

Form 3160-3

SUBMIT IN TRIPLICATE

(Formerly 9-331a)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

001

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK DRILL [X] DEEPEN [] PLUG BACK []
1b TYPE OF WELL OIL [] GAS [X] OTHER []
WELL [] WELL [] ZONE [] MULTIPLE ZONE [X]

5 LEASE DESIGNATION AND SERIAL NO UTU-57455
6 IF INDIAN, ALLOTTEE OR TRIBE NAME na
7. UNIT AGREEMENT NAME Hanging Rock Unit
8 FARM OR LEASE NAME na
9 WELL NO Hanging Rock 1-8
10 FIELD OR LEASE NAME Oil Springs
11. Sec., T., R., M. OR BLK AND SURVEY OR AREA Section 1, T 12S, R23E
12 COUNTY OR PARISH 13 STATE Uintah Utah
16. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE . FT. (AIMD to nearest drpg. Unit line, if any) 757'
17. NO. OF ACRES IN LEASE 10,092.71
17. NO. OF ACRES ASSIGNED TO THIS WELL 40.00
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT 2,300'
19. PROPOSED DEPTH 4,300
20. ROTARY OR CABLE TOOLS Rotary
21. ELEVATION (SHOW WHETHER DP, RT, GR, etc.) 6025.3'
22. APPROX DATE WORK WILL START Dec. 1, 2004

2 NAME OF OPERATION McElvain Oil and Gas Properties, Inc.

3 ADDRESS OF OPERATORS 1050 17th Street, Suite 1800, Denver CO 80265

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)
at surface 2153' FNL & 757' FEL SENE 646879X 39.803787
At proposed prod. Zone same as above 4407175Y -109.284283

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 64.3 miles South of Vernal, UT

16. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE . FT. (AIMD to nearest drpg. Unit line, if any) 757'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT 2,300'

21. ELEVATION (SHOW WHETHER DP, RT, GR, etc.) 6025.3'

PROPOSED CASING AND CEMENT PROGRAM

Table with 5 columns: SIZE OF HOLE, SIZE OF CASING, WEIGHT PFR FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Rows include 12 1/4" hole with 9 5/8" casing and 7 7/8" hole with 4 1/2" casing.

The operator requests to drill the subject well. Please find the attached 10 point and 13 point plans and plat maps.

William A Ryan
Agent for McElvain Oil and Gas
290 S 800 E
Vernal, UT 84078

RECEIVED
NOV 04 2004

DIV. OF OIL, GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depth. Give blowout prevention program, if any.

24 SIGNATURE [Signature] William A. Ryan TITLE Agent DATE 21-Oct-04

PERMIT NO. 43-047-36042 APPROVAL DATE

APPROVED BY [Signature] TITLE BRADLEY G. HILL DATE 11-04-04
ENVIRONMENTAL SCIENTIST III

*See Instructions on Reverse Side

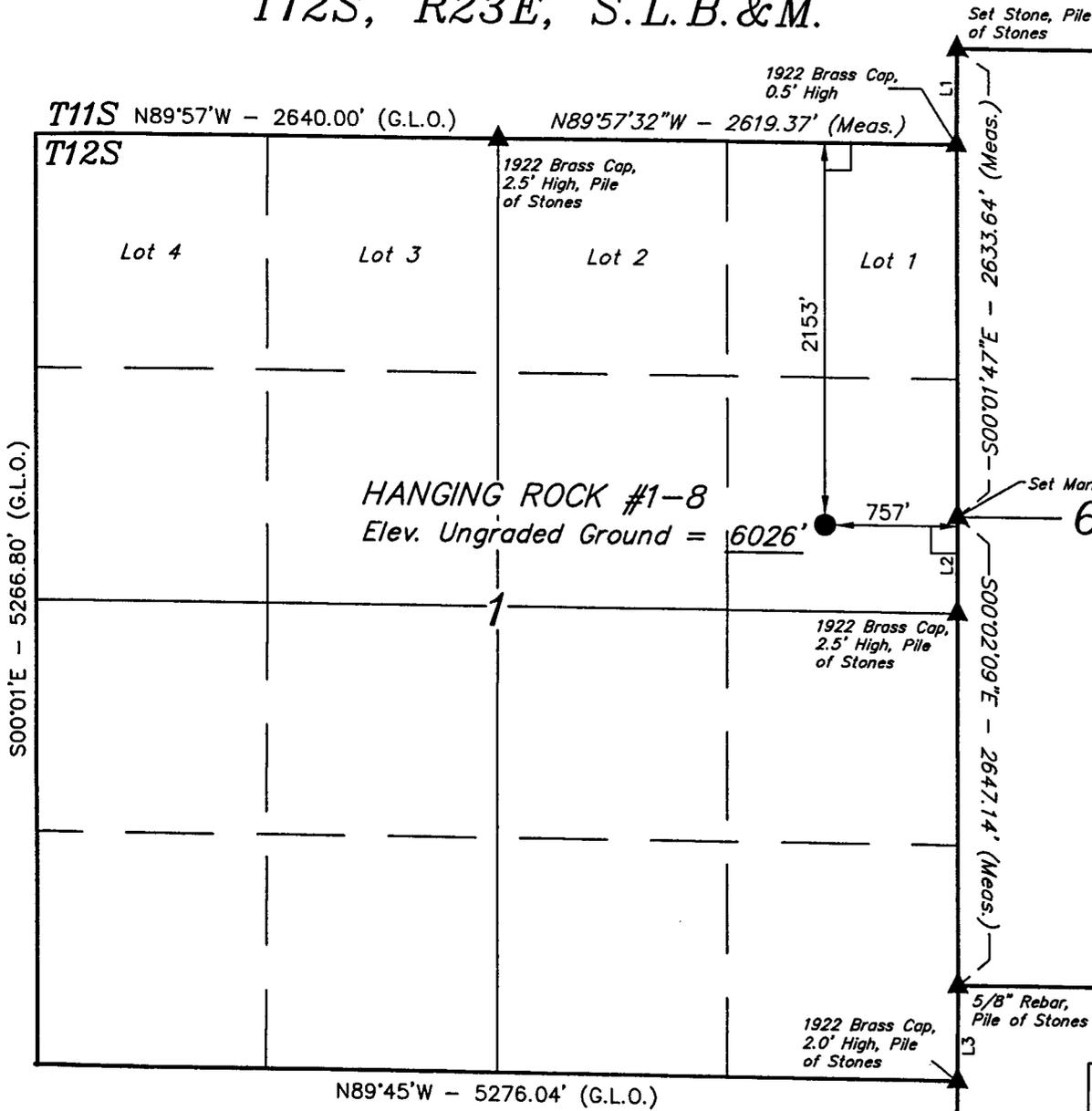
Title 18 U. S. C. Section 1001. makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Federal Approval of this Action is Necessary

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

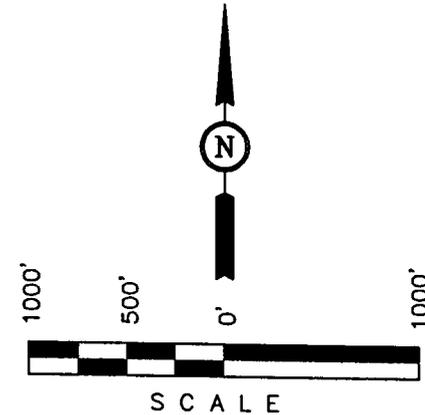
MCELVAIN OIL & GAS PROP., INC.

Well location, HANGING ROCK #1-8, located as shown in the SE 1/4 NE 1/4 of Section 1, 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, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5887 FEET.



CERTIFICATE

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

Robert Key
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161319
 STATE OF UTAH

N89°45'W - 5276.04' (G.L.O.)

BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.

(AUTONOMOUS NAD 83)

LATITUDE = 39°48'13.70" (39.803806)

LONGITUDE = 109°17'05.96" (109.284989)

R
23
E
R
24
E

LEGEND:

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

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

SCALE 1" = 1000'	DATE SURVEYED: 6-9-04	DATE DRAWN: 6-18-04
PARTY D.A. T.A. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE MCELVAIN OIL & GAS PROP., INC.	

002

SELF-CERTIFICATION STATEMENT

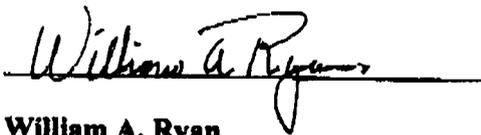
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that McElvain Oil and Gas Prop., INC. are considered to be the operator of the following well.

Hanging Rock 1-8
SE 1/4, NE 1/4, Section 1, T.12S, R. 23 E.
Lease UTU-57455
Uintah County, Utah

The McElvain Oil and Gas Prop., INC. is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond LMP-4138223 provides state-wide bond coverage on all Federal lands.



William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com

RECEIVED

NOV 04 2004

DIV. OF OIL, GAS & MINING

Ten Point Plan

McElvain Oil & Gas Properties, Inc.

Hanging Rock Federal # 1-8

Surface Location SE ¼, NE ¼, Section 1, T12S, R23E
Uintah County, Utah**1. Surface Formation**

Green River

2. Estimated Formation Tops and Datum

Ground Level Elevation: 6026' Estimated KB Elevation: 6038'

<u>Formation</u>	<u>Drill Depth</u>	<u>Datum</u>	<u>Type Zone</u>	<u>Max. Press in Section</u>
Green River	Surface	+6,038' KB		
Green River Oil Shale	508'	+5530'		
Uteland Butte Limestone	2,508'	+3,530'	Gas	1,150 psi
Wasatch	2,608'	+3,430'	Gas	1,750 psi
Mesaverde	4,208'	+1,830'	Gas	1,850 psi
T.D.	4,258'	+1,780'		

3. Producing Formation Depth

Formation objectives include the Green River, Uteland Butte, Wasatch & Mesaverde.

4. Proposed Casing

<u>Hole Size</u>	<u>Hole Interval</u>	<u>Csg Size</u>	<u>Setting Depth</u>	<u>Casing New/Used</u>
12 ¼	0'-320'	9 5/8	300'-320'	New
7 7/8	320'-TD	4 ½	T.D.	New

Minimum Safety Factor

<u>Csg Size</u>	<u>Csg Wt./Ft</u>	<u>Csg Grade</u>	<u>Csg Thread</u>	<u>Csg Collapse</u>	<u>Csg Burst</u>	<u>Csg Tensile</u>
9 5/8	32.3	H-40	ST&C 8rd	1,370 psi	2,270 psi	250,000#
4 ½	10.5	J-55	LT&C 8rd	4,010 psi	4,790 psi	146,000#

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".

Cement Program

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amount</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
9 5/8	Premium Plus 2% Calcium Chloride .25 lb/sk. Cello Flake	160 sks. +/-	1.18 cu. ft./sk.	15.6 lbs./gal.

Guide Shoe, 1 jt, Baffle, 3 Centralizers, (Center 1st jt, top second jt, top third jt)

4 1/2 Lead	(2000'-surface) Halliburton Hi Fill V cement	200 sks. +/-	3.85 cu. ft./sk.	11.0 lbs./gal.
---------------	---	--------------	------------------	----------------

Depending on actual drilling conditions, a Stage Tool may be utilized at ± 2,000', and the cement placed in two stages.

4 1/2 Tail	(T.D.-2,000') Halliburton Premium AG cement	450 sks. +/-	1.52 cu. ft./sk.	14.2 lbs./gal.
---------------	--	--------------	------------------	----------------

*Guide Shoe, 1 jt., Float Collar (possible use of StageTool @ ± 2,000').
Approximately 15 Centralizers (bottom 3 joints, 120' overlap across all potential pay zones, and on either side of a Stage Tool.*

5. BOP and Pressure Containment Data

The anticipated bottom hole pressure will be less than 2,000 psi.

A 2000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to the minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./Qt.</u>	<u>Fluid Loss MI/30 Min.</u>	<u>Mud Type</u>
0'-320'	Air/Water	---	No Control	
320'-1,950'	Water	---	No Control	Water/Gel
1,950'-T.D.	9.0-9.7	30	8-10	Water/Gel

7. Auxiliary Equipment

Upper Kelly Cock, full opening stabbing valve, 2" choke manifold and pit level indicators.

