

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

001

5. LEASE DESIGNATION AND SERIAL NO. UTU-73691	
6. IF INDIAN, ALLOTTEE OR TRIBE NAME na	
7. UNIT AGREEMENT NAME na	
8. FARM OR LEASE NAME na	
9. WELL NO. Rolling Stone 24-13	
10. FIELD OR LEASE NAME wildcat	
11. Sec., T., R., M., OR BLK AND SURVEY OR AREA SWSW Section 24, T12S, R22E	
12. COUNTY OR PARISH Uintah	13. STATE Utah
22. APPROX. DATE WORK WILL START October 15, 2004	

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

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

2. NAME OF OPERATOR
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 **723' FSL & 530' FWL 636183X 39.753899**
 At proposed prod. Zone **54' 4401442Y -109.410370**

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

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)
530'

16. NO. OF ACRES IN LEASE
640

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

16. DISTANCE FROM PROPOSED LOCATION * TO NEAREST WELL, DRILLING COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT.
1,600'

19. PROPOSED DEPTH
7400'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)
6,146' GL

PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17.5"	13.375"	?	preset	?
8.75"	7"	23#	7,400	600
6.25"	4.5"	11.6#	TD	375

The operator proposed to re-enter the subject well. Please find the attached 10 pt and 13 pt plans and plat maps.

Federal Approval of this Action is Necessary

RECEIVED
DEC 20 2004

DIV. OF OIL, GAS & MINING

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 8/18/04

(This space for Federal or State Office use)

PERMIT NO. 43-047-36183 APPROVAL DATE _____

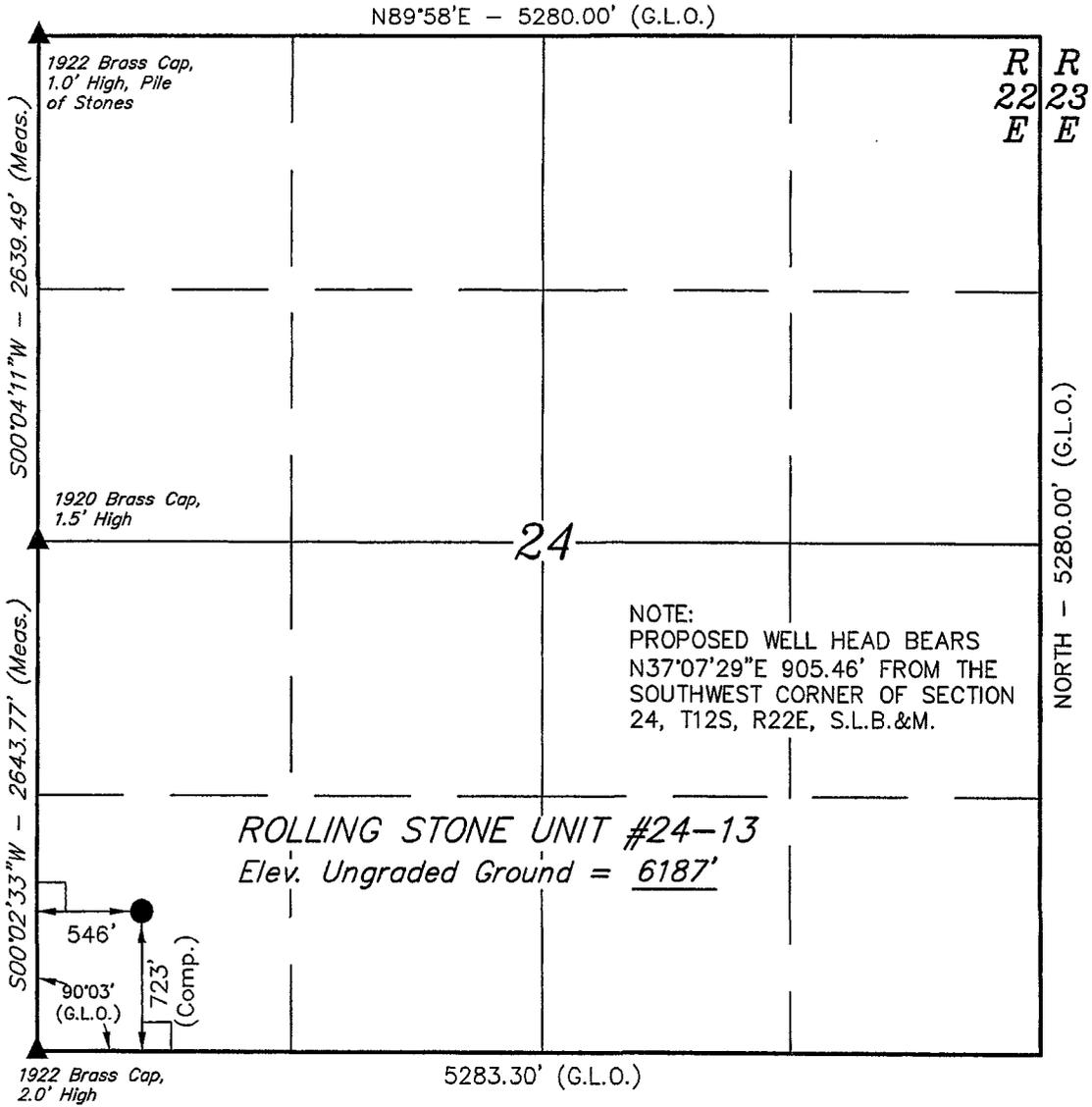
APPROVED BY Bradley G. Hill TITLE BRADLEY G. HILL DATE 12-27-04
 CONDITIONS OF APPROVAL, IF ANY: ENVIRONMENTAL SCIENTIST III

*See Instructions on Reverse Side

T12S, R22E, S.L.B.&M.

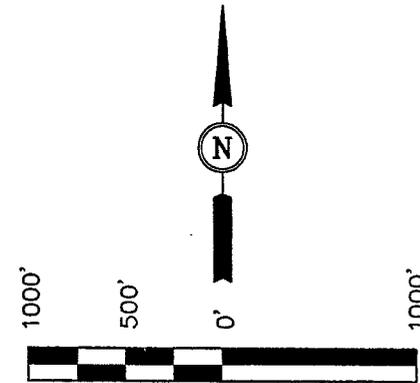
McELVAIN OIL & GAS PROP., INC.

Well location, ROLLING STONE UNIT #24-13, located as shown in the SW 1/4 SW 1/4 of Section 24, T12S, R22E, S.L.B.&M. Uintah County Utah.



BASIS OF ELEVATION

BENCH MARK 76 EAM LOCATED IN THE NE 1/4 OF SECTION 2, T13S, R22E, S.L.B.&M. TAKEN FROM THE BATES KNOLL QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6529 FEET.



SCALE

CERTIFICATE

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

ROBERT L. DAY
 REGISTERED LAND SURVEYOR
 REGISTRATION NO. 161318
 STATE OF UTAH

LEGEND:

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

(AUTONOMOUS NAD 83)
 LATITUDE = 39°45'13.89" (39.753858)
 LONGITUDE = 109°24'39.80" (109.411056)

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

SCALE 1" = 1000'	DATE SURVEYED: 4-12-04	DATE DRAWN: 4-15-04
PARTY J.W. C.H. C.G.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE McELVAIN OIL & GAS PROP., INC.	

