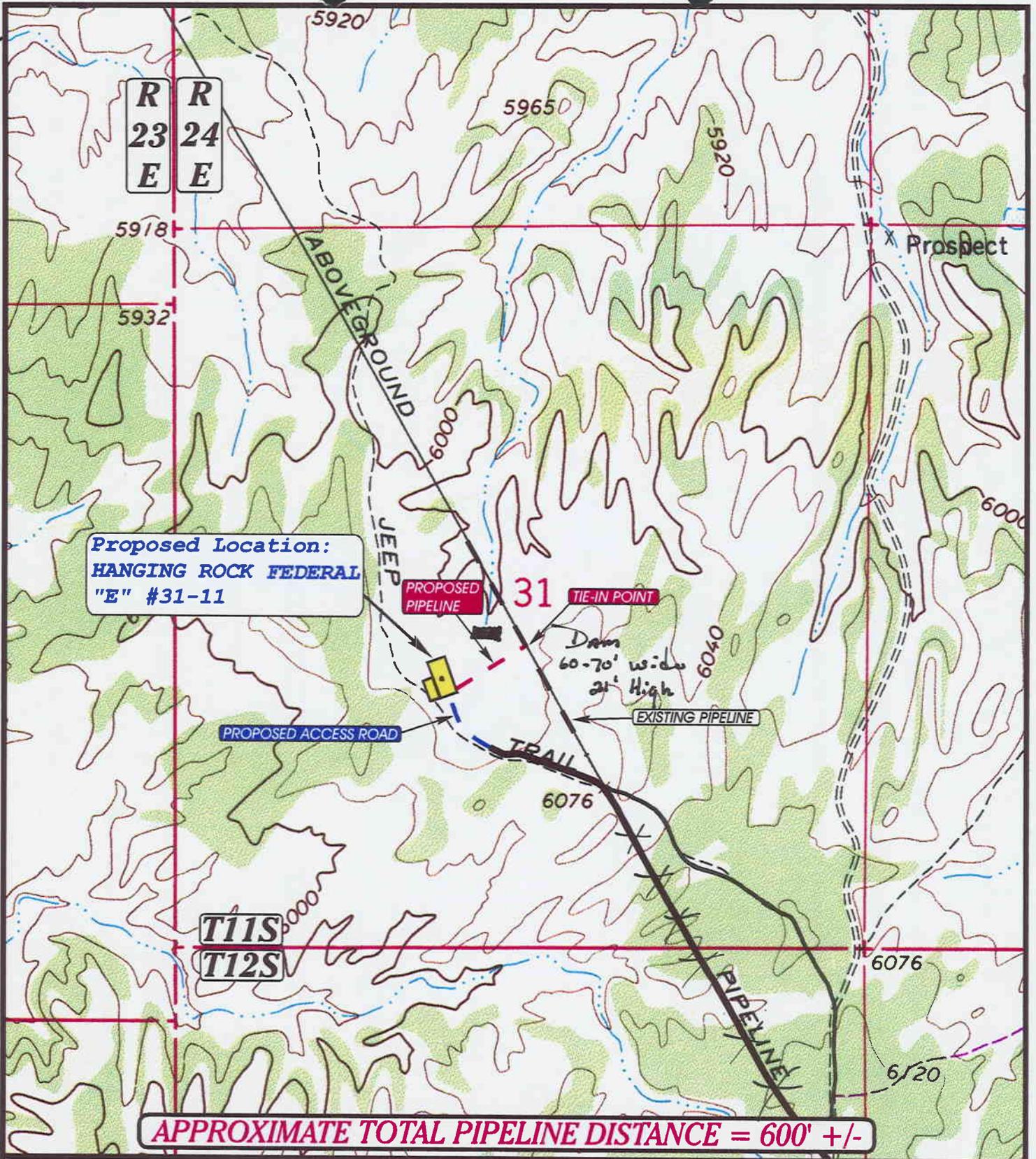


**FREEDOM ENERGY, INC.**

**HANGING ROCK FEDERAL "E" #31-11  
SECTION 31, T11S, R24E, S.L.B.&M.  
1980' FNL 1980' FWL**

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

**SCALE: 1" = 2000'**



UELS

TOPOGRAPHIC  
MAP "C"

- Existing Pipeline
- - - Proposed Pipeline



**FREEDOM ENERGY, INC.**

**HANGING ROCK FEDERAL "E" #31-11  
SECTION 31, T11S, R24E, S.L.B.&M.**

DATE: 1-17-97  
Drawn by: J.L.G.

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

SCALE: 1" = 1000'

WORKSHEET  
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 03/28/97

API NO. ASSIGNED: 43-047-32854

WELL NAME: HANGING ROCK FEDERAL E31-11  
 OPERATOR: FREEDOM ENERGY INC. (N3285)

PROPOSED LOCATION:  
 NESW 31 - T11S - R24E  
 SURFACE: 1980-FSL-1980-FWL  
 BOTTOM: 1980-FSL-1980-FWL  
 UINTAH COUNTY  
 UNDESIGNATED FIELD (002)

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

LEASE TYPE: FED  
 LEASE NUMBER: U - 01252A

PROPOSED PRODUCING FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal [ State [] Fee []  
 (Number UT - 1030)

Potash (Y/N)

Oil shale (Y/N)

Water permit  
 (Number 49-1595)

RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)

LOCATION AND SITING:

R649-2-3. Unit: HANGING ROCK

R649-3-2. General.