8. Testing, Coring, Sampling and Logging

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 30' from 1,950' to T.D.
- d) Logging:

Type	Interval
Array Induction-Gamma Ray-SP-Caliper	T.D. to Surf. Csg
High Resolution Spectral Density-PEF	T.D. to Surf. Csg
Compensated Neutron, Microlog	T.D. to Surf. Csg

9. Abnormalities (including sour gas)

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

Operator requests a variance to regulations requiring a straight run blooie line (when possible, a straight run blooie line will be used).

Operator requests a variance to regulations requiring an automatic igniter or continuous pilot light on the blooie line.

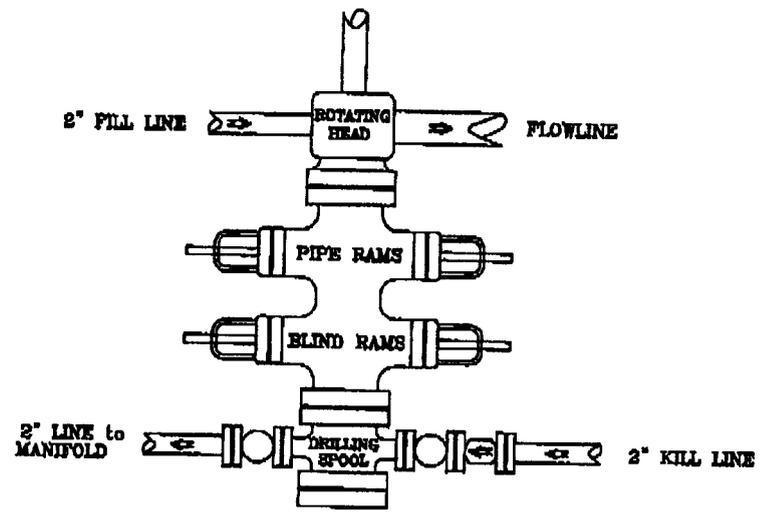
Operator requests a variance to regulations requiring the blooie line be 100' in length. To reduce location excavation, the blooie line will be 75' in length.

10. Drilling Schedule

The anticipated starting date is May 1, 2005. Duration of operations is expected to be 12 days.

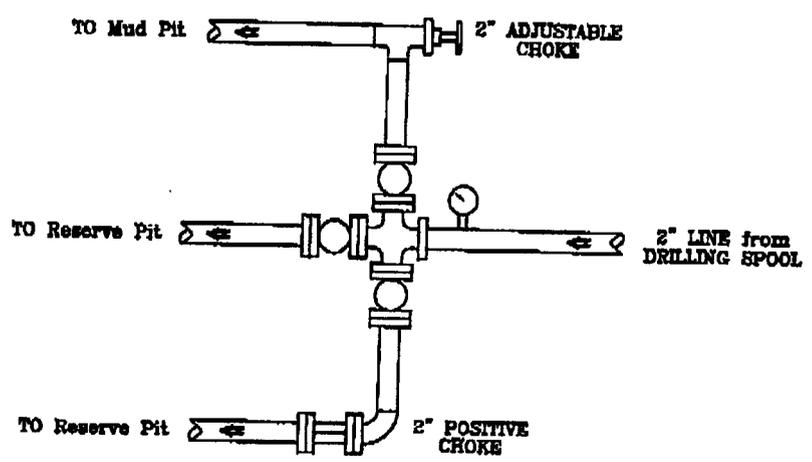
PRESSURE CONTROL

Wellhead Assembly

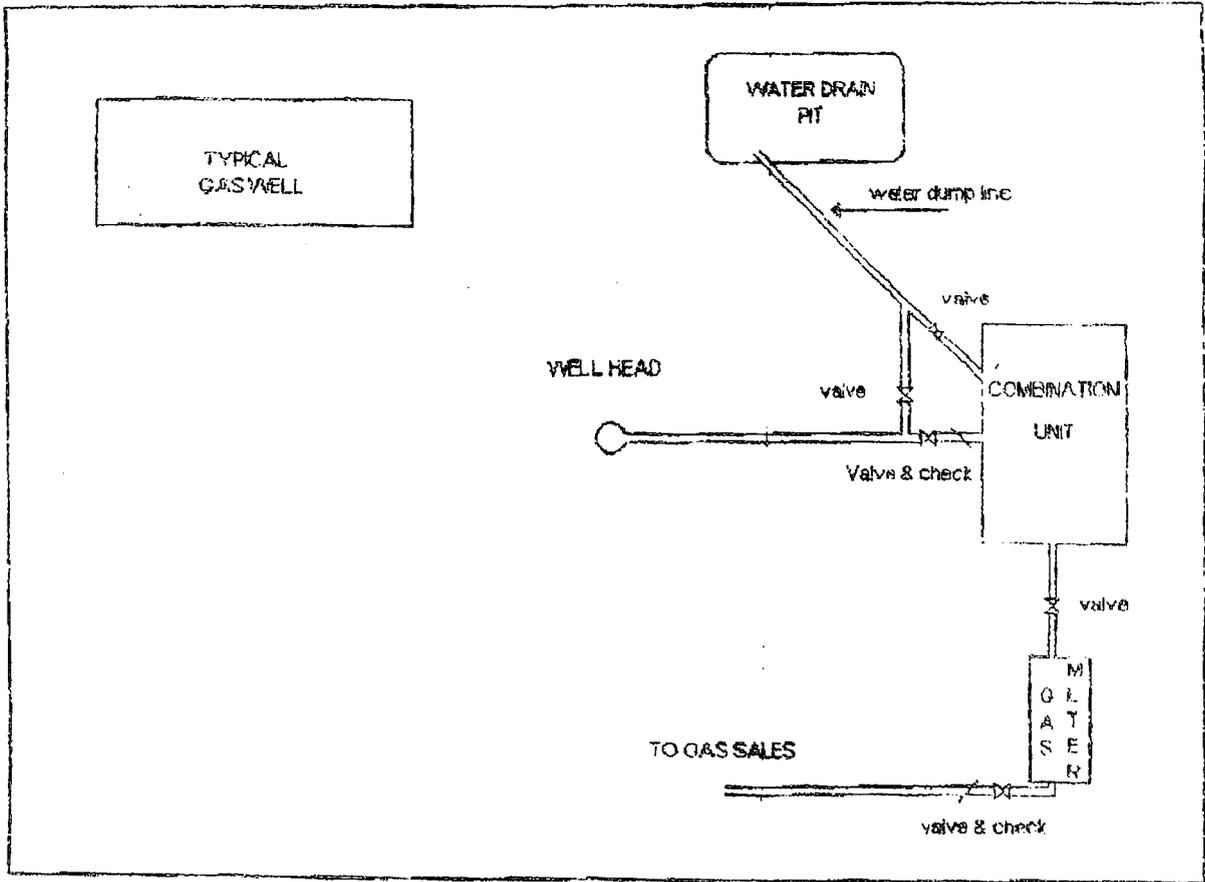


Preventer and Spools are to have a 6" Bore or larger and a 2000 PSI or higher Pressure Rating

Choke Manifold



McElwain Oil & Gas Properties, Inc.
Hanging Rock Federal #1-8
2153' FNL & 757' FEL
Section 1 T12S, R23E
Uintah County, Utah



MCELVAIN OIL AND GAS PROPERTIES, INC

13 POINT SURFACE USE PLAN

FOR WELL

HANGING ROCK 1-8

LOCATED IN SE ¼ NE ¼

SECTION 1, T.12S, R23E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-57455

SURFACE OWNERSHIP: FEDERAL

RECEIVED

NOV 04 2004

DIV. OF OIL, GAS & MINING

1. Existing Roads:

To reach McElvain Oil and Gas Properties, INC well Hanging Rock 1-8 in Section 1, T17S, R 23 E ²

Proceed in an easterly, then southerly direction from Vernal, UT along US Highway 40 approximately 4.0 miles to the junction of State Highway 45; exit right and proceed in a southerly, then southeasterly direction approximately 36.0 miles to Bonanza, UT proceed in a southerly direction approximately 16.9 miles to the junction of this road and an existing road to the southwest; turn right and proceed in a southwesterly direction approximately 6.1 miles to the junction of this road and an existing road to the northwest; turn right and proceed in a northwesterly direction approximately 0.2 miles to the junction of this road and an existing rehabilitated road to the west; proceed in a westerly direction approximately 0.5 miles to the beginning of the proposed access to the west; follow road flags in a westerly direction approximately 0.6 miles to the proposed location.

Total distance from Vernal, UT to the proposed well location is approximately 64.3 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will be approximately 300' +/- of new construction on lease and 2,868 feet of new construction off lease and 2640' +/- of upgrade off lease. The road will be graded once per year minimum and maintained.

- A) Approximate length 5808 ft
- B) Right of Way width 30 ft
- C) Running surface 18 ft
- D) Surface material Native soil
- E) Maximum grade 5%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership Federal
- L) All new construction on lease No
- M) Pipe line crossing None

Please see the attached location plat for additional details.

An off lease Right-of-Way will be required. All surface disturbances for the road and location will be within the lease boundary(s).

3. Location of existing wells

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

- A) Producing well
 - Hanging Rock 1-16
 - Hanging Rock FED I 1-14
 - Hanging Rock 12-4
 - Hanging Rock FED I 1-4
 - Toby FED F 6-15

RECEIVED

1

NOV 04 2004

proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will be trucked by Tu and Frum. Water permit #T75517 from the White River.

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **8 ft.** deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

- A) Pad length 325 ft
- B) Pad width 155 ft
- C) Pit depth 8 ft
- D) Pit length 140 ft
- E) Pit width 70 ft
- F) Max cut 16.2 ft
- G) Max fill 6.9 ft
- H) Total cut yds. 7,140cu yds
- I) Pit location east side
- J) Top soil location north end
- K) Access road location east end
- L) Flare Pit corner C

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.

E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,380 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

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

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

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

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

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

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

A) Seeding dates:

Seed will be spread when topsoil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix:

4 Wing	3#/acre
WY Big Sage	1#/acre
Shad Scale	3#/acre
Blue Gramma	4#/acre

11. Surface Ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information:

A) Vegetation

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

B) Dwellings:

There are no dwelling or other facilities within a one-mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

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

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

- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

D) Water:

The nearest water is the White River which, is 9 miles to the North.

E) Chemicals:

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

F) Notification:

- a) Location Construction
At least forty-eight (48) hours prior to construction of location and access roads.
- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing

G) Flare pit:

The flare pit will be located in corner C of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representatives:

William A. Ryan
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

Ivan Sadlier
McElvain Oil and Gas
435-828-0284

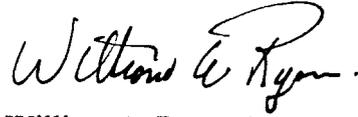
All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions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

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

B) Certification:

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

Date Oct 22, 04



William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates: 8/26/2004

Statement of use of Hazardous Materials

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

If you require additional information please contact:

William A Ryan
Agent for McElvain Oil and Gas Properties, INC
Rocky Mountain Consulting
290 S 800 E
Vernal, UT 84078

435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

McELVAIN OIL AND GAS., INC.

HANGING ROCK #1-8
LOCATED IN UTAH COUNTY, UTAH
SECTION 1, T12S, R23E, S.L.B.&M.

