

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 710
Denver, CO 80265

September 23, 2002

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

RE: APPLICATION FOR PERMIT TO DRILL
HANGING ROCK FEDERAL 12-8
SE/NE, SEC. 12, T12S, R23E
UINTAH COUNTY, UTAH
LEASE NO.: UTU-57455
FEDERAL LANDS

Enclosed please find a copy of the Application for Permit to Drill and associated attachments for the referenced well.

Please address further communication regarding this matter (including approval) to:

Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Phone: (435)789-4120
Fax: (435)789-1420

Sincerely,



Ed Trotter
Agent

McElvain Oil & Gas Properties, Inc.

Attachments

RECEIVED
SEP 27 2002
DIVISION OF
OIL, GAS AND MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease designation and serial number UTU-57455	
b. TYPE OF WELL Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other <input type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone <input type="checkbox"/>		6. If Indian, Allottee or Tribe name	
2. Name of Operator McELVAIN OIL & GAS PROPERTIES, INC.		7. Unit Agreement Name	
3. Address and Telephone Number 1050 17TH ST., STE 710, DENVER, CO 80265 (303)893-0933		8. Farm or lease name, well no. HANGING ROCK FEDERAL 12-8	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 4405640 Y 39.79993 1935' FNL & 764' FEL 646895X SE/NE -109.28444 At proposed prod. Zone		9. API Well No. HANGING ROCK FEDERAL 12-8	
14. Distance in miles and direction from nearest town or post office 65.25 MILES SOUTHEAST OF VERNAL, UTAH		10. Field and pool, or wildcat	
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. Unit line, if any) 764'	16. No. of acres in lease	11. Sec., T., R., M., or BLK. and survey or area SEC. 12, T12S, R23E	
18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.	19. Proposed depth 4192'	12. County or parish UINTAH	13. State UTAH
21. Elevations (show whether DF, RT, GR, etc.) 5987.8 FEET GRADED GROUND		17. No. of acres assigned to this well	
22. Approx. date work will start UPON APPROVAL		20. Rotary or cable tools ROTARY	

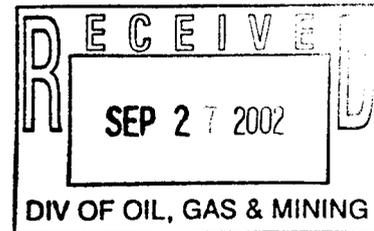
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.30#	200 - 220'	SEE 8 POINT PLAN
7 7/8"	4 1/2"	11.6#	4192'	SEE 8 POINT PLAN

SEE ATTACHMENTS FOR:

- 8 POINT PLAN
- BOP SCHEMATIC
- SURFACE USE AND OPERATING PLAN
- LOCATION PLAT
- LOCATION LAYOUT
- TOPOGRAPHIC MAPS "A", "B", AND "C"
- GAS SALES PIPELINE—MAP "D"

CONFIDENTIAL



McELVAIN OIL & GAS PROPERTIES, INC.
WILL BE THE DESIGNATED OPERATOR
OF THE SUBJECT WELL UNDER
NATIONWIDE BOND #RLB 000 4154

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

SIGNED *Paul G. Smith* TITLE Agent DATE 9-23-2002

(This space for Federal or State office use)

Federal Approval of this Action is Necessary

PERMIT NO. 43-047-34439 APPROVAL DATE _____

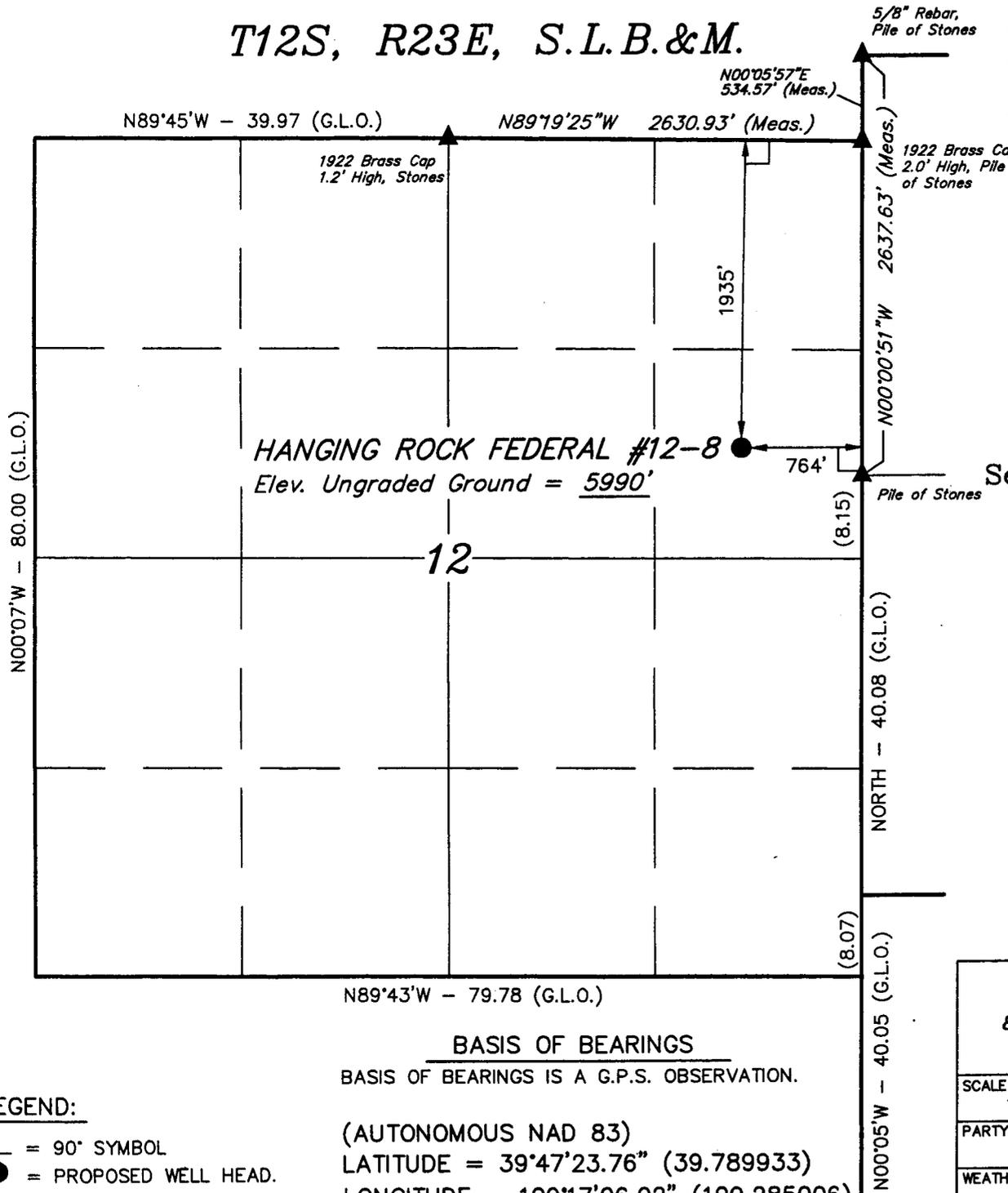
Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:
APPROVED BY *Bradley G. Hill* TITLE BRADLEY G. HILL RECLAMATION SPECIALIST III DATE 10-01-02

T12S, R23E, S.L.B.&M.

M^CELVAIN OIL & GAS PROP., INC.

Well location, HANGING ROCK FEDERAL #12-8, located as shown in the SE 1/4 NE 1/4 of Section 12, T12S, R23E, S.L.B.&M. Uintah County Utah.



BASIS OF ELEVATION

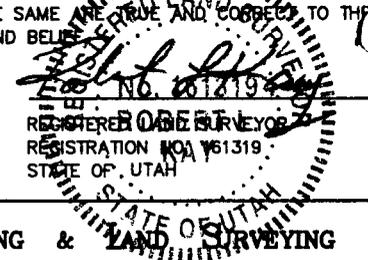
BENCH MARK 87 EAM LOCATED NEAR A ROAD INTERSECTION IN THE SW 1/4 OF SECTION 1, T12S, R23E, S.L.B.&M. TAKEN FROM THE ARCHY BENCH SE, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5887 FEET.



SCALE

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.



UINTAH ENGINEERING & LAND SURVEYING 85 SOUTH 200 EAST - VERNAL, UTAH 84078 (435) 789-1017		
SCALE 1" = 1000'	DATE SURVEYED: 07-03-02	DATE DRAWN: 07-03-02
PARTY J.F. A.F. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE M ^C ELVAIN OIL & GAS PROP., INC.	

LEGEND:

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

BASIS OF BEARINGS
 BASIS OF BEARINGS IS A G.P.S. OBSERVATION.
 (AUTONOMOUS NAD 83)
 LATITUDE = 39°47'23.76" (39.789933)
 LONGITUDE = 109°17'06.02" (109.285006)

EIGHT POINT PLAN

HANGING ROCK FEDERAL 12-8
SE/NE, SEC. 12, T12S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

FORMATION	DEPTH	TYPE ZONES	MAXIMUM PRESSURE
Green River Oil Shale	442		
Uteland Butte Limestone	2442		
Wasatch	2542	GAS	1200 psi
Mesaverde	4142	GAS	2000 psi

EST. TD: 4192

Anticipated BHP 2000 PSI

3. PRESSURE CONTROL EQUIPMENT: BOP Schematic Diagram attached.

4. CASING PROGRAM:

<u>HOLE SIZE</u>	<u>INTERVAL</u>	<u>LENGTH</u>	<u>SIZE</u>	<u>WEIGHT</u>	<u>GRADE</u>	<u>THREAD</u>	<u>MINIMUM SAFETY FACTOR</u>		
							<u>COLLAPSE</u>	<u>BURST</u>	<u>TENSILE</u>
12 ¼	0' - 220'	220'	9 5/8	32.3 #	H-40	ST&C	1370 PSI	2270 PSI	254,000#
7 7/8	0' - 4192'	4192'	4 ½	11.6 #	J-55	ST&C	4960 PSI	5300 PSI	154,000#

If conductor drive pipe is used, it will be left in place if its total length is less than 20 feet below the surface. If the total length of the drive pipe is equal to or greater than 20 feet, it will be pulled prior to cementing surface casing, or it will be cemented in place. The minimum diameter of the conductor drive pipe will be 13 3/8".

All casing will be new or inspected.

5. MUD PROGRAM

<u>INTERVAL</u>	<u>MUD TYPE</u>
0' - 220'	Air
240' - 1950'	Water
1950' - TD	Low Solids Non-disbursed mud w/ wt 9.0-9.7

Lost circulation probable from 1500' to 3000'+/-.

Sufficient mud inventory will be maintained on location during drilling to handle any adverse conditions that may arise.

6. VARIANCE REQUESTS:

- A. McElvain Oil & Gas Properties, Inc. requests a variance to regulations requiring a straight run blooie line (Where possible, a straight run blooie line will be used).

EIGHT POINT PLAN

HANGING ROCK FEDERAL 12-8
SE/NE, SEC. 12, T12S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

B. McElvain Oil & Gas Properties, Inc. requests a variance to regulations requiring an automatic ignitor or continuous pilot light on the blooie line. (Not required on aerated water system).

C. McElvain Oil & Gas Properties, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

7. EVALUATION PROGRAM:

Logs: Open Hole logs: Dual Induction & Density/Neutron

Cores: None Programmed

DST: None Programmed

Completion: To be submitted at a later date.

Note: If hole conditions prevent the running of open hole logs, a cased hole Dipole Sonic/Neutron/Gr will be run in lieu of open hole logs.

8. CEMENT PROGRAM:

<u>STRING</u>	<u>SLURRY</u>	<u>CMT. FILL</u>	<u>CMT. TYPE</u>	<u>SACKS</u>	<u>EXCESS WEIGHT</u>	<u>YEILD</u>
SURFACE	LEAD	220'	Premium-AG	180	15.80 ppg	1.16 cu ft/sx
PROD.	TAIL	1500'	Hi-Fill	145	11.0 ppg	3.85 cu ft/ sx
	LEAD	1000'	Premium-AG	265	14.80 ppg	1.45 cu ft/ sx

Stage Collar @ 2,500'.

9. ABNORMAL CONDITIONS:

None anticipated.

10. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

EIGHT POINT PLAN

HANGING ROCK FEDERAL 12-8
SE/NE, SEC. 12, T12S, R23E, S.L.B.&M.
UINTAH COUNTY, UTAH

11. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, 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, transported, or disposed of in association with the drilling of this well.