SELF-CERTIFICATION STATEMENT

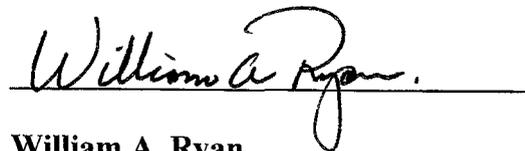
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

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

**Rolling Stone 24-13
SW 1/4, SW 1/4, Section 24, T.12S, R. 22 E.
Lease UTU-73691
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
rncwar@hotmail.com**

Ten Point Plan**McElvain Oil & Gas Prop., INC**

Rolling Stone 24-13

(re-entry)

Surface Location SW $\frac{1}{4}$ SW $\frac{1}{4}$, Section 24, T. 12S., R. 22 E.**1. Surface Formation**

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Drilled Depth</u>	<u>Subsea</u>
Green River	920'	5285'
Uteland Butte Limestone	2767'	3438'
Wasatch	2814'	3391'
Mesaverde	4718'	1487'
Sego	6676'	-471'
Buck Tongue	6908'	-703'
Castlegate	7030'	-825'
Mancos	7246'	-1041'
Dakota Silt	11186'	-4981'
Dakota	11221'	-5016'
Buckhorn/ Cedar Mt.	11451'	-5246'
Morrison	11601'	-5396'
TD	11721'	

3. Producing Formation Depth:

Formation objective includes the Dakota, Buckhorn, and Morrison.

Off Set Well information:

Off set well:

4. Proposed Casing:

Hole Size	Casing Size	Weight/ft	Grade	Threads & Coupler	Casing Depth	New/Used
17.5"	13.375"	preset	preset	preset	602'	preset
8.75"	7"	23#/ft	N80		7,400'	New
6.25"	4.5"	11.6#/ft	P110		11,721'	New

Cement Program:

The Intermediate Casing will be cemented to the surface using a 2 Stage cement program with Stage II as follows:

Casing Size	Cement Type	Cement Amounts	Cement Yield	Cement Weight
Stage I 7"	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	350 sks	1.56 ft ³ /sk	14.3 ppg

Stage II

Lead:

7"	Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	200sks. +/-	3.3ft ³ /sk	11.0 ppg
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Tail:

7"	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	50sks +/-	1.56ft ³ /sk	14.3 ppg
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Production casing will be cemented from 7,000' to 11,721' as follows:

<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
4.5"	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	375sks +/-	1.56ft ³ /sk	14.3 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 5000 psi.

A 5000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 7" intermediate casing. The BOP system including the casing will be pressure tested to 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./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
7,400' -TD	8.6-10.0	30	8-10	Water/Gel

7. Auxiliary Equipment

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

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 7,400' to T.D.

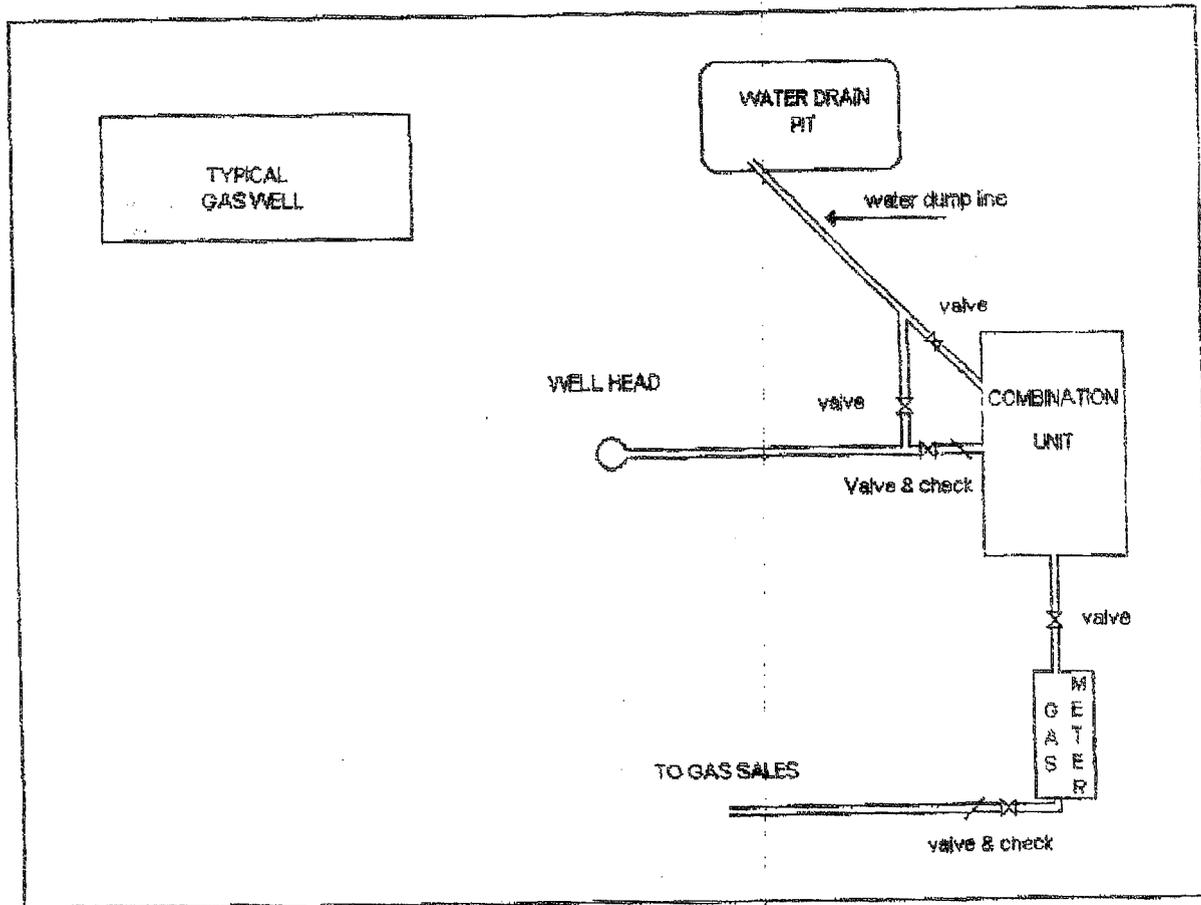
d)	Logging:	Type	Interval
		DLL/SFL W/GR and SP	T.D. to Surf. Csg
		FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

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

10. Drilling Schedule:

The anticipated starting date is October 15, 2004. Duration of operations is expected to be 30 days.



MCELVAIN OIL & GAS PROP., INC

13 POINT SURFACE USE PLAN

FOR WELL

ROLLING STONE 24-13

LOCATED IN SW $\frac{1}{4}$ SW $\frac{1}{4}$

SECTION 24, T.12S, R22E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-73691

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach McElvain Oil and Gas Prop., INC well Rolling Stone 24-13 in Section 24, T 12S, R 22E, from Vernal, Utah:

Starting in Vernal, Utah Proceed in westerly direction form Vernal, Utah along US Highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, Utah; proceed in a southerly, then southeasterly direction approximately 24.5 miles along the Seep Ridge Road to the junction of this road and an existing road to the northeast; turn left and proceed in a northeasterly direction approximately 4.5 miles to the beginning of the proposed access road to the southeast; follow road flags in a southeasterly, then northeasterly direction approximately 0.6 miles to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 60.6 miles.

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

2. Planned access road

The proposed access road will be approximately 0.6 miles +/- of new construction. Will use existing roads to existing location. The road will be graded once per year minimum and maintained.

- A) Approximate length 3168 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
Yes
- M) Pipe line crossing None

Please see the attached location plat for additional details.

A right of way will not be required. All surface disturbances for the road and location will be within the lease boundary.

3. Location of existing wells

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

- A) Producing well None
- B) Water well None
- C) Abandoned well None
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well None
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well
None

Please see the attached map for additional details.

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

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

All permanent (on site for more than six months or longer) structures constructed or installed will be painted flat Earth tone colors. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

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

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

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

If the well is capable of economic production a surface gas line will be required.

Approximately 1.57 miles +/- of 2" or 4" gathering line would be constructed on Federal Lands. The line would tie into the existing line in Section 36, T12S, R22E. The line will be strung cross country.

Please see the attached location diagrams for pipeline location. There will be no additional surface disturbances required for the installation of a gathering line.