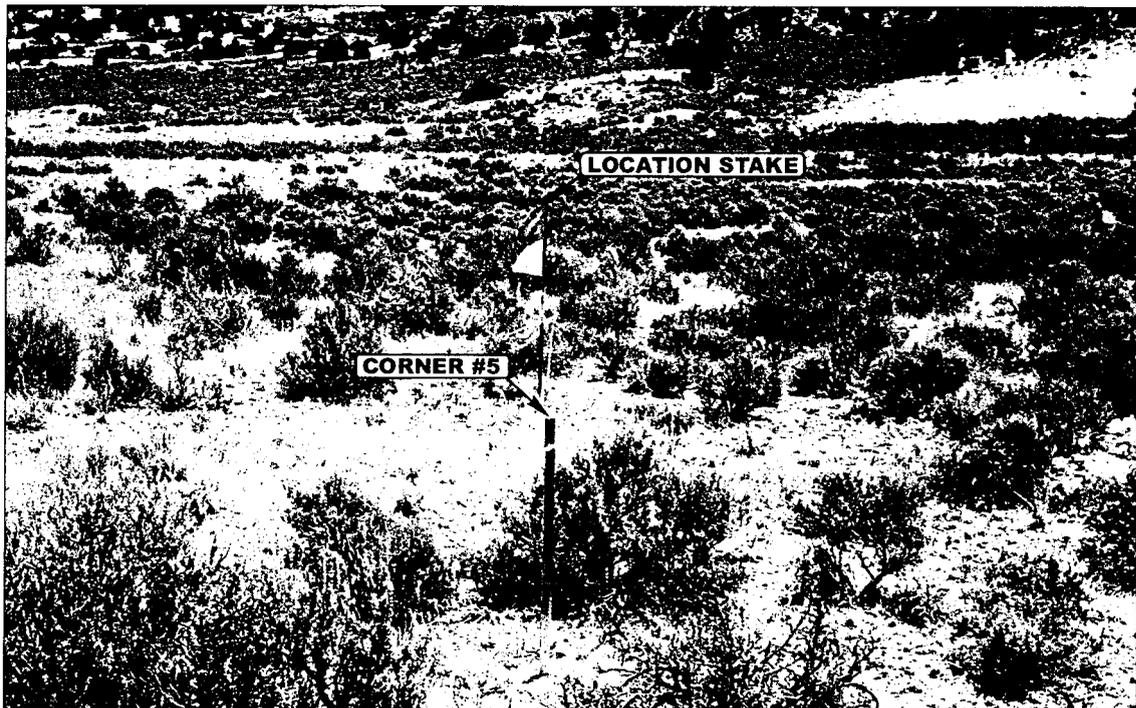


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: SOUTHEASTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHWESTERLY



- Since 1964 -

E&LS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

06 | 14 | 04
MONTH | DAY | YEAR

PHOTO

TAKEN BY: D.A. DRAWN BY: J.D.G. REVISED: 00-00-00

MELVAIN OIL & GAS PROP., INC.

FIGURE #2

TYPICAL CROSS SECTIONS FOR

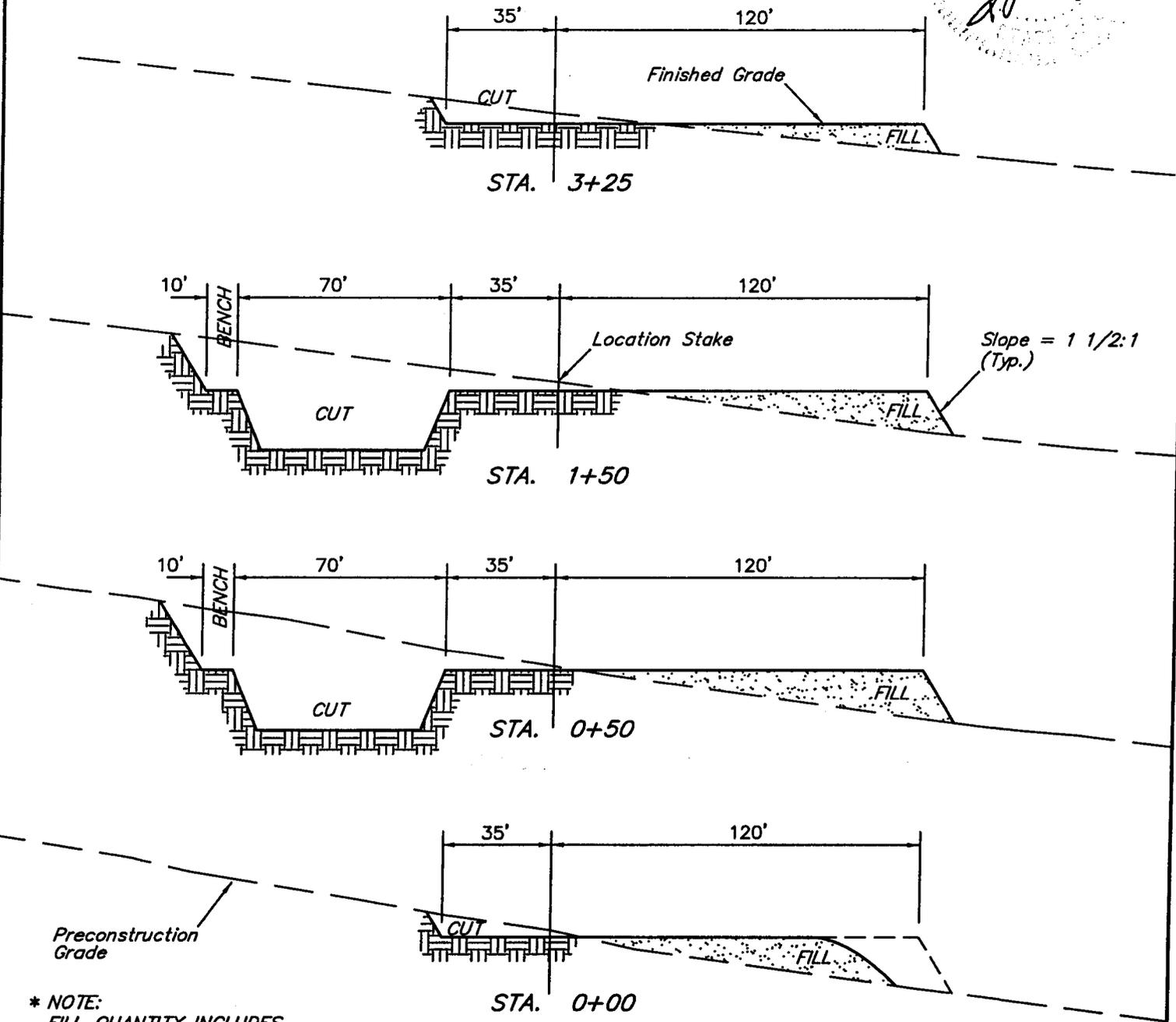
HANGING ROCK #1-8

SECTION 1, T12S, R23E, S.L.B.&M.

2153' FNL 757' FEL

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

DATE: 6-18-04
Drawn By: C.G.

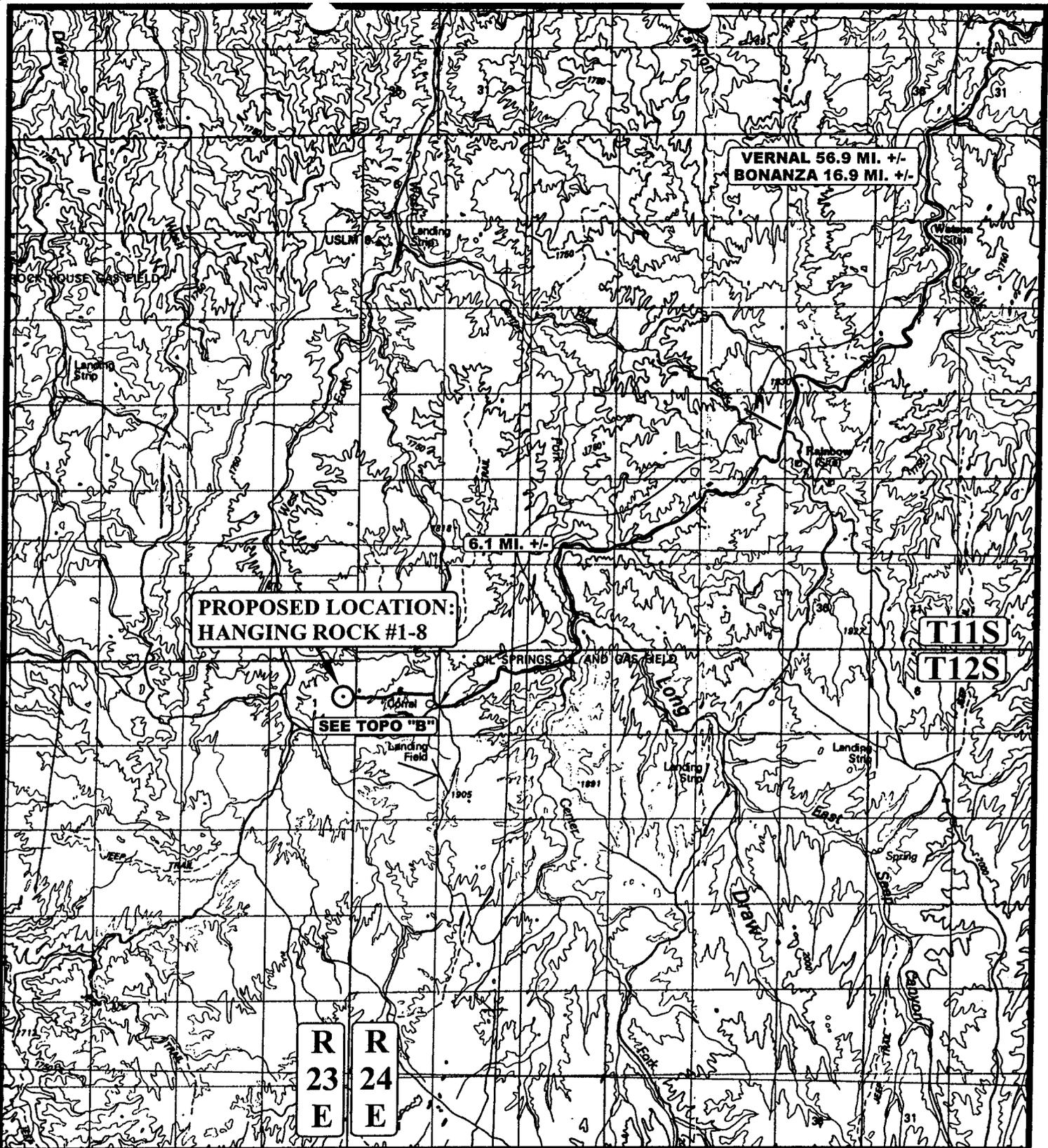


* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,380 Cu. Yds.
Remaining Location	= 5,760 Cu. Yds.
TOTAL CUT	= 7,140 CU.YDS.
FILL	= 4,610 CU.YDS.

EXCESS MATERIAL	= 2,530 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,530 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 0 Cu. Yds.



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

6.1 MI. +/-

PROPOSED LOCATION:
HANGING ROCK #1-8

T11S
T12S

SEE TOPO "B"

R
23
E

R
24
E

LEGEND:

○ PROPOSED LOCATION



McELVAIN OIL & GAS PROP., INC.