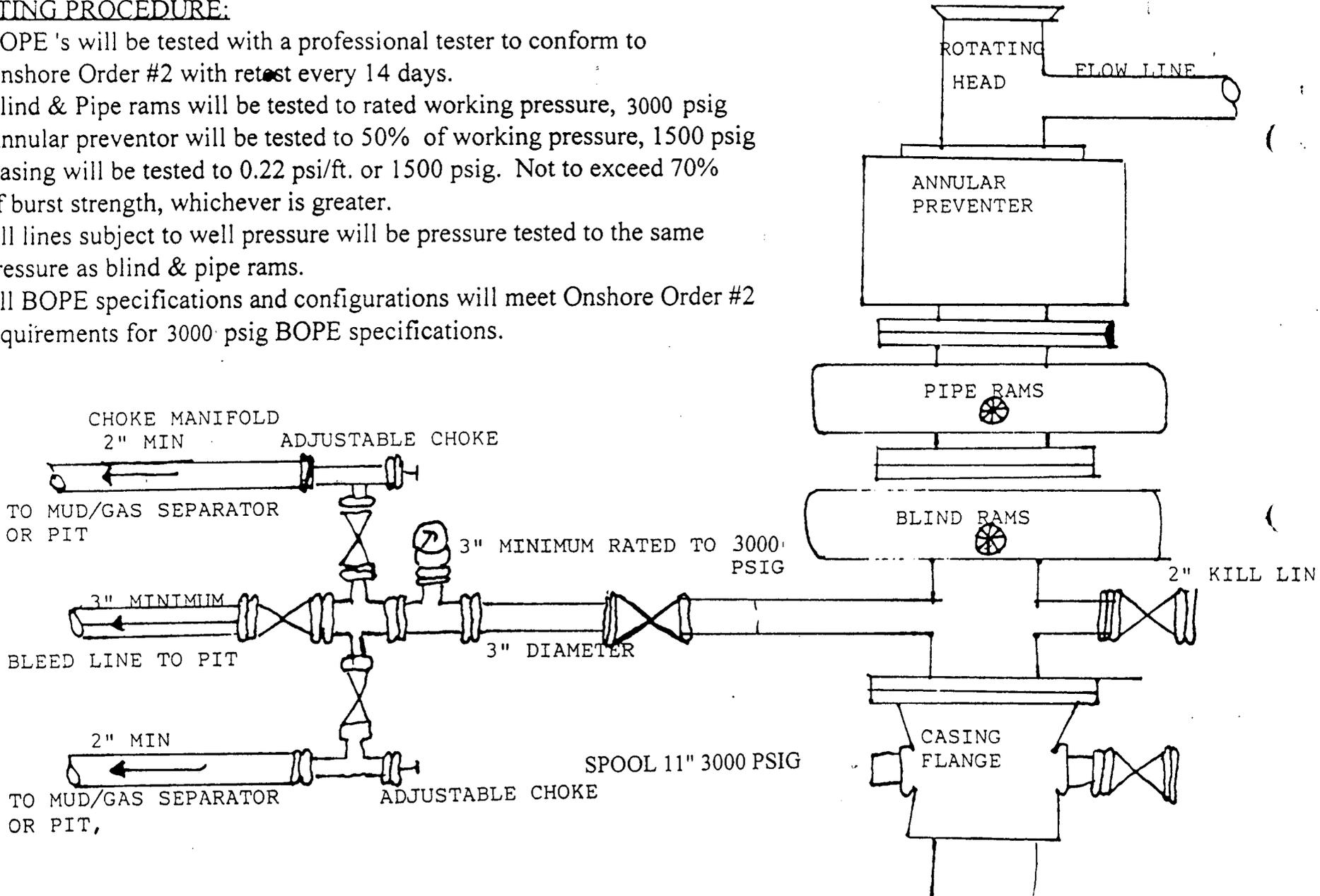
(Attachment: BOP Schematic Diagram)

3000 PSIG DIAGRAM

ANNULAR PREVENTOR AND BOTH RAMS ARE 3000 RATED.
 CASING FLANGE IS 11" 3000 PSIG RATED.
 BOPE 11" 3000 PSIG

TESTING PROCEDURE:

1. BOPE 's will be tested with a professional tester to conform to Onshore Order #2 with retest every 14 days.
2. Blind & Pipe rams will be tested to rated working pressure, 3000 psig
3. Annular preventor will be tested to 50% of working pressure, 1500 psig
4. Casing will be tested to 0.22 psi/ft. or 1500 psig. Not to exceed 70% of burst strength, whichever is greater.
5. All lines subject to well pressure will be pressure tested to the same pressure as blind & pipe rams.
6. All BOPE specifications and configurations will meet Onshore Order #2 requirements for 3000 psig BOPE specifications.



**CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL**

Company/Operator: McElvain Oil & Gas Properties, Inc.
Well Name & Number: Hanging Rock Federal 12-8
Lease Number: UTU-57455
Location: 1935' FNL & 764' FEL, SE/NE, Sec. 12,
T12S, R23E, S.L.B.&M., Uintah County, Utah
Surface Ownership: Federal

NOTIFICATION REQUIREMENTS

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

BOP and related Equipment Tests - twenty-four (24) hours prior to running casing and 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.

THIRTEEN POINT SURFACE USE PROGRAM

1. EXISTING ROADS

- A. See attached Wellsite Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 65.25 miles southeast of Vernal, Utah - See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary. No off lease Right-of-Way will be required.

2. PLANNED ACCESS ROAD

- A. The access road will be approximately 250 feet in length. See attached TOPO Map "B".
- B. The access road has a 30 foot ROW w/ 18 foot running surface.
- C. Maximum grade on access road will be 8%.
- D. No turnouts will be required.
- E. Road drainage crossings shall be of the typical dry creek drainage crossing type.
- F. No culverts, bridges, or major cuts and fills will be required.
- G. The access road will be dirt surface.
- H. No gates, cattleguards, or fences will be required or encountered.

New or reconstructed roads will be centerlined - flagged at time of location staking.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, drainage, graveling, crowning, and capping the roadbed as necessary to provide a well-constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot Right-of-Way will not be allowed.

Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossings nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by run off water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

As operator, McElvain Oil & Gas Properties, Inc. shall be responsible for all maintenance on cattleguards, or gates associated with this oil and/or gas operation.

3. **LOCATION OF EXISTING WELLS WITHIN A ONE MILE RADIUS OF PROPOSED WELL LOCATION**

A. Producing wells - 8*

B. Shut in wells - 3*

(*See attached TOPO map "C" for location)

4. **LOCATION OF EXISTING AND/OR PROPOSED FACILITIES**

A. **ON WELL PAD**

1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, 300 Bbl vertical condensate tank, and attaching piping.
2. Gas gathering lines - A 3" gathering line will be buried from dehy to the edge of the location.

B. **OFF WELL PAD**

1. Proposed location of attendant off pad flowlines shall be flagged prior to archaeological clearance.
2. A 3" OD steel above ground natural gas pipeline will be laid approximately 300' from proposed location to a point in the SE/NE of Section 12, T12S, R23E, where it will tie into Questar Pipeline Co.'s existing line. Proposed pipeline crosses Federal lands, thus a Right-of-Way grant will be required.
3. Proposed pipeline will be a 3" OD steel, welded line laid on the surface.
4. Protective measures and devices for livestock and wildlife will be taken and/or installed where required.

If storage facilities/tank batteries are constructed on this lease, the facility/battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain, at a minimum, the entire contents of the largest tank within the facility/battery.

The production facilities will be placed on the Northeast side of the location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities

required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

The required paint color is Olive Black.

If at any time the facilities located on public land and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental or other financial obligation as determined by the authorized officer.

5. LOCATION & TYPE OF WATER SUPPLY

- A. Water supply will be from N. 400 feet W 1700 feet from SE corner, Section 13, T11S, R23E, S.L.B.M., Water Right Number 49-1547.
- B. Water supply will be from Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. SOURCE OF CONSTRUCTION MATERIAL

- A. All construction material for this location and access road will be of native borrow and soil accumulated during the construction of the location.
- B. All construction material will come from Federal Land.
- C. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
 - 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.
 - 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
 - 4. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit or be removed and disposed of at an authorized disposal site. Introduction of well bore

hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

On BLM administered land:

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with a felt liner and a 12 ml (or thicker) plastic liner.

8. ANCILLARY FACILITIES

A. No airstrips or camps are planned for this well.

9. WELLSITE LAYOUT

A. Refer to attached well site plat for related topography cuts and fills and cross sections.

B. Refer to attached well site plat for rig layout and soil material stockpile location as approved on On-site.

C. Refer to attached well site plat for rig orientation, parking areas, and access road.

D. The approved seed mixture for this location is:

3 pounds Indian Rice Grass per acre

3 pounds Fourwing Saltbush per acre

1 pound Winter Fat per acre

5 pounds Needle and Thread Grass per acre.

The reserve pit will be located on the East side of the location. The flare pit will be located downwind of the prevailing wind direction on the East side of the location, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.

The stockpiled pit topsoil will be stored separate from the location topsoil by Corner B. The stockpiled location topsoil will be stored around Corner #2. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture for this location and then walked down with a cat.

Access to the well pad will be from the West.

Corners #2 & #8 will be rounded off to minimize excavation.

FENCING REQUIREMENTS:

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 barbed 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 strand 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 as 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 feet.
- E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. A cattleguard with an adjacent 16 foot gate shall be installed in any fence where a road is to be regularly traveled. If the well is a producer, the cattleguards (shall/shall not) be permanently mounted on concrete bases. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RESTORATION OF SURFACE

A. PRODUCING LOCATION

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The stockpiled pit topsoil will then be spread over the pit area and broadcast

seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

B. DRY HOLE/ABANDONED LOCATION

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

11. SURFACE OWNERSHIP

Access road: Federal

Location: Federal

12. OTHER INFORMATION

A. McElvain Oil & Gas Properties, Inc. will inform all persons in the area who are associated with this project that they are 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 will immediately stop work that might further disturb such materials, and contact the 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.

-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 wished, at any time, to relocate activities to avoid the 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 that 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. As operator, McElvain Oil & Gas Properties, Inc. will control noxious weeds along Right-of-Ways for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM, or the appropriate County Extension Office. On BLM administered land, a Pesticide Use proposal shall be submitted, and given approval,

prior to the application of herbicides or other pesticides or possible hazardous chemicals.

- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM 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.)

Additional Surface Stipulations

None

LESSEE'S OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION

OPERATIONS
McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 710
Denver, CO 80265
John Steuble
Telephone (303)893-0933

PERMITTING
Ed Trotter
P.O. Box 1910
Vernal, UT 84078
Telephone: (435)789-4120
Fax: (435)789-1420

All lease 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 approval plan of operations, and any applicable Notice to Lessees. McElvain Oil & Gas Properties, Inc. is fully responsible for the actions of their subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

A copy of the approved APD and ROW grant, if applicable, shall be on location during construction of the location and drilling activities.

Certification

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions that presently exist; that the statements made in the Plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by McElvain Oil & Gas Properties, Inc. and its contractors and subcontractors in conformity with this Plan and the terms and conditions under which it is approved.

Date

9-23-2002

Agent

Ed Trotter

McELVAIN OIL & GAS PROP., INC.
HANGING ROCK FEDERAL #12-8
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 12, T12S, R23E, S.L.B.&M.



PHOTO: VIEW OF LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY

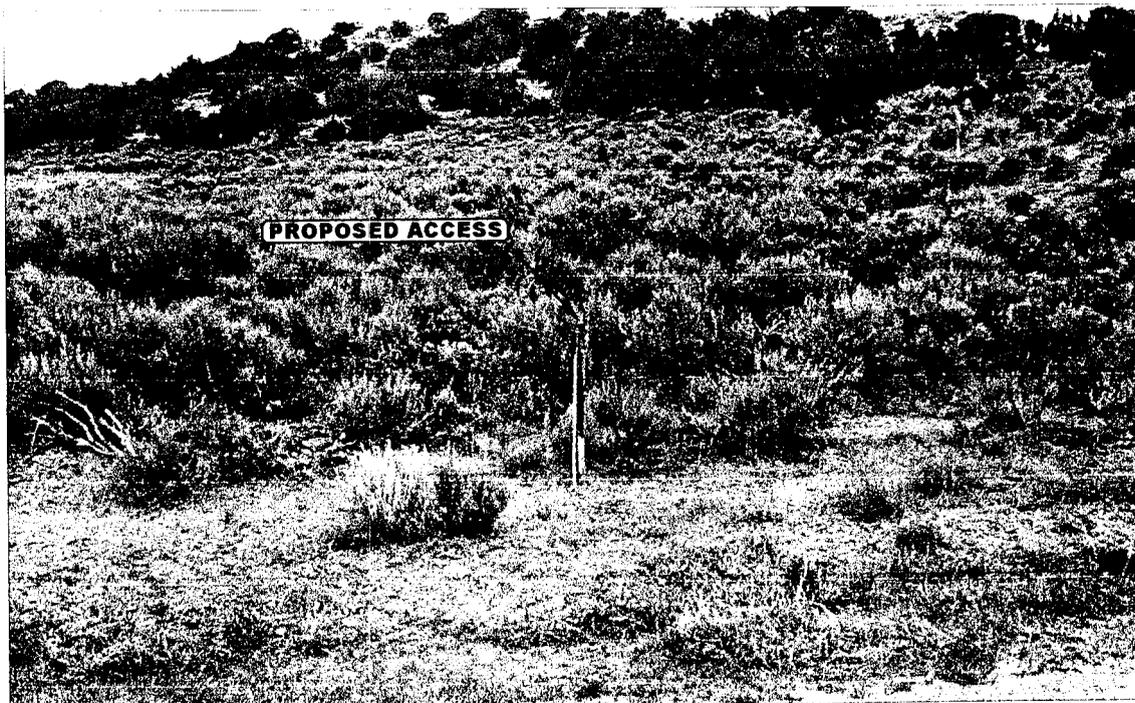


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: EASTERLY



Since 1964

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

LOCATION PHOTOS	7	9	02	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: J.F.	DRAWN BY: P.M.	REVISED: 00-00-00		

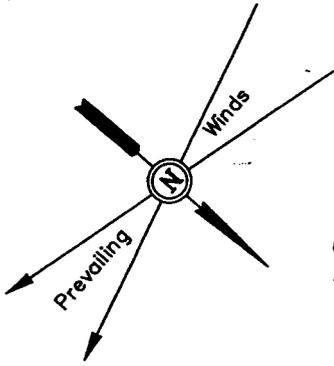
MELVAIN OIL & GAS PROP., INC.