R649-3-3. Exception.

Drilling Unit.  
 Board Cause no: \_\_\_\_\_  
 Date: \_\_\_\_\_

COMMENTS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

STIPULATIONS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

OPERATOR: FREEDOM ENERGY (N3285)  
FIELD: UNDESIGNATED (N002)  
SEC, TWP, RNG: 25,35,31,1 T11 & 12S, R23 & 24 E  
COUNTY: UINTAH  
UAC: R649-3-2



PREPARED:  
DATE: 31 -MAR-97



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

1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

April 15, 1997

Freedom Energy, Inc.  
1050 17th Street, Suite 710  
Denver, Colorado 80265

Re: Hanging Rock Federal E 31-11 Well, 1980' FSL, 1980' FWL,  
NE SW, Sec. 31, 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 43-047-32854.

Sincerely,

Lowell P. Braxton  
Deputy Director

lwp

Enclosures

cc: Uintah County Assessor

Bureau of Land Management, Vernal District Office

Operator: Freedom Energy, Inc.  
Well Name & Number: Hanging Rock Federal E 31-11  
API Number: 43-047-32854  
Lease: U-01252A  
Location: NE SW Sec. 31 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)538-5336.

Notify the Division prior to commencing operations to plug and abandon the well. Contact John R. Baza (801)538-5334 or Mike Hebertson at (801) 538-5333.

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  
 1050 - 17th St., Suite #710, Denver, Co 80265      303-592-3022

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 1980' FSL, 1980' FWL, NE1/4, SW1/4, Sec. 31, T11S, R24E  
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE  
 18.4 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)  
 1980'

16. NO. OF ACRES IN LEASE  
 10,092.71

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.  
 4060'

19. PROPOSED DEPTH  
 4632'

20. ROTARY OR CABLE TOOLS  
 ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 6027'

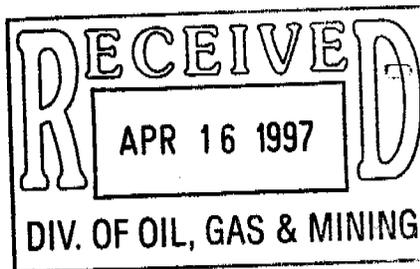
22. APPROX. DATE WORK WILL START\*  
 March 15, 1997

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



CONFIDENTIAL

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 Feb. 21, 1997

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY [Signature] TITLE Assistant Field Manager DATE APR 15 1997  
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

\*See Instructions On Reverse Side

**CONDITIONS OF APPROVAL**  
**APPLICATION FOR PERMIT TO DRILL**

Company/Operator: Freedom Energy, Inc.

Well Name & Number: Hanging Rock Fed. E 31-11

API Number: 43-047-32854

Lease Number: U-73694

Location: NESW Sec. 31 T. 11 S. R. 24 E

**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 to the field representative by the operator 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 **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit to this office 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.

3. Casing Program and Auxiliary Equipment

If conductor pipe is set it will be cemented to surface. If drive pipe is used it will be pulled prior to cementing surface casing.

As a minimum, the usable water 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 identified at  $\pm$  561 ft.. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

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  $\pm$  361 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 3162.7-5 (b.9. d.), and shall be submitted to the appropriate District Office within sixty (60) 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 3162.7-5 (b. 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 on-lease 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 following initial installation 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).

APD approval 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.

In the event after-hours approval or notification is necessary, please contact one of the following individuals:

Wayne Bankert Petroleum Engineer	(801) 789-4170
Ed Forsman Petroleum Engineer	(801) 789-7077
Jerry Kenczka Petroleum Engineer	(801) 789-1190
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 USE PROGRAM

-The topsoil should be windrowed on the east side of the location.

-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 land it is required that a Pesticide Use Proposal shall be submitted, and given approval, prior to the application of herbicides or other pesticides or possible hazardous chemicals.

-Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.).

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

**CONFIDENTIAL**

Name of Company: FREEDOM ENERGY

Well Name: HANGING ROCK FEDERAL E 31-11

Api No. 43-047-32854

Section: 31 Township: 11S Range: 23E County: UINTAH

Drilling Contractor \_\_\_\_\_

Rig # \_\_\_\_\_

SPUDDED:

Date 4/25/97

Time \_\_\_\_\_

How DRY HOLE

Drilling will commence \_\_\_\_\_

Reported by D. HACKFORD

Telephone # \_\_\_\_\_

Date: 4/30/97 Signed: JLT

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0133  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
FREEDOM ENERGY, INC.

3. Address and Telephone No.  
1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL, 1980' FWL, NE/SW SEC.31-T11S-R24E.

