

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

FORM 3

AMENDED REPORT
(highlight changes)

001

APPLICATION FOR PERMIT TO DRILL			5. MINERAL LEASE NO: ML47091	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>			7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input checked="" type="checkbox"/> MULTIPLE ZONE <input type="checkbox"/>			8. UNIT or CA AGREEMENT NAME: SEEP CANYON UNIT	
2. NAME OF OPERATOR: MEDALLION EXPLORATION			9. WELL NAME and NUMBER: ATCHEE STATE 2-29-12-25	
3. ADDRESS OF OPERATOR: 6985 Union Park Center CITY Midvale STATE UT ZIP 84047		PHONE NUMBER: (801) 566-7400	10. FIELD AND POOL, OR WILDCAT: WILDCAT	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1925' FSL & 2142' FEL AT PROPOSED PRODUCING ZONE:			11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 12S 25E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: Approximately 24 miles Southeast of Bonanza			12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 498'	16. NUMBER OF ACRES IN LEASE: 320	17. NUMBER OF ACRES ASSIGNED TO THIS WELL:		
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) NA	19. PROPOSED DEPTH: 4,000	20. BOND DESCRIPTION: RLB0005889		
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6860.7' GR	22. APPROXIMATE DATE WORK WILL START: 9/1/2005	23. ESTIMATED DURATION: 10 days		

24. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12-1/4	9-5/8 36#	500	Class G w/2% cacl2.	146 sx	vol is 100% excess
7-7/8"	5-1/2" 17#		Class G	756 sx	
			actual amnt will be	calculated off	caliper log.

25. ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) RaSchelle Richens TITLE Permit Specialist
SIGNATURE *RaSchelle Richens* DATE 7/7/2005

(This space for State use only)

API NUMBER ASSIGNED: 43-047-36841

**Approved by the
Utah Division of
Oil, Gas and Mining**
Date: 10-11-05
By: *[Signature]*

**RECEIVED
JUL 07 2005**

DIV. OF OIL, GAS & MINING

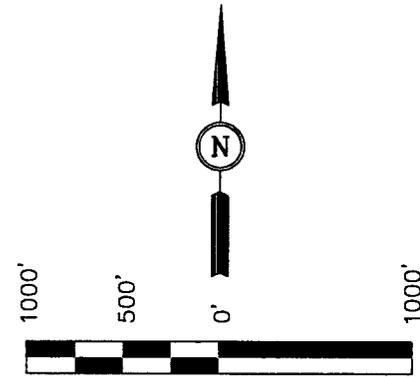
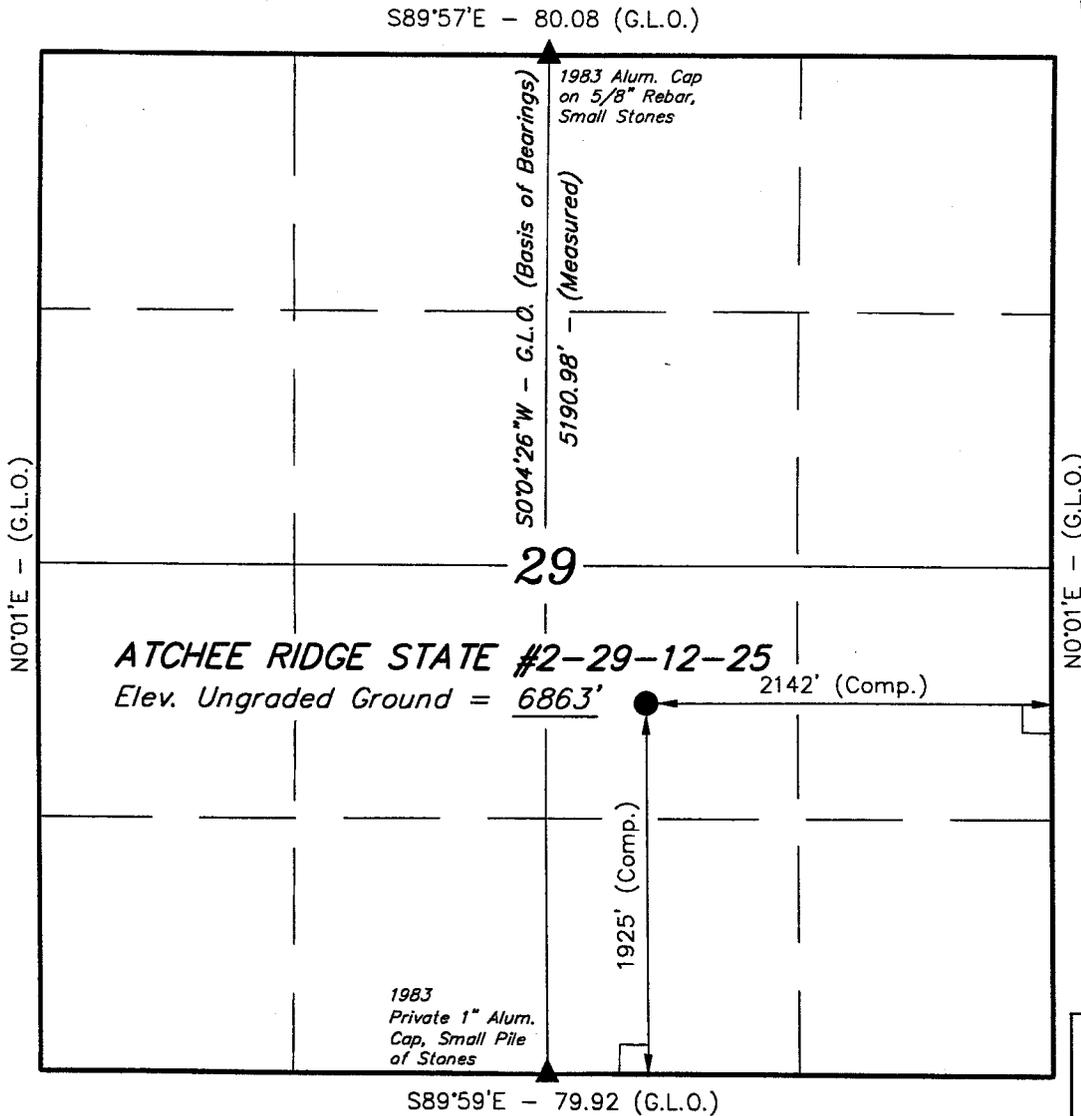
T12S, R25E, S.L.B.&M.

MEDALLION EXPLORATION

Well location, ATCHEE RIDGE STATE #2-29-12-25, located as shown in the NW 1/4 SE 1/4 of Section 29, T12S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

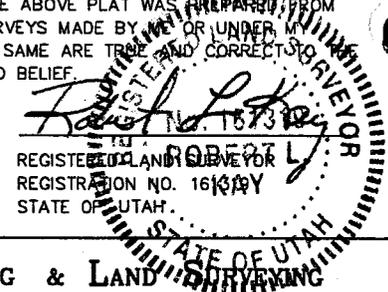
TRIANGULATION STATION JEK 13 LOCATED IN THE SE 1/4 OF SECTION 20, T12S, R25E, S.L.B.&M. TAKEN FROM THE RAINBOW, QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6762 FEET.



SCALE

CERTIFICATE

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



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

LEGEND:

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

SCALE 1" = 1000'	DATE SURVEYED: 6-27-98	DATE DRAWN: 6-29-98
PARTY B.B. D.R. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE MEDALLION EXPLORATION	

RECEIVED
AUG 18 2004
WATER RIGHTS
VERNAL

TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by BHW
 Fee Paid \$ 7500.00 09809
 Receipt # 04-03530

STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2184
 (BWHITE)

TEMPORARY APPLICATION NUMBER: T75514

1. OWNERSHIP INFORMATION: LAND OWNED? No
- A. NAME: Dalbo Incorporated
 ADDRESS: P. O. Box 1168
 Vernal, UT 84078
- B. PRIORITY DATE: August 18, 2004 FILING DATE: August 18, 2004

2. SOURCE INFORMATION:
- A. QUANTITY OF WATER: 10.0 acre-feet
- B. SOURCE: White River COUNTY: Uintah
- C. POINT OF DIVERSION -- SURFACE:
 (1) S 350 feet W 1,000 feet from N $\frac{1}{4}$ corner, Section 24, T 10S, R 22E, SLBM
 DIVERT WORKS: pump into tank trucks and haul
- D. COMMON DESCRIPTION: 35 miles SE of Vernal

3. WATER USE INFORMATION:
- OIL EXPLORATION: from Sep 1 to Aug 31 drilling and completion of oil/gas wells
- *

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE TOWN	RANG	SEC	NORTH-WEST $\frac{1}{4}$		NORTH-EAST $\frac{1}{4}$		SOUTH-WEST $\frac{1}{4}$		SOUTH-EAST $\frac{1}{4}$			
			NW	NE	SW	SE	NW	NE	SW	SE	NW	NE
SL	10S	22E	Entire TOWNSHIP									
SL	10S	23E	Entire TOWNSHIP									
SL	11S	22E	Entire TOWNSHIP									
SL	11S	23E	Entire TOWNSHIP									

CULTURAL RESOURCE INVENTORY OF
MEDALLION EXPLORATION'S SEVEN PROPOSED
WELL LOCATIONS ON ATCHEE RIDGE
UINTAH COUNTY, UTAH

Todd B. Seacat
Keith Montgomery
Kate Freudenberg

CULTURAL RESOURCE INVENTORY OF
MEDALLION EXPLORATION'S SEVEN
PROPOSED WELL LOCATIONS
ON ATCHEE RIDGE
UINTAH COUNTY, UTAH

By:

Todd B. Seacat
Keith Montgomery
Kate Freudenberg

Prepared For:

State of Utah
School and Institutional
Trust Lands Administration

and

United States Department of Interior
Utah Bureau of Land Management,
Vernal Field Office

Prepared Under Contract With:

Medallion Exploration
6985 Union Park Center, Suite 375
Midvale, UT 84047

Prepared By:

Montgomery Archaeological Consultants
P.O. Box 147
Moab, Utah 84532

MOAC Report No. 05-215

25 July 2005

United States Department of Interior (FLPMA)
Permit No. 05-UT-60122

State of Utah Antiquities Project (Survey)
Permit No. U-05-MQ-0617 b,s,p

ABSTRACT

A cultural resource inventory was conducted by Montgomery Archaeological Consultants (MOAC) in June 2005 for Medallion Exploration's seven proposed well locations on Atchee Ridge, Uintah County, Utah. The proposed well locations are designated Atchee Federal 32-4-13-25, and 11-27-12-25; Atchee Ridge State 2-29-12-25 and 32-12-25; Atchee State 1-29-12-25 and 20-12-25; and Seep Canyon State 30-12-25. The seven proposed well locations with associated access routes are located in Township 12 South, Range 25 East, Sections 20, 27, 29, 30 and 32 as well as Township 13 South, Range 25 East, Sections 4. A total of 128.9 acres were inventoried with 60.6 acres on lands administered by State of Utah School and Institutional Trust Lands Administration (SITLA), 65.9 acres on lands administered by the Bureau of Land Management (BLM), Vernal Field Office, and 2.3 acres occurring on private land.

The inventory of Medallion Exploration's seven proposed well locations resulted in the documentation of two new historic archaeological sites (42Un4834 and 42Un4835). Both of the new historic sites are small, low density historic temporary camps. They possess limited artifact assemblages and are common site types to the area. These sites are evaluated as not eligible to the NRHP as they lack potential for providing information relevant to the history of the area. Based on these findings, recommendation of "no historic properties affected" pursuant to Section 106, CFR 800 is proposed for this project.

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INTRODUCTION

In June 2005 Montgomery Archaeological Consultants (MOAC) inventoried Medallion Exploration's seven proposed Atchee Ridge well locations designated Atchee Federal 32-4-13-25, and 11-27-12-25; Atchee Ridge State 2-29-12-25 and 32-12-25; Atchee State 1-29-12-25 and 20-12-25; and Seep Canyon State 30-12-25. The project area is on Atchee Ridge and adjacent to Rector Ridge about 50 miles south of the community of Vernal, Uintah County, Utah. The survey was implemented at the request of Ms. RaSchelle Richens, Medallion Exploration, Midvale, Utah. The project area occurs on property of the State of Utah School and Institutional Trust Lands Administration (SITLA) and the Bureau of Land Management, Vernal Field Office.

The objectives of the inventory were to locate, document, and evaluate any cultural resources within the project area in accordance with Section 106 of 36 CFR 800, the National Historic Preservation Act of 1966 (as amended). Also, the inventory was implemented to attain compliance with a number of federal and state mandates, including the National Historic Preservation Act (NHPA) of 1969 (as amended), the Archaeological and Historic Conservation Act of 1974, the Archaeological Resources Protection Act of 1979, and the American Indian Religious Freedom Act of 1978.

The fieldwork was performed on 17 and 19 June 2005 by Todd B. Seacat (Field Supervisor) and Kate Freudenberg. Permits issued to MOAC for this project are U.S.D.I. (FLPMA) Permit No. 05-UT-60122 and State of Utah Antiquities Permit (Survey) No. U-05-MQ-0617b,s,p issued to MOAC.