LOCATION LAYOUT FOR

**HANGING ROCK FEDERAL #12-8
SECTION 12, T12S, R23E, S.L.B.&M.**

1935 FNL 764' FEL

Proposed Access Road



SCALE: 1" = 50'
DATE: 07-03-02
Drawn By: D.R.B.

C-7.8'
El. 5995.6'

F-1.1'
El. 5986.7'

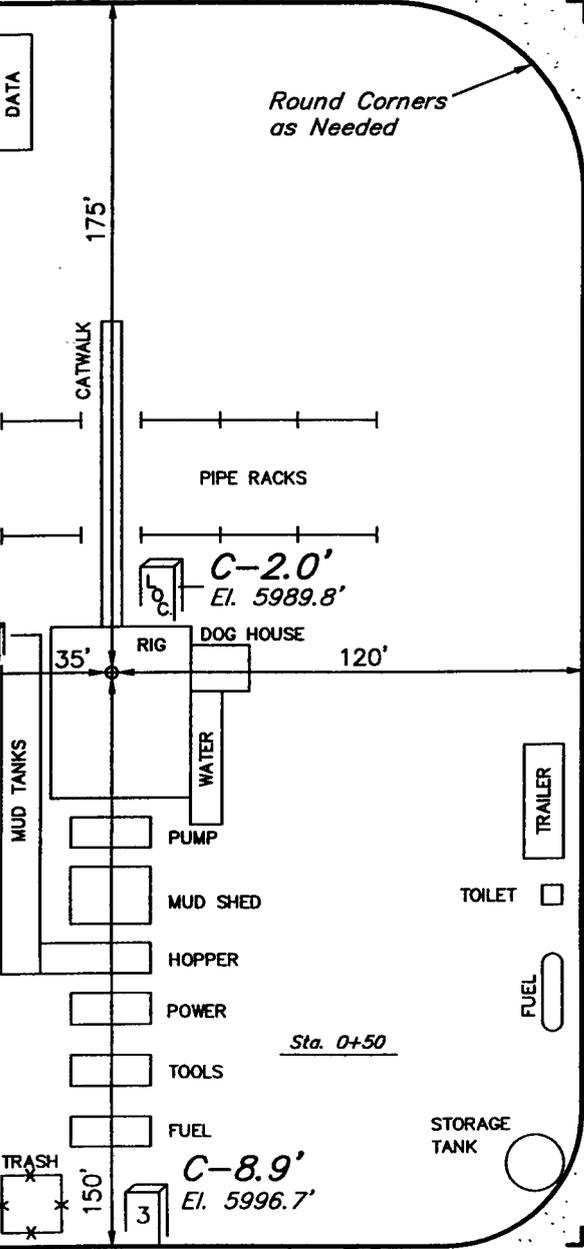
F-22.5'
El. 5965.3'

Sta. 3+25

Approx. Top of Cut Slope

Reserve Pit Backfill & Spoils Stockpile

El. 6012.9' FLARE PIT - El. 5999.9'
C-35.1' (btm. pit) C-12.1'



Existing Drainage
CONSTRUCT DIVERSION DITCH

Sta. 1+50

F-17.4'
El. 5970.4'

Approx. Toe of Fill Slope

Sta. 0+50

Sta. 0+00

El. 6021.1'
C-43.3' (btm. pit)

C-16.2'
El. 6004.0'

Topsoil Stockpile

F-7.7'
El. 5980.1'

Reserve Pit Backfill & Spoils Stockpile

Elev. Ungraded Ground at Location Stake = 5989.8'
Elev. Graded Ground at Location Stake = 5987.8'

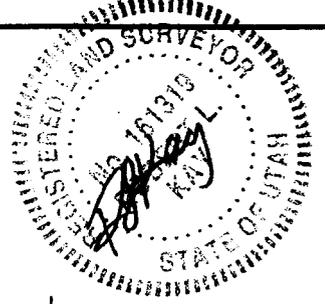


MELVAIN OIL & GAS PROP., INC.

TYPICAL CROSS SECTIONS FOR

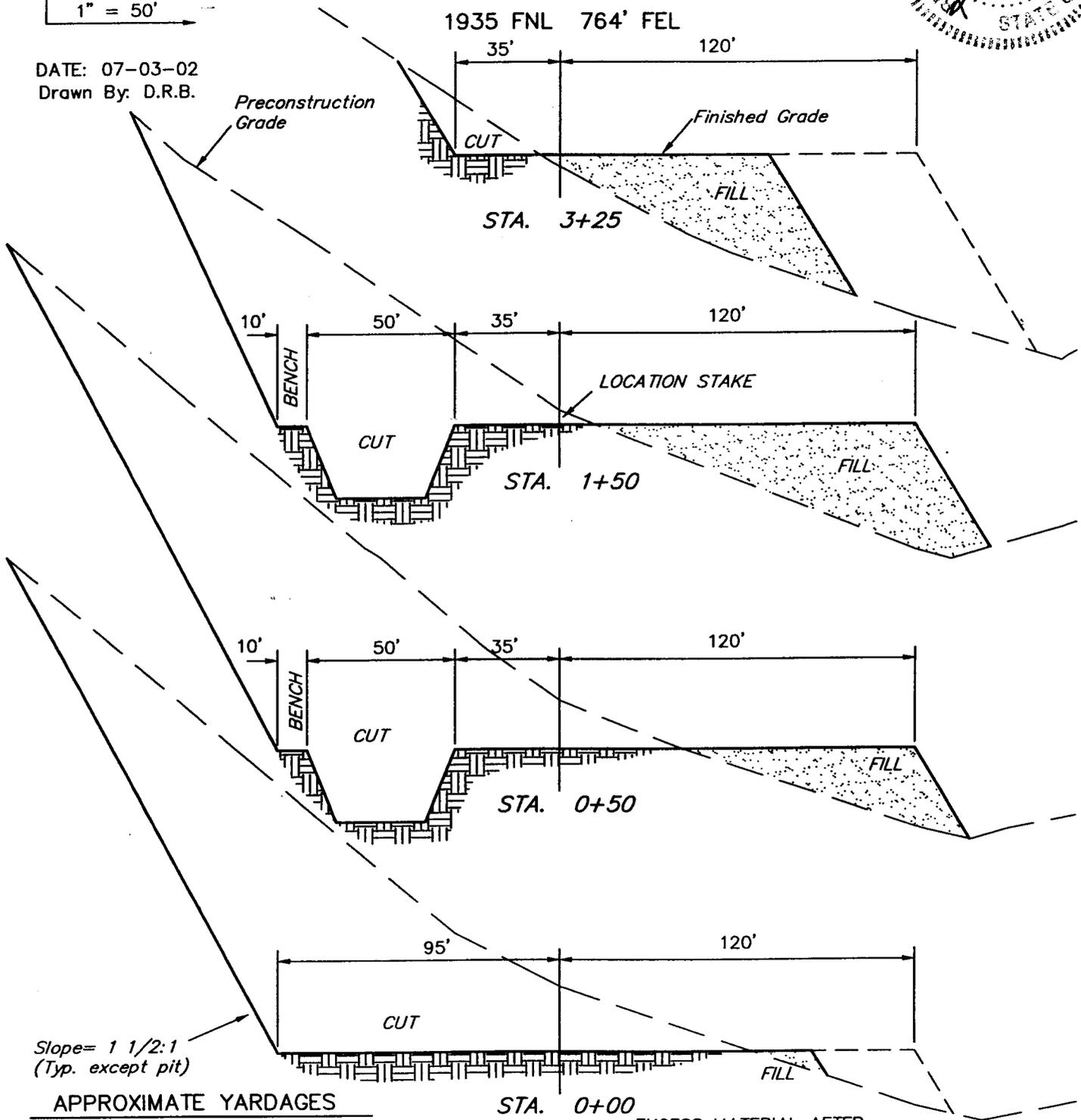
**HANGING ROCK FEDERAL #12-8
SECTION 12, T12S, R23E, S.L.B.&M.**

1935 FNL 764' FEL



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

DATE: 07-03-02
Drawn By: D.R.B.

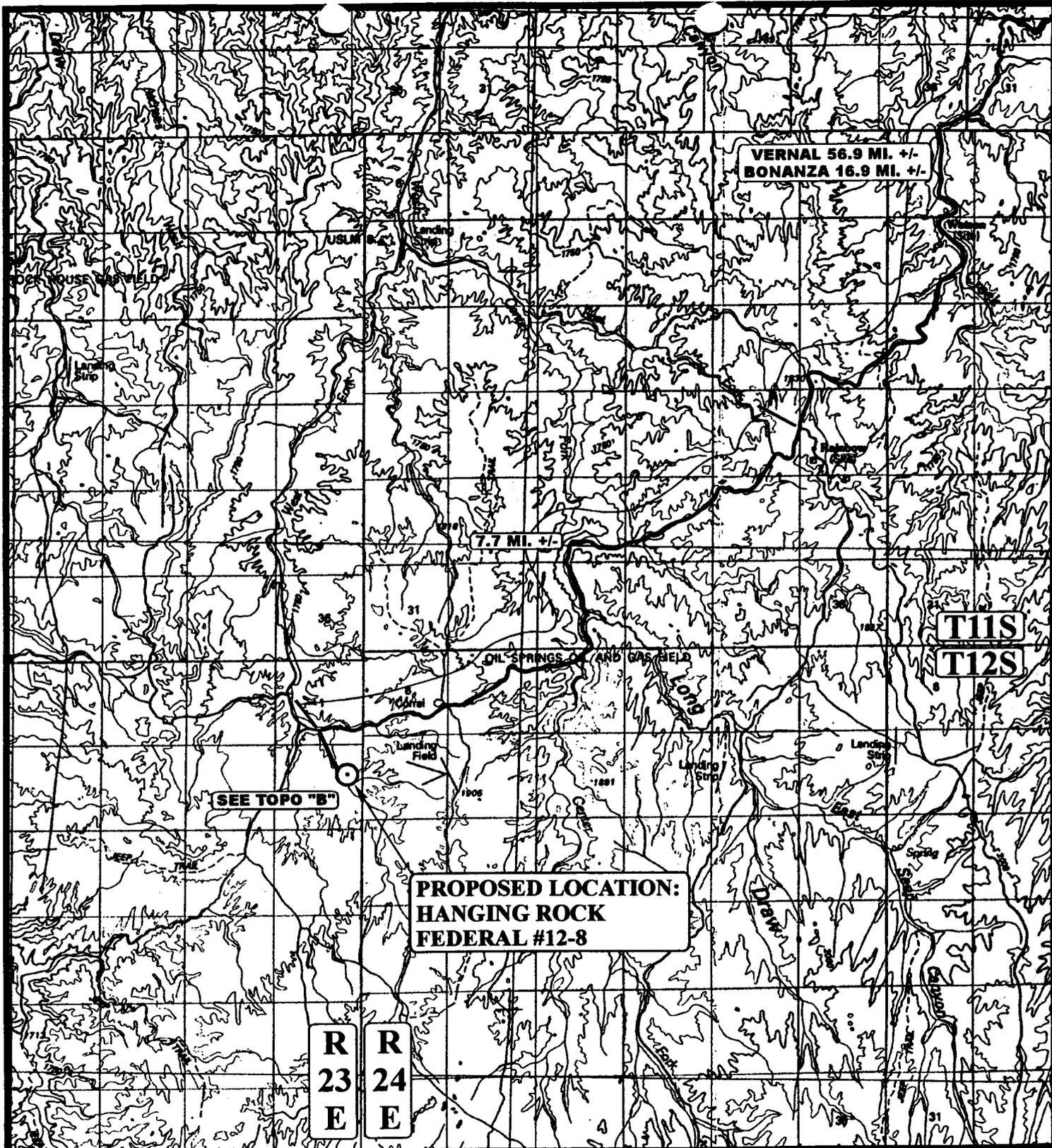


Slope= 1 1/2:1
(Typ. except pit)

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,160 Cu. Yds.
Remaining Location	= 23,190 Cu. Yds.
TOTAL CUT	= 24,350 CU.YDS.
FILL	= 16,340 CU.YDS.

STA. 0+00	EXCESS MATERIAL AFTER 5% COMPACTION	= 7,150 Cu. Yds.
	Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,420 Cu. Yds.
	EXCESS UNBALANCE (After Rehabilitation)	= 4,730 Cu. Yds.



LEGEND:

○ PROPOSED LOCATION



McELVAIN OIL & GAS PROP., INC.