3. Lease Designation and Serial No.

U-01252-A

6. If Indian, Allotment or Tribe Name

---

7. If Unit or CA, Agreement Designation

HANGING ROCK

8. Well Name and No.  
HANGING ROCK FEDERAL  
E-31-11

9. API Well No.  
43-047-32854

10. Field and Pool, or Exploratory Area  
WILDCAT

11. County or Parish, State

UINTAH COUNTY, UTAH

**CONFIDENTIAL**

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

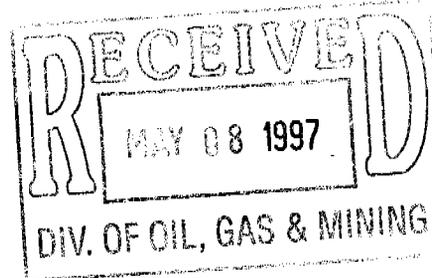
TYPE OF ACTION

- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other DRLG. REPORT
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

3. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

ENCLOSED: DRLG. REPORT



4. I hereby certify that the foregoing is true and correct

Signed Paul Frank

Title VICE-PRESIDENT

Date 5-5-97

(This space for Federal or State office use)

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

Date \_\_\_\_\_

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See Instruction on Reverse Side

**FREEDOM ENERGY, INC.**

**HANGING ROCK FEDERAL E 31-11  
1980' FSL, 1980' FWL  
NE/SW SEC. 31-T11S-R24E  
UINTAH COUNTY, UTAH**

**API # 43-047-32854  
LEASE # U-01252A  
GL: 6027'  
KB: 6039'**

**DIRECTIONS:** SOUTH OF VERNAL ON HYWY 45, 40 MILES TO BLM (END OF PAVEMENT SIGN), 0 MILE MARKER, TURN LEFT, 3.8 MILES TO "Y" IN ROAD. BLM (ATCHEE RIDG, RAINBOW SIGN), RIGHT 8.2 MILES TO "Y" IN ROAD. BLM (ASPHALT DRAW ALLOTMENT SIGN), LEFT .5 MILES TO "Y" IN ROAD. BLM (RAINBOW, KINGS WELL SIGN), RIGHT 6.8 MILES, RIGHT AT SHEEP CORRALS .6 MILES NORTH TO "Y" IN ROAD. LEFT .7 MILES TO LOCATION.

04-18-97 MIRU Stubbs and Stubbs. Build location.

04-23-97 MIRU Bill Martin Jr. Rat Hole Drilling. Spudded well @ 5:00 p.m. Drilled 100' of 12-1/4" hole.

04-24-97 Finish drilling 12-1/4" hole to 315'. Run casing as follows. 1 jt. 9-5/8", 36#, J-55, STC. With guide shoe And insert float on top of first jt. Run 6 jts with 7 centralizers. Total 7 jts. landed @ 311.9' g.l. MIRU B.J. Services. Cement as follows. Pump 10 bbls. Gel water ahead. Pump 165 sks class G, 2% CaCL, 1/4#/sk Cello flake, yield-1.14 cult./sk. 33.5 bbls slurry, 100% excess mixed @ 15.8#/gal. Disp. With 18.6 bbls. H2O. Shut down. Pumped last 2 bbls disp. Bump plug. Plug held. Air bubble blew out of hole and unloaded 1/2 bbl. Cement started falling. Had good returns throughout job.  
D.C. \$ 23,058 C.C. \$23,058

04-25-97 B.J. Services on location. Cement fell 30' from night before. Mix and pump 30 sks. Class G, 4% CaCL, 1/4# sk. Cello flakes, yield- 1.14 cu.ft/sk. bring cement to surface. Install 9-5/8", 3M, well head. MIRU Nabors rig 908.  
D.C. \$2000 C.C. \$25,058

04-26-97 DRLG. @ 570'. 251' in 6 hrs. Drilling with water. Tested B.O.P. Drill out of shoe @ 12.30 a.m. 4-26-7. Bit #1: 7-7/8", A70026, Reed, HP53A, 14-14-15. In: 319'. BHA: bit, m.m., 18 d.c.- 559.17'. St.Wt.- 56m, WOB- 30/35m, P.P.- 650/550, RPM- 60/100. Survey: 300'- 1/4 deg. Cumm. Drlg.- 6hrs.  
D.C. \$6042 C.C. \$31,100

04-27-97 DRLG. @ 2367'. 1797' in 21-3/4 hrs. WOB-30/35m, RPM- 60/100, PP- 750/800, St. Wt.- 75m, Wt- 8.4 Visc- 28, PH-9.3, Chl- 700, Cal.- 80, Water- 100%. Drlg- 21-3/4, Surv.-1-1/4, RR- 1. Surveys: 850'-1/4 deg., 1360'- 1/4 deg., 1862'- 1/2 deg. Cumm. Drlg.- 27.75 hrs.  
D.C. \$33,397 C.C. \$64,497

04-28-97 DRLG. @ 3497'. 1112' in 22 hrs. WOB- 30/35, RPM- 60/100, PP- 1100/1300, St. Wt.-86m, Wt.-9, Visc.-37, P.V.- 10, Y.P.- 8, Gels: 3, 10 min:- 5, PH- 9.7, Filtrate- 10, WC- 2/32, Chl- 2800, Calc.- 80, Solids- 4.9%, Sand- 1/4%, Water- 95.1%. Surveys: 2390'- 1/2 deg., 2850'- 1 deg., 3375'- 1/2 deg. Drlg.- 22, Surveys- 2. Cumm. Drlg.- 48.25 hrs.  
D.C. \$24,174 C.C. \$88,671

04-29-97 DRLG. @ 4097'. 618' in 22-3/4hrs. WOB- 30/35, RPM- 60/100, PP- 1100/1200, St. Wt.- 92m, Wt.-9.3, Visc.-38, PV- 11, YP-8, Gels- 3, 10 min.- 5, PH- 9.5, Filtrate- 8, WC- 2/32, Chl.- 2900, Solids- 7.2%, Sand-1/3%, Water- 92.8%. Surveys: 3865'- 1-1/2 deg. Drlg.- 22.75, Survey- 1, R.S.- .25, Cumm. Drlg.- 71 hrs.