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

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

5. Location and type of water supply

Water for drilling and cementing will come from the White River in Section 23, T10S, R23E. Permit # T-75517, Water Right # 49-2185
Water for completion will come from the same supply or Vernal City.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road 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 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will 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 380 ft.
- B) Pad width 290 ft.
- C) Pit depth 10 ft.
- D) Pit length 147 ft.
- E) Pit width 75 ft.
- F) Max cut 16.0 ft.
- G) Max fill 6.1 ft
- H) Total cut yds. 14,780 cu yds
- I) Pit location west side
- J) Top soil location east & west end
- K) Access road location east end
- L) Flare Pit corner B

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 2,310 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 top-soil 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

Four wing salt brush	4#/acre
Shad scale	3#/acre
Needle & thread grass	3#/acre
Western wheat grass	2#/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 Sagebrush. 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.

D) Water:

The nearest water is the White River located 2 miles to the North.

E) Chemicals:

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

F) Notification:

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

G) Flare pit:

The flare pit will be located in corner B 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) Representative

William A. Ryan

Rocky Mountain Consulting

Vernal, UT 84078

Office 435-789-0968

Fax 435-789-0970

Cellular 435-828-0968

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 The Houston Exploration Company 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 8/18/04



William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

5-1-04

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 & Gas Prop., INC
Rocky Mountain Consulting
350 S 800 E
Vernal, UT 84078

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

109°26.000' W

109°25.000' W

109°24.000' W

WGS84 109°23.000' W

39°46.000' N

39°46.000' N

39°45.000' N

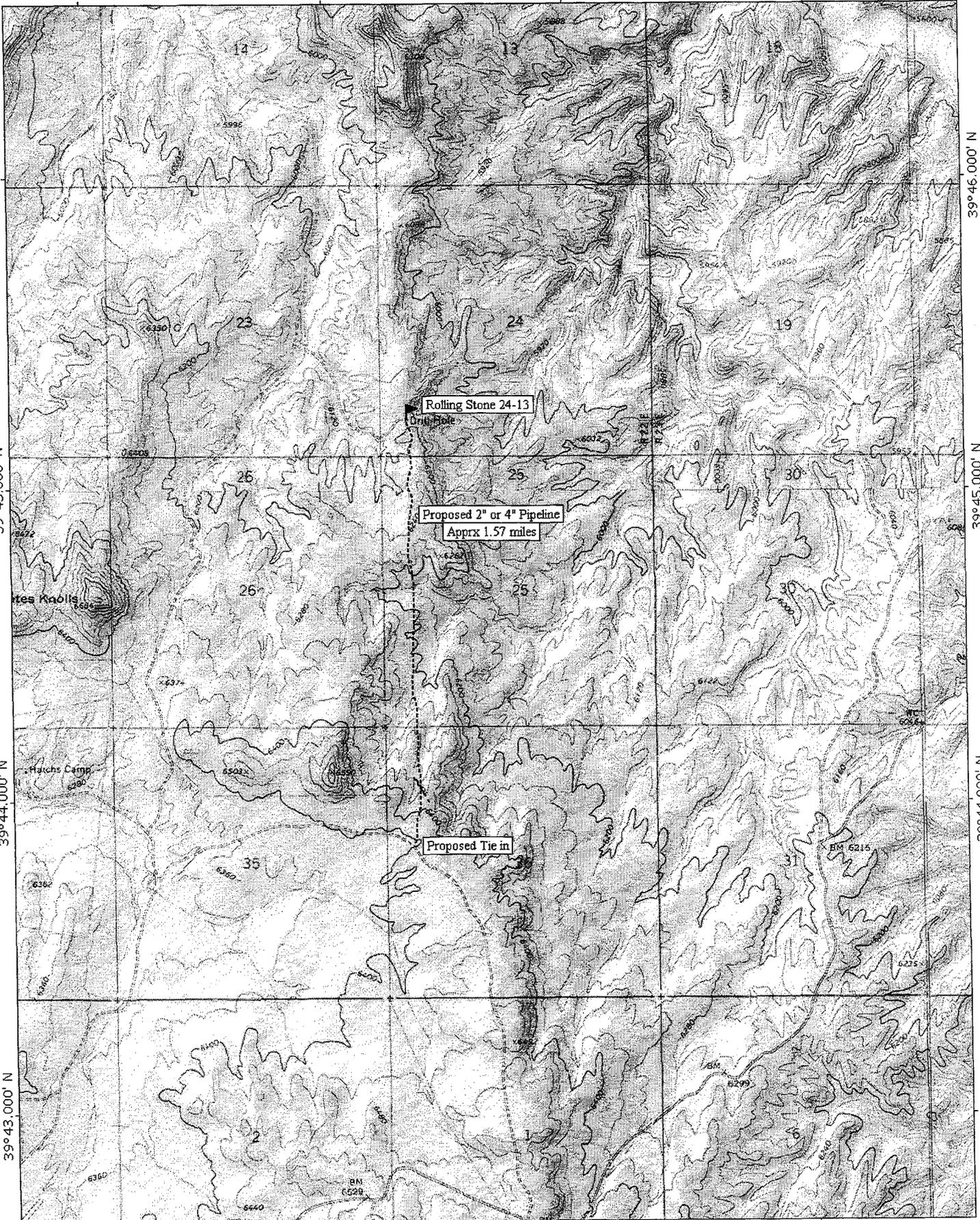
39°45.000' N

39°44.000' N

39°44.000' N

39°43.000' N

39°43.000' N



109°26.000' W

109°25.000' W

109°24.000' W

WGS84 109°23.000' W



McELVAIN OIL & GAS PROP., INC.
ROLLING STONE UNIT #24-13
 LOCATED IN UINTAH COUNTY, UTAH
 SECTION 24, T12S, R22E, S.L.B.&M.