**HANGING ROCK FEDERAL #12-8
SECTION 12, T12S, R23E, S.L.B.&M.
1935' FNL 764' FEL**



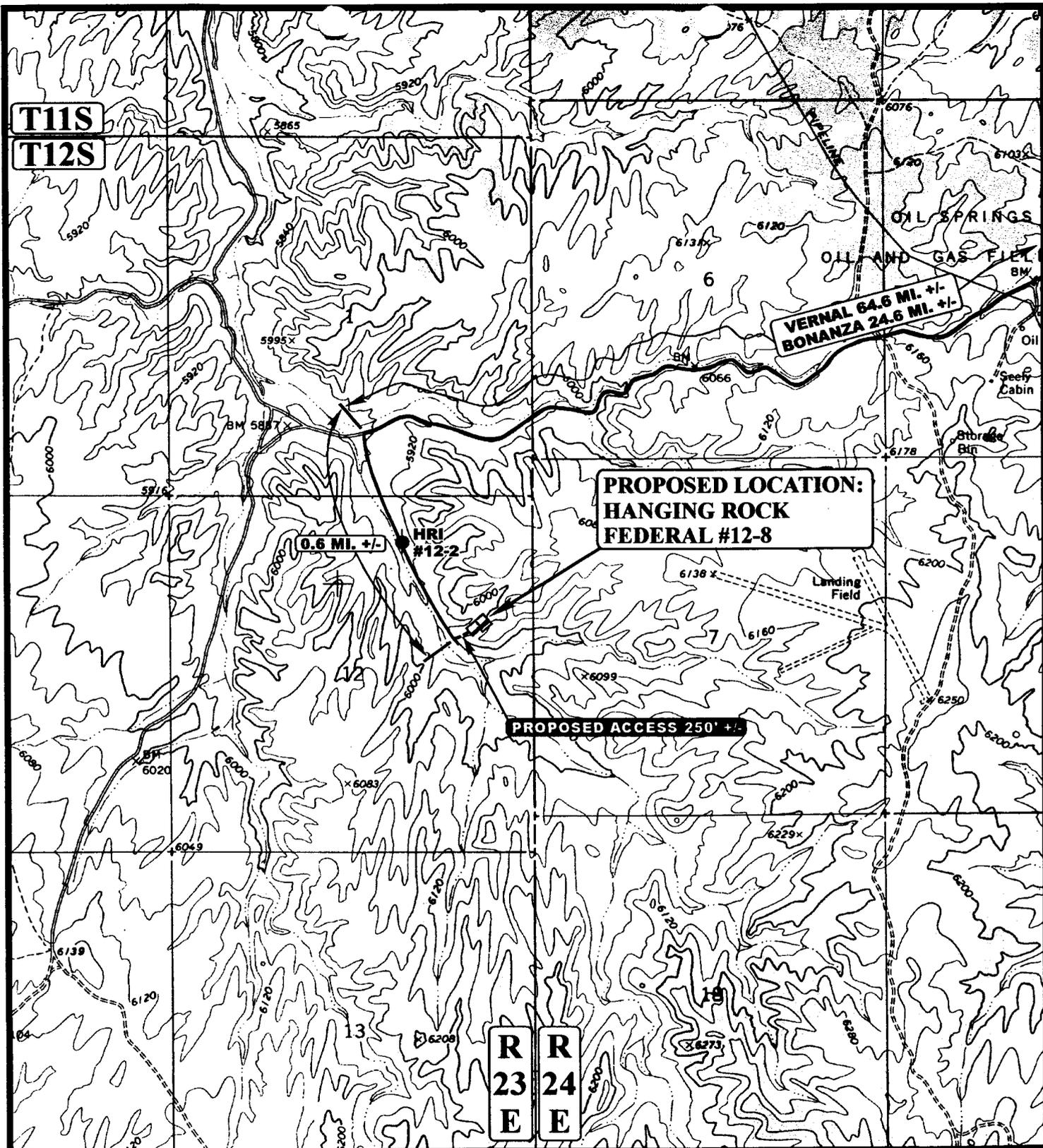
Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

**TOPOGRAPHIC
MAP**

7	9	02
MONTH	DAY	YEAR

SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:
HANGING ROCK
FEDERAL #12-8**

PROPOSED ACCESS 250' +/-

0.6 MI. +/-

**VERNAL 64.6 MI. +/-
BONANZA 24.6 MI. +/-**

LEGEND:

- EXISTING ROAD
- - - - - PROPOSED ACCESS ROAD



McELVAIN OIL & GAS PROP., INC.

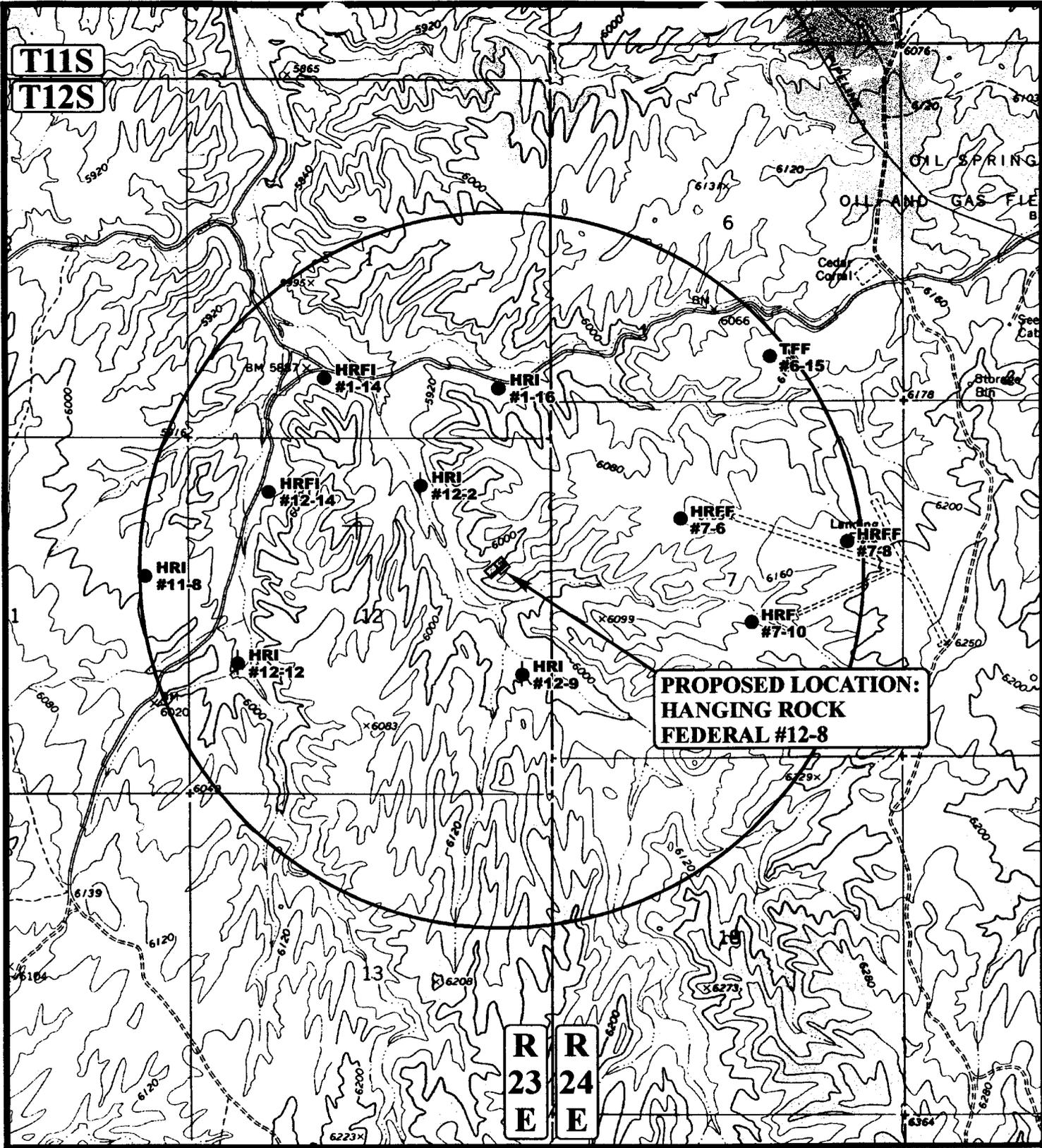
**HANGING ROCK FEDERAL #12-8
SECTION 12, T12S, R23E, S.L.B.&M.
1935' FNL 764' FEL**



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

TOPOGRAPHIC MAP	7	9	02
	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: P.M.		REVISED: 00-00-00





**PROPOSED LOCATION:
HANGING ROCK
FEDERAL #12-8**

LEGEND:

- ⊗ DISPOSAL WELLS
- PRODUCING WELLS
- SHUT IN WELLS
- ⊗ WATER WELLS
- ABANDONED WELLS
- TEMPORARILY ABANDONED



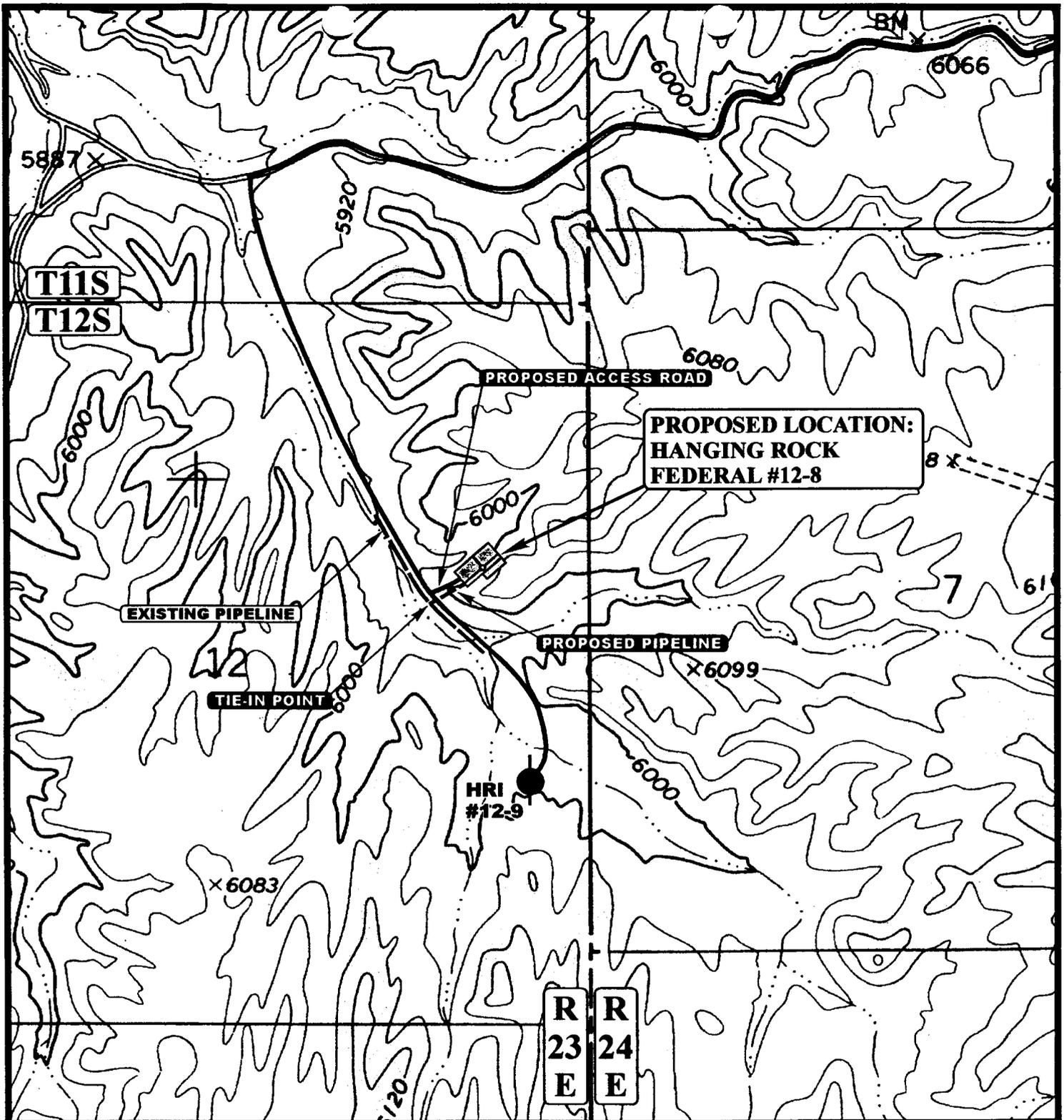
McELVAIN OIL & GAS PROP., INC.

**HANGING ROCK FEDERAL #12-8
SECTION 12, T12S, R23E, S.L.B.&M.
1935' FNL 764' FEL**



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

TOPOGRAPHIC	7	9	02	C
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'	DRAWN BY: P.M.		REVISED: 00-00-00	TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 300' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- PROPOSED PIPELINE



McELVAIN OIL & GAS PROP., INC.