D.C. \$12,407

C.C. \$101,078

04-30-97 Condition hole for logs. T.D. @ 4:15 a.m. @ 4652'. 555' in 20.5 hrs. Circ. .5 hrs. Short trip 20 stds. Circ. and raise visc. to 45. Drlg.- 20.5, R.R.- .5, C&C-1.5, Short Trip- 1.5. Bit #1: 7-7/8, Reed, HP53A, 14-14-15, In- 319', Out-4652'. 4333' in 91.5 hrs. Cumm. Drlg.- 91.5 hrs.

D.C. \$13,195

C.C. \$114,273

05-01-97 TOOH. Pipe strap- 4655'. MIRU Schlumberger. Run Array Induction/CNDL/GR/SP. L.T.D.- 4656'. Done logging @ 4:00 p.m. Rig down Schlumberger. Wait on plugging orders until 9:00 p.m. T.I.H. With drill collars. Lay down collars. TIH open-ended with drill pipe. 136 jts. @ 4202'. Circ. 1 hr. Prepare to set bottom plug. B.J. could not start pump truck. Circ. From 4:00-7:00 a.m. Trip- 9.5, Logging- 4, W.O.O.- 5, W.O. B.J.- 3, LD/PU Tools- 1.5, C&C- 1.

D.C. \$13,895

C.C. \$128,168

05-02-97 Pump first plug @ 4202'. Pump 20 bbls. H2O, 100sk. Class G, 2% CaCl, yield- 1.14 cu.ft./sk. 5.6 bbls H2O. Disp. With 49.7 bbls. Mud. Pull 10 stds. Wait 3 hrs. TIH. Tag plug @ 3932'. LDDP. Pump 2<sup>nd</sup> plug @ 927', 30 jts. Pump 35 bbls. H2O ahead. 80 sks. Class G, Yield- 1.14 cu. Ft./sk. Disp. With 9.6 bbls. H2O. LDDP. Pump 3<sup>rd</sup> plug @ 370'. 12 jts. Dpump 175 sks. Class G. Yield- 1.14 cu.ft./ft. Circ. Cement to surface. LDDP. R.R.- 10:00 p.m. 5-1-97. Plugging orders as per Wayne Bankert, Petroleum Engineer, BLM. Job witnessed by Jerry Barnes, BLM.

D.C. \$15,293

C.C. \$143,461

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT**

**FORM APPROVED**  
Budget Bureau No. 1004-0133  
Expires: March 31, 1993

3. Lease Designation and Serial No.  
U-01252-A

6. If Indian, Allottee or Tribe Name  
---

7. If Unit or CA, Agreement Designation  
HANGING ROCK

8. Well Name and No.  
HANGING ROCK FEDERAL  
E 31-11

9. API Well No.  
43-047-32854

10. Field and Pool, or Exploratory Area  
WILDCAT

11. County or Parish, State  
UINTAH COUNTY, UTAH

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

**SUBMIT IN TRIPLICATE**

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator  
 FREEDOM ENERGY, INC.

3. Address and Telephone No.  
 1050 17TH. ST. STE. 710, DENVER, CO. 80265 (303) 592-3022

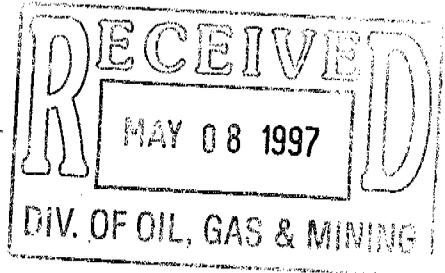
4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
 1980' FSL, 1980' FWL, NE/SW SEC.31-T11S-R24E.

**CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent <input checked="" type="checkbox"/> Subsequent Report <input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Abandonment <input type="checkbox"/> Recompletion <input type="checkbox"/> Plugging Back <input type="checkbox"/> Casing Repair <input type="checkbox"/> Altering Casing <input type="checkbox"/> Other <u>PLUGGING REPORT</u>
	<input type="checkbox"/> Change of Plans <input type="checkbox"/> New Construction <input type="checkbox"/> Non-Routine Fracturing <input type="checkbox"/> Water Shut-Off <input type="checkbox"/> Conversion to Injection <input type="checkbox"/> Dispose Water

5. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Pump bottom plug @ 4202' (136 jts. Pump 20' bbls. H2O ahead. 100 sks. class G with 2% CaCl, yield- 1.14 cu.ft./sk. Disp. with 5.6 bbls. H2O and 49.7 bbls mud. Pull 10 stds. Wait 3 hrs. Tag top of plug @ 3932'. Pump 2nd. plug @ 927', 30 jts. Pump 35 bbls. H2O ahead. Pump 80 sks. class G with 2% CaCl, yield-1.14 cu.ft./sk. Disp. with 9.6 bbls. H2O. LDDP. Pump top plug @ 370'. 12 jts. Pump 175 sks. class G. Yield- 1.14 cu.ft./sk. Circ. cement to surface. Good returns. LDDP. Will weld marker and cap on casing on 5-6-97. Job witnessed by Jerry Barnes, BLM.