A file search was performed by Marty Thomas at the Utah Division of State History (June 15, 2005). This consultation indicated that several inventories have been completed in the area. In 1995, Metcalf Archaeological Consultants surveyed a well location for Amoco Productions which resulted in the documentation of a prehistoric isolated find (Spath 1995). Senco-Phenix inventoried four well locations for Medallion Exploration in 1998; no cultural resources were found (Senulis 1998). In 2000, Montgomery Archaeological Consultants surveyed the Medallion Exploration's Seep Canyon pipeline (Montgomery 2000). The inventory resulted in the documentation of an eligible cattle line camp (42Un2744) and an ineligible well (42Un2745). In 2004, MOAC inventoried one well location for Medallion that resulted in no cultural resources (Montgomery 2004). None of these cultural resources occur in the immediate project area. Again in 2004, MOAC surveyed six well locations for Medallion Explorations and located two ineligible historic trash scatter sites (42Un4536 and 42Un4537) (Simon and Montgomery, 2004). None of the sites occur in the current project area.

In summary although many cultural resource inventories have been conducted near the current project area, no archaeological sites are located within the projects boundaries.

DESCRIPTION OF PROJECT AREA

The project area occurs east of East Seep Canyon, along Atchee Ridge road in Uintah County, Utah. The seven proposed well locations with associated access routes are located in Township 12 South, Range 25 East, Sections 20, 27, 29, 30, and 32 and Township 13 South, Range 25 East, Section 4 (Table 1 and Figure 1).

Table 1. Medallion Exploration's Seven Proposed Well Locations with Legal Descriptions, Land Status, Access Corridor Lengths, and Cultural Resources

Well Location Designation	Legal Location	Land Status	Access	Cultural Resources
Atchee Federal #11-27-12-25	NW/NW and SW/NW Sec. 27 T12S, R25 E	BLM	13,000 ft.	42Un4835
Atchee Federal #32-4-13-25	SW/NE Sec. 4 T13S, R25 E	BLM	7,700 ft.	None
Atchee Ridge State #32-12-25	SE/NW Sec. 32 T12 S, R25 E	State	Within 10 Acre	None
Atchee Ridge State #2-29-12-25	NW/SE Sec. 29 T12S, R25E	State	160 ft.	None
Atchee State #1-29-12-25	NE/NW Sec. 29 T12S, R25E	State	240 ft.	None
Atchee State #20-12-25	SE/SW, SE/SW, NW/SE Sec. 20 T12S, R25E	State	400 ft.	42Un4834
Seep Canyon State #30-12-25	NE/NE Sec. 30 T12S, R25E	State	3,800 ft.	None

Environment

The study area lies within the Uinta Basin physiographic unit, a distinctly bowl-shaped geologic structure (Stokes 1986:231). The Uinta Basin ecosystem is within the Green River drainage, considered to be the northernmost extension of the Colorado Plateau. Topographically, this area consists of north-south trending interfluvial ridges dissected by extensive draws and canyons. The geology is comprised of Quaternary and Tertiary age deposits which include sedimentary rocks. The Green River Formation is predominate in the project area, and contains claystone, sandstone, and carbonate beds. The soil in the area consists of shale and silt. Elevations in the inventory area range between 6800 and 7200 feet a.s.l. Vegetation is dominated by a pinyon-juniper and sagebrush community intermixed with mountain mahogany, prickly pear cactus, greasewood, and grasses. The nearest permanent water source in the area is Evacuation Creek located approximately 5 miles to the east, although intermittent springs occur in East Seep Canyon. Fauna which inhabit the area include deer, antelope, rabbits, badgers, ground squirrels, prairie dogs, and various other rodents and reptiles. Modern disturbances to the landscape include well locations, access roads, pipelines, and livestock grazing.

Cultural Overview

The cultural-chronological sequence represented in the area includes the Paleoindian, Archaic, Fremont, Protohistoric, and Euro-American stages. The earliest inhabitants of the region are representative of the Paleoindian stage (ca. 12,000-8,000 B.P.), characterized by the adaptation to terminal Pleistocene environments and by the exploitation of big game fauna. The presence of Paleoindian hunters in the Uinta Basin region is implied by the discovery of Clovis and Folsom fluted points (ca. 12,000 B.P. - 10,000 B.P.), as well as the more recent Plano Complex lanceolate points (ca. 10,000 B.P. - 7,000 B.P.). Near the project area, a variety of Plano Complex Paleoindian projectile points have been documented, including Goshen, Alberta, and Midland styles (Hauck 1998). No sites with evidence of Folsom lithic technology have previously been documented near the project area. Spangler (1995:332) reports that there are no sealed cultural deposits in association with extinct fauna or with chronologically distinct Paleoindian artifacts in Utah. Specifically in the Uinta Basin, few Paleoindian sites have been adequately documented, and most evidence of Paleoindian exploitation of the area is restricted to isolated projectile points recovered in nonstratigraphic contexts. Copeland and Fike (1998:21) argue that many areas in Utah are conducive to the herding behavior of megafauna, and that there is a high probability that many of the sites in Utah of unknown age are Paleoindian.

The Archaic stage (ca. 8,000 B.P.-1,500 B.P.) is characterized by the dependence on a foraging subsistence, with peoples seasonally exploiting a wide spectrum of plant and animal species in different ecozones. The shift to an Archaic lifeway was marked by the appearance of new projectile point types, and the development of the atlatl, perhaps in response to a need to pursue smaller and faster game (Holmer 1986). In the Uinta Basin, evidence of Early Archaic presence is relatively sparse compared to the subsequent Middle and Late Archaic periods. Early Archaic (ca. 6000-3000 B.C.) sites in the Basin include sand dune sites and rockshelters primarily clustered in the lower White River drainage (Spangler 1995:373). Early Archaic projectile points recovered from Uinta Basin contexts include Pinto Series, Humboldt, Elko Series, Northern Side-notched, Hawken Side-notched, Sudden Side-notched and Rocker Base Side-notched points. Excavated sites in the area with Early Archaic components include Deluge Shelter in Dinosaur National Monument, and open campsites along the Green River and on the Diamond Mountain Plateau (Spangler 1995:374). The Middle Archaic (ca. 3000-500 B.C.) is characterized by improved climatic conditions and an increase in human population on the northern Colorado Plateau. Several stratified Middle Archaic sites have been excavated and dozens of sites have been documented in the Uinta Basin. Middle Archaic sites in the area reflect cultural influences from the Plains, although a Great Basin and/or northern Colorado Plateau influence is represented in the continuation of the Elko Series projectile points. Subsistence data from Middle Archaic components indicate gathering and processing of plants as well as faunal exploitation (e.g., mule deer, antelope, bighorn sheep, cottontail rabbit, muskrat, prairie dog, beaver and birds). The Late Archaic period (ca. 500 B.C.-A.D. 550) in the Uinta Basin is distinguished by the continuation of Elko Series projectile points with the addition of semi-subterranean residential structures at base camps. By about A.D. 100, maize horticulture and Rose Springs arrow points had been added to the Archaic lifeway. In the Uinta Basin, the earliest evidence of Late Archaic architecture occurs at the Cockleburr Wash Site (42Un1476) where a temporary structure, probably a brush shelter, yielded a date of 316 B.C. (Tucker 1986). The structure was probably associated with seasonal procurement of wild floral resources gathered along Cliff Creek.

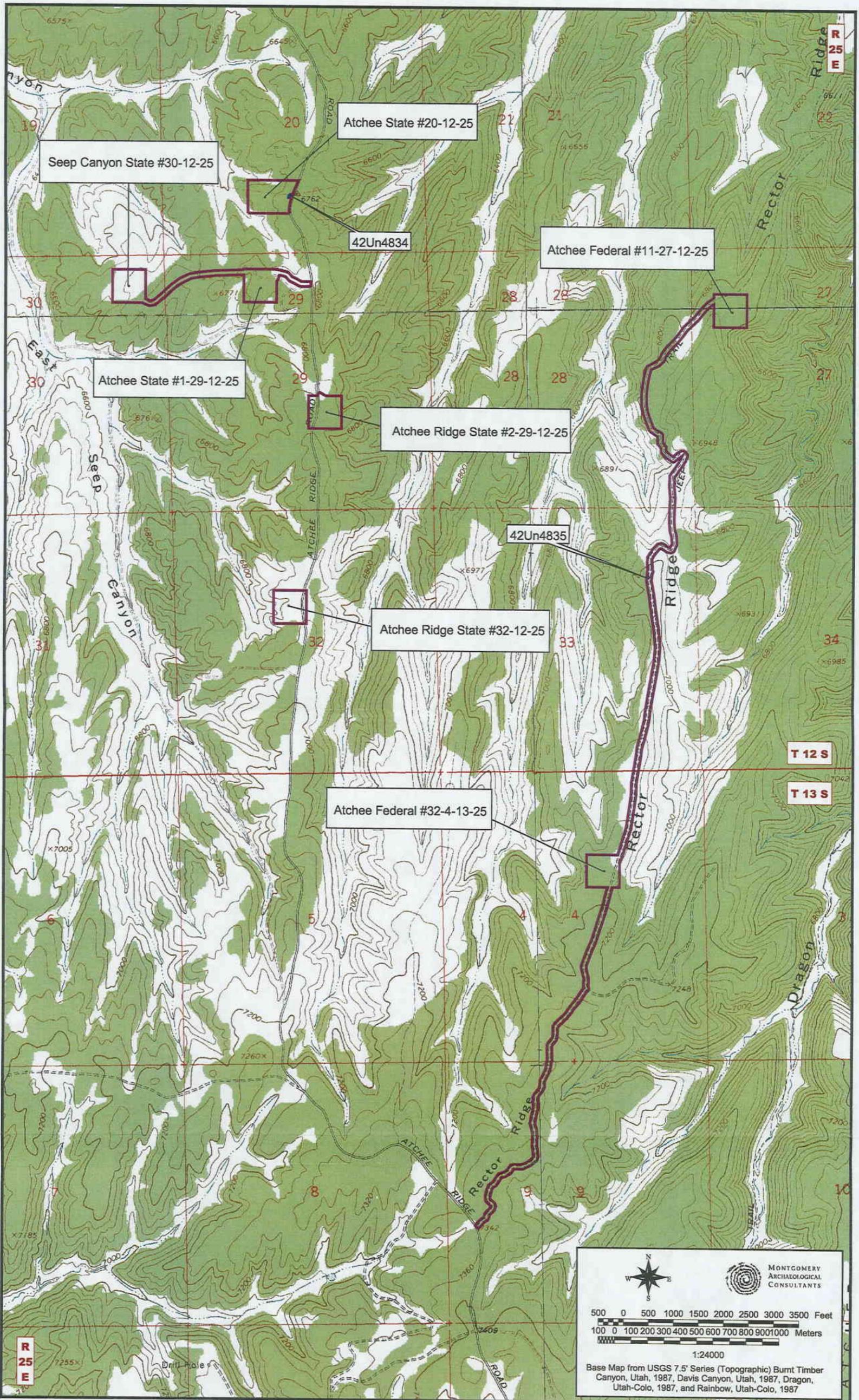


Figure 1: Medallion Exploration's Seven Proposed Well Locations, Uintah County, UT.

The Formative stage (A.D. 500-1300) is recognized in the area as the Uinta Fremont as first defined by Marwitt (1970). This stage is characterized by a reliance upon domesticated corn and squash, increasing sedentism, and in its later periods, substantial habitation structures, pottery, and bow and arrow weapon technology. Based on the evidence from Caldwell Village, Boundary Village, Deluge Shelter, Mantles Cave and others, the temporal range of the Uinta Fremont appears to be from A.D. 650 to 950. This variant is characterized by shallow, saucer-shaped pithouse structures with randomly placed postholes and off-center firepits, some of which were adobe-rimmed. Traits considered unique or predominate to the Uinta Basin include calcite-tempered pottery, two-handled wide-mouth vessels, Utah type metates, the use of gilsonite for pottery repair, settlement on tops of buttes and large-shouldered bifaces (Shields 1970).

Archaeological evidence suggests that Numic peoples appeared in east-central Utah at approximately A.D. 1100 or shortly before the disappearance of Formative-stage peoples (Reed 1994). The archaeological remains of Numic-speaking Utes consist primarily of lithic scatters with low quantities of brown ware ceramics, rock art, and occasional wickiups. The brown ware ceramics appear to be the most reliable indicator of cultural affiliation, as Desert Side-notched and Cottonwood Triangular points were manufactured by other cultural groups beside the Ute (Horn, Reed, and Chandler 1994:130). The Ute appear to have been hunters and gatherers who exploited various fauna and flora resources. According to macrobotanical and faunal data from dated components, deer, elk, pronghorn, bison, and small game were acquired (Reed 1994:191). Plant materials thought to have been exploited for food include goosefoot, grass seeds, pinyon nuts, juniper berries, squawbush berries and leaves, hackberry seeds and possibly saltbush seeds, knotweed, chokecherry, and chickweed (Reed 1994:191).

Archaeological evidence suggests that Numic peoples appeared in east-central Utah at approximately A.D. 1100 or shortly before the disappearance of Formative-stage peoples (Reed 1994). The archaeological remains of Numic-speaking Utes consist primarily of lithic scatters with low quantities of brown ware ceramics, rock art, and occasional wickiups. The brown ware ceramics appear to be the most reliable indicator of cultural affiliation, as Desert Side-notched and Cottonwood Triangular points were manufactured by other cultural groups besides the Ute (Horn, Reed, and Chandler 1994:130). The Ute appear to have been hunter and gatherers exploiting various faunal and floral resources.