HANGING ROCK #1-8
SECTION 1, T12S, R23E, S.L.B.&M.
2153' FNL 757' FEL

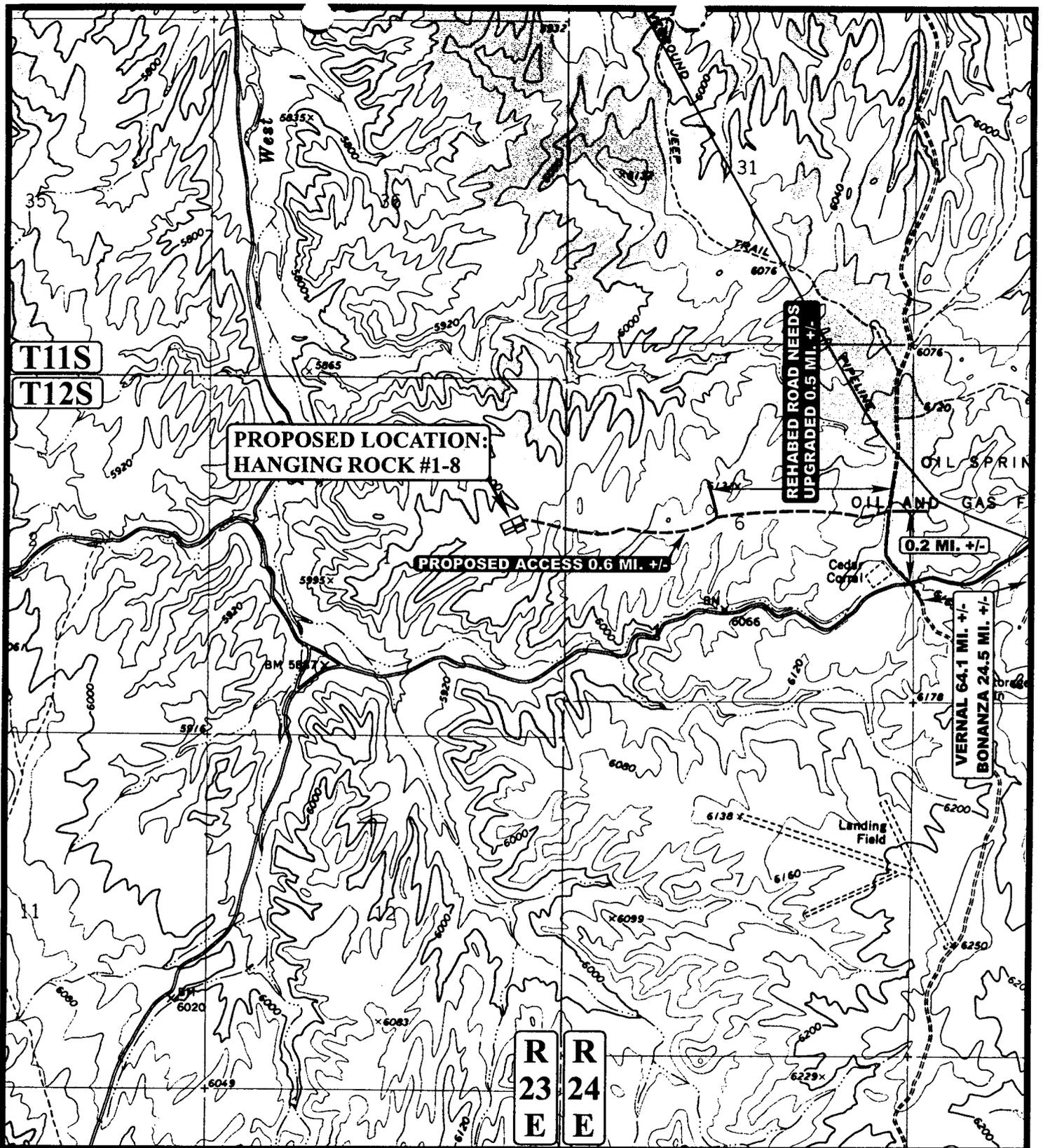


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC 06 14 04
MAP MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: J.D.G. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- PROPOSED ACCESS ROAD
- REHABED ROAD NEEDS UPGRADED

McELVAIN OIL & GAS PROP., INC.

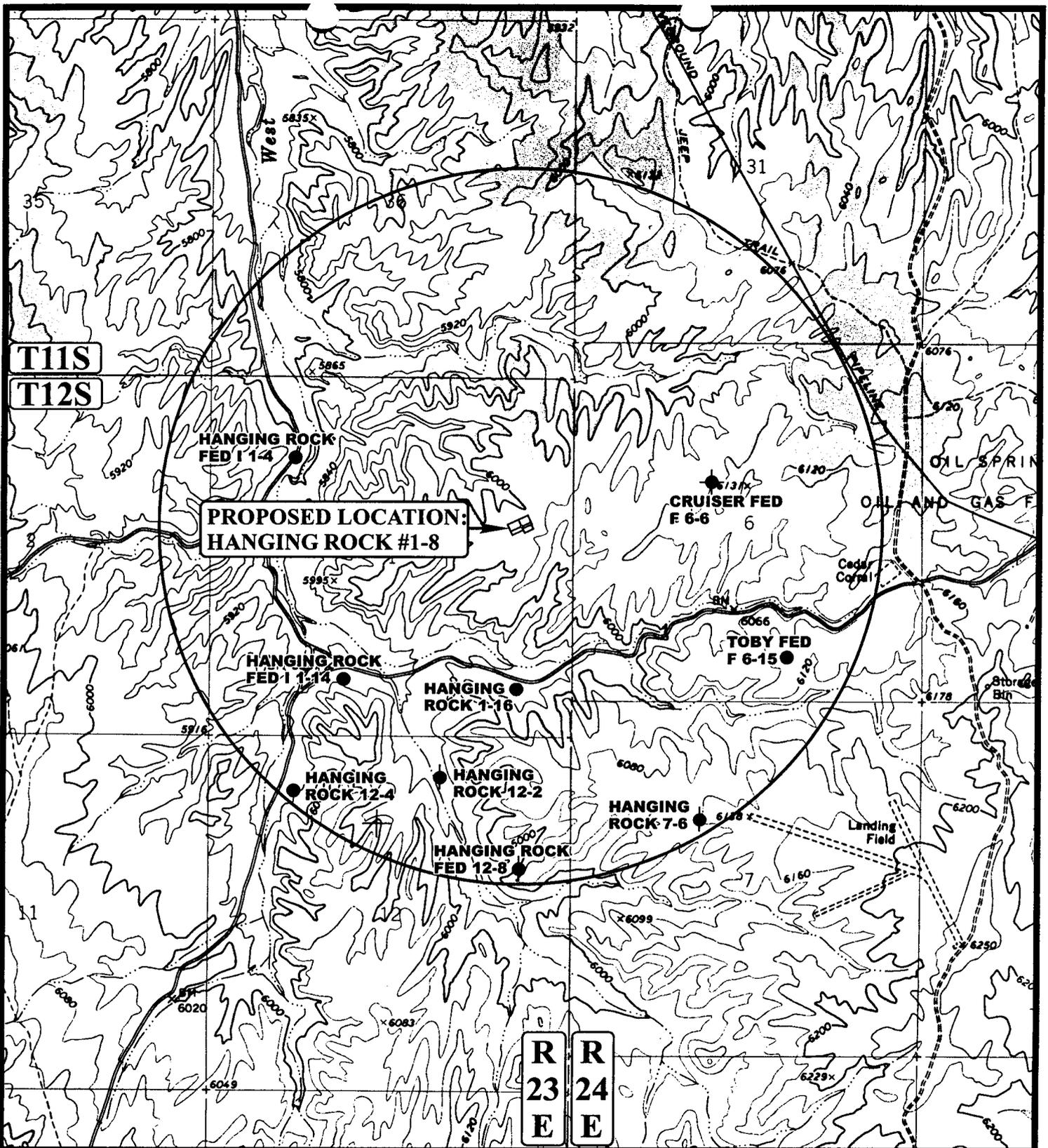
HANGING ROCK #1-8
SECTION 1, T12S, R23E, S.L.B.&M.
2153' FNL 757' FEL

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



TOPOGRAPHIC 06 14 04
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.D.G. REVISED: 00-00-00

B
TOPO



LEGEND:

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

R
23
E

R
24
E

McELVAIN OIL & GAS PROP., INC.

HANGING ROCK #1-8
SECTION 1, T12S, R23E, S.L.B.&M.
2153' FNL 757' FEL

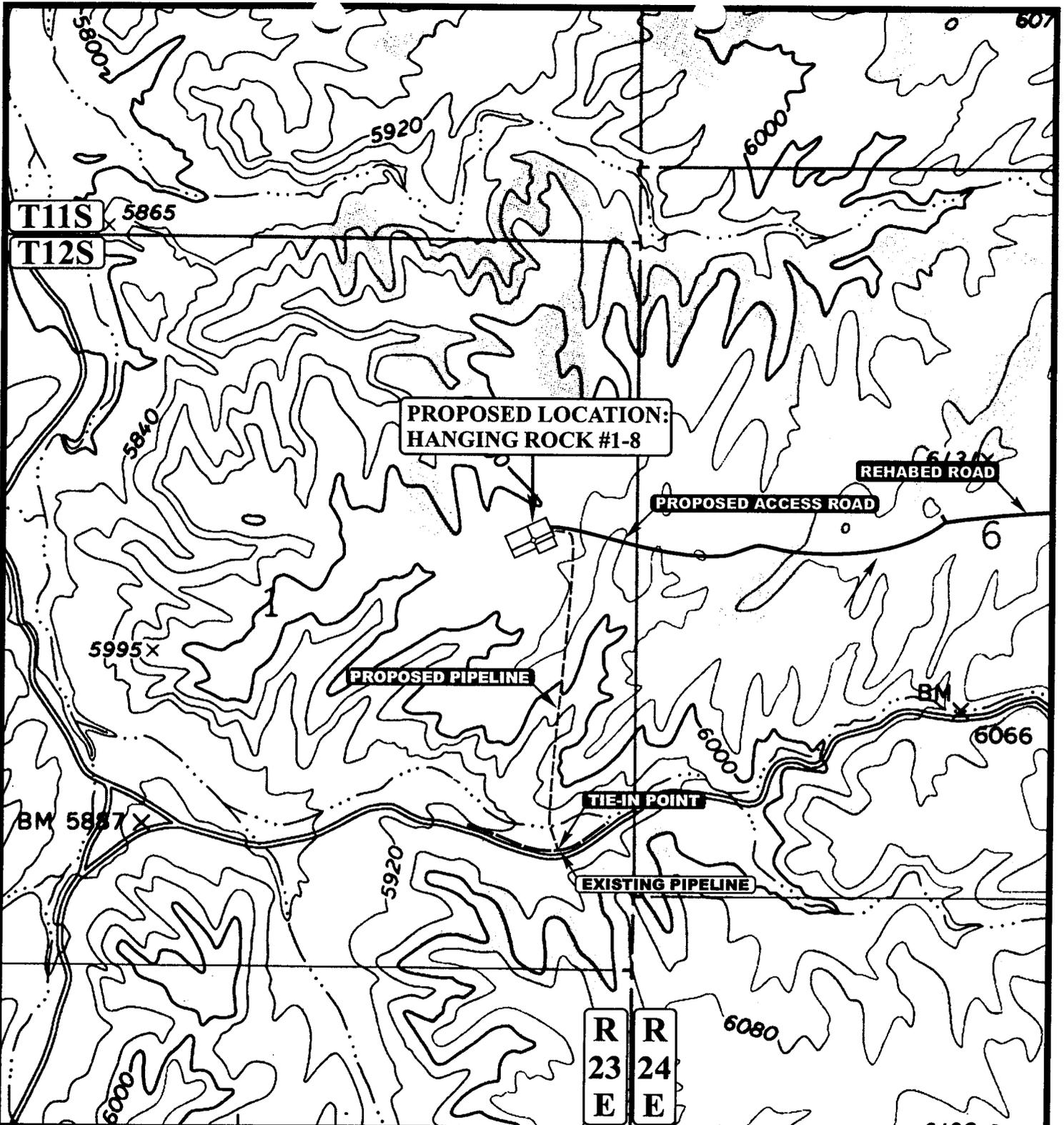


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 06 14 04
MAP MONTH DAY YEAR
 SCALE: 1" = 2000' DRAWN BY: J.D.G. REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2480' +/-

LEGEND:

-  PROPOSED ACCESS ROAD
-  EXISTING PIPELINE
-  PROPOSED PIPELINE

McELVAIN OIL & GAS PROP., INC.