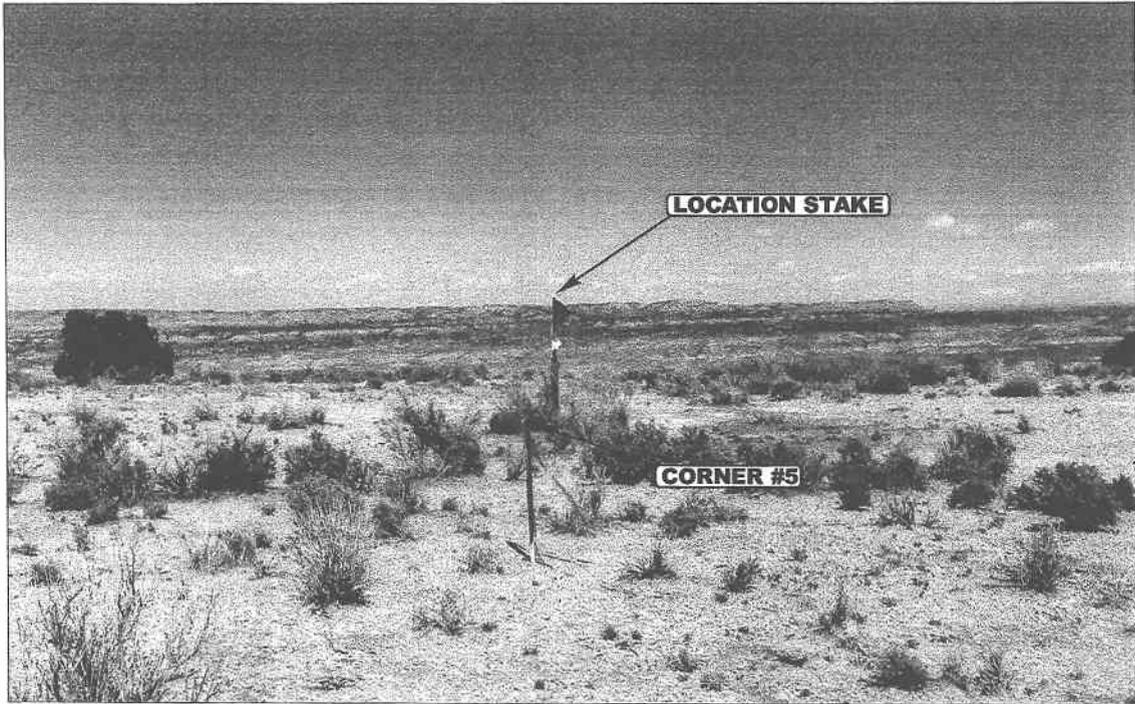


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHEASTERLY

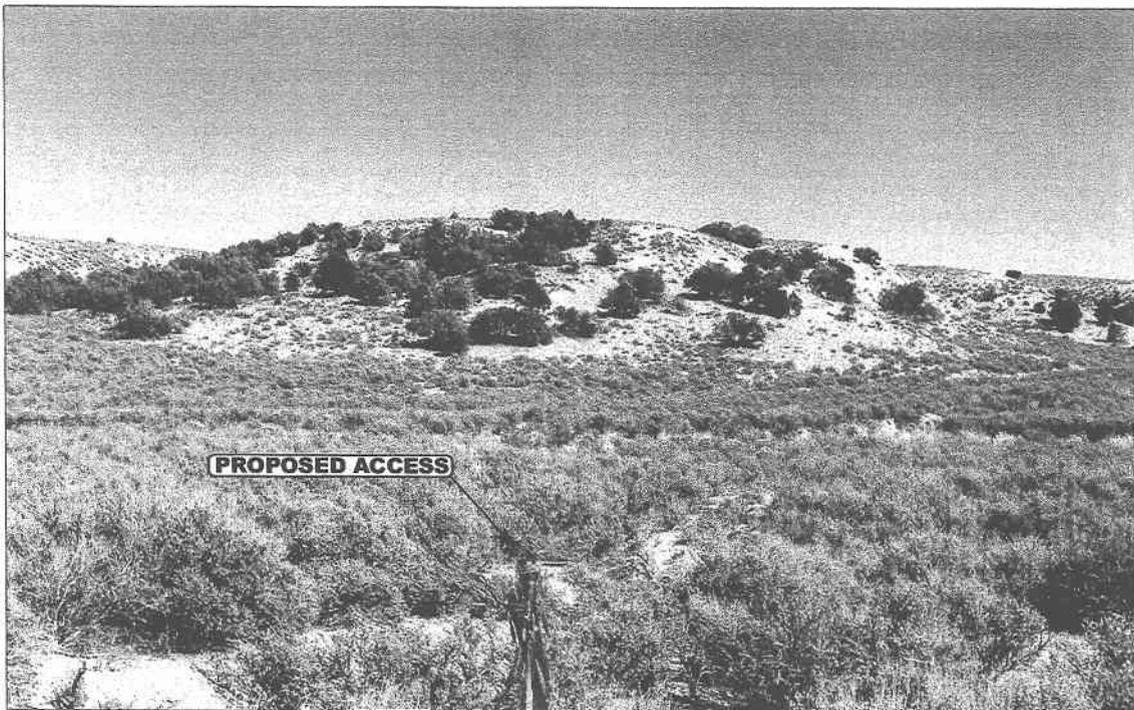


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: SOUTHEASTERLY



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

LOCATION PHOTOS	4	14	04	PHOTO
	MONTH	DAY	YEAR	
TAKEN BY: J.W.	DRAWN BY: J.L.G.	REVISED: 00-00-00		

MELVAIN OIL & GAS PROP., INC.

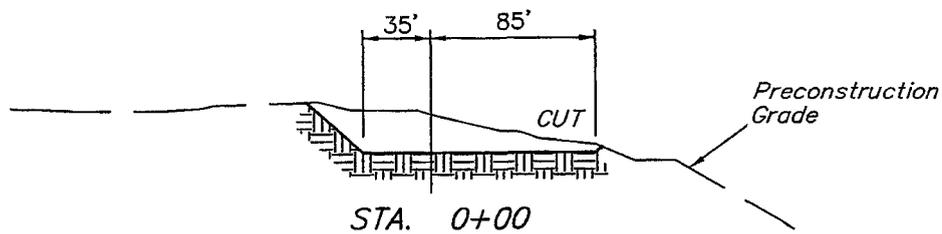
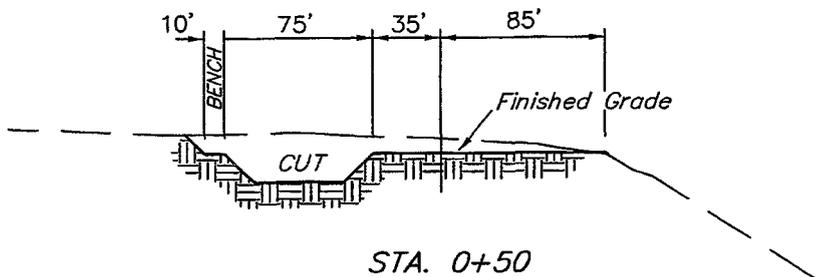
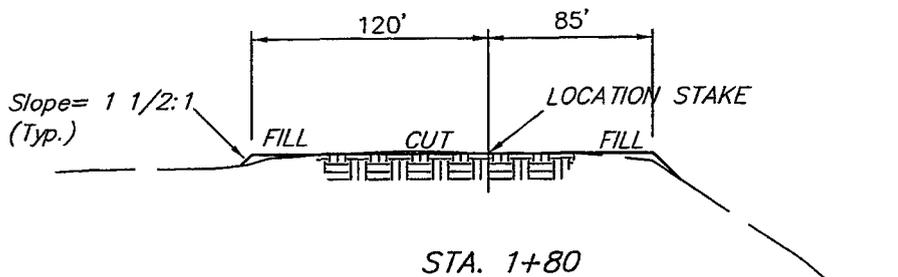
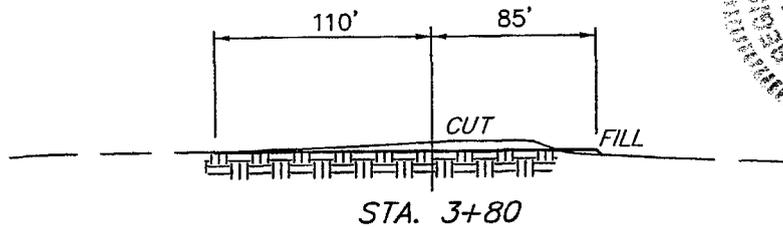
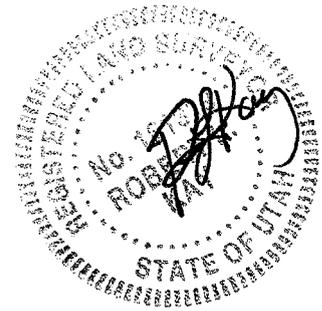
FIGURE #2

TYPICAL CROSS SECTIONS FOR

ROLLING STONE UNIT #24-13
SECTION 24, T12S, R22E, S.L.B.&M.
723' FSL 546' FWL

1" = 40'
X-Section Scale
1" = 100'

DATE: 4-15-04
Drawn By: C.G.