HANGING ROCK FEDERAL #12-8
SECTION 12, T12S, R23E, S.L.B.&M.
1935' FNL 764' FEL



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

TOPOGRAPHIC
MAP

7	9	02
MONTH	DAY	YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/27/2002

API NO. ASSIGNED: 43-047-34439

WELL NAME: HANGING ROCK FED 12-8
OPERATOR: MCELVAIN OIL & GAS (N2100)
CONTACT: ED TROTTER

PHONE NUMBER: 303-893-0933

PROPOSED LOCATION:

SENE 12 120S 230E
SURFACE: 1935 FNL 0764 FEL
BOTTOM: 1935 FNL 0764 FEL
UINTAH
OIL SPRINGS (635)

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-57455
SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.78993

LONGITUDE: 109.28444

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. RLB 000 4154)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-1547)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

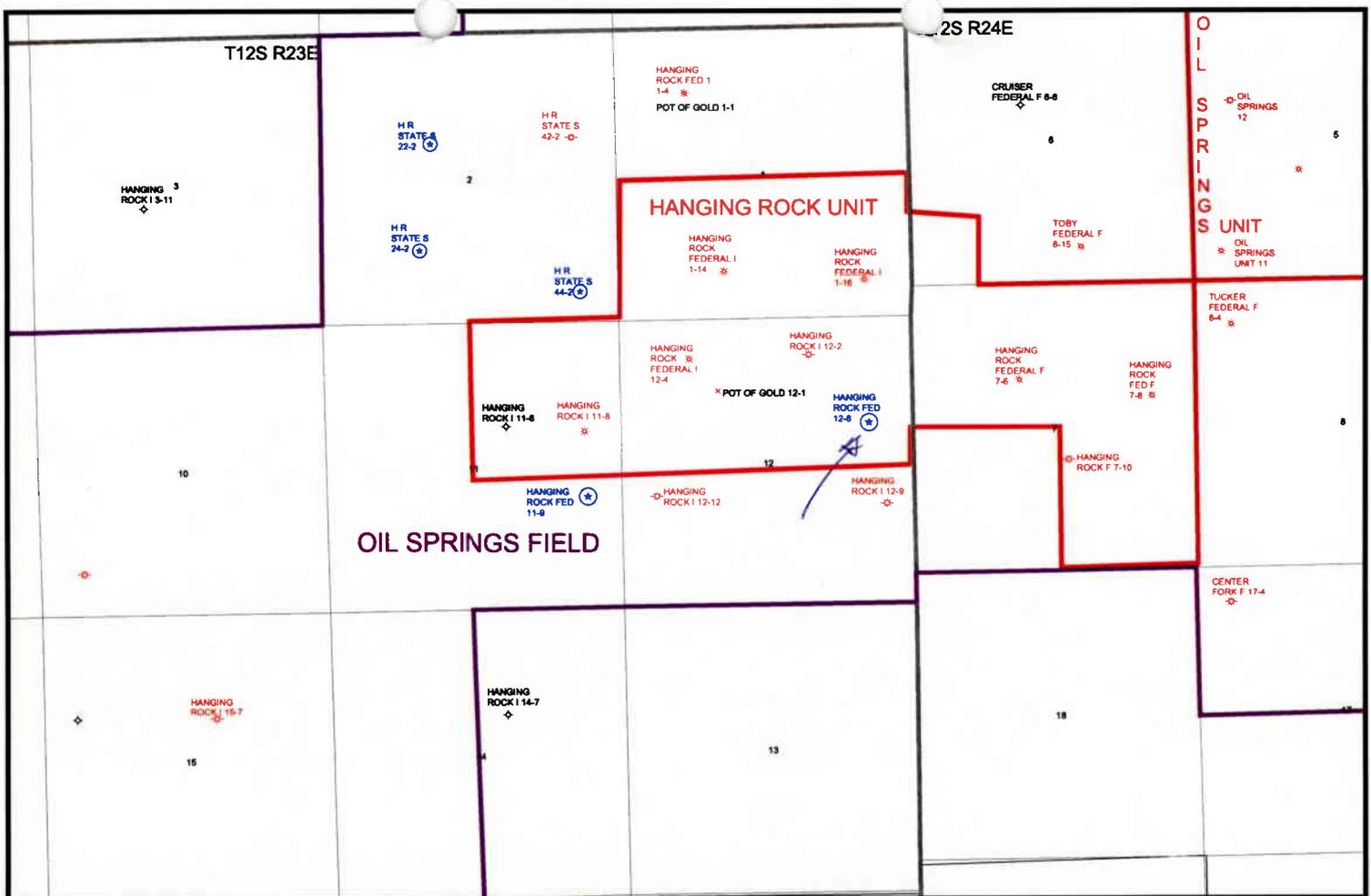
LOCATION AND SITING:

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

COMMENTS: _____

STIPULATIONS: 1. Federal approval

2. Spacing Strip



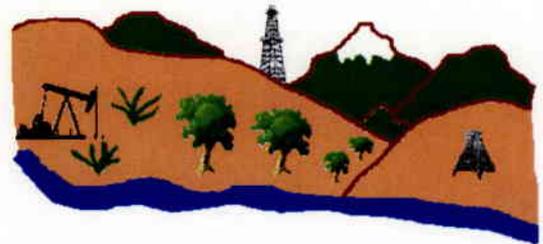
OPERATOR: McELVAIN O&G (N2100)

SEC. 12 T12S R23E

FIELD: OIL SPRINGS (635)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Well Status

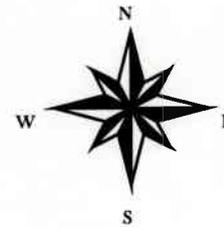
- ⚡ GAS INJECTION
- ⊕ GAS STORAGE
- ✖ LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⚡ PLUGGED & ABANDONED
- ⊕ PRODUCING GAS
- ⊕ PRODUCING OIL
- ⊕ SHUT-IN GAS
- ⊕ SHUT-IN OIL
- ✖ TEMP. ABANDONED
- ⊕ TEST WELL
- ⊕ WATER INJECTION
- ⊕ WATER SUPPLY
- ⊕ WATER DISPOSAL

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED
- Section Lines
- Township Lines
- County Boundaries



PREPARED BY: DIANA MASON
DATE: 30-SEPTEMBER-2002

002

United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, Utah 84145-0155

IN REPLY REFER TO:
3160
(UT-922)

<date>

Memorandum

To: Assistant District Manager Minerals, Vernal District
From: Michael Coulthard, Petroleum Engineer
Subject: 2002 Plan of Development Hanging Rock Unit Uintah County, Utah.

Pursuant to email between Diana Mason, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management. The following well is planned for calendar year 2002 within the Hanging Rock Unit, Uintah County, Utah.

API #	WELL NAME	LOCATION
(Proposed PZ Mesaverde)		
43-047-34439	Hanging Rock Federal	12-8 Sec. 12 T12S R23E 1935 FNL 764 FEL

This office has no objection to permitting the well at this time.

/s/ Michael L. Coulthard

bcc: File - Hanging Rock Unit
Division of Oil Gas and Mining
Agr. Sec. Chron
Fluid Chron

MCoulthard:mc:<date>-<date>-<date>



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

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

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

October 1, 2002

McElvain Oil & Gas Properties, Inc.
 1050 17th St., Ste 710
 Denver, CO 80265

Re: Hanging Rock Federal 12-8 Well, 1935' FNL, 764' FEL, SE NE, Sec. 12, T. 12 South,
 R. 23 East, 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 43-047-34439.

Sincerely,

John R. Baza
 Associate Director

pb

Enclosures

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

Operator: McElvain Oil & Gas Properties, Inc.
Well Name & Number Hanging Rock Federal 12-8
API Number: 43-047-34439
Lease: UTU-57455

Location: SE NE **Sec.** 12 **T.** 12 South **R.** 23 East

Conditions of Approval

1. General

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

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

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

007

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL <input type="checkbox"/> DEEPEN <input type="checkbox"/>		5. Lease designation and serial number UTU-57455	
b. TYPE OF WELL Oil <input type="checkbox"/> Gas <input type="checkbox"/> Single <input type="checkbox"/> Multiple <input type="checkbox"/> Well <input type="checkbox"/> Well <input type="checkbox"/> Other <input type="checkbox"/> Zone <input type="checkbox"/> Zone <input type="checkbox"/>		6. If Indian, Allottee or Tribe name	
2. Name of Operator McELVAIN OIL & GAS PROPERTIES, INC.		7. Unit Agreement Name Hanging Rock Ws MV B	
3. Address and Telephone Number 1050 17TH ST., STE 710, DENVER, CO 80265 (303)893-0933		8. Farm or lease name, well no. HANGING ROCK FEDERAL 12-8	
4. Location of Well (Report location clearly and in accordance with any State requirements.) At surface 1935' FNL & 764' FEL SENE RECEIVED		9. API Well No. HANGING ROCK FEDERAL 12-8	
At proposed prod. Zone		10. Field and pool, or wildcat	
14. Distance in miles and direction from nearest town or post office 65.25 MILES SOUTHEAST OF VERNAL, UTAH SEP 23 2002		11. Sec., T., R., M., or BLK. and survey or area SEC. 12, T12S, R23E	
15. Distance from proposed location to nearest property or lease line, ft. 764' (Also to nearest drig. Unit line, if any)		12. County or parish UINTAH	
16. No. of acres in lease		13. State UTAH	
18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.		17. No. of acres assigned to this well	
19. Proposed depth 4192'		20. Rotary or cable tools ROTARY	
21. Elevations (show whether DF, RT, GR, etc.) 5987.8 FEET GRADED GROUND		22. Approx. date work will start UPON APPROVAL	

23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	32.30#	200 - 220'	SEE 8 POINT PLAN
7 7/8"	4 1/2"	11.6#	4192'	SEE 8 POINT PLAN

SEE ATTACHMENTS FOR:

- 8 POINT PLAN
- BOP SCHEMATIC
- SURFACE USE AND OPERATING PLAN
- LOCATION PLAT
- LOCATION LAYOUT
- TOPOGRAPHIC MAPS "A", "B", AND "C"
- GAS SALES PIPELINE—MAP "D"

CONFIDENTIAL

RECEIVED

OCT 23 2002

DIVISION OF
OIL, GAS AND MINING

McELVAIN OIL & GAS PROPERTIES, INC.
WILL BE THE DESIGNATED OPERATOR
OF THE SUBJECT WELL UNDER
NATIONWIDE BOND #RLB 000 4154

Pc: UTAH DIVISION OF OIL, GAS, AND MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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.

SIGNED *Paul G. Jett* TITLE Agent DATE 9-23-2002

(This space for Federal or State office use)

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED

Application approval 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.

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY *Paul B. Leavins* TITLE Assistant Field Manager
Mineral Resources DATE 10/16/2002

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: McElvain Oil & Gas Properties Inc.

Well Name & Number: HANGING ROCK FEDERAL 12-8

API Number: 43-047-34439

Lease Number: UTU - 57455

Location: SENE Sec. 12 TWN: 12S RNG: 23E

Agreement: Hanging Rock WS MV B

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 that would entitle the applicant to conduct operations thereon.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM

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 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 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.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

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 Green River Formation water zone, identified at 530 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 vapor proof 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 top of the cement 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.

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(d) shall be submitted to the appropriate Field Office within 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 (1).

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 and tested for meter accuracy 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 to 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 approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 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
CONDITIONS OF APPROVAL (COAs)**

The pit shall be lined with plastic and felt.

The slope on the cut around the pit shall be as near 1:1 as possible.

The seed mix for this location shall be:

Fourwing saltbush	<i>Atriplex canescens</i>	3 lbs./acre
Indian Ricegrass	<i>Oryzopsis hymenoides</i>	3 lbs./acre
Winterfat	<i>Ceratoides lanata</i>	1 lbs./acre
Needle and Thread Grass	<i>Stipa comata</i>	5 lbs./acre

All poundages are in pure live seed.

Reseeding may be required if first seeding is not successful.

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

008

ENTITY ACTION FORM

Operator: McElvain Oil & Gas Properties, Inc. Operator Account Number: N 2100
 Address: 1050 17th St., Ste 1800
city Denver
state CO zjp 80265 Phone Number: (303) 893-0933

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304734439	Hanging Rock Federal 12-8		SENE	12	12S	23E	Utah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
B A	99999	11889	10/27/2002		3-11-03		
Comments: CONFIDENTIAL							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304734729	Tucker Federal 8-12		NWSW	8	12S	24E	Utah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	13740	11/5/2002		3-11-03		
Comments: CONFIDENTIAL							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

John Steuble

Name (Please Print)

John Steuble

Signature

Engineer

Title

3/10/2003

Date

(5/2000)

RECEIVED

MAR 11 2003

DIV. OF OIL, GAS & MINING

009

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING
OIL AND GAS PROGRAM

PHONE CONVERSATION DOCUMENTATION FORM

Copy?

Conversation Pertains to:

WELL HANGING ROCK FED 12-8

OTHER

Section 12 Township 12S Range 23E

API Number 4304734439

Topic of Conversation: THIS WELL HAS BEEN PRODUCING SINCE JAN 2003 - NO WCR RECEIVED - PLEASE SEND

Date of Phone Call: 9/17/2003

Time: 8:10 am

DOGME Employee (name): CAROL DANIELS

Initiated Call?

Spoke with:

Name: DEBBIE POWELL

Initiated Call?

Of (company/organization): MCELVAIN OIL & GAS Phone: (303) 893-0933

Highlights of Conversation:

THIS WELL HAS BEEN PRODUCING SINCE JANUARY 2003 AND NO WELL COMPLETION OR RECOMPLETION REPORT AND LOG (FORM 8) HAS BEEN RECEIVED BY US. A WCR IS TO BE SENT IN WITHIN 30 DAYS AFTER THE COMPLETION OF THE WELL.

DEBBIE SAID SHE WOULD GET A COPY OF THE WCR AND SEND IN.