HANGING ROCK #1-8
SECTION 1, T12S, R23E, S.L.B.&M.
2153' FNL 757' FEL



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



TOPOGRAPHIC 06 14 04
MAP MONTH DAY YEAR
 SCALE: 1" = 1000' DRAWN BY: J.D.G. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 11/01/2004

API NO. ASSIGNED: 43-047-36042

WELL NAME: HANGING ROCK 1-8
OPERATOR: MCELVAIN OIL & GAS (N2100)
CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SENE 01 120S 230E
SURFACE: 2153 FNL 0757 FEL
BOTTOM: 2153 FNL 0757 FEL
UINTAH
OIL SPRINGS (635)

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-57455
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MVRD
COALBED METHANE WELL? NO

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

LATITUDE: 39.80379
LONGITUDE: -109.2843

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. LMP-4138223)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. T75517)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

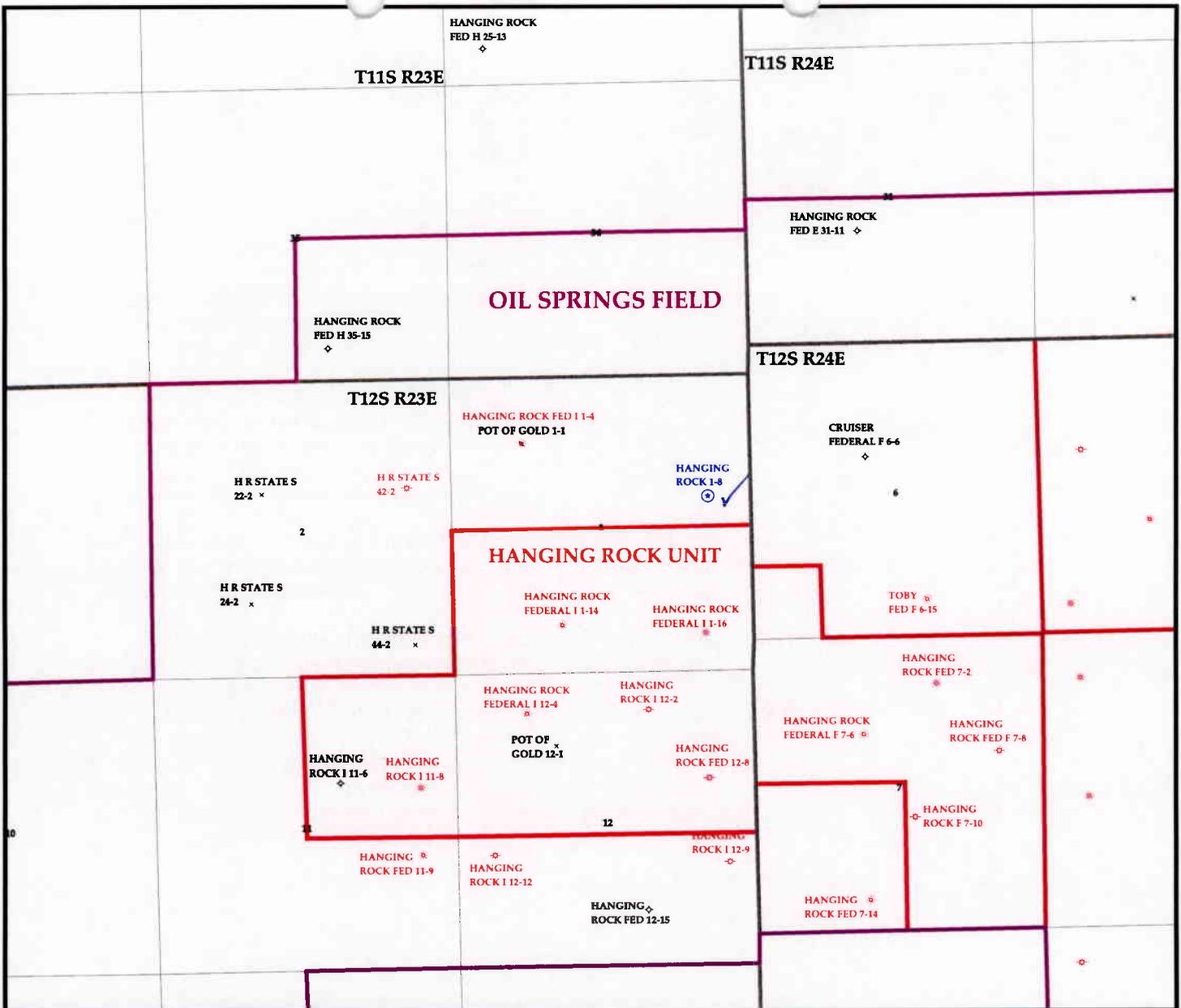
LOCATION AND SITING:

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

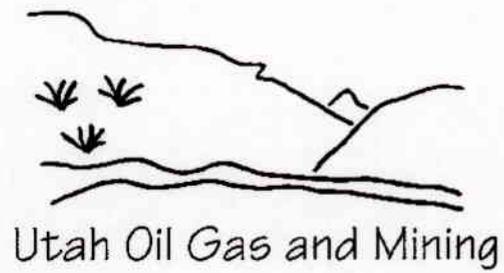
COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing Waiver



OPERATOR: MCELVAIN O&G PROP INC (N2100)
SEC. 1 T.12S R.23E
FIELD: OIL SPRINGS (635)
COUNTY: UINTAH
SPACING: R649-3-2 / GENERAL SITING



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



PREPARED BY: DIANA WHITNEY
 DATE: 2-NOVEMBER-2004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

November 4, 2004

McElvain Oil & Gas Properties, Inc.
1050 17th Street, Suite 1800
Denver, CO 80265

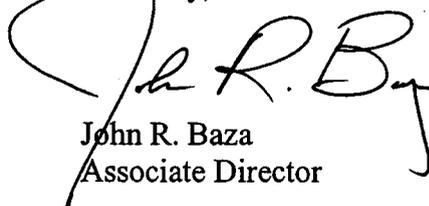
Re: Hanging Rock 1-8 Well, 2153' FNL, 757' FEL, SE NE, Sec. 1, T. 12 South,
R. 23 East, Uintah County, Utah

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 43-047-36042.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

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

Operator: McElvain Oil & Gas Properties, Inc.

Well Name & Number Hanging Rock 1-8

API Number: 43-047-36042

Lease: UTU-57455

Location: SE NE Sec. 1 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.

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-57455
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: na
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Hanging Rock Unit
2. NAME OF OPERATOR: McElvain Oil & Gas Properties, Inc.		8. WELL NAME and NUMBER: Hanging Rock Federal # 1-8
3. ADDRESS OF OPERATOR: 1050 17th Street, Suite 1800 CITY Denver STATE CO ZIP 80265		9. API NUMBER: 4304736042
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2153' FNL & 757' FEL		10. FIELD AND POOL, OR WILDCAT: Oil Springs
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENE 1 12S 23E		COUNTY: Uintah STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 6/1/2006 <input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

McElvain Oil & Gas Properties, Inc. is requesting a 1 year extension of time for the Hanging Rock Federal #1-8 APD which was submitted to the State of Utah and Vernal BLM on October 21, 2004. The State of Utah approved this APD effective Nov. 4, 2004. The BLM approved this APD in October 2005. The well is staked on federal lease UTU-57455 which is held by production from numerous producing gas wells.

The reasons behind this request for extension include:

- 1) the difficulty in locating a suitable drilling rig.
- 2) the high cost of rig mobilization for a single well drilling operation, and
- 3) McElvain's hope that additional outstanding APDs (currently in process at the BLM) will soon be approved.

COPY SENT TO OPERATOR Date: <u>10-27-05</u> Initials: <u>CFD</u>	Approved by the Utah Division of Oil, Gas and Mining Date: <u>10-19-05</u> By: <u>[Signature]</u>	COPY SENT TO OPERATOR Date: <u>10-27-05</u> Initials: <u>CFD</u>
NAME (PLEASE PRINT) <u>E. Reed Fischer</u>		TITLE <u>Operations Engineer</u>
SIGNATURE <u>[Signature]</u>		DATE <u>10/17/2005</u>

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

SUBMIT IN TRIPLICATE *

OCT 22 2004

4304736042

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK			5. LEASE DESIGNATION AND SERIAL NO. UTU-57455
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>			6. IF INDIAN, ALLOTTEE OR TRIBE NAME na
B. TYPE OF WELL OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/> WELL <input type="checkbox"/> WELL <input type="checkbox"/> OTHER ZONE <input type="checkbox"/>			7. UNIT AGREEMENT NAME XXXXXXXXXXXX
2. NAME OF OPERATOR McElvain Oil and Gas Properties, Inc.			8. FARM OR LEASE NAME na
3. ADDRESS OF OPERATORS 1050 17th Street, Suite 1800. Denver CO 80265			9. WELL NO. Hanging Rock 1-8
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement) at surface 2153' FNL & 757' FEL SENE At proposed prod. Zone same as above			10. FIELD OR LEASE NAME Oil Springs
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 64.3 miles South of Vernal, UT			11. Sec., T., R., M., OR BLK AND SURVEY OR AREA Section 1, T 12S, R2E
15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any) 757'	16. NO. OF ACRES IN LEASE 10,092.71	17. NO. OF ACRES ASSIGNED TO THIS WELL 40.00	12. COUNTY OR PARISH Uintah
19. PROPOSED DEPTH 4,300	20. ROTARY OR CABLE TOOLS Rotary	13. STATE Utah	22. APPROX. DATE WORK WILL START Dec. 1, 2004
21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.) 6025.3'			

RECEIVED
OCT 22 2004
By

PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	300	160 sks
7 7/8"	4 1/2"	10.5	4,300	400 sks

The operator requests to drill the subject well. Please find the attached 10 point and 13 point plans and plat maps.

**William A Ryan
Agent for McElvain Oil and Gas
290 S 800 E
Vernal, UT 84078**

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

24
 SIGNATURE William A. Ryan TITLE Agent DATE 21-Oct-04

(This space for Federal or State Office use)

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] TITLE Assistant Field Manager DATE 01/11/2005
 CONDITIONS OF APPROVAL, IF ANY _____

NOTICE OF APPROVAL

*See Instructions on Reverse Side

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

UDOGM

RECEIVED

OCT 24 2005

DIV. OF OIL, GAS & MINING

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: McElvain Oil & Gas Properties Inc.

Well Name & Number: Hanging Rock 1-8

Lease Number: U-57455

API Number: 43-047-36042

Location: SENE Sec. 1 T. 12S R. 23E

Agreement: N/A

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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.

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 John Mayers of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit 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 & Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a 2M 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 & Gas Order No. 2, regarding air or gas drilling shall be adhered to.

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.

All casing strings below the conductor shall be pressure tested to 0.22 psi/ft of casing string length or 1500 psi, whichever is greater but not to exceed 70% of the minimum internal yield.

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.

5. Coring, Logging and Testing Program

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

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.

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

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. Written notification of such must be submitted to this office 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 emergencies, 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 Field 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)**

At the time that the well is no longer in operation, the well shall be plugged and the location and access road shall be reclaimed. All disturbed surfaces shall be re-contoured to near natural contours. Any stockpiled top soils shall be spread over the re-contoured surfaces and reseeded with the following seed mixture:

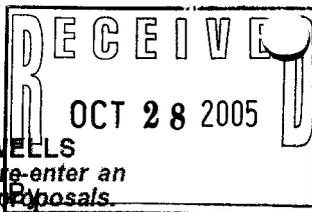
Seed Mixture:		lbs/acre
Wyoming big sage brush	<i>Artemisia tridentata</i> spp. <i>wyomingensis</i>	1
Shadscale	<i>Atriplex confertifolia</i>	3
Four wing salt bush	<i>Atriplex canescens</i>	4
Galleta grass	<i>Hilaria jamesii</i>	3

Seed shall be drilled but if broadcasted double the pounds per acre used and work the soils mechanically to cover the seed.

This seed mixture differs from that in the Surface Use Plan and shall be used instead of that submitted with the permit.

No construction or drilling operations shall occur May 15 – June 20 to protect potential pronghorn kidding behavior unless a qualified wildlife biologist acceptable to the authorized officer determines that operations will not impact the species.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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
na

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

8. Well Name and No.
Hanging Rock Federal #1-8

9. API Well No.
43-047-36042

10. Field and Pool, or Exploratory Area
Oil Springs

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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

3b. Phone No. (include area code)
303.893.0933

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E, S.L.B.&M.

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="radio"/> 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="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="radio"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other Request for APD Extension
	<input type="checkbox"/> Change Plans	<input 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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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 and Gas Properties, Inc. is requesting a 1 year extension of time for the Hanging Rock Federal #1-8 APD which was submitted to the Vernal BLM on October 21, 2004. The well is staked on lease UTU-57455 which is held by production from numerous producing gas wells.