On May 5, 1864 Congress passed a law confirming the 1861 executive order setting up the Uintah Reservation (Burton 1996:24). This treaty provided that the Ute people give up their land in central Utah and move within one year to the Uintah Reservation without compensation for loss of land and independence. The Uinta-ats (later called Tavaputs), PahVant, Tumpanawach, and some Cumumba and Sheberetch of Utah were gathered together at the Uintah agency during the late 1860s and early 1870s to form the Uintah Band (Burton 1996:18-19). In the 1880 treaty council the White River Utes, who had participated in the Meeker Massacre, were forced to sell all their land in Colorado and were moved under armed escort to live on the Uintah Reservation (Callaway, Janetski, and Stewart 1986:339). Shortly thereafter, 361 Uncompahgre Utes were forced to sell their lands, and were relocated to the Ouray Reservation adjacent to the southern boundary of the Uintah Reservation. This area embraced a tract of land to the east and south of the Uintah Reservation below Ouray lying east of the Green River. A separate Indian Agency was established in 1881 with headquarters at Ouray which was located across the river from where the first military post, Fort Thornburgh was located. The Department of War established Fort Thornburgh along the Green River in 1881 to maintain peace between the settlers of Ashley Valley. The infantry who participated in the relocation of the Colorado Indians ensured that the Uncompahgre and White

River Utes remained on the two reservations (Burton 1996:28). In the late 1880s, gilsonite was discovered in the Uintah Basin, and Congress was persuaded to apportion 7,040 acres from the reservation so the mineral could be mined.

The earliest recorded visit by Europeans to Utah was the Dominguez-Escalante expedition, of 1776. From the early 1820s to 1845, the Uinta Basin became an important part of the expanding western fur trade. Homesteading began in 1878 with Thomas Smart, one of the first white settlers to settle east of Ouray. In 1879, about forty cowboys and several large herds of cattle wintered on the White River. The winter of 1879-1880 saw the establishment of a settlement near the White River by several pioneers and their families including Ephraim Ellsworth, the Remingtons, and the Campbells. The person most responsible for organizing a permanent homesteading movement in Ouray Valley was William H. Smart, the brother of Thomas Smart, who became president of the Wasatch LDS Stake in 1901 (Burton 1998). When the Ute reservation was opened to white homesteaders in 1905, Smart organized several exploration trips into the area that later attracted many LDS families.

Initially, livestock was the main industry of white homesteaders in Uintah County. Two factors - free grass and the availability of water - influenced men to move their cattle into the county. Most of the land in the area was part of the public domain and no territory or state could tax it. Cattle were eventually brought up east as far as the Green River and then to the surrounding mountains. Large cattle herds had been coming to Brown's Park from Texas and other eastern areas since the early 1850s. The K Ranch was a large cattle operation owned by P.R. Keiser which brought many cowboys to the area. The ranch was located on the Utah-Colorado line with property in both states. Charley Hill, who came to Ashley Valley as a trapper for the Hudson Bay Company, started a cattle company on Hill Creek and Willow Creek in the Book Cliffs (Burton 1996:109). They later moved out when the government set this section aside for the Ouray Indian Agency. Other prominent men in the cattle industry included A.C. Hatch, Dan Mosby, and James McKee. Cattle rustling became an increasingly large problem as cattle herds grew, and conflict resulted between the small and large cattle companies. In 1912, the Uintah Cattle and Horse Growers Association was organized to protect the livestock industry from thieves and to issue an authorized brand book (Ibid: 110).

The sheep industry later became part of Uintah County's economic backbone, and contributed to the decline of the cattle industry. Sheep were first introduced to the valley during the winter of 1879 when Robert Bodily brought in sixty head (Burton 1996:111). Sheep were able to survive the hard winters much better than cattle. By the mid-1890s, more than 50,000 head of sheep were in the region; and the production of wool became very important. In 1897, C.S. Carter began building shearing corrals. In 1899, 500,000 pounds of wool were shipped from the county and sold for twelve and one-half cents per pound (Ibid:111). In 1906, the Uintah Railway Company built shearing pens on the Green River to encourage the shipping of wool by train; and in 1912, pens were built at Bonanza and Dragon. Beginning in the 1940's Mexican sheep-shearing crews and Greek sheepmen from the Price and Helper areas came into the area. The Taylor Grazing Act was passed in 1934, allotting specific areas or "districts" to stockmen for livestock grazing that required permits. This act was a forerunner of the Bureau of Land Management, which was established in 1946 and eventually assumed responsibility for the administration of grazing laws on public land (Burton 1996:115).

Uintah County is also known for its natural resources. Coal, copper, iron, asphalt, shale, and especially gilsonite, were important to the mining industry. When gilsonite was discovered in the Uinta Basin in the 1880s, Congress was persuaded to apportion 7,040 acres from the Ute reservation so the mineral could be mined. This area became known as "The Strip" and later developed into the townsite of Moffat (later renamed Gusher). Gilsonite is a light-weight lustrous black hydrocarbon mineral that can easily be crushed into a black-brown powder. It can be found in commercial quantities only in the Uinta Basin. The earliest use of the mineral was in buggy paints and beer-vat linings. Today it is used in over a hundred products ranging from printing inks to explosives and automobile body sealer and radiator paint (Burton 1998:343). Mining camps also sprang up near the Colorado line in Bonanza, Dragon, and Watson starting in about 1903. Many immigrants, including Greeks and Chinese, worked in the mines. Bonanza became one of the largest and most modern functioning mining camps in the area beginning in 1921 and reached its peak in 1937. It was chosen as the Barber gilsonite company headquarters, because it was near the largest deposits of gilsonite in the area. Miners from Dragon, Rainbow, and other neighboring communities were relocated to Bonanza.

SURVEY METHODOLOGY

An intensive pedestrian survey was performed for this project which is considered 100% coverage. At each of the proposed well locations, a ten acre or larger area centered on the center stake of the location was surveyed by the archaeologist walking parallel transects spaced no more than 10 m (30 ft) apart. The access corridor was 100 feet wide, surveyed by walking parallel transects along the staked centerline, spaced no more than 10 m (30 ft) apart. Ground visibility was considered to be good. A total of 128.9 acres were inventoried with 60.6 acres on lands administered by State of Utah School and Institutional Trust Lands Administration (SITLA), 65.9 acres on lands administered by the Bureau of Land Management (BLM), Vernal Field Office, and 2.3 acres occurring on private land.

INVENTORY RESULTS

The inventory of Medallion Exploration's seven proposed Atchee Ridge well locations with access roads resulted in the documentation of two new archaeological sites (42Un4834 and 42Un4835).

Archaeological Sites

<u>Smithsonian Site No.:</u>	42Un4834
<u>Temporary Site No.:</u>	05-215-01
<u>Site Type:</u>	Trash Scatter
<u>Cultural Affiliation:</u>	European American
<u>Size:</u>	714 sq. meters (40x28m)
<u>Land Status:</u>	SITLA
<u>NRHP Eligibility:</u>	Not Eligible

Description: This is a sparse and diffused trash scatter situated on a low knoll on a north-south trending ridge. It is located west of and adjacent to Atchee Ridge Road. Impacts to the site were relatively light consisting mostly of erosion and a road. The artifact assemblage was fairly small consisting of 12 tin cans and an automobile door of undetermined make, model, and year (although it appears to be a fairly early model). No definable features were observed. The majority of cans

were the open top variety; however, one tobacco tin, one hole-in-cap and three hole-in-top cans were also observed. Most of the cans were severely crushed and deteriorated, therefore accurate measurements could not be taken on most. However, at least one of the hole-in-top evaporated milk cans was a type 9 (ca. 1915-1930). The presence of a hole-in-cap can and a type 9 evaporated milk can suggests the site dates to the early twentieth century perhaps pre 1914 to 1930.

Smithsonian Site No.: 42Un4835
Temporary Site No.: 05-215-02
Site Type: Trash Scatter
Cultural Affiliation: European American
Size: 561 sq. meters (38x20m)
Land Status: BLM
NRHP Eligibility: Not Eligible

Description: This is a small, diffused and sparse scatter of historic and modern rubbish located on the crest of Rector ridge adjacent to an unimproved road. Impacts are fairly light and include erosion and the road. The in-period artifact assemblage was fairly sparse and consisted of 14 tin cans and two broken bottles. In addition, a few modern cans as well as two modern fire rings also occurred on site. The tin cans observed consisted of two type 17 short milk cans (1931-1948), three type 19 milk cans (1930-1975), one type 9 milk can (1915-1930), two half gallon bail-handle pails for lard/peanut butter, one baking powder canister without the lid, three open top cans, a large pry-off lid and the top to a pepper/spice can. The glass observed consisted of shards from a plain sun-colored amethyst bottle and an aqua patent medicine bottle. Diagnostic artifacts suggest the site has been used repeatedly for a substantial period of time beginning perhaps as early as 1910s and continuing into recent times. The site is probably a short-term camp related to big game hunting rather than livestock herding based on the location within dense pinyon-juniper woodlands.

NATIONAL REGISTER OF HISTORIC PLACES EVALUATION

The National Register Criteria for Evaluation of Significance and procedures for nominating cultural resources to the National Register of Historic Places (NRHP) are outlined in 36 CFR 60.4 as follows:

The quality of significance in American history, architecture, archaeology, and culture is present in districts, sites, buildings, structures, and objects of State and local importance that possess integrity of location, design, setting, material, workmanship, feeling, and association, and that they:

- a)...are associated with events that have made a significant contribution to the broad patterns of our history; or
- b)...are associated with the lives of persons significant to our past; or
- c)...embody the distinctive characteristics of a type, period, or method of construction; or that represents the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or
- d)...have yielded or may be likely to yield information important in prehistory or history.

The inventory of Medallion Exploration's proposed seven wells on Atchee Ridge resulted in locating two new archaeological sites. Site 42Un4834 is a historic trash scatter made up of common early to middle 20th century artifacts and exhibits low artifact density and diversity. The sparse quantity of cultural materials coupled with no potential for subsurface remains as well as no apparent association with significant historical events or persons indicates the site is unlikely to provide data concerning the history of the region. Therefore 42Un4834 is recommended as not eligible for inclusion to the National Register of Historic Places. Site 42Un4835 is a small, sparse scatter of common early to middle twentieth century historic rubbish with no potential for subsurface remains. These factors coupled with no apparent evidence of an association with significant historic events or persons indicates this site is unlikely to provide data concerning the history of the region. Therefore 42Un4835 is recommended as not eligible for inclusion to the National Register of Historic Places.

MANAGEMENT RECOMMENDATIONS

The inventory of Medallion Exploration's proposed Atchee Ridge well locations with access roads resulted in the documentation of two new historical archaeological sites (42Un4834 and 42Un4835) which are recommended as not eligible to the NRHP. On the basis of the findings, a recommendation of "no historic properties affected" pursuant to Section 106, CFR 800 is proposed for this project.

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APPENDIX A:

INTERMOUNTAIN ANTIQUITY COMPUTER SYSTEM (IMACS)
SITE INVENTORY FORMS
(42Un4834 and 42Un4835)

On File At:

Division of State History
Salt Lake City, UT

Div. Of Oil, Gas, and Mining. R649-8-4
MEDALLION EXPLORATION, INC.
Atchee Lease No. 47091

NW/SE Sec 29, T12S - R25E
 Uintah County, Utah

DRILLING PROGRAM

R649-8-4

All Lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (R649-3), Utah Division of Oil, Gas and Mining and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

1. **Estimated Tops of Important Geologic Markers:**

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Green River	Surface	+6739'
Wasatch	1522'	+5157'
Mesa Verde	2392'	+4287'
T.D	4,000'	+2739'

2. **Estimated Depths of Anticipated Water, Oil, Gas or Minerals Formation**

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Gas	Wasatch	1522'
Gas	Mesa Verde	2392'
Water	N/A	
Other Mineral Zones	N/A	

All fresh water prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. **Pressure Control Equipment: (Schematic Attached)**

Medallion Exploration minimum specifications for pressure control equipment are as follows:

Ram Type: 10" Hydraulic double with annular, 3000 psi w.p.

Ram type preventers and associated equipment shall be tested to approved stack working pressure if isolated by test plug or to 70 percent of internal yield pressure of casing. Pressure shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed-off pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test plug shall be open during test of BOP stack.

Annular type preventers (if used) shall be tested to 50 percent of rated working pressure. Pressure shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above test shall be performed:

- a. when initially installed;
- b. whenever any seal subject to test pressure is broken
- c. following related repairs; and
- d. at 30-day intervals

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Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

When testing the kill line valve(s) the check valve shall be held open or the ball removed.

Annular preventers shall be functionally operated at least weekly.

Pipe and blind rams shall be activated each trip, however, this function need not be performed more than once a day.

A BOPE pit level drill shall be conducted weekly for each drilling crew.

Pressure tests shall apply to all related well control equipment.

All of the above described tests and/or drills shall be recorded in the drilling log.

BOP systems shall be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have the State representative on location during pressure testing.