NOTICE

Utah Oil and Gas Conservation General Rule R649-3-21 states that,

- A well is considered completed when the well has been adequately worked to be capable of producing oil or gas or when well testing as required by the division is concluded.
- Within 30 days after the completion or plugging of a well, the following shall be filed:
 - Form 8, Well Completion or Recompletion Report and Log
 - A copy of electric and radioactivity logs, if run
 - A copy of drillstem test reports,
 - A copy of formation water analyses, porosity, permeability or fluid saturation determinations
 - A copy of core analyses, and lithologic logs or sample descriptions if compiled
 - A copy of directional, deviation, and/or measurement-while-drilling survey for each horizontal well

Failure to submit reports in a timely manner will result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

As of the mailing of this notice, the division has not received the required reports for

Operator: MCELVAIN OIL & GAS Today's Date: 10/07/2003

Well:	API Number:	Drilling Commenced:
HANGING ROCK FED 12-8 T12S R23E SEC 12	434734439	10/27/2002
TUCKER FED 8-12 T12S R24E SEC 08	4304734729	11/05/2002

To avoid compliance action, required reports should be mailed within 7 business days to:

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

If you have questions or concerns regarding this matter, please call (801) 538-5284.

cc: **Well File**
Compliance File

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

011 WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. Type of Well Oil Well Gas Well Dry Other
 b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resvr.,
 Other _____

5. Lease Serial No.
UTU-57455

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

6. If Indian, Allottee or Tribe Name

3. Address
1050 17th Street #1800 Denver, CO 80265

7. Unit or CA Agreement Name and No.
Hanging Rock WSMVB

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
 At surface **1935' FNL & 764' FEL Sec. 12 T12S R23E SLB&M**
 At top prod. interval reported below **Same**
 At total depth **Same**

8. Lease Name and Well No.
Hanging Rock Federal #12-8

9. API Well No.
43-047-34439

14. Date Spudded
10/26/2002

15. Date T.D. Reached
10/31/2002

16. Date Completed
 D & A Ready to Prod.
1/22/2003

10. Field and Pool, or Exploratory
Wasatch

11. Sec., T., R., M., on Block and Survey or Area **Sec.12 T12S R23E SLB&M**

12. County or Parish **Uintah** 13. State **UT**

17. Elevations (DF, RKB, RT, GL)*
5990' GL

18. Total Depth: MD **4115'**
TVD **4115'**

19. Plug Back T.D.: MD **4171'**
TVD **4171'**

20. Depth Bridge Plug Set: MD **3800'**
TVD **3800'**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
CN/TLD/GR/AI

22. Was well cored? No Yes (Submit analysis)
 Was DST run? No Yes (Submit report)
 Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4	9 5/8" H-40	32.30	0	544	-----	230 sx Type V	48	0 (Circ)	none
7 7/8	4 1/2" I-80	11.6	0	4115	2231	570 sx AG300	218	0(Circ)	none

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2 3/8	3039'							

25. Producing Intervals

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	3920	TD	3932-3936	.45	16	Covered w/ CIBP@3910'
B) Wasatch	2527	3920	3838-3843	.45	20	Covered w/ CIBP@3800'
C) Wasatch	2527	3920	3013-3022 & 3048-3066	.45	108	Producing
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/25/03	1/17/03	2	→	0	250	0	---	NA	Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
Various	SI	800	→	0	3000	0	---	Producing	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	

EXPIRED
1-22-04

RECEIVED

OCT 16 2003

3b. Production - Interval C

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Well Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

3c. Production - Interval D

Date First Produced	Test Date	Hours Tested	Test Production →	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
Well Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas: Oil Ratio	Well Status	

4. Disposition of Gas (Sold, used for fuel, vented, etc.)

SOLD

5. Summary of Porous Zones (Include Aquifers)

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
				Uteland Butte	2368
				Wasatch	2527
				Mesaverde	3920

2. Additional remarks (include plugging procedure):

3. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (if full set req'd)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (Please print) John D. Steuble Title Engineering Manager

Signature: John D. Steuble Date: 5/29/2003

18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

OCT 16 2003

DIV. OF OIL, GAS & MINING

PERC

DIRECTIONAL REPORT

WELLNAME: HANGING ROCK 12-8	WELL ID NO.: MCELVAIN O&G
FIELD: HANGING ROCK	API NO.: PROP # UTU-57455
AFE NO.:	

SURVEY TYPE : <u>TSS-0</u>	MD : <u>4.115</u>	ANGLE :	AZIMUTH :	TVD :
	N/S :	EW :	VS :	TARGET :

MEASURED DEPTH	INCLINATION ANGLE	AZIMUTH ANGLE	TVD	+NORTH -SOUTH	+EAST -WEST	VERTICAL SECTION	DOGLEG SEVERITY
620	0.50						
1,106	0.50						
1,598	1.00						
1,993	0.75						
2,481	1.00						
2,748	1.25						
2,973	1.00						
3,246	1.00						
3,490	1.00						
3,736	3.00						
4,115	<i>TOTAL DEPTH</i>						

McELVAIN OIL & GAS PROPERTIES, INC.

**Hanging Rock Federal #12-8
Upper Wasatch Recompletion
July 19, 2004**

RECEIVED

JUL 22 2004

DIV. OF OIL, GAS & MINING

LOCATION SE/NE 12-T12S-R23E API#: 43-047-34439
Uintah County, UT

DRILL TD: 4115' ORIGINAL PBTD: 4038' KB: 10'

Purpose of Work: Upper Wasatch Recompletion

CASING:

9 5/8", 32.30#, H-40(13 jts) @ 544' in 12 1/4" hole
4 1/2", 11.6#, I-80 (98 jts) @ 4115' in 7 7/8" hole.
DV Tool @ 2231'

CURRENT PERFORATIONS:

Middle Wasatch: 3013'-3022', 3048'-3066'
Lower Wasatch: 3838'-3843' (Below CIBP @ 3,800')
Mesaverde: 3932'-3936' (Below CIBP @ 3,910')

PROPOSED PERFORATIONS:

Upper Wasatch: 2940' - 2950'
Upper Wasatch: 2545' - 2551'
Uteland Butte: 2381' - 2386' (Prior to Abandonment)

HISTORY:

10-28-02 Pre-set 9.625" Surface Casing @ 544 feet
10-30-02: Spud 7.875" production hole
11-01-02: Reached TD at 4115 w/8.9 ppg mud. Max deviation of 3 degrees @ 3736'
1-14-03: Perf. 3932'-3936'; Ran pressure bomb and recorded "low" pressure.
Did not test. Set CIBP @ 3910.
1-15-03: Perf. 3838'- 3843'; Broke with rig pump at 3000 psig; Tested very small volume gas and no water. Set CIBP @ 3800'.
1-17-03: Perf. 3013'- 3022' and 3048'-3066'; Flowed 3.25 MMcfd at 800 psig on 26/64 choke; Ran pressure bomb. BHP = ?
1-24-03: Date of First Production. Opened w/SITP = SICP = 1,100 psi
5-28-03: Perf. 3013'- 3022' and 3048'-3066'; Ran pressure bomb and performed transient analysis. Max BHP = 238 psi. Max BHT = 108 degrees F

PROPOSED PROCEDURE:

1. Blow well down.
2. MIRU pulling unit.
3. ND tree & NU BOPE w/stripping head.
4. PU tubing to tag PBTD. Tally out of hole.
5. RU WL. RIH & set CIBP at $\pm 3,000'$. (Note fluid level tag with wire line).
6. TIW with $\pm 4'$ tubing sub, full bore lok-set packer, XN nipple, 1 joint tubing, X nipple and

- tubing. Set packer at $\pm 2850'$
7. Pressure test plug and tubing to 2500 psig for 15 minutes with 3% KCL water.
 8. Swab well down to leave a fluid level of $\pm 2,300'$ when perforating.
 9. POOH with tubing.
 10. RU full riser. RIH w/casing gun and **perforate 2940'-2950' (10') at 4 spf, 90 degree phasing**. Correlate with Schlumberger's Density/Neutron Log of 11/2/02 Run #1. POOH with gun. RD wire line.
 11. TIW with $\pm 4'$ tubing sub, lok-set packer, XN nipple, 1 joint tubing, X nipple and tubing. Set packer at $\pm 2900'$ (If well gassing, use tubing disk below packer or surface set blanking plug in XN. Break disk w/swab line sinker bar or retrieve plug via slick line after setting packer).
 12. RU pump truck & ball injector. Break down perforations with $\pm 3\%$ KCL utilizing an estimated 60 RCN balls (1.3 gravity).
 13. Swab & flow test new perforations. Obtain a water sample at the end of the test period.
 14. Run slick-line pressure bombs with a minimum 12 hour shut-in.
 15. Retrieve pressure bombs following shut-in period.
 16. Slick-line set blanking plug in XN nipple.
 17. Release packer. Drop down $\pm 10'$ below perfs w/packer and scrape balls off perfs.
 18. POOH w/packer.
 19. RU WL and riser. Set composite bridge plug at $\pm 2880'$. (Note: If 2940-50 zone uneconomic, dumpbail 50' of cement on top of CIBP @ $\pm 3,000'$ to complete abandonment of 3013-66 perfs, set CIBP instead of composite plug @ $\pm 2,880'$, pressure test plug down casing & dumpbail 50' of cement on top of CIBP after pressure test).
 20. TIW with $\pm 4'$ tubing sub, full bore lok-set packer, XN nipple, 1 joint tubing, X nipple and tubing. Set packer below fluid level at $\pm 2325'$
 21. Pressure test plug and tubing to 2000 psig for 15 minutes with 3% KCL water.
 22. Swab well down to leave a fluid level of $\pm 2,000'$ when perforating.
 23. POOH with tubing.
 24. RU full riser. RIH w/casing gun and **perforate 2545 to 2551' (6') at 4 spf, 90 degree phasing**. Correlate with Schlumberger's Density/Neutron Log of 11/2/02 Run #1.
 25. POOH with gun. RD riser & move out wire line.
 26. TIW with $\pm 4'$ tubing sub, lok-set packer, XN nipple, 1 joint tubing, X nipple and tubing. Set packer at $\pm 2500'$ (If well gassing, use tubing disk below packer or surface set blanking plug in XN. Break disk w/swab line sinker bar or retrieve plug via slick line after setting packer).
 27. RU pump truck & break down perforations with $\pm 3\%$ KCL utilizing an estimated 36 RCN balls (1.3 gravity).
 28. Swab & flow test new perforations. Obtain a water sample at the end of the test period.
 29. Run slick-line pressure bombs with a minimum 12 hour shut-in.
 30. Retrieve pressure bombs following shut-in period.
 31. Slick-line set blanking plug in XN nipple if necessary to get out of hole.
 32. Release packer. Drop down $\pm 10'$ below perfs w/packer and scrape balls off perfs.
 33. POOH w/packer. (If necessary, set composite plug @ $\pm 2,510'$ in order to get back in hole with drill-out assembly).
 34. RIW with 3-7/8" bit, pump-off bit sub, 4' sub, XN nipple and tubing.
 35. RU power swivel and foam circulation unit.
 36. Drill out composite plug(s) and cleanout to CIBP @ $\pm 3,000'$.

37. Land tubing at $\pm 2,940'$
38. ND BOPs & NUWH
39. Drop ball and pump off the bit sub w/foam unit.
40. Swab or blow well around with foam unit to clean-up.
41. RDMO foam unit and pulling unit.

REMARKS:

Permanent abandonment of existing perforations from 3013-3066 (gross) will require a 35 foot cement cap on top of CIBP @ $\pm 3,000'$. Above procedure does not permanently abandon 3013 – 3066 perforations, and assumes this cement placement will occur later.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED
FORM APPROVED
OMB NO. 1004-0137
Expires: January 31, 2004

013 WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5- Lease Serial No. **UTU-57455**
JAN 07 2005

1a. Type of Well Oil Well Gas Well Dry Other

b. Type of Completion: New Well Work Over Deepen Plug Back Diff. Resrv.
Other Recomplete Lwer to Upper Wasatch

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

3. Address **1050 - 17th Street, Ste. 1800 Denver, CO 80265** 3a. Phone No. (include area code) **303.893.0933**

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
At surface **1935' FNL & 764' FEL, sec. 12, T12S-R23E S.L.B. & M. (SENE Sec. 12)**
At top prod. interval reported below **same**
At total depth **same**

6. If Indian, Allottee or Tribe Name **GAS & MINING**

7. Unit or CA Agreement Name and No. **Hanging Rock WSMVB**

8. Lease Name and Well No. **Hanging Rock Federal #12-8**

9. API Well No. **43-047-34439**

10. Field and Pool, or Exploratory **Oil Springs**

11. Sec., T., R., M., on Block and Survey or Area **Sec. 12, T12S-R23E SLB&M**

12. County or Parish **Utah** 13. State **Utah**

14. Date Spudded **10/26/02** 15. Date T.D. Reached **10/31/02** 16. Date Completed D & A Ready to Prod. **1/22/03**

17. Elevations (DF, RKB, RT, GL)* **5988' GLE & 5998' KBE**

18. Total Depth: MD **4115** TVD **4115** 19. Plug Back T.D.: MD **4038** TVD **4038** 20. Depth Bridge Plug Set: MD **3910, 3800, 3000 & 2895'** TVD **3910, 3800, 3000 & 2895'**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each) **FDC/CNL/AIL/SP/GR, CBL**

22. Was well cored? No Yes (Submit analysis)
Was DST run? No Yes (Submit report)
Directional Survey? No Yes (Submit copy)

23. Casing and Liner Record (Report all strings set in well)

Hole Size	Size/Grade	Wt. (#/ft.)	Top (MD)	Bottom (MD)	Stage Cementer Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12.25	9.625/H40	32.30	0	544	NA	230 sx Type V	48	Surface	0
7.875	4.5/I-80	11.6	0	4115	2231	Stg1-360sx 'G'	98	TD-2231 DV	0
						Stg2-160sx 'V'	615	2000-Surface	
						Stg2-50 sx 'G'	10	2231DV-2000	