The reasons behind this request for extension include:

- 1) the difficulty in locating a suitable drilling rig
- 2) the high cost of rig mobilization for a single well drilling operation, and
- 3) our hope that additional outstanding APDs will soon be approved by the BLM.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

CONDITIONS OF APPROVAL ATTACHED

**RECEIVED
NOV 21 2005**

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

DIV. OF OIL, GAS & MINING

Signature: *E. Reed Fischer* Title: Operations Engineer
Date: October 17, 2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by: *Matt Baker* Petroleum Engineer Date: NOV 01 2005
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 reverse)



CONDITIONS OF APPROVAL

McElvain Oil and Gas Properties, Inc.

Notice of Intent APD Extension

Lease: UTU-57455
Well: Hanging Rock Federal 1-8
Location: SENE Sec 1-T12S-R23E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 01/11/07
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MCELVAIN OIL & GAS PROPERTIES

Well Name: HANGING ROCK 1-8

Api No: 43-047-36042 Lease Type: FEDERAL

Section 01 Township 12S Range 23E County UINTAH

Drilling Contractor PETE MARTIN'S RIG # BUCKET

SPUDDED:

Date 07/16/06

Time _____

How DRY

Drilling will Commence: _____

Reported by ED

Telephone # (435) 789-0338

Date 07/17/2006 Signed CHD

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

FORM 6

ENTITY ACTION FORM

Operator: McElvain Oil & Gas Properties, Inc.
Address: 1050 17th Street, Suite 1800
city Denver
state CO zip 80265

Operator Account Number: N 2100

Phone Number: (303) 893-0933

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736837	Tucker Federal #8-8		SENW	8	12S	24E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15513	7/7/2006		7/20/06		
Comments: <u>murd</u>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736042	Hanging Rock Federal #1-8		SENE	1	12S	23E	Uintah
Action Code	Current Entity Number	New Entity Number	Spud Date		Entity Assignment Effective Date		
A	99999	15514	7/17/2006		7/20/06		
Comments: <u>murd</u>							

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:							

RECEIVED

JUL 18 2006

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)

Barbara Martin

Name (Please Print)

Barbara Martin
Signature

Engineer

Title

7/18/2006

Date

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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

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

8. Well Name and No.
Hanging Rock Federal #1-8

9. API Well No.
43-047-36042

10. Field and Pool, or Exploratory Area
Oil Springs

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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)
2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E, S.L.B & M

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="radio"/> 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="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="radio"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input type="checkbox"/> Other SPUD
	<input type="checkbox"/> Change Plans	<input 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 there. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zon. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 d following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 shall be filed or testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator is determined that the site is ready for final inspection.)

Hanging Rock Federal #1-8 was spud July 17, 2006 at 1:00 pm by Bill Jr Rat Hole Drilling Inc.

MIRU Bill Jr Rat Hole Drilling Inc. Drilled 12 1/4" Hole to 760'. Ran 17jts of 9 5/8" H-40, 32.3 #/ft, ST&C, New Csg set at 737' (G.L). Ran 5 Centralizers, Guide Shoe, Float Collar, and Clamp

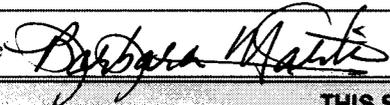
RU Big4 Cementing to cement Surface Casing, pumped 300 sks Class "G" with 2% CaCl2 & 0.25#/sk Flocele. Cmt wt: 15.8 ppg, Yield: 1.15 cuft/sk. Circulated 17 bbls of cement to the pit.

RECEIVED
JUL 21 2006

BUREAU OF OIL, GAS & MINING

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

Name (Printed/Typed) **Barbara Martin** Title **Engineer**

Signature  Date **July 19, 2006**

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 _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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
7. If Unit or CA Agreement, Name and/or No.	N/A
8. Well Name and No.	Hanging Rock Federal #1-8
9. API Well No.	43-047-36042
10. Field and Pool, or Exploratory Area	Oil Springs
11. County or Parish, State	Unitah County, Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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)
2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E, S.L.B. & M

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

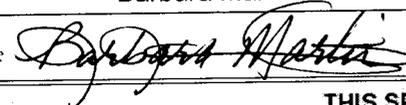
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="radio"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)
<input checked="" type="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation
<input type="radio"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete
	<input type="checkbox"/> Change Plans	<input 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
			<input type="checkbox"/> Water Shut-Off
			<input type="checkbox"/> Well Integrity
			<input checked="" type="checkbox"/> Other <u>Drilling Progress</u>
			<u>Report</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 recomplete 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

Please see attached Drilling Progress for the Hanging Rock Federal #1-8

AUG 28 2006

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

Name (Printed/Typed) Barbara Martin	Title Engineer
Signature 	Date August 25, 2006

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.

Hanging Rock Federal #1-8

08/08/06

MIRU, Patterson 52.

08/09/06

Rig Up. Pressure test upper Kelly, pipe rams, blind rams, safety valve, manifold @ 3000 psi. F/10 min. Casing @ 500 psi. F/30 Min. Test BOP (Annular did not test) ND Annular.

08/10/06

NU new Annular. Test new Annular @ 1500 psi Function test Accumulator (work on Accumulator) Install wear ring Safety meeting. PU Mud Motor & 11" bit, drill out Rat hole. Strap pipe. Fix leak in std. Pipe. Pick up 8 3/4 bit & BHA, tag cement @ 679'. Work on pumps.

08/11/06

Work on pump. Drill out cement, float, shoe, & 100' formation to 850'. Survey @ 775' 1/4 degree. TOOH for 7 7/8" PDC bit. Service Rig. Slip & cut drilling line. TIH. Condition mud & Install rotate rubber Drill F/ 850-947 Replace rotary chain Drill F/974-1060 TOOH to unplug jets TIH, drill F/ 1060-1168.

08/12/06

Drilling F/ 1165-1326 Rig service Survey @ 1250 1/4 degree Drilling F/1326-1771 Survey @ 1750 2 degree. Drilling F/1771-2308. Survey @ 2230 3 degree. Drilling F/ 2308-2494

08/13/06

Drilling F/ 2498-2561. Survey @ 2486 3degree. Drilling F/ 2561-2972. Survey @ 2897 3 3/4 degree. Rig Service. Drilling F/ 2972-3225. Survey @ 3150 4 1/2 degree. Drilling F/3225-3384.

08/14/06

Survey @ 3309 5 degree. Rig Service. Drilling F/ 3384-3574. Survey @ 3499 5 degree. Drilling F/ 3574-3763. Survey @ 3688 5 3/4 degree. Drilling F/ 3763-3985. Survey @ 3910 5 3/4 degree. Drilling F 3985-4049.

08/15/06

Drilling F/ 4049-4271. Rig Service. Drilling F/ 4271-4302. Wait on parts for survey machine.

Hanging Rock Federal #1-8

08/16/06

Wait on parts for survey machine. Survey @ 4227' 6 1/4 degree. Pump Pill Trip out of hole F/ Bit & Stabilizer,(Tight hole F/ 2575-1680). Pick up bit #2 & stabilizer Trip in hole; break circulation

08/17/06

Work on pumps. Drilling F/ 4302-4433. Survey @ 4365 5 3/4 degree. Drilling F/ 4433-4497 Survey @ 4522 5 degree. Drilling F/ 4497-4642

08/18/06

Drilling F/ 4642-4814. Survey @ 4739 4 degree. Rig Service. Drilling F/ 4814-5036

08/19/06

Drilling F/5036-5099. Survey @ 5024 3 degree. Drilling F/ 5099-5512.

08/20/06

Drilling F/5512-5607. Survey @ 5530 2 degree. Drilling F/ 5607-6017.

08/21/06

Drilling F/ 6017 to 6389 T.D.

08/22/08

Circulate & Condition Mud, Pump pill. TOOH. Adjust Brakes TIH Fill pipe Circulate & Condition Mud. Pump pill, Drop survey TOOH for log Rig up loggers & log, Rig down loggers . **Loggers 6403' TD.** Run in BHA

08/23/08

Wait on orders, TIH, ream 100' to bottom. Circulate & condition hole. RU lay down crew, pump pill. Lay down pipe, break Kelly, lay down BHA & pull wearing ring. RU casing crew & run casing.

08/24/08

Run casing. Ran 151 jts 4.5", 11.6#, I-80 casing landed @ 6385' KB, Float Collar @ 6341', Halliburton Stage Tool @ 3296'. 15 centralizers. Circulate, rig down casing crew. RU Halliburton & Cement 4.5 casing in 2 stages with full returns.

1st stage. 40 bbls dyed Spacer followed by 775 sks of 50/50 POZ + Additive, (Density: 13.5 ppg, Yield: 1.44 cuft/sk). Displaced w/ 100 bbls water @ ATR = 5 BPM & final TP = 1300 psi. Bumped Plug. Float Held.

Open DV Tool: w/ 800 psi. Returning dyed flush and 10 bbls cement. Circulate 5 hours.
2nd stage. 40 bbls dyed spacer followed by Lead Halliburton "RDM" Cement (Density: 10.5 ppg, Yield: 4.11 cuft/sk) Tailed in with 450 sks of 50/50 POZ + Additives (Density: 13.5 ppg, Yield: 1.44 cuft/sk) Displace w/ 50 bbls water. Bumped Plug w/ 2100 psi. DV Tool Closed. 5 bbls of cement to surface. Rig down Halliburton cementers. Nipple down BOP. Set casing slips @ 75,000. Clean Pits. Release rig @ 10:30PM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires January 31, 2004

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

7. If Unit or CA Agreement, Name and/or No.
N/A

8. Well Name and No.
Hanging Rock Federal #1-8

9. API Well No.
43-047-36042

10. Field and Pool, or Exploratory Area
Oil Springs

11. County or Parish, State
Uintah County, Utah

SUBMIT IN TRIPLICATE - Other instructions on reverse side

1. Type of Well
 Oil Well Gas Well Other

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

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)
2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E, S.L.B. & M

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="radio"/> 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="radio"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="radio"/> 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 type="checkbox"/> Plug and Abandon	<input checked="" type="checkbox"/> Temporarily Abandon	_____
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	_____

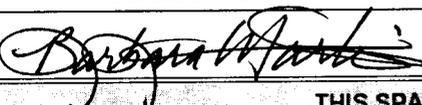
13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall 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. has temporarily abandoned the lower most Mesaverde Zone (6022' - 6040') with a CIBP @ 6010', due to zone testing non-commercial & tight. There was no water, little gas and no oil. If and when we permanently abandon all of the lower Mesaverde Zones (6022' - 6040'), (5942' - 5946'), & (5894 - 5904') we will set a CIBP above the entire lower Mesaverde zone with a minimum 35 ft of cement on top of CIBP. This was verbally approved by Michael Lee on September 22, 2006 @ 3:00 pm.

RECEIVED
SEP 29 2006
DIV. OF OIL, GAS & MINING

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

Name (Printed/Typed) **Barbara Martin** Title **Engineer**

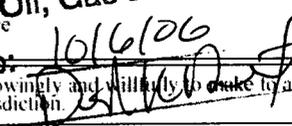
Signature  Date **September 25, 2006**

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____ Title **Accepted by the Utah Division of Oil, Gas and Mining** Federal Approval Of This Action Is Necessary

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.

Date: **10/6/06**

By: 

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.

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

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

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)
2153' FNL & 757' FEL (SENE) Sec.1, T12S-R23E, SLB & M

7. If Unit of CA/Agreement, Name and/or No.
N/A

8. Well Name and No.
Hanging Rock Federal #1-8

9. API Well No.
43-047-36042

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 checked="" type="checkbox"/> Other First Delivery	
	<input type="checkbox"/> Change Plans	<input 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 recompleat 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 recompleat 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.)