- a. The size and rating of the BOP stack is shown on the attached diagram. Although a rig has not been chosen to drill this well, most of the equipment for this depth of hole in the area use a 2000 psi working pressure blowout preventor.
- b. A choke line and a kill line are to be properly installed. The kill line is **not** to be used as a fill-up line.
- c. The accumulator system shall have a pressure capacity to provide for repeated operation of hydraulic preventers.
- d. Drill string safety valve(s), to fit **all** tools in the drill string, are to be maintained on the rig floor while drilling operations are in progress.

4. Proposed Casing and Cementing Program:

- a. The proposed casing and cementing program shall be conducted as to protect and/or isolate all usable water zones, potentially productive zones, lost circulation zones, abnormally pressured zones, and any prospectively valuable deposits of minerals. Any isolating medium other than cement shall receive approval prior to use. The casing setting depth shall be calculated to position the casing seat opposite a competent formation which will contain the maximum pressure to which it will be exposed during normal drilling operations. Determination of casing setting depth

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- shall be based on all relevant factors, including; presence/absence of hydrocarbons; fracture gradients; usable water zones; formation pressures; lost circulation zones; other minerals; or other unusual characteristics. All indications of usable water shall be reported.
- b. Casing design shall assume formation pressure gradients of 0.44 to 0.50 psi per foot for exploratory wells (lacking better data).
 - c. Casing design shall assume fracture gradients from 0.70 to 1.00 psi per foot for exploratory wells (lacking better data)
 - d. Casing collars shall have a minimum clearance of 0.422 inches of all sides in the hole/casing annulus, with recognition that variances can be granted for justified exceptions.
 - e. All waiting on cement times shall be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.
 - f. All casing except the conductor casing, shall be new or reconditioned and tested used casing that meets or exceeds API standards for new casing.
 - g. The surface casing shall be cemented back to surface either during the primary cement job or by remedial cementing.
 - h. All indications of usable water shall be reported to the authorized officer prior to running the next string of casing or before plugging orders are requested, whichever occurs first.
 - i. Surface casing shall have centralizers on every fourth joint of casing starting with the shoe joint and up to the bottom of the cellar.
 - j. Top plugs shall be used to reduce contamination of cement by displacement fluid. A bottom plug or other acceptable technique, such as a suitable preflush fluid, inner string cement method, etc. shall be utilized to help isolated the cement from contamination by the mud fluid being displaced ahead of the cement slurry.
 - k. All casing strings below the conductor shall be pressure tested to 0.22 psi per foot of casing string length or 1500 psi, whichever is greater, but not exceed 70 percent of the minimum internal yield. If pressure declines more than 1- percent in 30 minutes, corrective action shall be taken.
 - l. On all exploratory well, and on that portion of any well approved for a 5M BOPE system or greater, a pressure integrity test of each casing how shall be preformed. Formation at the shoe shall be tested to a minimum of the mud weight equivalent anticipated to control the formation pressure to the next casing depth or at total depth of the well. This test shall be performed before drilling more than 20 feet of new hole.
 - m. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	<u>NEW Or Used</u>
Surface	0-300'	12-1/4"	9-5/8"	36#	K-55	ST&C	New
Produc.	0-4000'	7-7/8"	5 1/2"	17#	J-55	LT&C	New*

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n. Casing design subject to revision based on geologic conditions encountered. If used casing is utilized it will be tested to API standards for new or better casing.

o. The cement program will be as follows:

Surface
 0-500'

Type and Amount

295 sx Class "G" (Yield - 1.16) with 2% Cacl, .25#/sk Celloflake, Vol are 100% excess. Circulate to surface.

Production

Type and Amount

Lead with 115 sacks 28-72 Poz (Yield - 3.42) with 10% gel, +6 lbs /sk BA-91 Bonding, 0.5% SM +2#/sk KOL seal, +0.25% celloflake. Followed by 360 sacks Class "G" (Yield - 1.53) with 10% Gypsum, + 10% salt, + 4% FL-52.

- Note: Actual volumes to be calculated from caliper log.
- p. Anticipated cement tops will be reported as to depth; not the expected number of sacks of cement to be used. The District Office should be notified, with sufficient lead time, in order to have a State representative on location while running all casing strings and cementing.
- q. After cementing but before commencing any test, the casing string shall stand cemented until the cement has reached a compressive strength of at least 500 psi at the shoe. WOC time shall be recorded in the driller's log.
- r. The following reports shall be filed with the Div. Of Oil, Gas, and Mining within 30 days after the work is completed.
 1. Progress reports, Form 9 (R649-8-10) "Sundry Notices and Reports on Wells", must include complete information concerning:
 - a. Setting of each string of casing, showing the size, grade, weight of casing set, hole size, setting depth, amounts and type of cement used, whether cement circulated or the top of the cement behind the casing, depth of cementing tools used, casing test method and results, and the date work was done. Show the spud date on the first reports submitted.
 - b. Temperature or bond logs must be submitted for each well where the casing cement was not circulated to the surface.
- s. Auxiliary equipment to be used is as follows:
 1. Kelly cock
 2. No bit float is deemed necessary.
 3. A sub with a full opening valve.

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5. **Mud Program:**

- a. The proposed circulating mediums to be employed in drilling are as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>	<u>PH</u>
0-300'	Native	8.4-8.8	N/A	NC	9.0
300-4000'	LSND	8.4-8.8	36-38	10-15cc	9.0

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

A mud test shall be performed every 24 hours after mudding up to determine, as applicable: density, viscosity, gel strength, static filtration loss, and Ph.

- b. Mud monitoring equipment to be used is as follows:
1. Periodic checks will be made each tour of the mud system. The mud level will be checked visually.
- c. No chromate additives will be used in the mud system on State, Federal and/or Indian lands without prior State or BLM approval to ensure adequate protection of fresh water aquifers.
- d. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.
- e. The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

6. **Evaluation Program:**

The anticipated type and amount of testing, logging and coring are as follows:

- a. No drill stem tests are anticipated, however, if they are run the following will be adhered to:

Initial opening of drill stem test tools shall be restricted to daylight hours unless specific approval to start during other hours is obtained from the authorized officer. However, DST's may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e. lighting which is adequate for visibility and vapor-proof for safe operations). Packers can be released, but tripping shall not begin before daylight, unless prior approval is obtained from the authorized officer. Closed chamber DST's may be accomplished day or night.

A DST that flows to the surface with evidence of hydrocarbons shall be either reversed out of the testing string under controlled surface conditions. This would involve provided some means for reverse circulation.

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Separation equipment required for the anticipated recovery shall be properly installed before a test starts.

All engines within 100 feet of the wellbore that are required to "run" during the test shall have spark arresters or water cooled exhausts.

- b. The logging program consisted of a DIL-GR from T.D. to base of surface casing with the GR to surface. A CNL-FDC and FMI will be run from T.D. to 1000' (minimum run). A DSI-GR will be run for T.D. to base of surface casing.
- c. No cores are anticipated.
- d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 8) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with R649-8-9. 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 8. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Div. Of Oil, Gas, and Mining.
- e. The anticipated completion program is as follows:

The Mesa Verde and the Wasatch formations will be perforated, tested and sand fraced if necessary in sequence until a paying zone has been establish.
- f. Daily drilling and completion progress reports shall be submitted to the Div. Of Oil, Gas, and Mining in SLC on a weekly basis.

7. **Abnormal Temperatures of Pressures**

- a. No abnormal temperatures or pressures are anticipated. No H2S has been encountered in or known to exist from previous wells drilled to similar depths in the general area.
- b. The maximum anticipated bottom hole pressure will be approximately 900 psi at T.D.

8. **Anticipated Starting Dates and Notification of Operations:**

- a. Drilling will commence immediately upon approval of this application and the availability of a Drilling Rig.
- b. It is anticipated that the drilling of this well will take approximately 5 days.
- c. The Div. Of Oil, Gas, and Mining shall be notified, during regular work hours (7:45 a.m. - 4:30 p.m., Monday through Friday except holidays), at least 24 hours prior to spudding the well.
- d. Operator shall report production data to Div. Of Oil, Gas, and Mining.

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- e. The date on which productions 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.
- f. 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 operation 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.
- g. 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 Div. Of Oil, Gas, and Mining. If operations are to be suspended, prior approval of the Div. Of Oil, Gas, and Mining will be obtained and notification given before resumption of operations.
- h. The spud date will be reported orally to the Div. Of Oil, Gas, and Mining, within 48 hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.
- i. In accordance with R649-8-11, this well will be reported on Form 10 "Monthly Oil and Gas Production, starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed with the Div. Of Oil, Gas, and Mining, 1594 West North Temple, Suite 1210, P.O. Box 145801, Salt Lake City, Utah, 84114-5801
- j. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Div. Of Oil, Gas, and Mining.
- k. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 9 to that effect will be filed, for prior approval of the Div. Of Oil, Gas, and Mining and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
- l. Should the well be successfully completed for production, the Div. Of Oil, Gas, and Mining will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communications, no later than 5 days following the date on which the well is placed on production.
- m. Pursuant to Onshore Order No. 7, with the approval of the District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the Div. Of Oil, Gas, and Mining.

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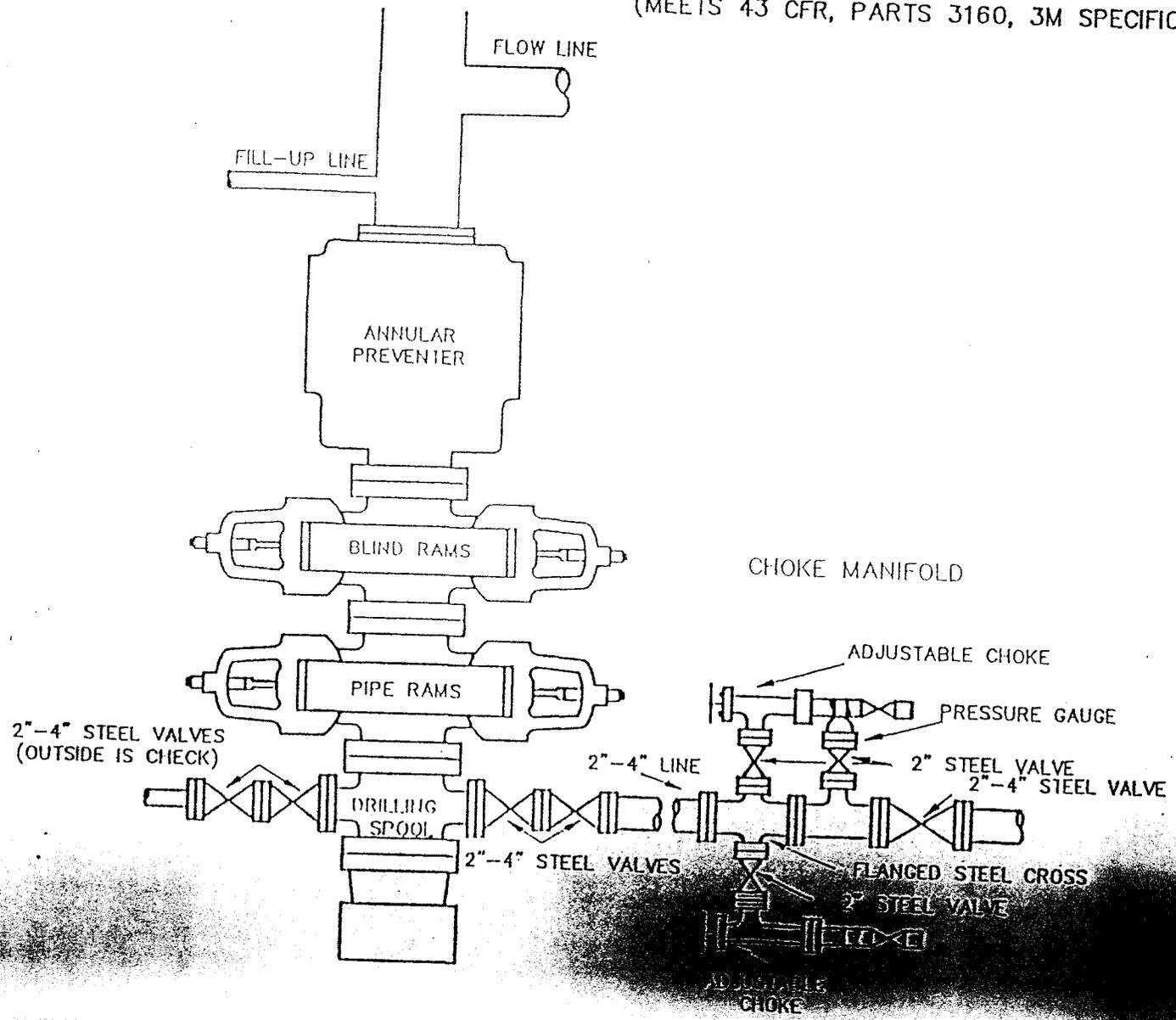
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- n. Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the Div. Of Oil, Gas, and Mining and approval received, for any venting/flaring of gas beyond the initial 30 day or authorized test period.
- o. A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.
- p. A first production conference will be scheduled within 15 days after receipt of the first production notice.
- q. No well abandonment operations will be commenced without the prior approval of the Div. Of Oil, Gas, and Mining. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Div. Of Oil, Gas, and Mining. A "Subsequent Report of Abandonment" Form 9, will be filed with the Div. Of Oil, Gas, and Mining, within 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 Div. Of Oil, Gas, and Mining or his representative, or the appropriate Surface Managing Agency.
- r. Lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable State laws and regulations.