6. I hereby certify that the foregoing is true and correct

Signed Paul Franko Title VICE-PRESIDENT Date 5-5-97

(This space for Federal or State office use)

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
 Conditions of approval, if any: \_\_\_\_\_

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*See instruction on Reverse Side

CUSTOMER		JOB NO.		WELL NO.														
LEAK OFF TYPE / QCSG		DATE		OPERATOR														
DISTRICT		DRILLING CONTRACTOR		OPERATOR														
MATERIAL FURNISHED BY WPS	TYPE OF PLUGS		LIST CSG HARDWARE		SQ. MANIF. FOLD Y. SW.	TOP OF EACH FLUID	PHYSICAL SLURRY PROPERTIES											
	TOP BTM						SLURRY WGT. / CU. FT.	WATER WGT. / CU. FT.	WATER / SLURRY	WATER / CEMENT	WATER / MIX	WATER / WATER						
	1" Plug 100SKS 6" + 2 1/2" CACL (4202)					3729	15.8	1.14	500	200	35.5							
	2" Plug 80SKS 6" + 2 1/2" CACL (327)					696	15.8	1.14	500	200	35.5							
	3" Plug 175SKS 6" (320)					SUKF	15.8	1.14	500	200	35.5							
Available Mix Water 700 Bbl.		Available Displ. Fluid 700 Bbl.		TOTAL 717.25														
HOLE			T.B.G.-CSG-D.P.			T.B.G.-CSG-D.P.			COLLAR DEPTHS									
SIZE	% EXCESS	DEPTH	SIZE	WGT.	TYPE	DEPTH	SIZE	WGT.	TYPE	DEPTH	SHOE	FLOAT	STAGE					
7 7/8	10%	1160	4 1/2	16.60	E 4202													
LAST CASING			PKR-CMT RET-BR PL-LINER			PERF. DEPTH			TOP CONN.			WELL FLUID						
SIZE	WGT.	TYPE	DEPTH	BRAND & TYPE	DEPTH	TOP	BTM	SIZE	THREAD	TYPE	WGT.							
9 5/8	36	J 55	311.90					4 1/2	X H	VOID	9.8							
CAL. DISPL. VOL.-BBL.			CAL. PSI			OP. MAX			MAX TBG PSI			MAX CSG PSI			DISPL. FLUID		WATER SOURCE	
TAG	CSG	CSG	TOTAL	BUMP PLUG	TO REV	SG. PSI	RATED	OP.	RATED	OP.	TYPE	WGT.						
01422			55.3				9830	1000			3 3/4	14.0			Rig			
EXPLANATION: TROUBLE SETTING TOOL RUNNING CSG, ETC. PRIOR TO CEMENTING																		
PRESSURE/RATE DETAIL										EXPLANATION								
TIME HR. MIN.	PRESSURE-PSI		RATE BPM	Bbl. FLUID PUMPED	FLUID TYPE	SAFETY MEETING: WPS CREW <input checked="" type="checkbox"/> CO. REP. <input type="checkbox"/>												
	PIPE	ANNULUS				TEST LINES 2800 PSI 7.50 WPM												
Am						CIRCULATING WELL-RIG <input checked="" type="checkbox"/> WPS <input type="checkbox"/>												
7:53	350	0	5.0	20	H <sub>2</sub> O	START H <sub>2</sub> O AHEAD												
8:00	200	0	3.3	20	CMT	START CMT (1 Plug)												
8:06	200	0	6.1	5.6	H <sub>2</sub> O	START DISPLACEMENT												
8:07	350	0	6.1	49.7	VOID	START VOID												
8:15	600	0				SHUT DOWN (Balanced Plug)												
4:04	130	0	5.0	35	H <sub>2</sub> O	START H <sub>2</sub> O												
4:11	75	0	3.2	16.2	CMT	START CMT												
4:16	60	0	4.8	9.6	H <sub>2</sub> O	START DISPL. (2 Plug)												
4:18	90	0				SHUT DOWN (Balanced Plug)												
5:00	50	0	1.2	35.5	CMT	START CMT												
5:20	50	0				SHUT DOWN CMT TO SUKF												
BUMPED PLUG	PSI TO BUMP PLUG	TEST FLOAT EQUIP.	TOTAL Bbl. PUMPED	Bbl. CMT RETURNS/ REVERSED	PSI LEFT ON CSG	SPOT TOP CEMENT	SER. SUP. Rex Edwards											
Y N		Y N	191.4			SUKF	CUSTOMER REP. Paul Franks											

# APPROVAL TO PLUG AND ABANDON WELL - OPEN HOLE

OPERATOR: Freedom Energy, Inc.