Date: 11/26/2006
Time: 2:00 PM
Initial Pressure: 1860 psi SITP & SICP
Initial Rate: 175 MCFD
Water: 25 BPD
Condenstate: 2 BPD

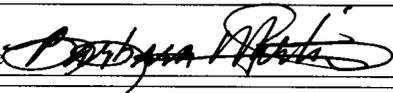
Canyon Gas Resources Meter#: 70372
Orifice: 0.750"
Differential Range: 0-250"
Tube: 2.67"

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

Name (Printed Typed)
Barbara Martin

Title Engineer

Signature



Date 11/29/2006

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

RECEIVED

DEC 01 2006

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)

DIV. OF OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-57455

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

6. If Indian, Allottee or Tribe Name
N/A
 7. Unit or CA Agreement Name and No.
N/A

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

8. Lease Name and Well No.
Hanging Rock Federal #1-8

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

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

9. AFI Well No.
43-047-36042

4. Location of Well (Report location clearly and in accordance with Federal requirements)*
2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E, SLB & M
At surface

10. Field and Pool or Exploratory
Oil Springs

11. Sec., T., R., M., on Block and Survey or Area **Sec. 1, T12S-R23E SLB&M**

Same

At top prod. interval reported below

12. County or Parish
Uintah County

13. State
UT

At total depth **Same**

14. Date Spudded
07/17/2006

15. Date T.D. Reached
08/21/2006

16. Date Completed **10/19/2006**
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6026' GL, 6039' KB

18. Total Depth: MD **6403 ft**
TVD **6403 ft**

19. Plug Back T.D.: MD **5884 ft**
TVD **5884 ft**

20. Depth Bridge Plug Set: MD **5884 ft**
TVD **5884 ft**

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Induction, Density, Neutron, 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 1/4"	9 5/8"/H-40	32.3	Surface	750 ft KB		300 sks "G"	61 Bbls	CIR to Surface	
7 7/8"	4 1/2"/I-80	11.6	Surface	6385 ft	3290 ft KB	1335sx poz/rdm	314 Bbls	CIR to Surface	

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"	5530 ft	N/A						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	4231		6022 - 6040 ft	0.42"	54	Closed (CIBP @ 6010 ft)
B) Mesaverde	4231		5942 - 5946 ft	0.40"	12	Closed (CIBP @ 5884 ft)
C) Mesaverde	4231		5894 - 5904 ft	0.43"	30	Closed (CIBP @ 5884 ft)
D) Mesaverde	4230		5520 - 5563 ft	0.43"	81	Open

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

Depth Interval	Amount and Type of Material
6022 - 6040 ft	750 gals Acid + Additives
5942 - 5904 ft	500 gals Acid, Pumped 704 Bbls X-linked Fluid w/ 53291 lbs proppant
5520 - 5563 ft	Pumped 711 Bbls X-linked Fluid w/ 66320 lbs proppant

RECEIVED
NOV 22 2006
DIV. OF OIL, GAS & MINING

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
			→						
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

28b. 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
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. 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 Flowing
	10/19/06	3		0	55	0			
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
26/64"	130	310		0	450	0.5		SI, WOPL	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

30. 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

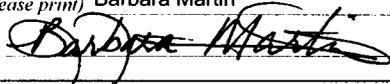
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Uteland Butte	2520	2581	Water	Uteland Butte	2520
Wasatch	2581	4231	Gas, Water	Wasatch	2581
Mesaverde	4230	-----	Gas, Water	Mesaverde	4231
				Neslen	5296
				Sego	6060

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

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

34. 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) Barbara Martin Title Engineer
 Signature  Date 11/20/2006

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.

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.
N/A

8. Well Name and No.
Hanging Rock Federal #1-8

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

9. API Well No.
43-047-36042

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)
2153' FNL & 757' FEL (SENE) Sec. 1 T12S-R23E S.L.B & M

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 checked="" type="checkbox"/> Recomplete	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Change Plans	<input 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 recomplete 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 requests permission to temporarily abandon the Mesaverde perforations with a CIBP before moving up hole to perforate and possibly acidize the Wasatch formation in the Hanging Rock Federal #1-8 (API# 43-047-36042). We will then place the well back on production as a Wasatch only producer. The proposed procedure is as follows: (1) Set CIBP @ 6,475' w/ 35' cement to temporarily abandon the Mesaverde formation. (2) Perforate Wasatch formation 2,797' – 2827'. (3) Acidize if necessary with 750 gals of 15% HCL. (4) Swab test Wasatch zone

Accepted by the
Utah Division of
Oil, Gas and Mining

Date: 5/18/07
By: *[Signature]*

Federal Approval Of This
Action Is Necessary

RECEIVED
MAY 09 2007

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

Name (Printed/Typed)
Barbara Martin

Title Engineer

DIV. OF OIL, GAS & MINING

Signature *[Signature]*

Date 05/07/2007

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

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.

Title

COPY SENT TO OPERATOR

Date: 5/21/07

Date

Office

Initials: *[Signature]*

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)

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.
N/A

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

8. Well Name and No.
Hanging Rock Federal #1-8

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

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

9. API Well No.
43-047-36042

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
2153' FNL & 757' FEL (SENE) Sec.1 T12S-R23E S.L.B & M

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 checked="" type="checkbox"/> Other <u>Plug Back</u>
	<input type="checkbox"/> Change Plans	<input 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.)

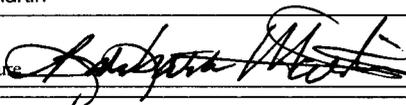
McElvain Oil & Gas Properties, Inc. has Plugged Back the Mesaverde Zone in the Hanging Rock Federal # 1-8 with a CIBP @ 5475'.

5/17/07 Notified Matt Baker of BLM. MIRU Service Unit

5/18/07 MIRU Wireline set CIBP @ 5475' cement capped w/ 2 dump bail runs (4 sxs cement).
BLM not present on location during operation.

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

Title Engineer

Signature 

Date 05/22/2007

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 _____

RECEIVED

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.

MAY 25 2007

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

5. Lease Serial No.
UTU-57455

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

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

7. Unit or CA Agreement Name and No.
N/A

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

8. Lease Name and Well No.
Hanging Rock Federal #1-8

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

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

9. AFI Well No.
43-047-36042

4. Location of Well (Report location clearly and in accordance with Federal requirements)*

10. Field and Pool or Exploratory
Oil Springs

2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E, SLB & M

11. Sec., T., R., M., on Block and
Survey or Area Sec.1, T12S-R23E SLB&M

At surface Same

12. County or Parish 13. State

At top prod. interval reported below

Utah County UT

At total depth Same

14. Date Spudded
07/17/2006

15. Date T.D. Reached
08/21/2006

16. Date Completed 05/17/2007
 D & A Ready to Prod.

17. Elevations (DF, RKB, RT, GL)*
6026' GL, 6039' KB

18. Total Depth: MD 6403 ft
TVD 6403 ft

19. Plug Back T.D.: MD 5475 ft
TVD 5475 ft

20. Depth Bridge Plug Set: MD 5475 ft
TVD 5475 ft

21. Type Electric & Other Mechanical Logs Run (Submit copy of each)
Induction, Density, Neutron, 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 Cement Depth	No. of Sk. & Type of Cement	Slurry Vol. (BBL)	Cement Top*	Amount Pulled
12 1/4"	9 5/8"/H-40	32.3	Surface	750 ft KB		300 sks "G"	61 Bbls	CIR to Surface	
7 7/8"	4 1/2"/I-80	11.6	Surface	6385 ft	3290 ft KB	1335sx poz/rdm	314 Bbls	CIR to Surface	

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"	2800 ft	N/A						

25. Producing Intervals

Formation	Top	Bottom	Perforated Interval	Size	No. Holes	Perf. Status
A) Mesaverde	4231		6022 - 6040 ft	0.42"	54	Closed (CIBP @ 6010 ft)
B) Mesaverde	4231		5942-5946ft /5894-5904 ft	0.40"/0.43"	12	Closed (CIBP @ 5884 ft)
C) Mesaverde	4231		5520 - 5563 ft	0.43"	81	Closed (CIBP @ 5475 ft)
D) Wasatch	2581	4231	2797 - 2827 ft	0.43"	60	Open

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

Depth Interval	Amount and Type of Material
6022 - 6040 ft	750 gals Acid + Additives
5894 - 5946 ft	500 gals Acid, Pumped 704 Bbls X-linked Fluid w/ 53291 lbs proppant
5520 - 5563 ft	Pumped 711 Bbls X-linked Fluid w/ 66320 lbs proppant
2797 - 2827 ft	750 gals Acid + Additives

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
			→						SI
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

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. SI	Csg. Press.	24 Hr. Rate	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	
			→						

*(See instructions and spaces for additional data on page 2)

28b. 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
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status	

28c. 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
Choke Size	Tbg. Press. Flwg. SI	Csg. Press.	24 Hr. Rate →	Oil BBL	Gas MCF	Water BBL	Gas/Oil Ratio	Well Status TSTM, SI, Wait on Compression	

29. Disposition of Gas (Solid, used for fuel, vented, etc.)

30. 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

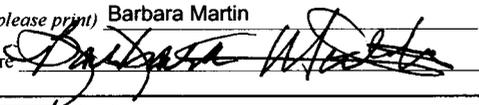
Formation	Top	Bottom	Descriptions, Contents, etc.	Name	Top
					Meas. Depth
Uteland Butte	2520	2581	Water	Uteland Butte	2520
Wasatch	2581	4231	Gas, Water	Waslah	2581
Mesaverde	4230	-----	Gas, Water	Mesaverde	4231
				Neslen	5296
				Sego	6060

32. Additional remarks (include plugging procedure):

33. Indicate which items have been attached by placing a check in the appropriate boxes:

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

34. 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) Barbara Martin Title Engineer
 Signature  Date 05/23/2007

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.

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.
N/A

8. Well Name and No.
Hanging Rock Federal #1-8

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

9. API Well No.
43-047-36042

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)
2153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E SLB&M

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 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 checked="" type="checkbox"/> Other <u>Wasatch First</u>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	<u>Delivery Notice</u>
	<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 recomplete 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.)

Date: 7/1/2007
Time: 3:30 PM
Initial Pressure: TP 40 psi & CP 50 psi
Initial Rate: 103 mcf/d
Water: 0 BPD
Condensate: 0 BPD

Canyon Gas Resources Meter#: 70372
Orifice: 0.50"
Differential Range: 0-250"
Tube: 2.067"

RECEIVED
JUL 05 2007

DIV. OF OIL, GAS & MINING

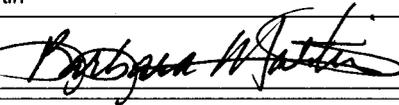
14. I hereby certify that the foregoing is true and correct.

Name (Printed/Typed)

Barbara Martin

Title Engineer

Signature



Date 07/03/2007

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.

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.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.		5. Lease Serial No. UTU-57455
1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other		6. If Indian, Allottee or Tribe Name na
2. Name of Operator McElvain Oil & Gas Properties, Inc.		7. If Unit or CA/Agreement, Name and/or No. na
3a. Address 1050 - 17th Street, Suite 2500 Denver, Colorado 80265	3b. Phone No. (include area code) 303.893.0933	8. Well Name and No. Hanging Rock Federal # 1 - 8
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 2,153' FNL & 757' FEL (SENE) Sec. 1, T12S-R23E SLB&M		9. API Well No. 43-047-36042
		10. Field and Pool, or Exploratory Area Oil Springs
		11. County or Parish, State Uintah County, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input checked="" 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 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 shall 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 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

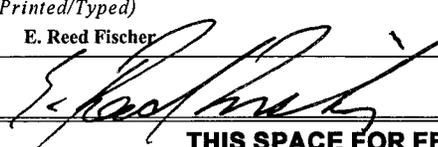
The referenced well had been shut-in for longer than 90 days. This sundry notice is submitted to notify the BLM of the resumption of production. The well resumed production on Monday, July 12, 2010 and is now selling gas.

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

E. Reed Fischer

Title **Senior Operations Engineer**

Signature



Date

07/12/2010

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by _____

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.