Typical BOP Equipment. Actual Configuration May Vary Slightly But Will Conform With Onshore Order No. 2

THREE PREVENTER HOOKUP
CLASS III
(MEETS 43 CFR, PARTS 3160, 3M SPECIFICATIONS)



R649-8
NOTIFICATION REQUIREMENTS

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

1. **Existing Roads**

- a. The proposed well site is located approximately 24.2 miles south of Bonanza, Utah.
- b. Directions to the location from Vernal, Utah are as follows:
Proceed in a southerly direction from Vernal, Utah along highway 45 approximately 40.0 miles to Bonanza, Utah and an existing road to the south; proceed in a southerly direction approximately 16.9 miles to Rainbow, Utah and the junction of this road and an existing road to the south; turn left and proceed in a southerly direction approximately 8 miles to the junction of this road and the beginning of the proposed access road to the southeast; turn left and follow road flags in a southeastly direction approximately 150' to the proposed location.
- c. For location of access roads within a 2-Mile radius, see Maps A & B.
- d. Improvement to the existing access will not be necessary.
- e. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

SURFACE USE PLAN

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- f. Existing roads and newly constructed roads on surface under the jurisdiction of any Surface Managing Agency shall be maintained in accordance with the standards of the SMA.

2. Planned Access Roads

- a. Approximately 150' of new construction will be required as shown on Map B.
- b. The maximum grade of the new construction will be approximately 2%.
- c. No turnouts are planned.
- d. No low water crossings will be necessary. There are no major cuts and fills. No culverts and/or bridges will be required.
- e. The new access road was centerline flagged at the time of staking.
- f. The use of surfacing material is not anticipated, however it may be necessary depending on weather conditions.
- g. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- h. Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development. (1989).
- i. The road will be constructed/upgraded to meet the standards of the anticipated traffic flow and all weather road requirements. Construction/upgrading shall include ditching, draining, graveling, crowing and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainage's be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.
- j. No chemicals subject to reporting under SARA Title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produce, stored, transported, or disposed of in association with the drilling of this well.

A 150' right of way will be necessary for the access road located inside lease ML 47091.

There are no related structures or facilities planned at this time.

The right of way is requested for 30 years or the entire life of the producing well, whichever is longer.

The road will be used year-round for maintenance of production facilities. Only flat blading of the existing roadway will be required at this time. No temporary work areas will be needed.

3. Location of Existing Wells Within a 1-Mile Radius of the Proposed Location.
(See Map #C).

- a. Water wells - none.
- b. Injection wells - none
- c. Producing wells - none
- d. Drilling wells - none
- e. Shut-in wells - none
- f. Temporarily abandoned wells - none
- g. Disposal wells - none
- h. Abandoned wells - none
- i. Dry Holes - none

4. Location of Tank Batteries and Production Facilities.

- a. All permanent structures (onsite for six months or longer) constructed or installed (including oil well pump jacks) will be painted Desert Tan (10YR6/3). All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded.

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- b. If storage facilities/tank batteries are constructed on this lease, the facility battery or the well pad shall be surrounded by a containment dike of sufficient capacity to contain at a minimum, the entire content of the largest tank within the facility/battery, unless more stringent protective requirements are deemed necessary by the authorized officer.
- c. A Sundry Notice will be submitted showing placement of all production facilities prior to construction.
- d. All loading lines will be placed inside the berm surrounding the tank battery.
- e. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flow line will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
- f. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Div. Of Oil, Gas, and Mining Office. All meter measurement facilities will conform with all regulations for liquid hydrocarbons and Onshore Oil and Gas Order No. 5 for natural gas measurement.
- g. Any necessary pits will be properly fenced to prevent any wildlife entry.
- h. All site security guidelines identified in R649-3-34 regulations will be adhered to.
- i. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the Div. Of Oil, Gas, and Mining.
- j. All access roads will be maintained as necessary to prevent erosion and accommodate year-round traffic.
- k. The road will be maintained in a safe useable condition.

5. Location and Type of Water Supply

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- a. All water needed for drilling purposes will be obtained from Evacuation Creek. A copy of the permit identifying the permit number and point of diversion is submitted with APD.
- b. Water will be hauled to location over the roads marked on Maps A and B.
- c. No water well is to be drilled on this lease.

6. Source of Construction Material

- a. Surface and subsoil materials in the immediate area will be utilized.
- b. Any gravel used will be obtained from a commercial source.
- c. No construction materials will be removed from State land.

7. Methods of Handling Waste Disposal

- a. The reserve pit will be constructed so as not to leak, break, or allow discharge.
- b. If fractured rock is encountered, a 12 mil plastic nylon reinforced liner will be utilized. The pit will be first lined with sufficient bedding (either straw or dirt) to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Div. Of Oil, Gas, and Mining. IF a pit liner is deemed to be unnecessary, the pit must be inspected by a representative of the Div. Of Oil, Gas, and Mining prior to putting fluids in the pit.
- c. Burning will not be allowed. All trash will be contained in a trash cage and its contents removed at the end of drilling operations and hauled to an approved disposal site.
- d. Drill cuttings are to be contained and buried in the reserve pit.
- e. Any salts and/or chemicals which are an integral part of the drilling system will be disposed of in the same manner as the drilling fluid.
- f. A chemical porta-toilet will be furnished with the drilling rig.

- g. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.

8. Ancillary Facilities

There are no airstrips, camps or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. The operator or his/her contractor shall contact the Div. Of Oil, Gas, and Mining forty-eight (48) hours prior to construction of activities.
- b. The reserve pit will be located on the west side of the location.
- c. The flare pit will be located downwind of the prevailing wind direction on the west side, a minimum of 100 feet from the well head and 30 feet from the reserve pit fence.
- d. The stockpiled topsoil (first six inches) will be stored on the east side of the location between points 8 & 2.
- e. Access to the well pad will be from the north between points 6 and 8.
- f. See Location Layout for orientation of rig, cross section of drill pad and cuts and fills.
- g. The location of mud tanks; reserve pit, trash cage; pipe racks; living facilities and soil stockpiles will be show on the Location Layout.
- h. During construction, all brush will be removed form the well pad and access road and stockpiled separately from the topsoil.
- i. All pits will be fence according to the following minimum standards:
1. 39 inch net wire shall be used with at least one strand or barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).

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2. 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.
 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 feet.
 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- j. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Pits will be fenced and maintained until cleanup.

10. Plans for Restoration of Surface

Producing Location

- a. Immediately upon well completion the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash and junk not required for production.
- b. Immediately upon well completion, any hydrocarbons on the pit shall be removed.
- c. The plastic nylon reinforced liner shall be torn and perforated before backfilling of the reserve pit.
- d. The reserve pit and that portion of the location not needed for production facilities/operations will be re-contoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion. Before any dirt work takes place, the reserve pit must have all fluids and hydrocarbons removed and all cans, barrels, pipe, etc., will be removed.

SURFACE USE PLAN

- e. Reclamation of unused disturbed areas on the well pad/access road no longer needed for operations, such as cut slopes, and fill areas will be accomplished by grading, leveling and seeding as recommended by the Div. Of Oil, Gas, and Mining.

The seed mixture for reclamation work will be a sight specific mixture as recommended by the authorized officer of the Div. Of Oil, Gas, and Mining the time of reclamation. Seeding will be performed in the fall after September 15 or until permanent ground freeze. Any other seeding period will require the approval of the authorized officer.

Dry Hole

- f. At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and Div. Of Oil, Gas, and Mining will attach the appropriate surface rehabilitation conditions of approval.

11. Surface Ownership

Access Roads - All roads are County maintained.

Wellpad - The well pad is located on State lands

12. Other Information

- a. A Class III archeological survey was conducted by Senco Phoenix. No significant cultural resources were found and clearance has been recommended. A copy of this report will be submitted directly by Senco Phoenix.

SURFACE USE PLAN

- b. The operator is responsible for informing all persons in the areas who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archeological sites, or for collecting artifacts. If historic or archeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the Div. Of Oil, Gas, and Mining. Within five working days the Div. Of Oil, Gas, and Mining will inform the Operator as to:
- whether the materials appear eligible for the National Register of Historic Places;
 - the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
 - A time frame for the AO to complete and expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate. If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that required mitigation has been completed, the operator will then be allowed to resume construction.
- c. The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the appropriate County Extension Office.
- d. Drilling rig and/or equipment used during drilling operations on this well site will not be stacked or stored on State Lands after the conclusion of drilling operations or at any other time without State authorization. However, if authorization is obtained, it is only a temporary measure.
- e. All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.
- f. A complete copy of the approved APD shall be on location during construction of the location and drilling activities.

11 UTAH DIVISION OF OIL, GAS, AND MINING.
R469-3

Medallion Exploration
ATCHEE RIDGE STATE #2-29-12-25
1925' FSL and 2142' FEL
NW/SE Sec. 29, T12S - R25E

Lease No. ML-47091

SURFACE USE PLAN

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- g. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Div. Of Oil, Gas, and Mining. 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.
- h. "Sundry Notice and Report on Wells" (Form 9) will be filed for approval for all changes of plans and other operations.
- i. This permit will be valid for a period of one year from the date of approval. An extension period may be granted, if requested, prior to the expirations of the original approval period. After permit termination, a new application will be filed for approval for any future operations.
- j. The operator or his contractor shall contact the Div. Of Oil, Gas, and Mining at 801-538-5277 48 hours prior to construction activities.
- k. The Div. Of Oil, Gas, and Mining Office shall be notified upon site completion prior to moving on the drilling rig.
- l. In the event after-hours approvals are necessary, please contact one of the following individuals:

UTAH DIVISION OF OIL, GAS, AND MINING.

R649-3

Medallion Exploration

Atchee State 2-29-12-25

1925 FSL & 2142' FEL

NWSE Sec. 29, T12S-R25E

Lease No. ML-47091

SURFACE USE PLAN

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12. Lessee's or Operators Representative and Certification

RaSchelle Richens
6985 Union Park Center, Ste. 375
Midvale, Utah 84047
801-566-7400

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, true and correct; and, that the work associated with the operations proposed herein will be performed by Medallion Exploration and its contractors and sub contractors in conformity with the plan and the terms and conditions under which it is approved.

This statement is subject to the provisions of 18. U.S.C. 100 for filing of a false statement.


RaSchelle Richens

Paleontological Reconnaissance Report

**Medallion Exploration's Proposed Well Pads and Access Roads for
"Atchee State #20-12-25" (Sec. 20, T 12 S, R 25 E); "Atchee
Federal #11-27-12-25" (Sec. 27, T 12 S, R 25 E); "Atchee State
#1-29-12-25" & "Atchee Ridge State #2-29-12-25" (Sec. 29,
T 12 S, R 25 E); "Seep Canyon State #30-12-25" (Sec. 29 & 30,
T 12 S, R 25 E); "Atchee Ridge State #32-12-25" (Sec. 32,
T 12 S, R 25 E); "Atchee Federal #32-4-13-25" (Sec. 4,
T 13 S, R 25 E); & "Atchee Federal #32-17-13-25"
(Sec. 17, T 13 S, R 25 E)**

**Burnt Timber Canyon, Davis Canyon, Dragon,
& Rainbow Topographic Quadrangles
Uintah County, Utah & Rio Blanco County, Colorado**

June 22, 2005

Prepared by Stephen D. Sandau
Paleontologist for
Montgomery Archaeological Consultants
Box 147, 322 East 100 South
Moab, Utah 84532

INTRODUCTION

At the request of ReSchelle Richens of Medallion Exploration, and authorized by John Mayers of the BLM Vernal Field Office, and James Kirkland of the Office of the State Paleontologist, a paleontological reconnaissance survey of Medallion's proposed well pads and access road for "Atchee State #20-12-25" (Sec. 20, T 12 S, R 25 E); "Atchee Federal #11-27-12-25" (Sec. 27, T 12 S, R 25 E); "Atchee State #1-29-12-25" & "Atchee Ridge State #2-29-12-25" (Sec. 29, T 12 S, R 25 E); "Seep Canyon State #30-12-25" (Sec. 29 & 30, T 12 S, R 25 E); "Atchee Ridge State #32-12-25" (Sec. 32, T 12 S, R 25 E); "Atchee Federal #32-4-13-25" (Sec. 4, T 13 S, R 25 E); & "Atchee Federal #32-17-13-25" (Sec. 17, T 13 S, R 25 E) was conducted by Stephen Sandau and Andy Stanton June 22, 2005. The survey was conducted under Utah BLM Paleontological Resources Use Permit #UT-S-05-033, and the Utah Paleontological Investigations Permit #04-345. This survey to collect any paleontological materials discovered during the construction processes in danger of damage or destruction was done to meet requirements of the National Environmental Policy Act of 1969, and other State and Federal laws and regulations that protect paleontological resources.

FEDERAL AND STATE REQUIREMENTS

As mandated by the US Department of the Interior Bureau of Land Management, paleontologically sensitive geologic formations in BLM lands that are considered for exchange or may be impacted due to ground disturbance require paleontological evaluation. This requirement complies with:

- 1) The National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321.et. Seq., P.L. 91-190);
- 2) The Federal Land Policy and Management Act (FLPMA) of 1976 (90 Stat. 2743, 43 U.S.C. § 1701-1785, et. Seq., P.L. 94-579).
- 3) The National Historic Preservation Act. 16 U.S.C. § 470-1, P.L. 102-575 in conjunction with 42 U.S.C. § 5320; and
- 4) The Utah Geological Survey. S. C. A.: 63-73-1. (1-21) and U.C.A.: 53B-17-603.