NOTE:

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

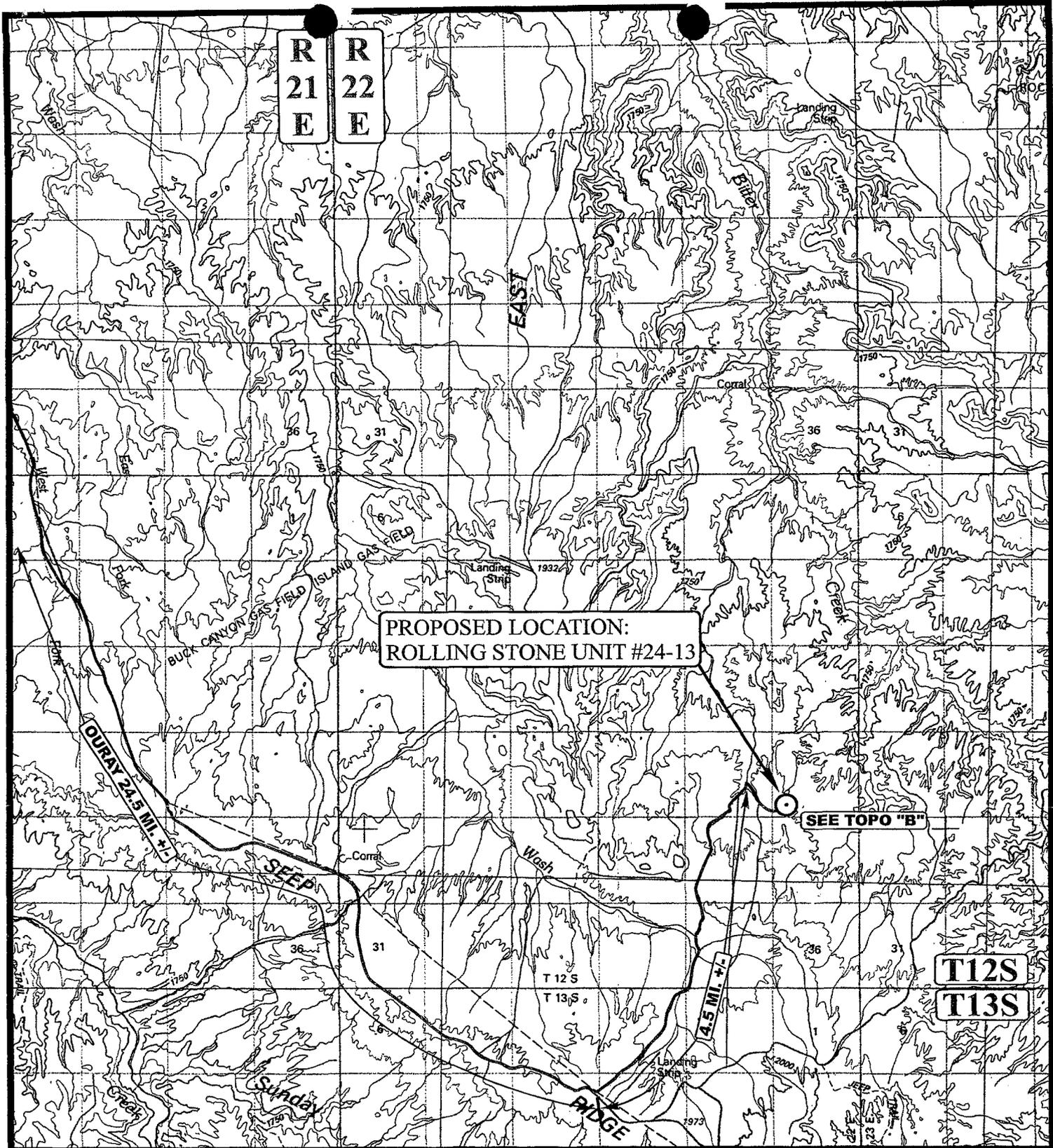
* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 1,580 Cu. Yds.
Remaining Location	= 7,330 Cu. Yds.
TOTAL CUT	= 8,910 CU.YDS.
FILL	= 1,720 CU.YDS.

EXCESS MATERIAL	= 7,190 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,060 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 4,130 Cu. Yds.

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



**PROPOSED LOCATION:
ROLLING STONE UNIT #24-13**

SEE TOPO "B"

**T12S
T13S**

LEGEND:

○ PROPOSED LOCATION

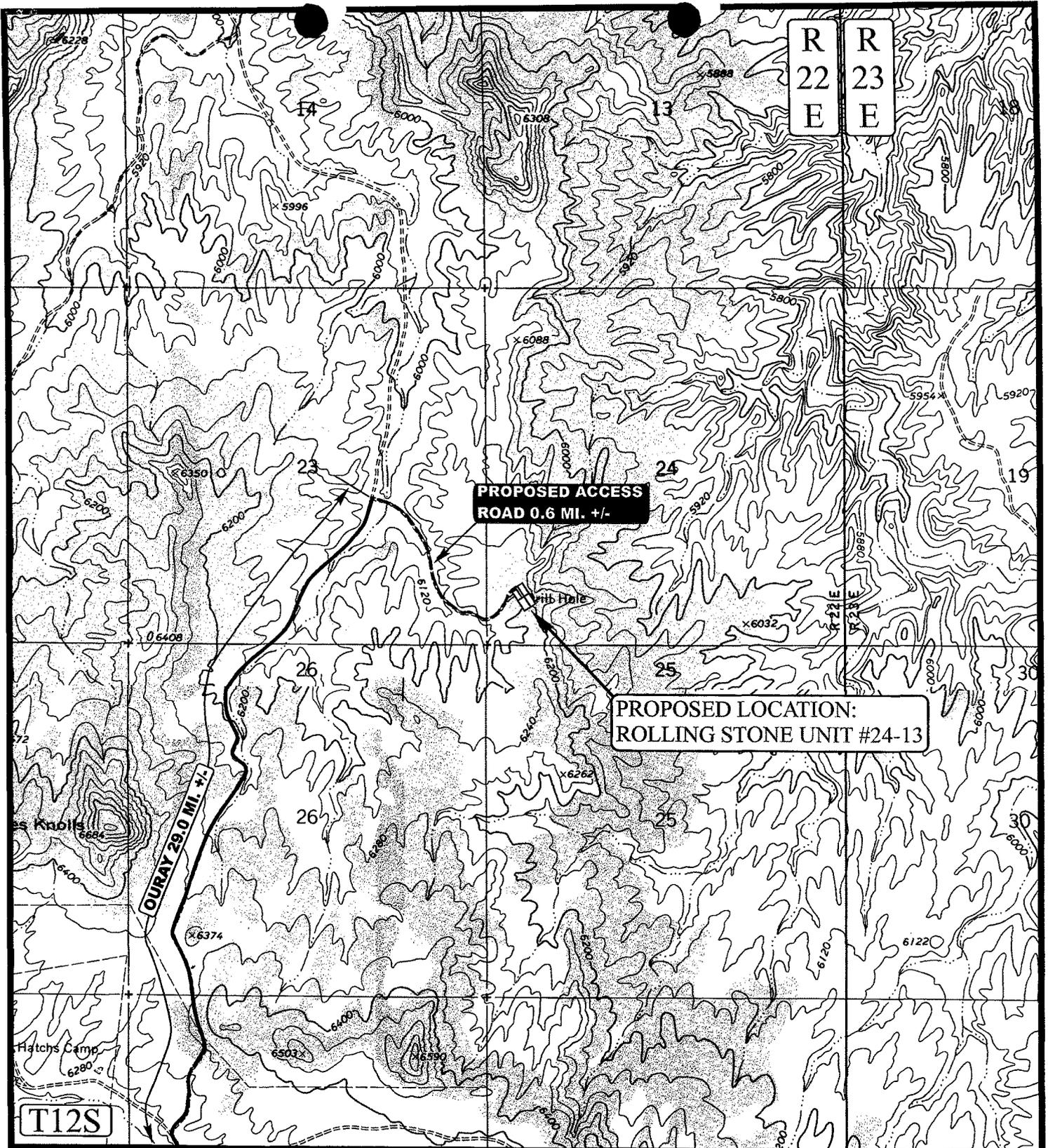


McELVIN OIL & GAS PROP., INC.