REPRESENTATIVE: Paul Franks

PHONE: 970-381-0395

WELL NUMBER: Hanging Rock Fed. E 31-11

LEASE: U-01252A

LOCATION: NESW SEC: 31 TWN: 11S RNG: 24E

FIELD/CA/UNIT NAME: \_\_\_\_\_

FORMATION	TOP	BASE	SHOWS
<u>UINTA FM</u>	<u>SURFACE</u>	<u>50</u>	_____
<u>GREEN RIVER FM</u>	<u>50</u>	_____	_____
<u>BIRDS NEST</u>	<u>242</u>	_____	_____
<u>MAHOGANY</u>	<u>780</u>	<u>845</u>	_____
<u>L-1</u>	<u>880</u>	<u>1040</u>	_____
<u>WASATCH</u>	<u>2725</u>	<u>4116</u>	_____
<u>MESA VERDE</u>	<u>4116</u>	_____	_____

OIL SHALE/TAR SAND SHOW:  YES  NO

DEPTH( IF NOT SHOWN ABOVE): \_\_\_\_\_

CASING SIZE	SETTING DEPTH	TOP OF CEMENT	TO BE PULLED
<u>9 5/8 36.0#</u>	<u>300'</u>	<u>surface</u>	_____
_____	_____	_____	_____

T.D.: 4652 SIZE HOLE: 7 7/8 CEMENT YIELD: 1.15 FT.<sup>3</sup>/SX

MUD WEIGHT: 8.3 PPG BASE OF FRESH WATER SANDS: \_\_\_\_\_

## REMARKS/ADDITIONAL DATA

DRILL STEM TEST: \_\_\_\_\_

LOST CIRCULATION ZONES: \_\_\_\_\_

KNOWN WATER ZONES: None Encountered

ADDITIONAL INFORMATION: \_\_\_\_\_

## PLUGGING REQUIREMENTS

PLUG 1: A minimum of 200' cement plug from 4016-4216 across the Wasatch-Mesa Verde contact at 4116 . A minimum of 10% (or 40 % total ) excess cement per 1000' will need to be included. This plug will need to be tagged.

PLUG 2: A Minimum of 200' cement plug from 700-900' across the Mahogany Oil Shale identified from 780-845'. A minimum of 10% excess cement per 1000' will need to be included.

PLUG 3: A Minimum of 100' cement plug across the 8 5/8" Surface shoe at 300'.

PLUG 4: A minimum of 50' cement plug at the surface.

PLUG 5:

PLUG 6:

PLUG 7:

IT WILL BE LEFT TO THE DISCRETION OF THE BLM REPRESENTATIVE ON LOCATION AS TO WHETHER OR NOT ANY ADDITIONAL PLUGS WILL NEED TO BE TAGGED.

APPROVED BY:

*Wayne T. Lambert*

DATE: April 30, 1997

TIME: 19:54

## CONDITIONS OF APPROVAL FOR WELL ABANDONMENT

Company: Freedom Energy, Inc.

Location NESW S31 T11S R24E

Well No. Hanging Rock Fed. E 31-11

Lease No. UTU-01252A

### **A COPY OF THESE CONDITIONS SHOULD BE GIVEN TO YOUR FIELD REPRESENTATIVE TO ENSURE COMPLIANCE**

1. This office will be notified sufficiently in advance of actual plugging work so that a representative may have an opportunity to witness the operation. If time permits, please try to notify this office at least 24 hours in advance of rigging up.
2. Upon completion of the approved plugging program, erect the regulation marker in accordance with 43 CFR 3162.6(b) and clean up the site. The marker should not be less than 4 inches in diameter and extend approximately 4 feet above recontoured surface level. Heap up the dirt around the base of the marker about 18 inches to take care of any settling of the cellar. The top of the marker will be closed or capped, and the bottom of the marker will be placed in the top cement plug or welded to or through a 1/4 inch steel plate which is welded onto the cut-off surface casing. Pits must be fenced unless approved otherwise by the authorized officer.
3. The following minimum information will be permanently and legibly placed on the marker with a plate, cap or welded bead:
  - A. Name of the operator.
  - B. Lease serial number.
  - C. Well number.
  - D. Surveyed description of the well; section, township and range and either footages or quarter-quarter section.
4. Within 30 days after well bore plugging operations have been completed, Form 3160-5 (formerly Form 9-331), Subsequent Report of Abandonment, will be submitted to this office. The report must show the location of all plugs or any mechanical setting device, quantity and type of cement and additives in each plug, amount of casing or any tubulars left in the hole, methods used to test plugs and test results, and the status of the surface restoration. If a temporary delay in the removal of equipment or surface cleanup is deemed necessary, so justify in your report. This abandonment report will be approved by this office by this office with surface stipulations. Liability for the well shall not be released until the surface management agency approves the actual site rehabilitation.

5. If not previously filed, submit in duplicate, Form 3160-4 (formerly Form 9-330), Well completion or Recompletion Report and Log, well history, electric logs, any other surveys, and, if taken, core analysis. This completion report must be filed within 30 days after the culmination of downhole plugging operations.

6. The Bureau of Land Management District Office address is:

Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078

(801) 781-4400

7. For downhole concerns or approvals contact:

Wayne Bankert  
Petroleum Engineer  
Work: (801) 781-4486  
Home: (801) 789-4170

Ed Forsman  
Petroleum Engineer  
Work: (801) 781-4490  
Home: (801) 789-7077

8. For surface concerns contact the respective Resource Area Minerals Staff specified in the Surface Rehabilitation Conditions of Approval.