Under policy dictated by the BLM Manual and Handbook H-8270-1 (July, 1998) formations are ranked according to their paleontological potential:

- *Condition 1* is applied to those areas known to contain fossil localities, and special consideration of the known resources is in need of evaluation.
- *Condition 2* is applied to areas that have exposures of geologic rock units known to have produced fossils elsewhere.
- *Condition 3* is applied to areas unlikely to produce fossils based on surficial geology.

Although these guidelines apply mostly to vertebrate fossils, they are equally designed to help protect rare plant and invertebrate fossil. It should be noted that many fossils, though common and unimpressive in and of themselves, can be important paleo-environmental, depositional, and chronostratigraphic indicators.

LOCATION

The well pads and access roads for Medallion's "Atchee State #20-12-25" (Sec. 20, T 12 S, R 25 E); "Atchee Federal #11-27-12-25" (Sec. 27, T 12 S, R 25 E); "Atchee State #1-29-12-25" & "Atchee Ridge State #2-29-12-25" (Sec. 29, T 12 S, R 25 E); "Seep Canyon State #30-12-25" (Sec. 29 & 30, T 12 S, R 25 E); "Atchee Ridge State #32-12-25" (Sec. 32, T 12 S, R 25 E); "Atchee Federal #32-4-13-25" (Sec. 4, T 13 S, R 25 E); & "Atchee Federal #32-17-13-25" (Sec. 17, T 13 S, R 25 E) are staked on lands managed by the BLM and the State of Utah Trust Lands Administration (SITLA), in the Atchee Ridge and Boulevard Ridge area, some 34-44 miles south/ southwest of Bonanza, Utah. The project areas can be found on the Burnt Timber Canyon, Davis Canyon, Dragon, & Rainbow 7.5 minute U. S. Geological Survey Quadrangle Maps, Uintah County, Utah, & Rio Blanco County, Colorado.

PREVIOUS WORK

The basins of western North America have long produced some of the richest fossil collections in the world. Early Cenozoic sediments are especially well represented throughout the western interior. Paleontologists started field work in Utah's Uinta Basin as early as 1870 (Betts, 1871; Marsh, 1871, 1875a, 1875b). The Uinta Basin is located in the northeastern corner of Utah and covers approximately 31,000 sq. km (12,000 sq. miles) and ranges in elevation from 1,465 to 2,130 m (4,800 to 7,000 ft) (Marsell, 1964; Hamblin et al., 1987). Middle to late Eocene time marked a period of dramatic change in the climate, flora, (Stucky, 1992), and fauna (Black and Dawson, 1966) of North America.

GEOLOGICAL AND PALEONTOLOGICAL OVERVIEW

Early in the geologic history of Utah, some 1,000 to 600 Ma, an east-west trending basin developed creating accommodation for 25,000 feet of siliclastics. Uplift of that filled-basin during the early Cenozoic formed the Uinta Mountains (Rasmussen et al., 1999). With the rise of the Uinta Mountains the asymmetrical synclinal Uinta Basin is thought to have formed through the effects of down warping in connection with the uplift. Throughout the Paleozoic and Mesozoic deposition fluctuated between marine and non-marine environments laying down a thick succession of sediments in the area now occupied by the Uinta Basin. Portions of these beds crop out on the margins of the basin due to tectonic events occurring during the late Mesozoic.

Early Tertiary Uinta Basin sediments were deposited in alternating lacustrine and fluvial environments. Large shallow lakes periodically covered most of the basin and surrounding areas during early to mid Eocene time (Abbott, 1957). These lacustrine sediments show up in the western part of the basin, dipping 2-3 degrees to the northeast and are lost in the subsurface on the east side. The increase of cross-bedded coarse-grained sandstone and conglomerates preserved in paleo-channels indicates a transition to a fluvial environment toward the end of the epoch.

Four Eocene formations are recognized in the Uinta Basin: the Wasatch, Green River, Uinta, and Duchesne River, respectively (Wood, 1941). The Green River Formation was traditionally subdivided up into four stratigraphic units namely, from oldest to youngest, the Douglas Creek, Garden Gulch, Parachute, and Evacuation Creek Members (Bradley, 1931). Later, numerous authors introduced varying terminology to describe the Green River Formation (Dane, 1955; Cashion and Donnell, 1974; Ryder et al., 1976; Bryant et al., 1989 and Weiss et al., 1990). When describing Green River beds in the eastern portion of the basin the member names will be used and in the western portion of the basin description by facies will be employed (Table 1). The Green River Formation is largely lacustrine in nature consisting of shale, and marl in large amounts with lesser quantity of delta siltstones and sandstones. For detailed description of the Green River Formation facies see the above mentioned references.

The Uinta Formation is subdivided into two lithostratigraphic units namely: the Wagonhound Member (Wood, 1934), formerly known as Uinta A and B (Osborn, 1895, 1929), and the Myton Member previously regarded as the Uinta C. Within the Uinta Basin in northeast Utah, the Uinta Formation in the western part of the basin is composed primarily of lacustrine sediments interfingering with over-bank deposits of silt and mudstone and westward flowing channel sands, and fluvial clays, muds and sands in the east (Bryant et al, 1990; Ryder et al, 1976).

Stratigraphic work done by early geologists and paleontologists within the Uinta Formation focused on the definition of rock units and attempted to define a distinction between early and late Uintan faunas (Riggs, 1912; Peterson and Kay, 1931; Kay 1934). More recent work focused on magnetostratigraphy, radioscopic chronology, and continental biostratigraphy (Flynn, 1986; Prothero, 1996). Well known for its fossiliferous nature and distinctive mammalian fauna of mid-Eocene Age, the Uinta Formation is the type formation for the Uintan Land Mammal Age (Wood et al, 1941).

	Starr Flat Memb. Fluvial siltstone, sandstone, conglomerate		Duchesne River Formation
	Lapoint Memb. Fluvial mudstone, claystone, sandstone		
	Dry Gulch Creek Memb. Fluvial claystone, sandstone		
	Brennan Basin Memb. Fluvial claystone, sandstone, pebbly sandstone		
Bedded SS.-L.S. Facies	Myton Memb. Fluvial claystones, sandstones	"C"	Uinta Formation
	Wagonhound Memb. Fluvial siltstones, sandstones	"B"	
	Saline Facies	"A"	
Carbonate-Sapropelic Shale Facies	Evacuation Creek Memb.		Green River Formation
	Parachute Creek Memb.		
Fluvial Facies	Garden Gulch Memb.		
Black Shale Facies	Douglas Creek Memb.		

Table 1. Uinta Basin stratigraphy

FIELD METHODS

In order to determine if the proposed well pads and access roads from this project contained any paleontological resources, a brief reconnaissance survey was performed. An on-site observation of the proposed areas undergoing surficial disturbance is necessary, because judgments made from topographic maps alone are often unreliable. Areas of low relief have potential to be erosional surfaces with the possibility of bearing fossil materials rather than surfaces covered by unconsolidated sediment or soils.

When found within the proposed construction areas, outcrops and erosional surfaces were checked to determine if fossils were present and to assess needs. Careful effort is made during surveys to identify and evaluate significant fossil materials or fossil horizons when they are found. Microvertebrates, although rare, are occasionally found in anthills or upon erosional surfaces, and are of particular importance.

PROJECT AREA

The project site is situated in the Evacuation Creek and Parachute Creek Members of the Green River Formation. The following list provided a description of the individual wells and their associated access roads and pipelines.

Atchee State #20-12-25

The proposed access road for this well location departs west off an existing road running north/south through the center of Sec, 20, T 12 S, R 25 E. The route travels less than a quarter of a mile over ground covered in poor soil on beds of blue-gray, and tan shale (Figure 1). The well pad is staked on soil-covered ground vegetated with a stand of pinion pines. No fossils were found.

Atchee Federal #11-27-12-25

Heading east off an existing road (two-track) slated for an upgrade, the short access road for this location traverses over soil-covered ground to the staked well pad in the NW/NW quarter-quarter section of Sec, 20, T 12 S, R 25 (Figure 1). The pad is staked in a thick stand of pinion pines and junipers. No fossils were found.

Atchee State #1-29-12-25

The short proposed access road for this location comes southwest off the planned access road leading into the well "Seep Canyon State #30-12-25" in the NE/NW quarter-quarter section of Sec, 29, T 12 S, R 25 (Figure 1). The well pad and access road are situated on soil-covered ground, supporting a stand of pinion pines and brush. No fossils were found.

Atchee Ridge State #2-29-12-25

Hooking east/southeast off an existing road running north/south through the center of Sec, 29, T 12 S, R 25 E, the brief access road travels over soil-covered ground littered with sandstone residuum. The pad is staked on similar ground, and boasts pinion pine and juniper. No fossils were found.

Seep Canyon State #30-12-25

The proposed access road for this site departs west off an existing road running north/south through the center of Sec, 29, T 12 S, R 25 E, and travels for a half a mile over ground mixed between soil-cover and exposures of green, blue-gray, off-white, and tan sandstone, siltstone, and shale. The route then crosses over into the NE/NE quarter-quarter section of Sec, 30, T 12 S, R 25, to where the well pad is staked in alluvial fill sediments (Figure 1). The well pad is situated between two slopes where outcrops of oil rich –sandstone and algal-deposited beds are exposed. No fossils were discovered along the access route or within the well pad area.

Atchee Ridge State #32-12-25

The proposed well pad is staked directly off the west side of an existing road running north/south through the center of Sec, 32, T 12 S, R 25 E, on a reclaimed well pad. The surrounding area is exposed in green, tan, and off-white shales with a thin soil covering which supports a growth of spaced junipers and pinion pines. A few isolated flecks of plant debris were observed in the shale, but no other fossils were found.

Atchee Federal #32-4-13-25

The proposed well pad is staked just west of an existing road running north/south through the center of Sec, 4, T 13 S, R 25 E in the SW/NE quarter-quarter of the section (Figure 2). The area is soil-covered with sandstone residuum littering the ground. Tall brush and pinion pines vegetate the area. No fossils were found.

Atchee Federal #32-17-13-25

Hooking southeast off an established road in the SW/NE quarter-quarter section of Sec, 17, T 13 S, R 25, the short access road traverses over soil-covered ground to the well pad which is also staked on ground covered in soil. The area is densely vegetated with pinion pines, junipers, and tall brush. No fossils were found.

SURVEY RESULTS

WELL	GEOLOGY	PALEONTOLOGY
"Atchee State #20-12-25" (Sec. 20, T 12 S, R 25 E)	The route travels less than a quarter of a mile over ground covered in poor soil on beds of blue-gray, and tan shale. The well pad is staked on soil-covered ground vegetated with a stand of pinion pines.	No fossils were found. Condition 3.
"Atchee Federal #11-27-12-25" (Sec. 27, T 12 S, R 25 E)	The short access road for this location traverses over soil-covered ground. The pad is staked in a thick stand of pinion pines and junipers.	No fossils were found. Condition 3.
"Atchee State #1-29-12-25" (Sec. 29, T 12 S, R 25 E)	The well pad and access road are situated on soil-covered ground, supporting a stand of pinion pines and brush.	No fossils were found. Condition 3.

<p>“Atchee Ridge State #2-29-12-25” (Sec. 29, T 12 S, R 25 E)</p>	<p>The brief access road travels over soil-covered ground littered with sandstone residuum. The pad is staked on similar ground, and boasts pinion pine and juniper.</p>	<p>No fossils were found. Condition 3.</p>
<p>“Seep Canyon State #30-12-25” (Sec. 29 & 30, T 12 S, R 25 E)</p>	<p>The proposed access over ground mixed between soil-cover and exposures of green, blue-gray, off-white, and tan sandstone, siltstone, and shale. The well pad is staked in alluvial fill sediments. The well pad is situated between two slopes where outcrops of oil rich – sandstone and algal-deposited beds are exposed.</p>	<p>No fossils were found. Condition 3.</p>
<p>“Atchee Ridge State #32-12-25” (Sec. 32, T 12 S, R 25 E)</p>	<p>The proposed well pad is staked on a reclaimed well pad. The surrounding area is exposed in green, tan, and off-white shales with a thin soil covering which supports a growth of spaced junipers and pinion pines.</p>	<p>A few isolated flecks of plant debris were observed in the shale, but no other fossils were found. Condition 3.</p>
<p>“Atchee Federal #32-4-13-25” (Sec. 4, T 13 S, R 25 E)</p>	<p>The area is soil-covered with sandstone residuum littering the ground. Tall brush and pinion pines vegetate the area.</p>	<p>No fossils were found. Condition 3.</p>
<p>“Atchee Federal #32-17-13-25” (Sec. 17, T 13 S, R 25 E)</p>	<p>The short access road traverses over soil-covered ground to the well pad which is also staked on ground covered in soil. The area is densely vegetated with pinion pines, junipers, and tall brush.</p>	<p>No fossils were found. Condition 3.</p>

RECOMMENDATIONS

The reconnaissance surveys executed for Medallion's proposed well pads for "Atchee State #20-12-25" (Sec. 20, T 12 S, R 25 E); "Atchee Federal #11-27-12-25" (Sec. 27, T 12 S, R 25 E); "Atchee State #1-29-12-25" & "Atchee Ridge State #2-29-12-25" (Sec. 29, T 12 S, R 25 E); "Seep Canyon State #30-12-25" (Sec. 29 & 30, T 12 S, R 25 E); "Atchee Ridge State #32-12-25" (Sec. 32, T 12 S, R 25 E); "Atchee Federal #32-4-13-25" (Sec. 4, T 13 S, R 25 E); & "Atchee Federal #32-17-13-25" (Sec. 17, T 13 S, R 25 E) and their associated access roads were brief. The staked areas showed no signs of fossil materials inside of the proposed construction site. Therefore, no credible reason to limit construction within the staked areas was found.