**ROLLING STONE UNIT #24-13
SECTION 24, T12S, R22E, S.L.B.&M.
723' FSL 546' FWL**

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

TOPOGRAPHIC MAP **4 14 04**
MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00 **A TOPO**



R 22 E
R 23 E

**PROPOSED ACCESS
ROAD 0.6 MI. +/-**

**PROPOSED LOCATION:
ROLLING STONE UNIT #24-13**

OURAY 29.0 MI. +/-

T12S

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



McELVAIN OIL & GAS PROP., INC.

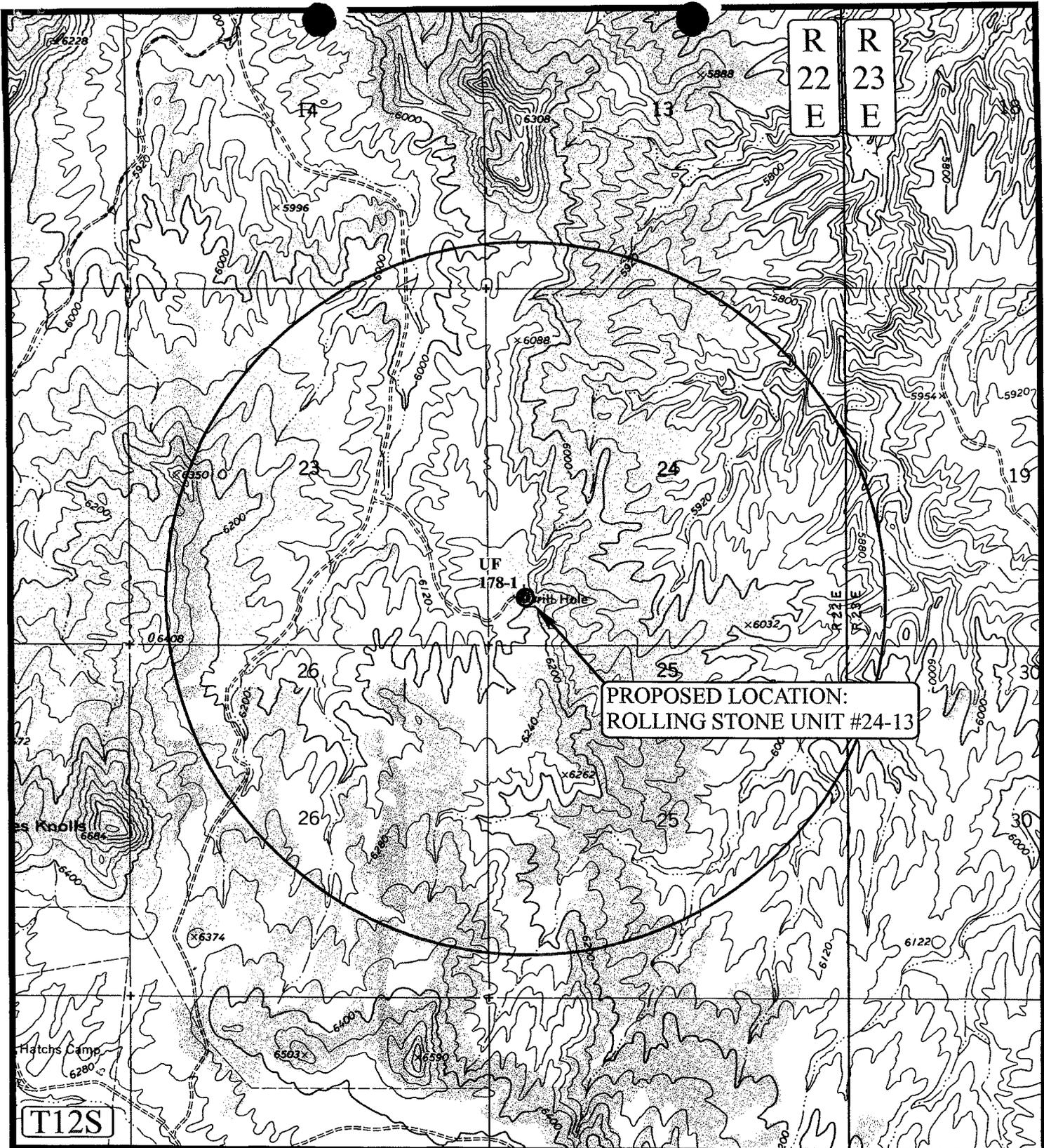
**ROLLING STONE UNIT #24-13
SECTION 24, T12S, R22E, S.L.B.&M.
723' FSL 546' FWL**



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

TOPOGRAPHIC MAP	4	14	04
	MONTH	DAY	YEAR
SCALE: 1" = 2000'	DRAWN BY: J.L.G.		REVISED: 00-00-00





R
22
E

R
23
E

PROPOSED LOCATION:
ROLLING STONE UNIT #24-13

T12S

LEGEND:

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

McELVAIN OIL & GAS PROP., INC.

ROLLING STONE UNIT #24-13
SECTION 24, T12S, R22E, S.L.B.&M.
723' FSL 546' FWL



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

TOPOGRAPHIC
MAP

4	14	04
MONTH	DAY	YEAR



SCALE: 1" = 2000' DRAWN BY: J.L.G. REVISED: 00-00-00

Paradigm Consulting, INC
Ginger Stringham
PO BOX 790203
Vernal, UT 84079

August 18, 2004

Dear Sir or Madam,

This letter is in reference to McElvain Oil & Gas Prop, INC well Rolling Stone 24-13 in Section 24, T12S, R22E. The operator is requesting a lease suspension for the subject well due to delays in the permitting process. The lease is due to expire on December 31, 2004. Lease #UTU-73691.

Please send all correspondence to:

William A Ryan
350 S 800 E
Vernal, UT 84078
435-789-0968

Regards,

A handwritten signature in cursive script that reads "Ginger Stringham". The signature is written in black ink and is positioned above the printed name.