Title

Date

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 15 2010

DIV. OF OIL, GAS & MINING

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 1. CDW

Change of Operator (Well Sold)

X - Operator Name Change

The operator of the well(s) listed below has changed, effective:

8/11/2011

FROM: (Old Operator): N2100-McElvain Oil & Gas Properties, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933	TO: (New Operator): N3795-McElvain Energy, Inc. 1050 17th Street, Suite 2500 Denver, CO 80265 Phone: 1 (303) 893-0933
--	---

CA No.			Unit:					
WELL NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SEE ATTACHED LIST - 13 Wells								

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/30/2011
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/30/2011
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/30/2011
- Is the new operator registered in the State of Utah: _____ Business Number: 8078926-0143
- (R649-9-2)Waste Management Plan has been received on: _____
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: ok
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA
- Federal and Indian Units:**
 The BLM or BIA has approved the successor of unit operator for wells listed on: not yet
- Federal and Indian Communization Agreements ("CA"):**
 The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 8/31/2011
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 8/31/2011
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: 8/30/2011

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: COB000010
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- The **FORMER** operator has requested a release of liability from their bond on: n/a

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

		5. LEASE DESIGNATION AND SERIAL NUMBER:
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
		7. UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: SEE ATTACHED LIST
2. NAME OF OPERATOR: McElvain Oil & Gas Properties, Inc. <i>N2100</i>		9. API NUMBER:
3. ADDRESS OF OPERATOR: 1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: COUNTY: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH		

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

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

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

McElvain Oil & Gas Properties, Inc. has changed it's name to McElvain Energy, Inc. Effective August 11, 2011. This is ONLY a name change.

N3795

Our BLM Bond # is COB - 000010

Attached is a well list.

NAME (PLEASE PRINT) <u>Deborah Powell</u>	TITLE <u>Eng Tech Manager</u>
SIGNATURE <u><i>Deborah Powell</i></u>	DATE <u>8/29/2011</u>

(This space for State use only)
APPROVED 8/31/2011
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician (See Instructions on Reverse Side)

RECEIVED
AUG 30 2011
DIV. OF OIL, GAS & MINING

well_name	sec	twp	rng	api	entity	lease	well	stat	l_num
CENTER FORK F 17-4	17	120S	240E	4304732750	12038	Federal	GW	S	UTU-75206
TOBY FEDERAL F 6-15	06	120S	240E	4304732757	12037	Federal	GW	P	UTU-08424A
ROSEWOOD FED 28-8	28	110S	220E	4304732840	12442	Federal	GW	S	UTU-65355
HANGING ROCK FED I 1-4	01	120S	230E	4304732855	12389	Federal	GW	S	UTU-57455
TUCKER FEDERAL F 8-4	08	120S	240E	4304732872	12125	Federal	GW	P	UTU-70239
TUCKER FEDERAL F 8-2	08	120S	240E	4304732993	12386	Federal	GW	P	UTU-70239
TUCKER FED 8-12	08	120S	240E	4304734729	13740	Federal	GW	S	UTU-70239
HANGING ROCK FED 11-9	11	120S	230E	4304734730	14017	Federal	GW	P	UTU-57455
HANGING ROCK 1-8	01	120S	230E	4304736042	15514	Federal	GW	P	UTU-57455
TUCKER FED 8-6	08	120S	240E	4304736837	15513	Federal	GW	P	UTU-70239
TUCKER FED 8-10	08	120S	240E	4304739187	16399	Federal	GW	S	UTU-70239
HANGING ROCK FED 1-2	01	120S	230E	4304739430	16400	Federal	GW	S	UTU-57455
ATCHEE WASH 33-9	33	100S	230E	4304740631		Federal	OW	APD	UTU-73451

Division of Oil, Gas and Mining
OPERATOR CHANGE WORKSHEET (for state use only)

ROUTING
 CDW

X - Change of Operator (Well Sold)

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective: **8/1/2014**

FROM: (Old Operator): McElvain Energy, Inc. N3795 1050 17th Street, Suite 2500 Denver, CO 80265 303-893-0933	TO: (New Operator): Onshore Royalties, LLC N4140 P.O. Box 2326 Victoria, TX 77902 361-570-1600
---	--

WELL NAME	CA No.	SEC	TWN	RNG	API NO	Unit:	Haning Rock	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
See Attached List											

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 8/14/2014
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 8/14/2014
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 8/15/2014
- Is the new operator registered in the State of Utah: _____ Business Number: 9116573-0161
- (R649-9-2)Waste Management Plan has been received on: N/A
- Inspections of LA PA state/fee well sites complete on: N/A
- Reports current for Production/Disposition & Sundries on: 8/15/2014
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM Not Yet BIA N/A
- Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: Not Yet
- Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: N/A
- Underground Injection Control ("UIC")** Division has approved UIC Form 5 Transfer of Authority to **Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

- Changes entered in the **Oil and Gas Database** on: 9/15/2014
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 9/15/2014
- Bond information entered in RBDMS on: N/A
- Fee/State wells attached to bond in RBDMS on: N/A
- Injection Projects to new operator in RBDMS on: N/A
- Receipt of Acceptance of Drilling Procedures for APD/New on: N/A
- Surface Agreement Sundry from **NEW** operator on Fee Surface wells received on: N/A

BOND VERIFICATION:

- Federal well(s) covered by Bond Number: UTB000644
- Indian well(s) covered by Bond Number: N/A
- (R649-3-1) The **NEW** operator of any state/fee well(s) listed covered by Bond Number N/A
- The **FORMER** operator has requested a release of liability from their bond on: N/A

LEASE INTEREST OWNER NOTIFICATION:

- (R649-2-10) The **NEW** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

McElvain Energy, Inc N3795 to Onshore Royalties, LLC. N4140
 Effective 8/1/2014

Well Name	Section	TWN	RNG	API Number	Entity	Mineral Lease	Well Type	Well Status	Unit
HANGING ROCK FEDERAL 24-13	24	110S	230E	4304732603	11723	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL I 1-16	1	120S	230E	4304732679	11889	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL I 12-4	12	120S	230E	4304732748	11889	Federal	GW	P	HANGING ROCK
HANGING ROCK FEDERAL F 7-6	7	120S	240E	4304732751	11889	Federal	GW	P	HANGING ROCK
TOBY FEDERAL F 6-15	6	120S	240E	4304732757	12037	Federal	GW	P	
HANGING ROCK FEDERAL I 1-14	1	120S	230E	4304732871	11889	Federal	GW	P	HANGING ROCK
TUCKER FEDERAL F 8-4	8	120S	240E	4304732872	12125	Federal	GW	P	
HANGING ROCK I 11-8	11	120S	230E	4304732935	12306	Federal	GW	P	HANGING ROCK
HANGING ROCK F 7-10	7	120S	240E	4304733100	12400	Federal	GW	P	HANGING ROCK
HANGING ROCK FED 11-9	11	120S	230E	4304734730	14017	Federal	GW	P	
HANGING ROCK I-8	1	120S	230E	4304736042	15514	Federal	GW	P	
TUCKER FED 8-6	8	120S	240E	4304736837	15513	Federal	GW	P	
CENTER FORK F 17-4	17	120S	240E	4304732750	12038	Federal	GW	S	
ROSEWOOD FED 28-8	28	110S	220E	4304732840	12442	Federal	GW	S	
HANGING ROCK FED I 1-4	1	120S	230E	4304732855	12389	Federal	GW	S	
HANGING ROCK FED F 7-8	7	120S	240E	4304732937	12305	Federal	GW	S	HANGING ROCK
TUCKER FEDERAL F 8-2	8	120S	240E	4304732993	12386	Federal	GW	S	
TUCKER FED 8-12	8	120S	240E	4304734729	13740	Federal	GW	S	
HANGING ROCK FED 7-2	7	120S	240E	4304735084	14019	Federal	GW	S	HANGING ROCK
TUCKER FED 8-10	8	120S	240E	4304739187	16399	Federal	GW	S	
HANGING ROCK FED 1-2	1	120S	230E	4304739430	16400	Federal	GW	S	

RECEIVED

AUG 14 2014

FORM 9

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Attached

9. API NUMBER:

10. FIELD AND POOL, OR WILDCAT:

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
McElvain Energy, Inc. N3795

3. ADDRESS OF OPERATOR:
1050 17th St, Suite 2500 CITY Denver STATE CO ZIP 80265 PHONE NUMBER:

4. LOCATION OF WELL
FOOTAGES AT SURFACE: COUNTY:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: STATE: UTAH

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

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

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

McElvain Energy, Inc. current operator of the attached wells, has sold all wells on the attached list to:

Onshore Royalties, LLC
P.O. Box 2326
Victoria, TX 77902
N4140
Utah Operator # N4140
Effective 8/1/2014

McElvain Energy, Inc.

Steven W. Shefte

Steven W. Shefte
Vice President -COO

Onshore Royalties, LLC.

Michael Hahn

Michael Hahn
Operations Manager

BLM Bond: UTB000644

NAME (PLEASE PRINT) Deborah Powell TITLE Eng Tech Manager

SIGNATURE *Deborah Powell* DATE 8/13/2014

(This space for State use only)

APPROVED

SEP 15 2014

DIV. OIL GAS & MINING
BY: *Rachel Medina*

State of Utah
 Department of Natural Resources
 Division of Oil, Gas & Mining

Change of Operator From McElvain Energy, LLC (N3795)
 To: Onshore Royalties, LLC (N4140)

Well Name	API	Legal	Status	Well Type	Utah ID	BLM ID
Center Fork F 17-4	43-047-32750	T12S R24E Sec 17 NWNW	S	GW	12038	UTU75206
Hanging Rock Fed 11-9	43-047-34730	T12S R23E Sec 11 NESE	P	GW	14017	UTU57455
Hanging Rock Fed 1-2	43-047-39430	T12S R23E Sec 1 NWNE	S	GW	16400	UTU57455
Hanging Rock Fed 1-8	43-047-36042	T12S R23E Sec 1 SENE	P	GW	15514	UTU57455
Hanging Rock Fed 7-2	43-047-35084	T12S R24E Sec 7 NWNE	S	GW	14019	UTU73518B
Hanging Rock Fed I 1-14	43-047-32871	T12S R23E Sec 1 SESW	P	GW	11889	UTU73518B
Hanging Rock Fed 24-13	43-047-32603	T11S R23E Sec 24 SWSW	P	GW	11723	UTU73518A
Hanging Rock Fed 7-6	43-047-32751	T12S R24E Sec 7 SENW	P	GW	11889	UTU73518B
Hanging Rock Fed 7-8	43-047-32937	T12S R24E Sec 7 SENE	S	GW	12305	UTU73518B
Hanging Rock Fed F 7-10	43-047-33100	T12S R24E Sec 7 NWSE	P	GW	12400	UTU73518B
Hanging Rock Fed I 1-16	43-047-32679	T12S R23E Sec 1 SESE	P	GW	11889	UTU73518B
Hanging Rock Fed I 11-8	43-047-32935	T12S R23E Sec 11 SENE	P	GW	12306	UTU73518B
Hanging Rock Fed I 1-4	43-047-32855	T12S R23E Sec 1 NWNW	S	GW	12389	UTU57455
Hanging Rock Fed I-12-4	43-047-32748	T12S R23E Sec 12 NWNW	P	GW	11889	UTU73518B
Rosewood Fed 28-8	43-047-32840	T11S R22E Sec 28 SENE	S	GW	12442	UTU65355
Toby Federal F 6-15	43-047-32757	T12S R24E Sec 6 SWSE	P	GW	12037	UTU08424A
Tucker Fed 8-10	43-047-39187	T12S R24E Sec 8 NWSE	S	GW	16399	UTU70239
Tucker Fed 8-12	43-047-34729	T12S R24E Sec 8 NWSW	S	GW	13740	UTU70239
Tucker Fed 8-6	43-047-36837	T12S R24E Sec 8 SENW	P	GW	15513	UTU70239
Tucker Fed F 8-2	43-047-32993	T12S R24E Sec 8 NWNE	P	GW	12386	UTU70239
Tucker Fed F 8-4	43-047-32872	T12S R24E Sec 8 NWNW	P	GW	12125	UTU70239