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Budget Bureau No. 1004-0137 Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1. TYPE OF WELL: OIL WELL  GAS WELL  DRY  Other \_\_\_\_\_  
 2. TYPE OF COMPLETION: NEW WELL  WORK OVER  REKIP-EN  PLUG BACK  DIFF. REKIP.  Other P&A

3. NAME OF OPERATOR  
 FREEDOM ENERGY, INC.

4. ADDRESS OF OPERATOR  
 1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface 1980' FSL, 1980' FWL NE/SW SEC.31-T11S-R24E  
 At top prod. interval reported below N/A  
 At total depth SAME

**CONFIDENTIAL**

14. PERMIT NO. 43-047-32854 DATE ISSUED 4-15-97

6. DATE SPUNDED 4-23-97 16. DATE T.D. REACHED 4-30-97 17. DATE COMPL. (Ready to prod.) P/A 5-2-97

18. ELEVATIONS (OF. RKB. RT. CR. ETC.)  
 RKB-6039'

19. ELEV. CASINGHEAD 6027'

20. TOTAL DEPTH, MD & TVD 4656' MD NA 21. PLUG BACK T.D., MD & TVD NA

22. IF MULTIPLE COMPL. HOW MANY? NA 23. INTERVALS DRILLED AT 4656'

24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) NA

25. TYPE ELECTRIC AND OTHER LOGS RUN ARRAY INDUCTION CND/GR/SP 5-8-97

26. TYPE OF LOGS RUN CND/GR/SP

27. WAS WELL CORED NO

28. WAS DIRECTIONAL SURVEY MADE NO

29. CASING RECORD (Report all strings set in well)  
 CASING SIZE 9-5/8" WEIGHT, LB./FT. 36# DEPTH SET (MD) 311.9' HOLE SIZE 12-1/4" CEMENTING RECORD 195 SKS CLASS G AMOUNT PULLED 0

30. LINER RECORD  
 SIZE NA TOP (MD) BOTTOM (MD) SACKS CEMENT SCREEN (MD)

31. TUBING RECORD  
 SIZE NA DEPTH SET (MD) FACER SET (MD)

32. PERFORATION RECORD (Interval, size and number)  
 NA

33. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.  
 DEPTH INTERVAL (MD) AMOUNT AND KIND OF MATERIAL USED  
 4202-3932' 100 SKS. CLASS G  
 927-700' 80 SKS CLASS G  
 370-SURFACE 175SKS. CLASS G

34. PRODUCTION  
 DATE FIRST PRODUCTION NA PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) NA WELL STATUS (Producing or shut-in) P/A

35. DATE OF TEST NA HOURS TESTED NA CHOKER SIZE NA PROD'N. FOR TEST PERIOD  
 OIL—BBL. NA GAS—MCF. NA WATER—BBL. NA GAS-OIL RATIO NA

36. FLOW, TUBING PRESS. CASING PRESSURE CALCULATED 24-HOUR RATE OIL—BBL. GAS—MCF. WATER—BBL. OIL GRAVITY-API (CORR.)

37. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

38. LIST OF ATTACHMENTS  
 ARRAY INDUCTION/GR COMPENSATED NEUTRON DENSITY/GAMMA RAY

39. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED Paul Franko TITLE VICE-PRESIDENT DATE 5-5-97

\*(See Instructions and Spaces for Additional Data on Reverse Side)

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

4. LEASE DESIGNATION AND SERIAL NO. U-01252-A  
 5. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 6. UNIT AGREEMENT NAME HANGING ROCK  
 7. FARM OR LEASE NAME HANGING ROCK FED.  
 8. WELL NO. E 31-11  
 9. FIELD AND POOL OR WILDCAT WILDCAT  
 10. SEC., T., R., M. OR BLOCK AND SURVEY OR AREA SEC. 31-T11S-R24E  
 11. COUNTY OR PARISH UINTAH 12. STATE UTAH

**RECEIVED**  
 MAY 08 1997  
 DIV. OF OIL, GAS & MINING

**CONFIDENTIAL**  
 PERIOD EXPIRED  
 ON 6-2-97  
**CONFIDENTIAL**

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; cored intervals; and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries):

38. GEOLOGIC MARKERS

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAME	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
Green River	Surface	2668'	Interbedded shale, sandstone and Limestone	Uteland Butte	2560'	
Wasatch	2668'	4254'	Interbedded shale and sandstone			
Mesaverde	4254'	4656' TD	Interbedded shale, sandstone and coal			

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

**SUNDRY NOTICES AND REPORTS ON WELLS**

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.  
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.  
**U-01252-A**