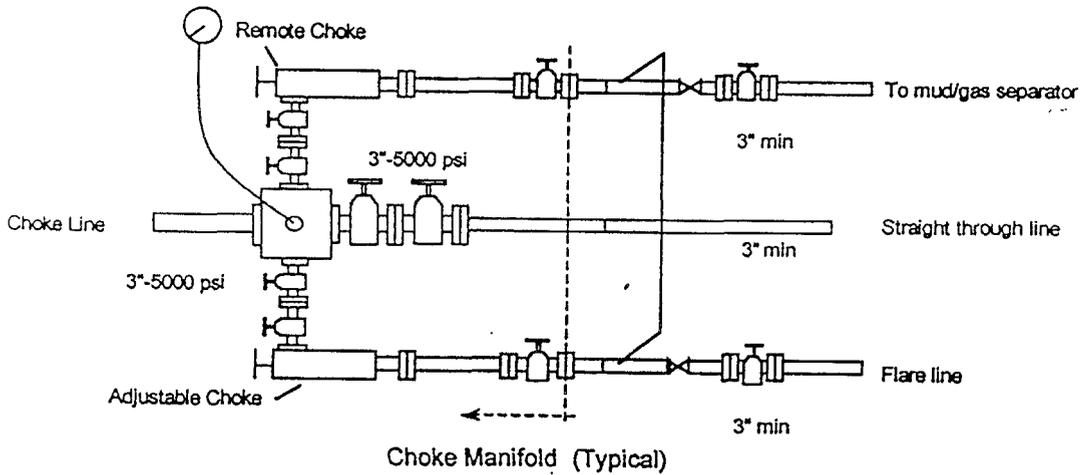
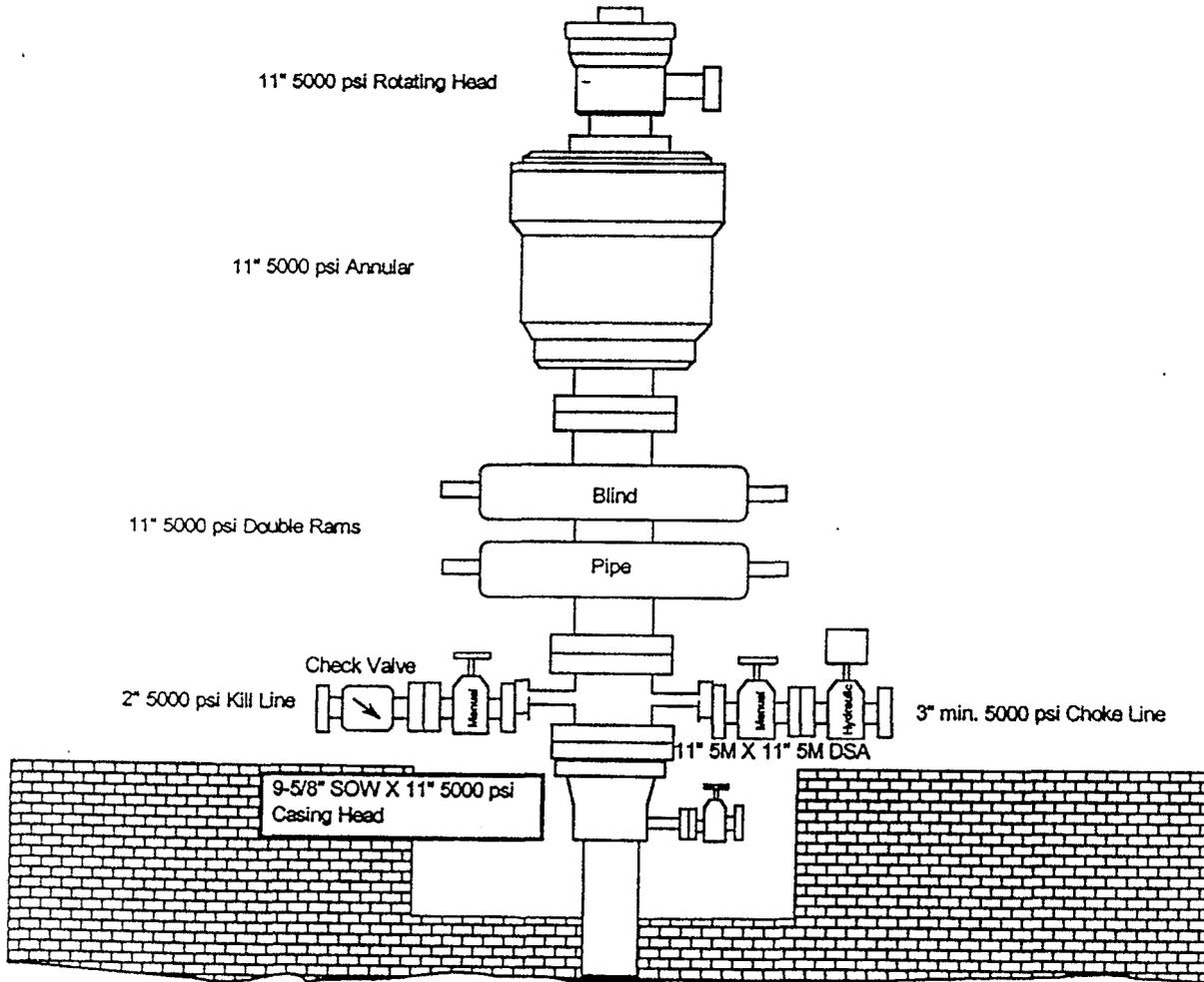
Ginger Stringham

McELVAIN OIL & GAS PROP., INC.

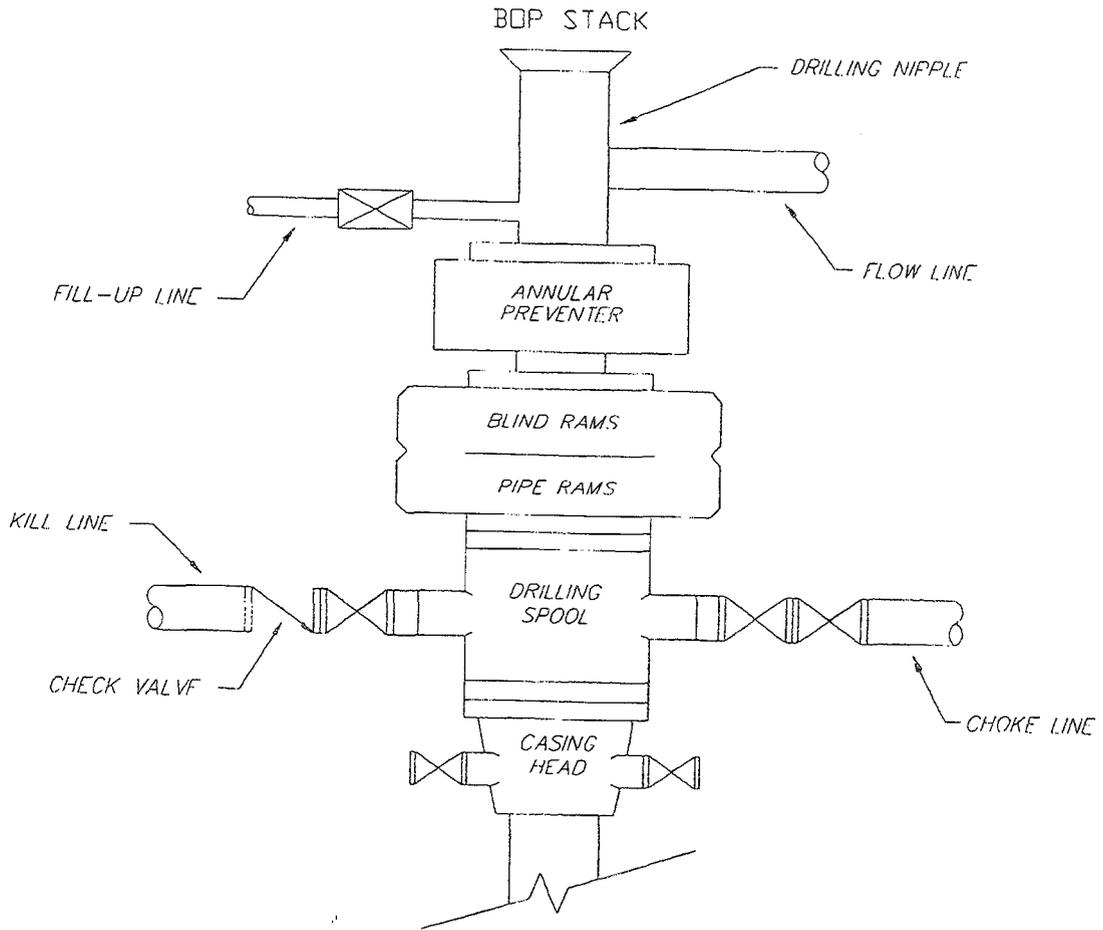
ROLLING STONE UNIT #24-13 SECTION 24, T12S, R22E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 24.5 MILES ALONG THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHEAST; TURN LEFT AND PROCEED IN A NORTHEASTERLY DIRECTION APPROXIMATELY 4.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS ROAD TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 0.6 MILES TO THE PROPOSED LOCATION.