24. Tubing Record

Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)	Size	Depth Set (MD)	Packer Depth (MD)
2.375"	2540	NA						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wasatch	2527	3920	3013-22 & 3048-66	0.45	108	Below CIBP @ 3000
B) Wasatch	2527	3920	2940 - 2950	0.41	40	Below CIBP @ 2895
C) Wasatch	2525	3920	2545 - 2551	0.41	24	Producing
D)						

26. Perforation Record

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Wasatch	2527	3920	3013-22 & 3048-66	0.45	108	Below CIBP @ 3000
B) Wasatch	2527	3920	2940 - 2950	0.41	40	Below CIBP @ 2895
C) Wasatch	2525	3920	2545 - 2551	0.41	24	Producing
D)						

27. Acid, Fracture, Treatment, Cement Squeeze, Etc.

Depth Interval	Amount and Type of Material
2940 - 2950	500 gals 15% HCl acid + additives utilizing 60 - 7/8" ball sealers
2545 - 2551	300 gals 15% HCl acid + additives utilizing 36 - 7/8" ball sealers

28. Production - Interval A

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
1/25/03	1/17/03	2	→	0	250	0	NA	0.61	Flowing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
Various	SI	800	→	0	300	0	NA	ABD below Cmt. & CIBP @ 3000'	

28a. Production - Interval B

Date First Produced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
	11/12/04	18	→	0	TSTM	0	NA	NA	Swabbing
Choke Size	Tbg. Press. Flwg.	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
64/64	NA	NA-Pkr		0	TSTM	0	NA	ABD below Cmt. & CIBP @ 2895'	

3b. Production - Interval C

ate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
11/19/04	11/18/04	18	→	0	60	0	NA	0.61	Flowing
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
48/64	SI 180	220	→	NA	75	0	NA	Producing	

3c. Production - Interval D

ate First reduced	Test Date	Hours Tested	Test Production	Oil BBL	Gas MCF	Water BBL	Oil Gravity Corr. API	Gas Gravity	Production Method
			→						
hoke ize	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas : Oil Ratio	Well Status	
	SI		→						

1. Disposition of Gas (Sold, used for fuel, vented, etc.)

Gas is sold & transported off lease via Canyon Gas Resources pipe line

2. Summary of Porous Zones (Include Aquifers):

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.

31. Formation (Log) Markers

Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
			Perfs in Well as of 1/4/04 & Current Status	Uteland Butte	2368
Mesaverde	3920	TD	3932 - 3936 tested tite. Abd via CIBP @ 3910	Wasatch	2527
Wasatch	2527	3920	3838 - 3843 tested tite. Abd via CIBP @ 3800	Mesaverde	3920
Wasatch			3048 - 3066 prod then Abd via CIBP @ 3000		
Wasatch			3013 - 3022 prod then Abd via CIBP @ 3000		
Wasatch			2940 - 2950 tested tite. Abd via CIBP @ 2895		
Wasatch			2545 - 2551 producing		

2. Additional remarks (include plugging procedure):

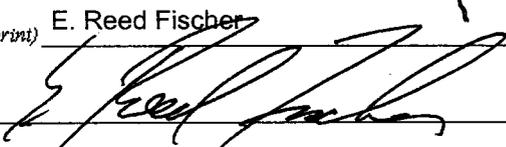
This recompletion report pertains to the plug back of the previously completed 3048-66 & 3013-22 Wasatch perfs. The well was plug backed after notifying Ed Forsman of the Vernal BLM of plan to abandon the 3013 - 3066 (gross) perfs. A CIBP was set @ 3000', pressure tested and 4.0 sacks of cement were dumpbailed in 2 runs on top of the CIBP. The 2940-50 zone was perforated, acidized with 500 gals of 15% HCl and swab tested before abandonment by setting a CIBP @ 2895 and then dumpbailing 4 sacks of cement in 2 runs on top of the CIBP. The Upper Wasatch zone from 2545 - 2551 was then perforated, acidized with 300 gals of 15% HCl and swab tested before being placed on production.

See attached reports, wellbore diagram and Computalog CIBP set and dumpbail runs.

3. Circle enclosed attachments:

- 1. Electrical/Mechanical Logs (1 full set req'd)
- 2. Geologic Report
- 3. DST Report
- 4. Directional Survey
- 5. Sundry Notice for plugging and cement verification
- 6. Core Analysis
- 7. Other:

4. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records (see attached instructions)*

Name (please print) E. Reed Fischer Title Operations Engineer
 Signature  Date January 4, 2005

title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

Well Name: HANGING ROCK FEDERAL 12-8

Operator: McElvain Oil & Gas Properties

Location: SE/NE Of Sec.12, T12S, R23E

County: Uintah County, Utah

Work Date: 11/4/04

API No.: 03-047-34439

Supervisor: Marcus Wolfe

Recompletion

11/4/04 MIRUSU. Spot in rig tank and pump. Shut down for days off.

11/11/04 TIH w/24 jts. of tubing to tag bottom, tagged bottom. TOO. Laid down 24 jts. TOO w/tubing. Shut well in, shut down for day. Tagged bottom @ 3802'.

11/12/04 Had safety meeting. MIRU Computalog. RU CIBP. TIH w/CIBP. Correlated collar strip w/cased hole log. **Set CIBP @ 3000'**. RU gun, 10'x3.25, 4 spf. 120 degree phasing, deep penetration shots. Ran strip, correlated w/open hole log dated 11/02/02 and cased hole log 01/14/03. **Shot perfs from 2940.6' to 2950.6'**. Note: Fluid level 2700'. RD Computalog. TIH w/packer, seating-nipple, and 95 jts. of tubing. Set packer at 2969', tested plug. Loaded hole, tested plug to 2000', no leaks. Released packer. RU swab tools. TIH w/swab. IFL 1800'. FFL @ seating-nipple. Recovered 17 bbls. No show of gas. TOO w/4 jts. Set packer @ 2845'. Shut well in, shut down for day.

11/13/04 SITP:40 psi. SICP: 0 psi (packer). Had safety meeting. Halliburton canceled job. RU water truck and rig pump. Broke down perfs w/3% KCl. Loaded hole w/13bbls. Pumped 5 bbls. at 2 bbl./min. IP 1700 psi. Broke back to 1200 psi. ISP 500 psi. RU swab tools. TIH w/swab. INF @ surface. FFL 2845'. Recovered 13 bbls. Shut well in, drained up for night. Halliburton to be on loc. 10 am. 11/14.

11/14/04 SITP: 40 psi. SICP: 0 psi (packer). Had safety meeting. RU Halliburton, water-truck. Pumped **acid job as follows: 500 gals. of 15% HCl, 1 gal. Chem-Losurf, 2 gals. Chem cla, 1 gal. HAI - 404, 5 GAL Chem fe-1a**. Loaded hole, started injection at 2 bbls. per min. at 1500 psi. Broke back to 1000 psi. Brought rate to 5 bbls./min. Avg. psi. 2200, balled off perfs. Surged balls off. Pumped 2 bbls. at 2 bbls./min. at 1000 psi (ISP). 15mi: 900 psi. RD Halliburton. RU swab tools. IFL @ surface. Made 4 runs. Well swabbed dry. Rec. 14 bbls. Had slight blow on tubing. Made 2 runs and recovered 1 bbl. IFL 2500'. FFL 2840'. Wait 1 hour. Dropped standing valve. Made 2 runs. IFL 2500'. FFL 2840'. Rec. 1 bbl. Wait 1 hour. Made 2 runs and recovered 1 bbl. IFL 2500'. FFL 2840'. Shut well in, drained up for night. Total load: 31 bbls. TLTR: 15 bbls.

11/15/04 SITP: 70 psi. SICP: 0 psi (packer). Had safety meeting. RU swab tools. IFL 600'. Made 3 runs. Swabbed well down to seating-nipple. Rec. 8.5 bbls. Let well sit 1 hour. Made 2 runs. IFL 2650'. FFL 2845'. Recovered 0.5 bbl. Let well sit 1 hour. Made 2 runs. IFL 2750'. FFL 2845'. Recovered 0.25 bbl. Let well sit 1 hour. Made 2 runs. IFL 2750'. FFL 2845'. Recovered 0.25 bbl. Drained up for night. Shut well in,

Well Name: HANGING ROCK FEDERAL 12-8
Location: SE/NE Of Sec.12, T12S, R23E
Work Date: 11/4/04
Supervisor: Marcus Wolfe

Operator: McEwen Oil & Gas Properties
County: Uintah County, Utah
API No.: 03-047-34439

Recompletion

shut down for day. Total load: 31 bbls. TLTR: 5 bbls. 2 day total recovered: 26 bbls.

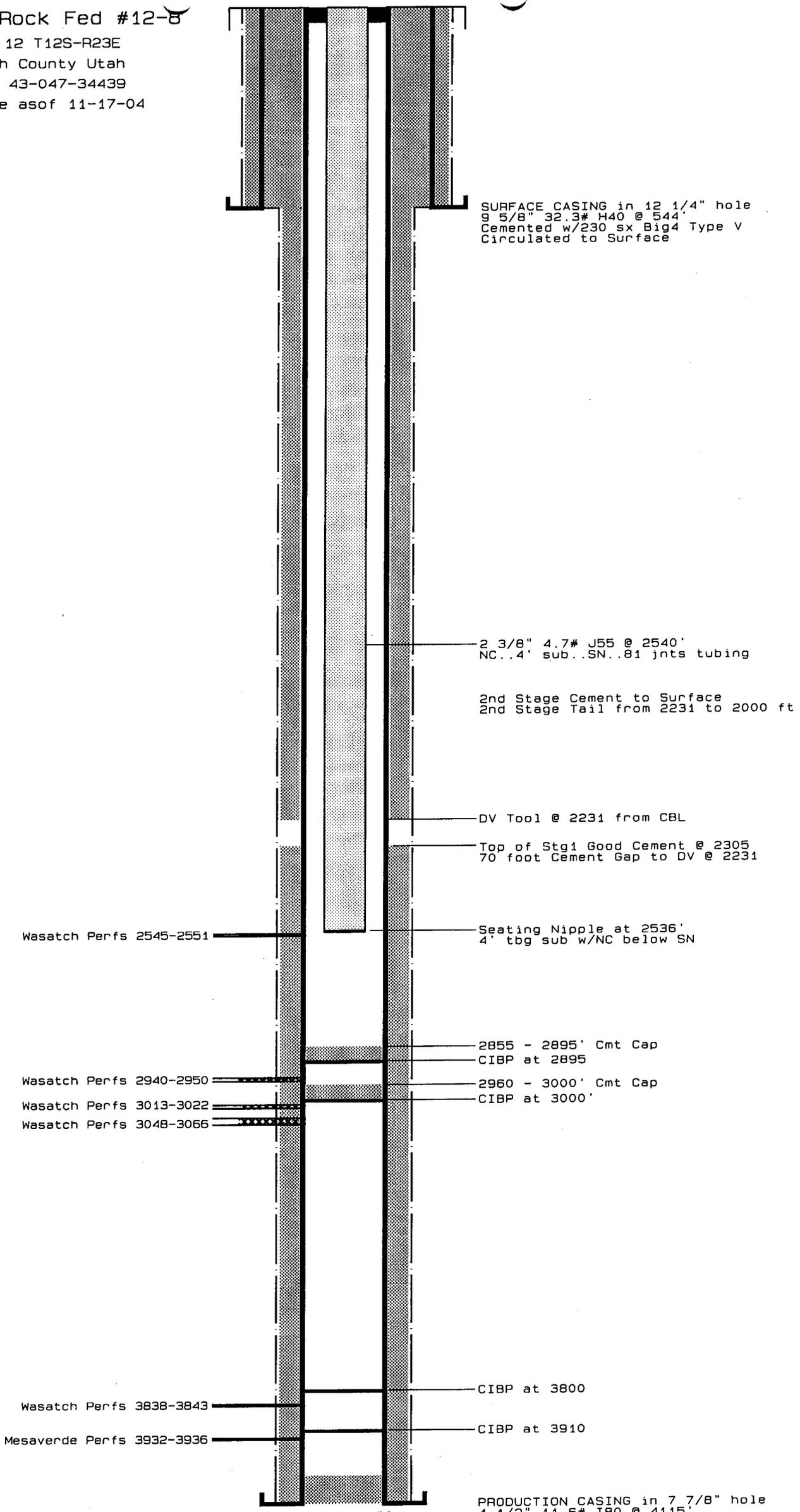
11/16/04 SITP: 90 psi. SICP: 0 psi (packer). Had safety meeting. RU swab tools. IFL 700'. Made 3 runs. Swabbed well down to seating-nipple. Rec. 7 bbls. Released packer, lowered below perfs. TOO H w/tubing, S.N., and packer. MIRU Computalog. Made 2 runs w/dump bailer. **Capped plug @ 3000' w/ 35' of cement.** TIH w/CIBP. Ran tie-in strip, correlated to cased hole log, set **CIBP @ 2895'**. Made 2 runs w/dump bailer, **capped plug @ 2895' w/ 35' of cement.** Wait on water truck. Water-truck on loc., dumped 10 bbls. RU 6' x3.25 gun. TIH w/gun, ran strip log, tied in to depth. **Perforate: 2544-2550' (4 spf, 120 degree phasing, Titan deep penetration shots)**, on CBL dated 1/14/03. Correlated to open hole log. TOO H w/gun, well kicked, shut well in. RD wire-line. SP 200 psi. Opened well to tank flowing @ 20 psi. Made 5 bbls. of water, well died. Shut well in, ISP 45 psi. Shut down for day.