However, if vertebrate fossil(s) are found during construction of any of the other locations covered in this report, recommendations are that a paleontologist is immediately notified in order to collect fossil materials in danger of being destroyed. Any vertebrate fossils found should be carefully moved outside of the construction areas to be checked by a permitted paleontologist.

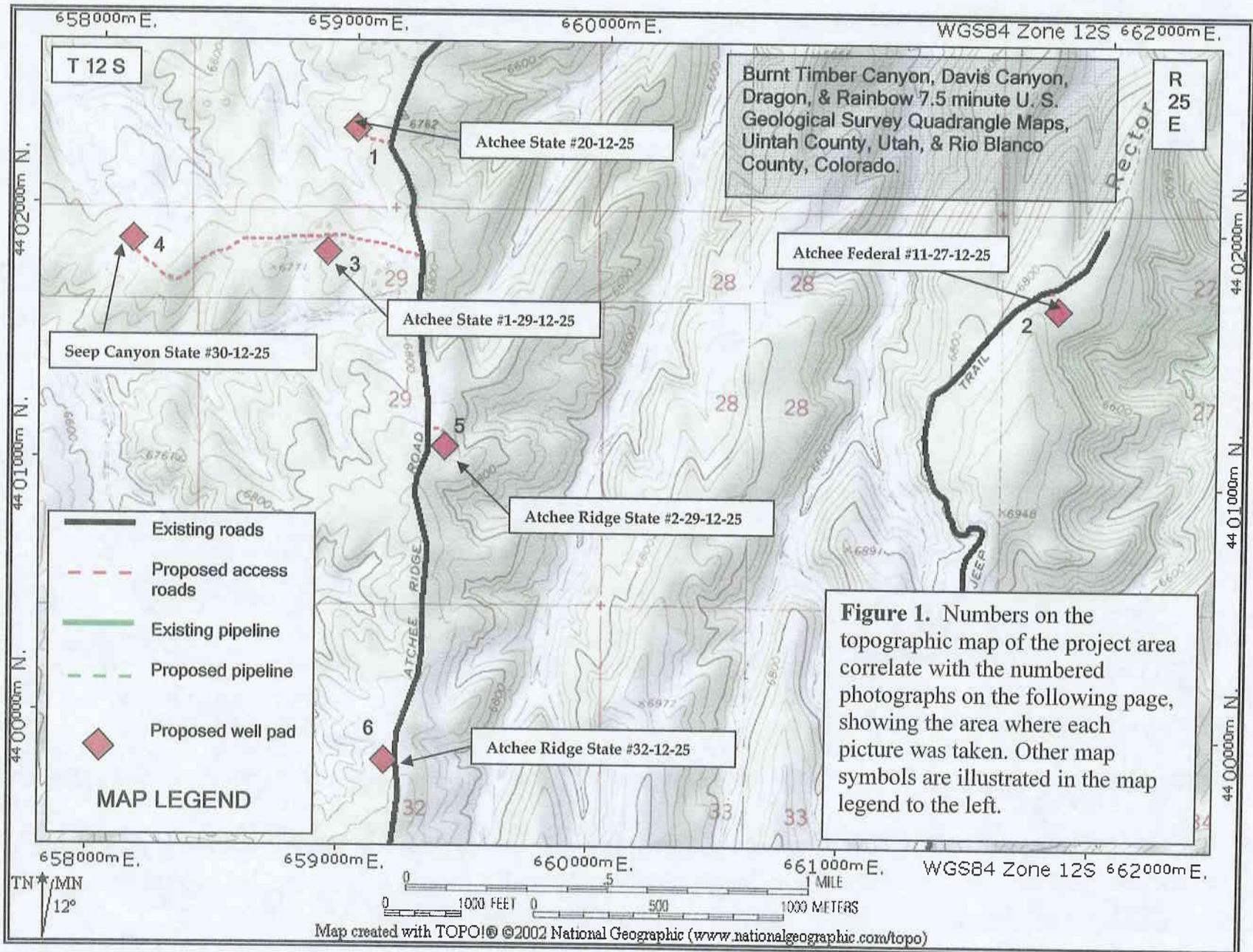
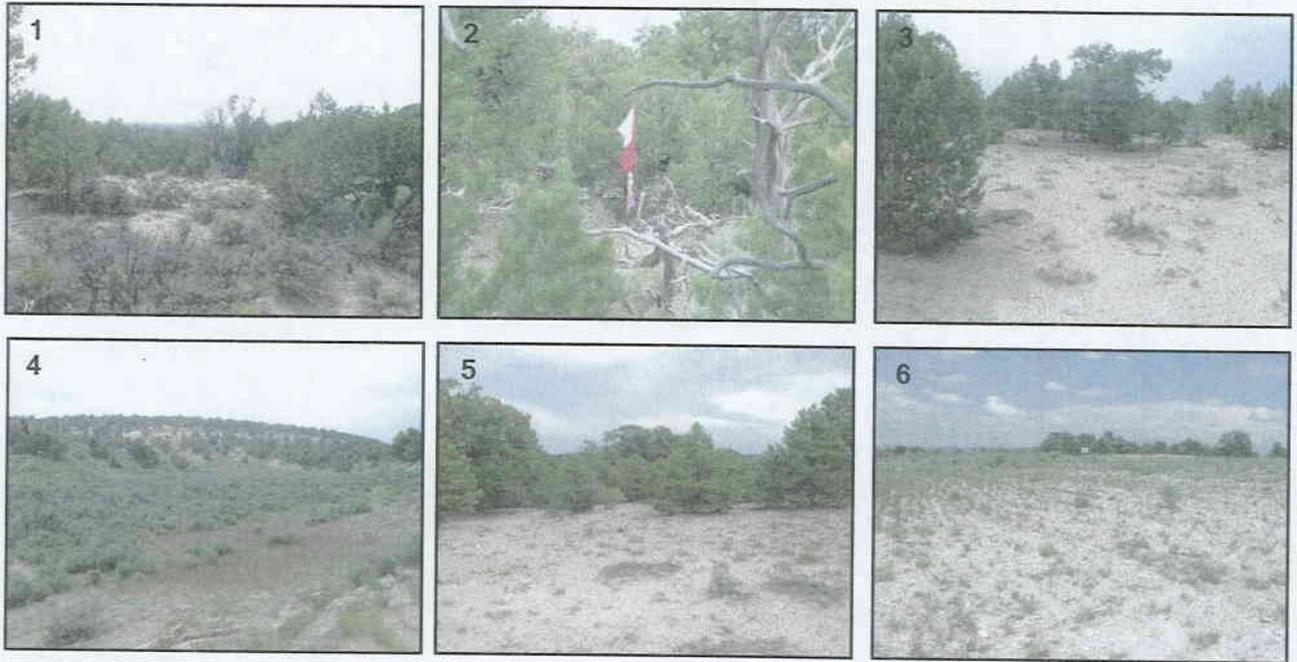
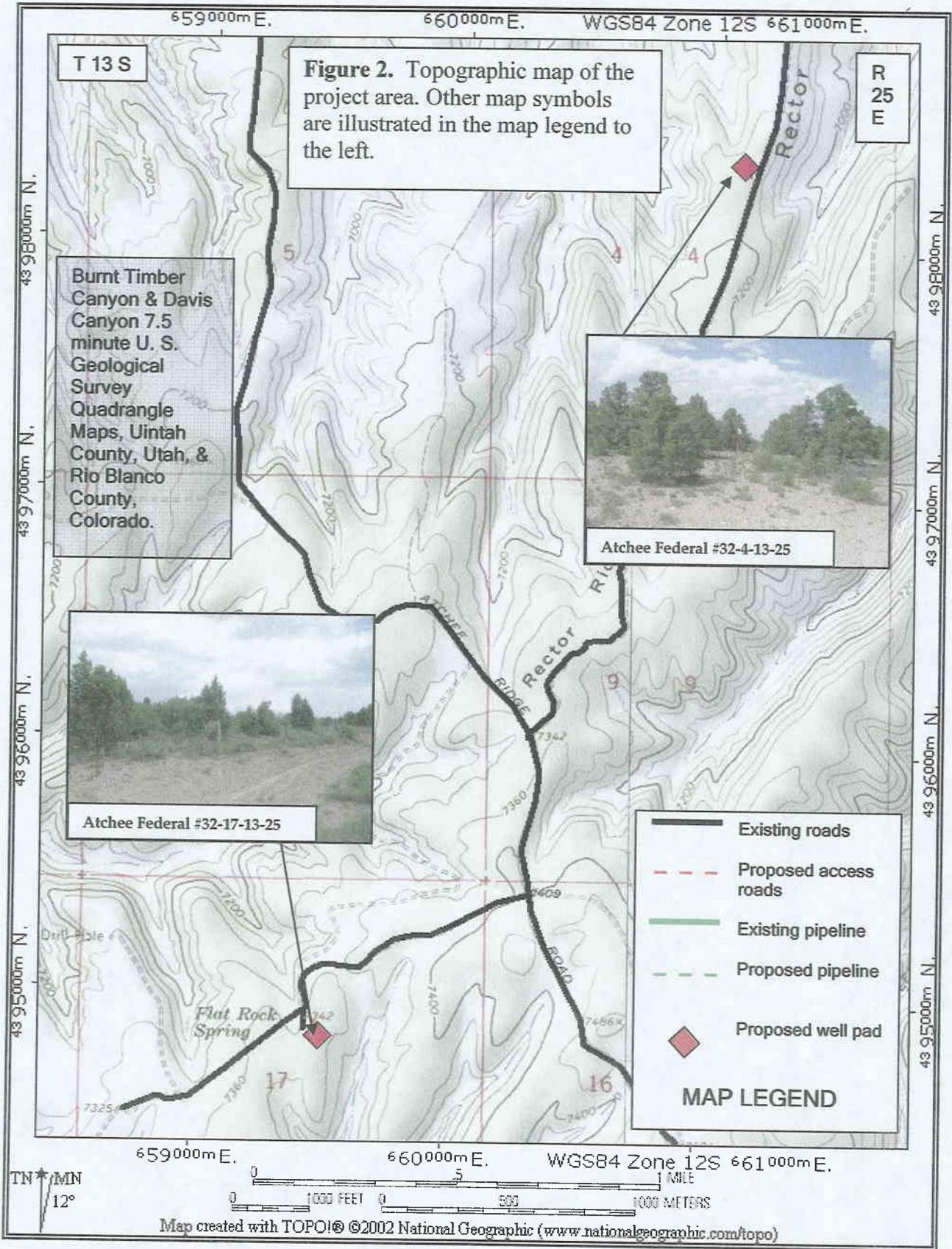


Figure 1.





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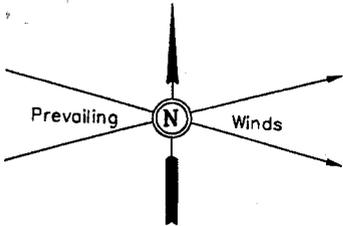
MEDALLION EXPLORATION

LOCATION LAYOUT FOR

ATCHEE RIDGE STATE #2-29-12-25

SECTION 29, T12S, R25E, S.L.B.&M.

1925' FSL 2142' FEL



Proposed Access Road

F-5.2'
El. 55.5'

El. 49.0'
F-11.7'

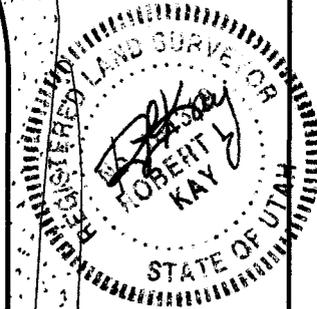
F-2.7'
El. 58.0'

Sta. 3+50

SCALE: 1" = 50'
DATE: 7-1-98
Drawn By: D.COX

APPROX.
TOE OF
FILL SLOPE

APPROX.
TOP OF
CUT SLOPE



NOTE:

FLARE PIT IS TO BE LOCATED A MINIMUM OF 125' FROM THE WELL HEAD.