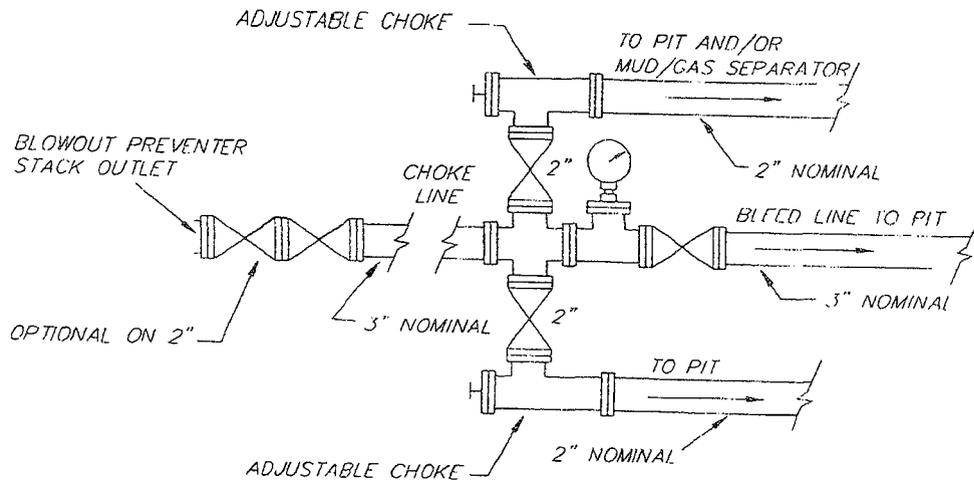
BOPE Diagram 5000 psi WP



TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i.
CHOKE MANIFOLD SCHEMATIC



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 12/20/2004

API NO. ASSIGNED: 43-047-36183

WELL NAME: ROLLING STONE 24-13
OPERATOR: MCELVAIN OIL & GAS (N2100)
CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

SWSW 24 120S 220E
SURFACE: 0723 FSL 0546 FWL
BOTTOM: 0723 FSL 0546 FWL
UINTAH
WILDCAT (1)

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

LEASE TYPE: 1 - Federal
LEASE NUMBER: UTU-73691
SURFACE OWNER: 1 - Federal
PROPOSED FORMATION: MRSN
COALBED METHANE WELL? NO

LATITUDE: 39.75390
LONGITUDE: -109.4104

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. 49-2185)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

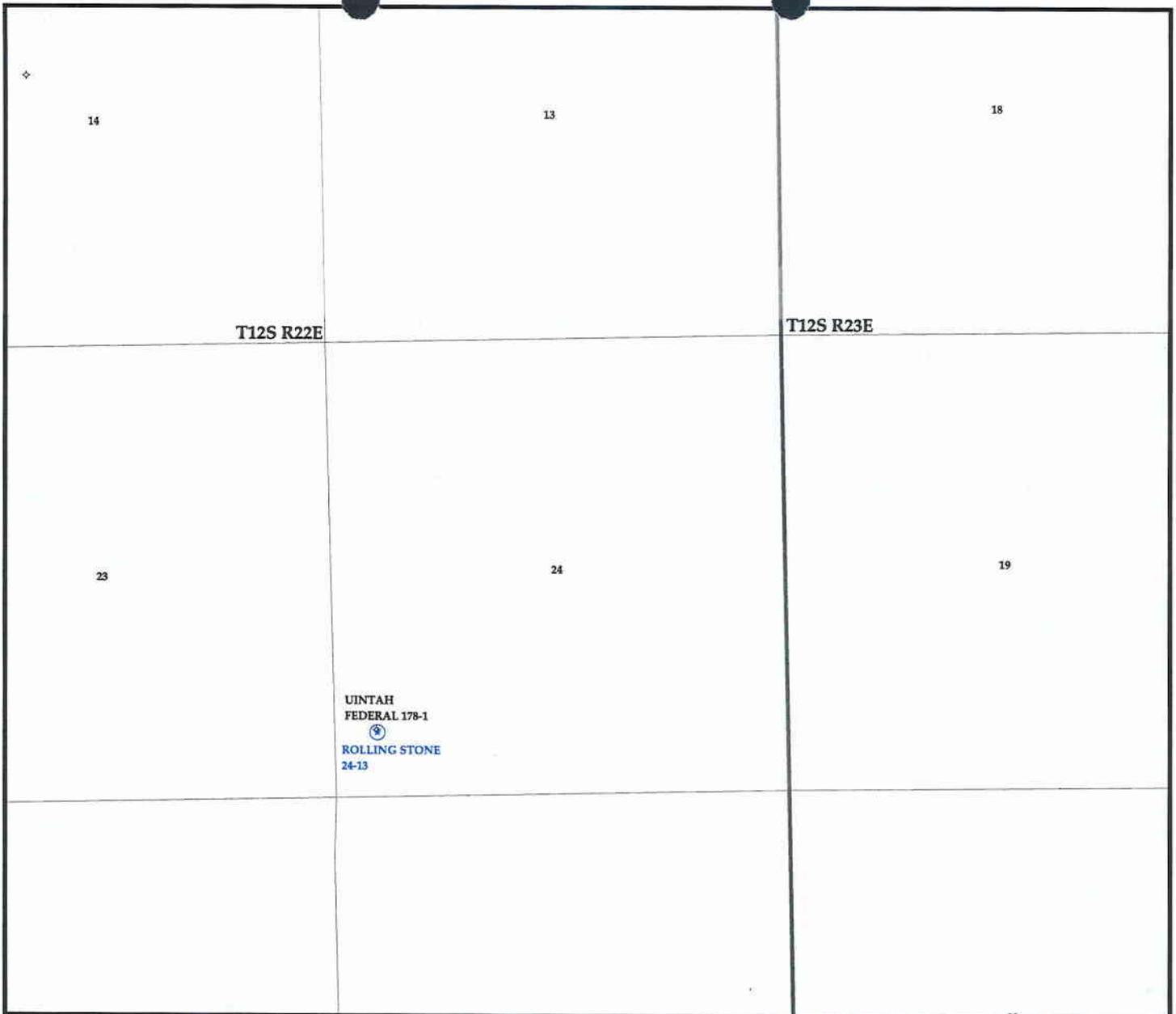
LOCATION AND SITING:

- 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 Disp



OPERATOR: MCELVAIN O&G PROP (N2100)

SEC. 24 T.12S R.22E

FIELD: WILDCAT (001)

COUNTY: UINTAH**

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

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



PREPARED BY: DIANA WHITNEY
DATE: 23-DECEMBER-2004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

MARY ANN WRIGHT
Acting Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

December 27, 2004

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

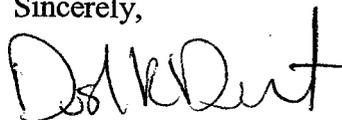
Re: Rolling Stone 24-13 Well, 723' FSL, 546' FWL, SW SW, Sec. 24, T. 12 South,
R. 22 East, Uintah County, Utah

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 43-047-36183.

Sincerely,


(for) 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 Rolling Stone 24-13

API Number: 43-047-36183

Lease: UTU-73691

Location: SW SW **Sec.** 24 **T.** 12 South **R.** 22 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**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

March 28, 2006

Reed Fisher
McElvain O&G Prop. Inc
1050 17th St. Suite 1800
Denver, CO 80265

Re: APD Rescinded –Rolling Stone 24-13 Sec. 24, T. 12S R. 22E
Uintah County, Utah API No. 43-047-36183

Dear Mr. Fisher:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on December 27, 2004. On March 24, 2006, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective March 24, 2006.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office

170 South 500 East

Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410



IN REPLY REFER TO:

3160

UT08300

June 8, 2006

43-247-36183

Reed Fischer
McElvain Oil & Gas Properties, Incl.
1050 17th Street, suite 1800
Denver, Colorado 80265

Re: Well No. Rolling Stone 24-13
SWSW, Sec. 24, T12S, R22E
Uintah County, Utah
Lease No. U-73691

Dear Mr. Fischer:

The Application for Permit to Drill (APD) the above referenced well submitted August 23, 2004, is being returned unapproved without prejudice per operator request. If you plan to drill at this location at a future date, a new APD must be submitted.

If you have any questions concerning APD processing, please contact me at (435) 781-4497.

Sincerely,

Leslie Wilcken
Land Law Examiner

cc: UDOGM

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

RECEIVED
JUN 12 2006
DIV. OF OIL, GAS & MINING