6. If Indian, Allottee or Tribe Name  
**N/A**

7. If Unit or CA, Agreement Designation  
**HANGING ROCK**

8. Well Name and No.  
**HANGING ROCK FED. E 31-11**

9. API Well No.  
**43-047-32854**

10. Field and Pool, or Exploratory Area  
**WILDCACT**

11. County or Parish, State  
**UINTAH COUNTY, UTAH**

**SUBMIT IN TRIPLICATE**

**1. Type of Well**

Oil Well     Gas Well     Other

type in oher description here

**2. Name of Operator**

**FREEDOOM ENERGY, INC.**

**3. Address and Telephone No.**

**1050 17TH. ST. STE. 710 DENVER, CO. 80265 (303) 592-3022**

**4. Location of Well (Footage, Sec., T., R., M., or Survey Description)**

**1980' FSL, 1980' FWL, NE/SW SEC.31-T11S-R24E.**

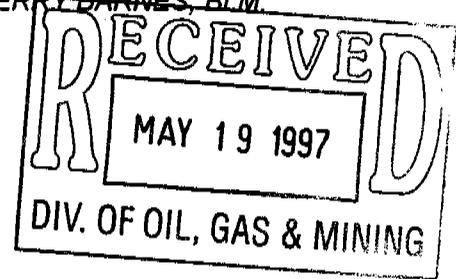
**12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA**

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other <b>WELD CAP &amp; MARKER</b>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

**13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)\***

**5-7-97 CUT OFF 9-5/8" SURFACE HEAD. WELD 1/4" PLATE ON CASING WITH 4-1/2" MARKER WELDED TO PLATE WITH OPERATOR AND LEASE INFORMATION. WITNESSED BY JERRY BARNES, BLM.**



**14. I hereby certify that the foregoing is true and correct**

Signed Paul Frank

Title **VICE-PRESIDENT**

Date **05/14/97**

(This space for Federal or State office use)

Approved by \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Conditions of approval, if any: \_\_\_\_\_

TRANSACTION REPORT

P. 01

DEC-18-97 THU 03:30 PM

SEND (M)

DATE	START	RECEIVER	TX TIME	PAGES	TYPE	NOTE	M#	DP
DEC-18	03:29 PM	5318468	45"	1	SEND	( M) OK	037	
TOTAL						45S PAGES:	1	

Dec-17-97 01:06P Freedom Energy, Inc. 303-592-2988

P. 02



43-047-32854

December 17, 1997

Bureau of Land Management  
 324 South State Street  
 Salt Lake City, Utah 84111

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

Re: Release and Waiver of Confidentiality

Gentlemen:

Please be advised that Brent A. Bohman and other members of the law firm of Pruitt, Gushee & Bachtell are hereby authorized to review and copy any records in your possession pertaining to Freedom Energy, Inc.'s interests within Township 11 South, Ranges 22, 23, and 24 East, and Township 12 South, Ranges 23 and 24 East, in Uintah County. For purposes of this release and waiver of confidentiality, an executed facsimile copy of this letter should be



December 17, 1997

Bureau of Land Management  
324 South State Street  
Salt Lake City, Utah 84111

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

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Should you have any questions or concerns, please do not hesitate to contact me at (303)592-3022, ext. 303.

Very truly yours,

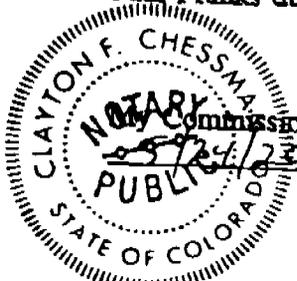
FREEDOM ENERGY, INC.

*Paul Franks*

Paul Franks  
Vice President

STATE OF COLORADO )  
 )  
 ) ss.  
COUNTY OF Denver )

On the 17<sup>th</sup> day of December, 1997, personally appeared before me, Paul Franks, and after being by me duly sworn did say that he is the Vice President of Freedom Energy, Inc. and that said instrument was signed on behalf of said corporation by authority of its by-laws and said Paul Franks duly acknowledged to me that said corporation executed the same.



*Clayton F. Chessman*  
Notary Public  
Residing at: Denver, CO

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004-0135  
Expires: March 31, 1993

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reentry to a different reservoir.  
Use "APPLICATION FOR PERMIT—" for such proposals

5. Lease Designation and Serial No.

U-01252-A

6. If Indian, Allottee or Tribe Name

NR

7. If Unit or CA, Agreement Designation

UTU-73518X

8. Well Name and No. Hanging Rock

Federal E 31-11

9. API Well No.

43-047-32854

10. Field and Pool, or Exploratory Area

Wildcat

11. County or Parish, State

Uintah County, Utah

SUBMIT IN TRIPLICATE

Type of Well

Oil Well  Gas Well  Other

Name of Operator

FREEDOM ENERGY, INC.

Address and Telephone No.

312 Milton St. Briggsdale, Co. 80611 (970) 656-3510

Location of Well (Footage, Sec., T., R., M., or Survey Description)

1980' FSL, 1980' FWL, NE/SW SEC. 31-T11S-R24E

CONFIDENTIAL

CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input checked="" type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input checked="" type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THE WELL HAS BEEN PLUG AND ABANDONED ACCORDING TO BLM INSTRUCTIONS. A DRY HOLE MARKER HAS BEEN WELDED ON THE CASING. THE LOCATION HAS BEEN CONTOURED AND RESEEDED. WE ARE REQUESTING A FINAL INSPECTION AND RELEASE.

CONFIDENTIAL

I hereby certify that the foregoing is true and correct

Signed Paul Franks

Title VICE PRESIDENT

Date 04-21-98

(This space for Federal or State office use)

Approved by \_\_\_\_\_  
Conditions of approval, if any:

Title \_\_\_\_\_

Date \_\_\_\_\_