11/17/04 SICP: 740 psi. Had safety meeting. Blew well down. TIH w/packer, set-nipple, x-nipple, and 82 jts. of tubing. Set packer @ 2465' (to test CIBP). Wait on water truck. CIBP tested good, no leaks. Pulled 4 jts. Set packer at 2441'. Pumped **acid job as follows: 300 gal. of 15% HCl, 1 gal. LoSurf, 2 gal. Cla-sta XP, 1 gal. HAL-404, 3 gals. FE-1A.** Balled well off, surged balls off, pumped 2 bbls. past perfs. Well broke @ 2200 psi. Avg. 2000 psi. ISP 1330 psi. 5 min: 440 psi. 10 min: 295 psi. RD Halliburton. RU swab tools. IFL @ surface. Made 3 runs. FFL 2440'. Recovered 12 bbls. Wait one hour. Made 2 runs. IFL 2300'. FFL 2440'. Rec. 1/2 bbl. Wait one hour. Made one run. Recovered 0.25 bbl. Unset packer, lowered well 4 jts. TOO H w/82 jts., x-nipple, S.N., packer. TIH w/notched collar, 4' sub, seating nipple, 81 jts. End of tubing @ 2540'. Shut well in, shut down for day. Load: 19 bbls. TLR: 12 bbls. TLTR: 7 bbls. + annulus volume.

11/18/04 SITP: 900 psi. SICP: 800 psi. Had safety meeting. Blew well down, TP: 0 psi. CP: 650 psi. RU swab tools. IFL 600'. Swab from seating-nipple. Well unloaded 7 bbls, well flowing: TP: 20 psi, CP: 50 psi. Turn well down sales line: 161 MCFD. TP: 200 psi. CP: 200 psi. RDSUMO, moved rig to north side of loc. Load was recovered (19bbls.). Test well to sales while SD for days off.

Hanging Rock Fed #12-8

SENE 12 T12S-R23E
 Uintah County Utah
 API # 43-047-34439
 Wellbore asof 11-17-04



SURFACE CASING in 12 1/4" hole
 9 5/8" 32.3# H40 @ 544'
 Cemented w/230 sx Big4 Type V
 Circulated to Surface

2 3/8" 4.7# J55 @ 2540'
 NC.4' sub..SN..81 jnts tubing

2nd Stage Cement to Surface
 2nd Stage Tail from 2231 to 2000 ft

DV Tool @ 2231 from CBL
 Top of Stg1 Good Cement @ 2305
 70 foot Cement Gap to DV @ 2231

Wasatch Perfs 2545-2551

Seating Nipple at 2536'
 4' tbg sub w/NC below SN

Wasatch Perfs 2940-2950

2855 - 2895' Cmt Cap
 CIBP at 2895

Wasatch Perfs 3013-3022

2960 - 3000' Cmt Cap
 CIBP at 3000'

Wasatch Perfs 3048-3066

Wasatch Perfs 3838-3843

CIBP at 3800

Mesaverde Perfs 3932-3936

CIBP at 3910

PBTD: 4038'
 TD: 4115'

PRODUCTION CASING in 7 7/8" hole
 4 1/2" 11.6# I80 @ 4115'
 Cmt Stg1 w/360 sx 14.2# 1.52 Yield
 Stg1 Top @ 2305
 Cmt Stg2 160sx 3.85 Yld & 50sx neat

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well

Oil Well Gas Well Other

7. If Unit of CA/Agreement, Name and/or No.
Hanging Rock Unit

8. Well Name and No.
Hanging Rock Fed #12-8

2. Name of Operator
McElvain Oil & Gas Properties, Inc.

9. API Well No.
43-047-34439

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933

10. Field and Pool or Exploratory Area
Oil Springs

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1935' FNL & 764' FEL, SENE Sec. 12 T12S-R23E

11. Country or Parish, State
Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. proposes to plug and abandon the Hanging Rock Federal #12-8 (API# 43-047-34439) by the following procedure:

Tubing Set CIBP @ 2455' with 330' cement (± 25 sxs)
Plug Mud 2125' to 650'
200' cement plug 650' to 450' (± 15 sxs)
Plug Mud 450' to 50'
50' cement plug 50' to Surface (± 4 sxs)
Cut off wellhead
Install Dry Hole Marker

Please see attached P&A Wellbore Diagram

RELAY TO OPERATOR
8-307
PM

Accepted by the
Utah Division of
Oil, Gas and Mining

Federal Approval Of This
Action Is Necessary

Date: 7/30/07
By: [Signature]

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature [Signature]

Date 07/23/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

RECEIVED
JUL 26 2007

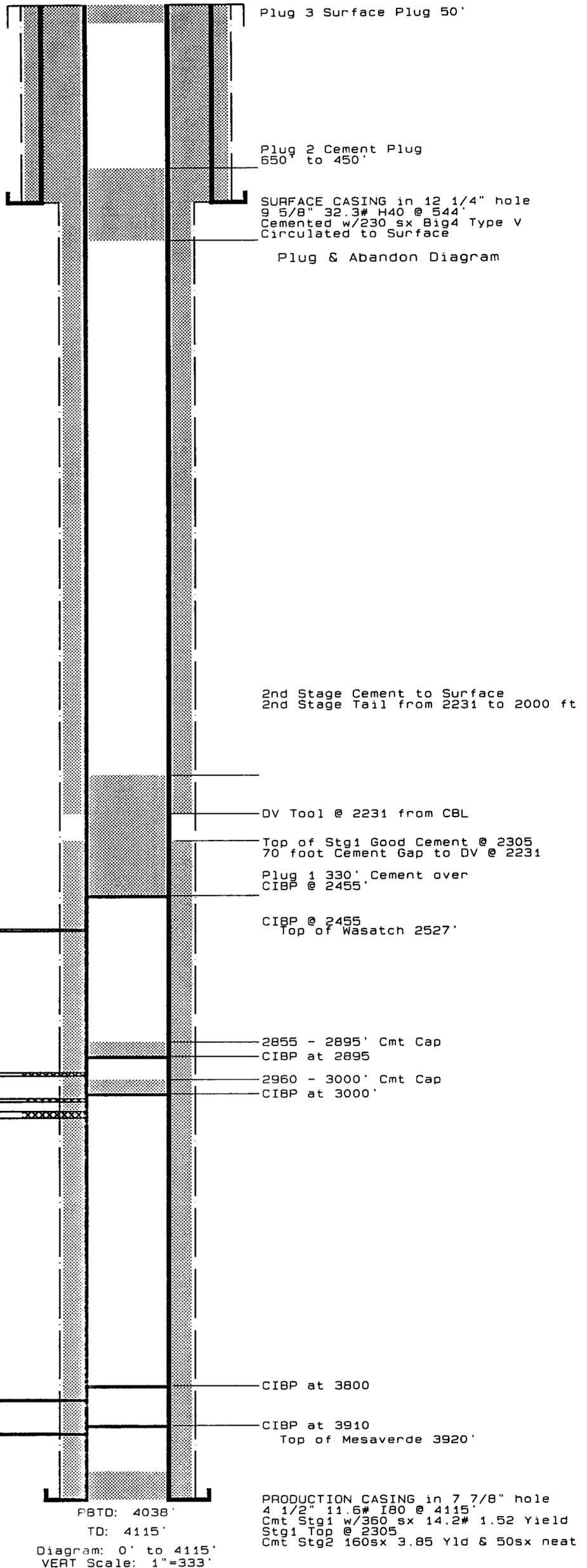
Hanging Rock Fed #12-8

SENE 12 T12S-R23E

Uintah County Utah

API # 43-047-34439

Wellbore asof 11-17-04



Plug 3 Surface Plug 50'

Plug 2 Cement Plug
650' to 450'

SURFACE CASING in 12 1/4" hole
9 5/8" 32.3# H40 @ 544'
Cemented w/230 sx Big4 Type V
Circulated to Surface

Plug & Abandon Diagram

2nd Stage Cement to Surface
2nd Stage Tail from 2231 to 2000 ft

DV Tool @ 2231 from CBL

Top of Stg1 Good Cement @ 2305
70 foot Cement Gap to DV @ 2231

Plug 1 330' Cement over
CIBP @ 2455'

CIBP @ 2455
Top of Wasatch 2527'

Acidized-Tight/Lmtd? Perfs 2545-2551

2855 - 2895' Cmt Cap
CIBP at 2895

Acidized-Tight & Wet Perfs 2940-2950

2960 - 3000' Cmt Cap
CIBP at 3000'

1st Prod - Limited Perfs 3013-3022

1st Prod - Limited Perfs 3048-3066

KCL BD - Tight Perfs 3838-3843

CIBP at 3800

MV-No BD-Low Press ? Perfs 3932-3936

CIBP at 3910
Top of Mesaverde 3920'

FBTD: 4038'

TD: 4115'

PRODUCTION CASING in 7 7/8" hole
4 1/2" 11.6# I80 @ 4115'
Cmt Stg1 w/360 sx 14.2# 1.52 Yield
Stg1 Top @ 2305
Cmt Stg2 160sx 3.85 Yld & 50sx neat

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
Refer to attached well list

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
McElvain Oil & Gas Properties, Inc. **43-047-34439**

3a. Address
1050 17th Street, Suite 1800, Denver, CO 80265

3b. Phone No. (include area code)
(303) 893-0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Refer to attached well list

7. If Unit of CA/Agreement, Name and/or No.
Refer to attached well list

8. Well Name and No.
Refer to attached well list

9. API Well No.
Refer to attached well list

10. Field and Pool or Exploratory Area
Oil Springs

11. Country or Parish, State
Utah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other <u>Requesting to Haul</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>water & residue cement</u>
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	<u>to existing reserve pit</u>

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc. is plugging several wells and would like to request to haul left over water and residue cement from the plugging locations to existing reserve pits located on the Hanging Rock Federal 1-8 (API # 43-047-36042) and/or Tucker Federal 8-6 (API # 43-047-36837) to settle solids and/or evaporate liquids. Please see attached list of plugging well locations.

RECEIVED
AUG 15 2007

14. I hereby certify that the foregoing is true and correct.
Name (Printed/Typed)
Barbara Martin

Title Engineer

Signature *Barbara Martin*

Date 08/13/2007

DIV. OF OIL, GAS & MINING

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Title

Date

Conditions of approval, if any, are attached. Approval of this notice 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.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

McElvain Oil & Gas Properties, Inc.
P&A List of Wells

<u>Lease Number</u>	<u>Well Name</u>	<u>Unit</u>	<u>API #</u>	<u>Well Location</u>
UTU-57455	Hanging Rock Fed I # 12-12	N/A	43-047-33096	NWSW Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I # 12-9	N/A	43-047-33101	NESE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I # 12-2	Hanging Rock Unit	43-047-32936	NWNE Sec. 12, T12S-R24E
UTU-57455	Hanging Rock Fed I #10-13	N/A	43-047-33098	SWSW Sec. 10, T12S-R23E
UTU-57455	Hanging Rock Fed #12-8	Hanging Rock Unit	43-047-34439	SENE Sec. 12, T12S-R23E
UTU-57455	Hanging Rock Fed I #15-7	N/A	43-047-33099	SWNE Sec. 15, T12S-R23E
UTU-66426	Hanging Rock Fed #7-14	N/A	43-047-35083	SESW Sec. 7, T12S-R24E

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

5. Lease Serial No.
UTU-57455

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

SUBMIT IN TRIPLICATE – Other instructions on page 2.

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		7. If Unit of CA/Agreement, Name and/or No. N/A
2. Name of Operator McElvain Oil & Gas Properties, Inc.		8. Well Name and No. Hanging Rock Federal #12-8
3a. Address 1050 17th Street, Suite 1800, Denver, CO 80265	3b. Phone No. (include area code) (303) 893-0933	9. API Well No. 43-047-34439
4. Location of Well (Footage, Sec., T, R, M., or Survey Description) 1935' FNL & 764' FEL (SENE) Sec. 12, T12S-R23E		10. Field and Pool or Exploratory Area Oil Springs
		11. Country or Parish, State Uintah County, Utah

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

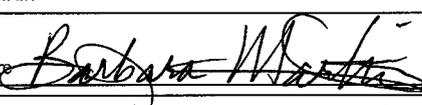
TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input checked="" type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	_____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____

13. Describe Proposed or Completed Operation: Clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplate horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recomplate in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed and the operator has determined that the site is ready for final inspection.)

McElvain Oil & Gas Properties, Inc plugged and abandoned the Hanging Rock Federal #12-8 (API# 43-047-34439) by the following procedure:

Set CIBP & set w/ Wireline @ 2455' cap with 25 sxs cement
Perferated 3 holes @ 591'
Cement plug 784' to Surface with 76 sxs cement
Cut off wellhead
Install Dry Hole Marker
(BLM Inspector Cliff Johnson)

9/15/07.

14. I hereby certify that the foregoing is true and correct. Name (Printed/Typed) Barbara Martin	Title Engineer
Signature 	Date 10/12/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by	Title	Date
Conditions of approval, if any, are attached. Approval of this notice 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.	Office	

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

(Instructions on page 2)

OCT 15 2007

DIV. OF OIL, GAS & MINING