El. 64.9'
C-4.2'

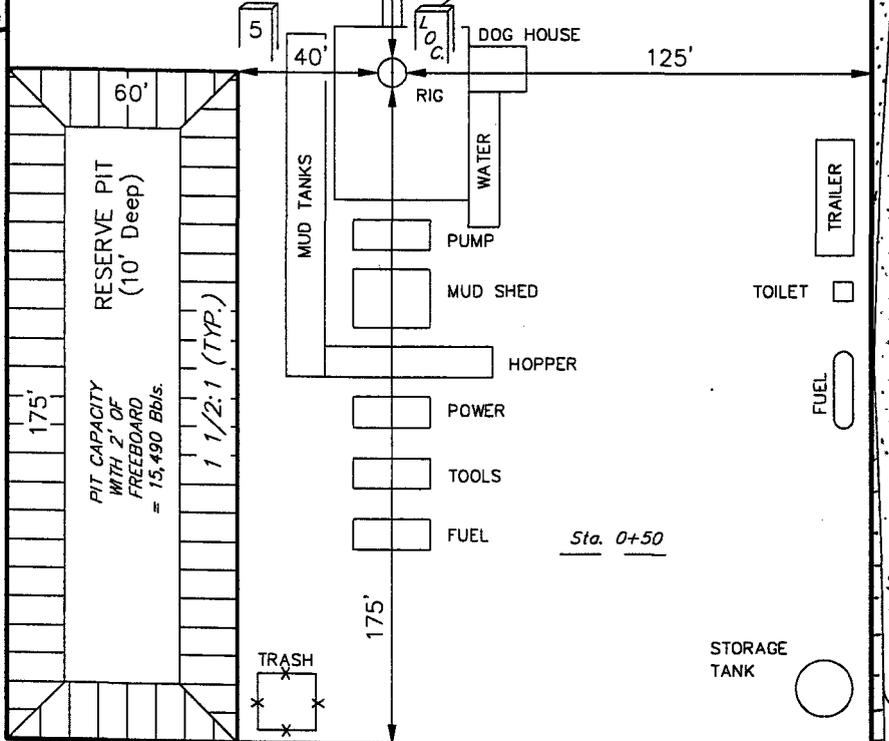
C-2.6'
El. 63.3'

Sta. 1+50

El. 67.3'
C-16.6'
(Btm. Pit)

El. 58.3'
F-2.4'

Reserve Pit Backfill & Spoils Stockpile
10' WIDE BENCH
175'
RESERVE PIT (10' Deep)
PIT CAPACITY WITH 2' OF FREEBOARD = 15,490 BBLS.
1 1/2:1 (TYP.)



El. 64.0'
C-13.3'
(Btm. Pit)

El. 60.6'
F-0.1'

C-2.3'
El. 63.0'

El. 63.0'
C-2.3'

Sta. 0+00

Elev. Ungraded Ground at Location Stake = 6863.3'
Elev. Graded Ground at Location Stake = 6860.7'

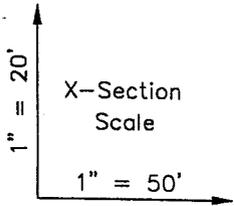
MEDALLION EXPLORATION

TYPICAL CROSS SECTIONS FOR

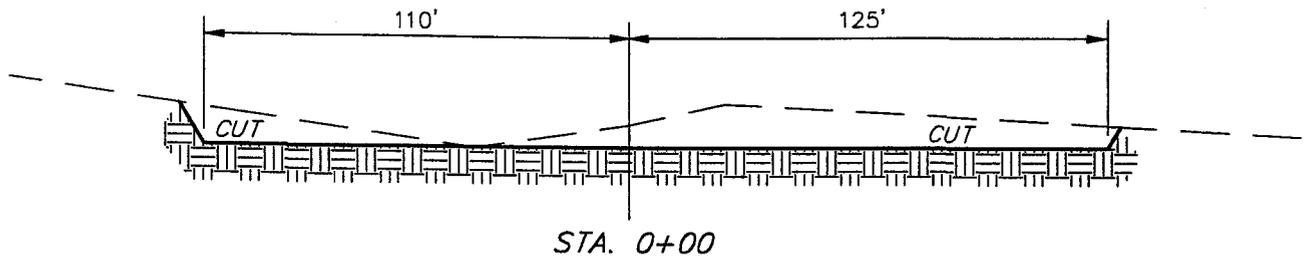
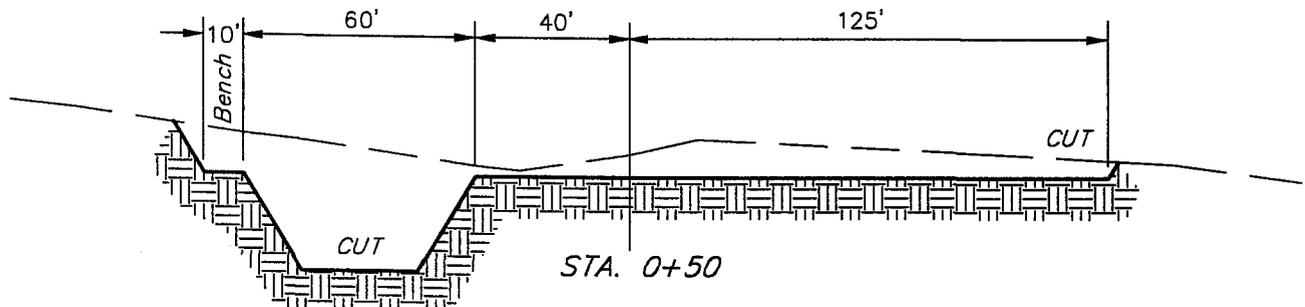
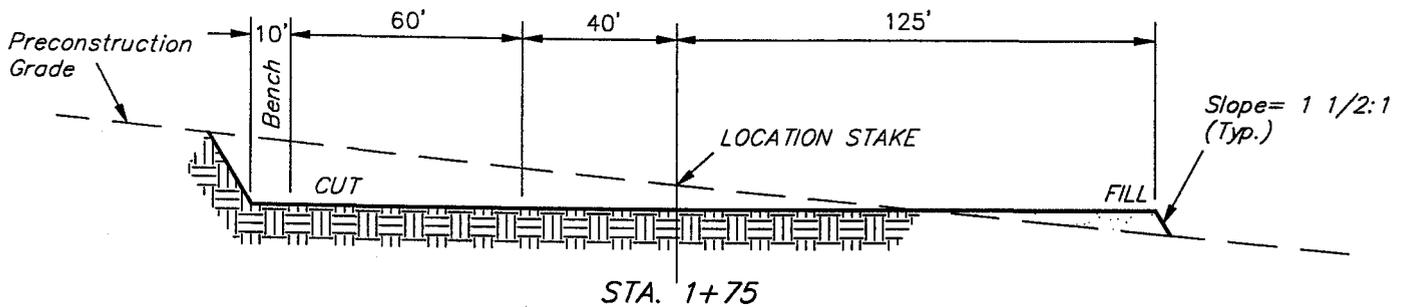
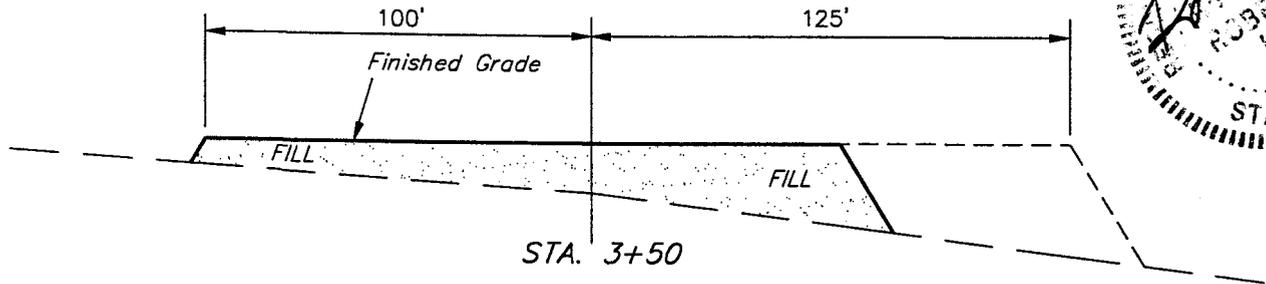
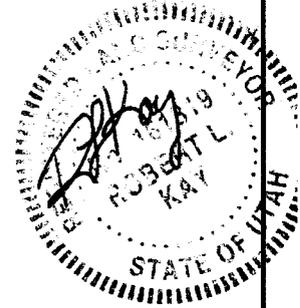
ATCHEE RIDGE STATE #2-29-12-25

SECTION 29, T12S, R25E, S.L.B.&M.

1925' FSL 2142' FEL



DATE: 7-1-98
Drawn By: D.COX

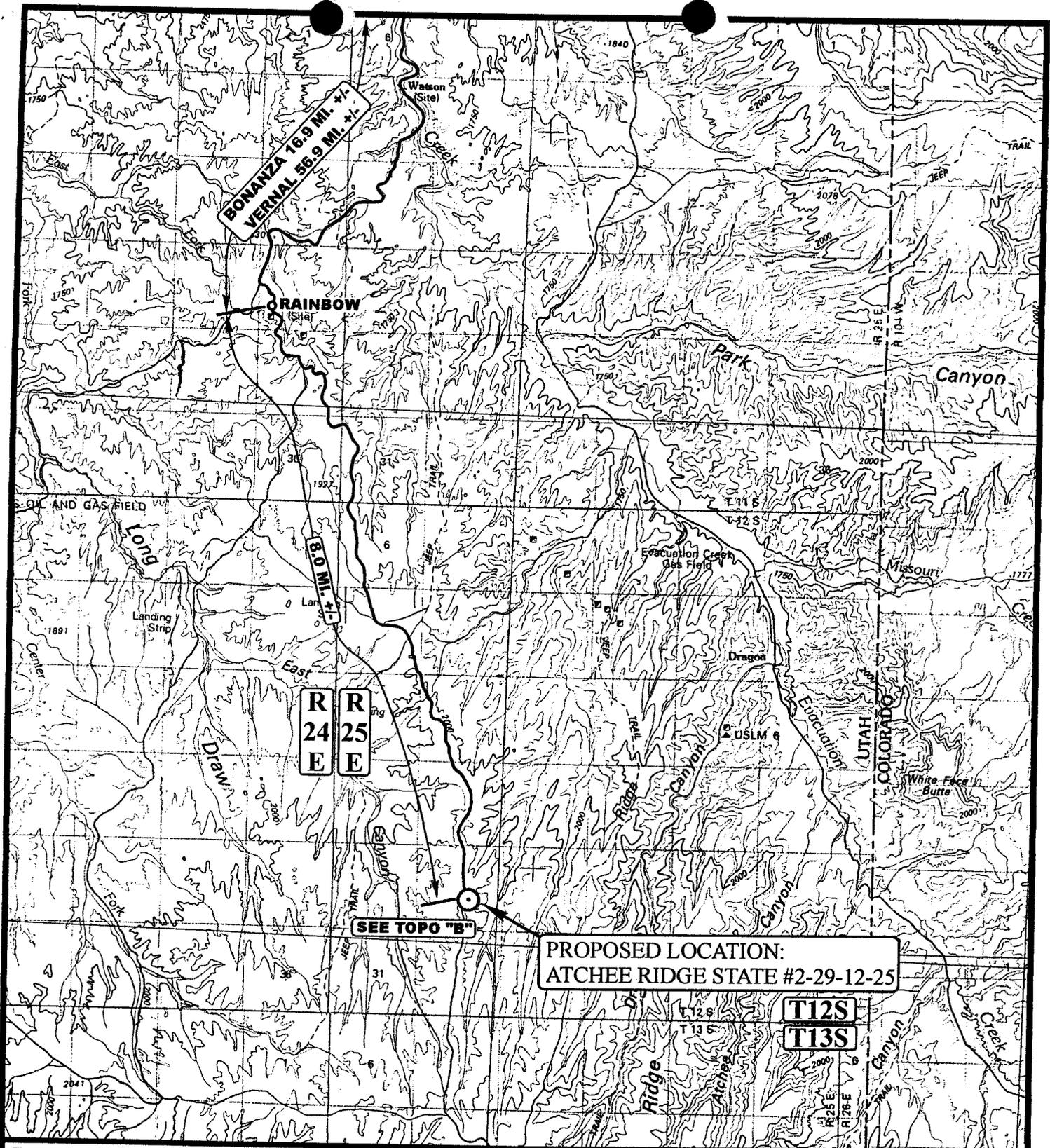


APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1,460 Cu. Yds.
Remaining Location	= 6,800 Cu. Yds.
TOTAL CUT	= 8,260 CU.YDS.
FILL	= 5,180 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 2,810 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,810 Cu. Yds.
EXCESS MATERIAL After Reserve Pit is Backfilled & Topsoil is Re-distributed	= 0 Cu. Yds.

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



**PROPOSED LOCATION:
 ATCHEE RIDGE STATE #2-29-12-25**

LEGEND:

⊙ PROPOSED LOCATION

**MEDALLION EXPLORATION
 ATCHEE RIDGE STATE #2-29-12-25
 SECTION 29, T12S, R25E, S.L.B.&M.
 1925' FSL 2142' FEL**

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



TOPOGRAPHIC MAP
 SCALE: 1:100,000 DRAWN BY: J.L.G. REVISED: 00-00-00

6	30	98
MONTH	DAY	YEAR

TOPO

R
25
E

RAINBOW 8.0 MI. +/-
BONANZA 24.9 MI. +/-
VERNAL 64.9 MI. +/-

PROPOSED LOCATION:
ATCHEE RIDGE STATE #2-29-12-25

PROPOSED ACCESS 150' +/-

T12S

LEGEND:

- - - - - PROPOSED ACCESS ROAD
- EXISTING ROAD

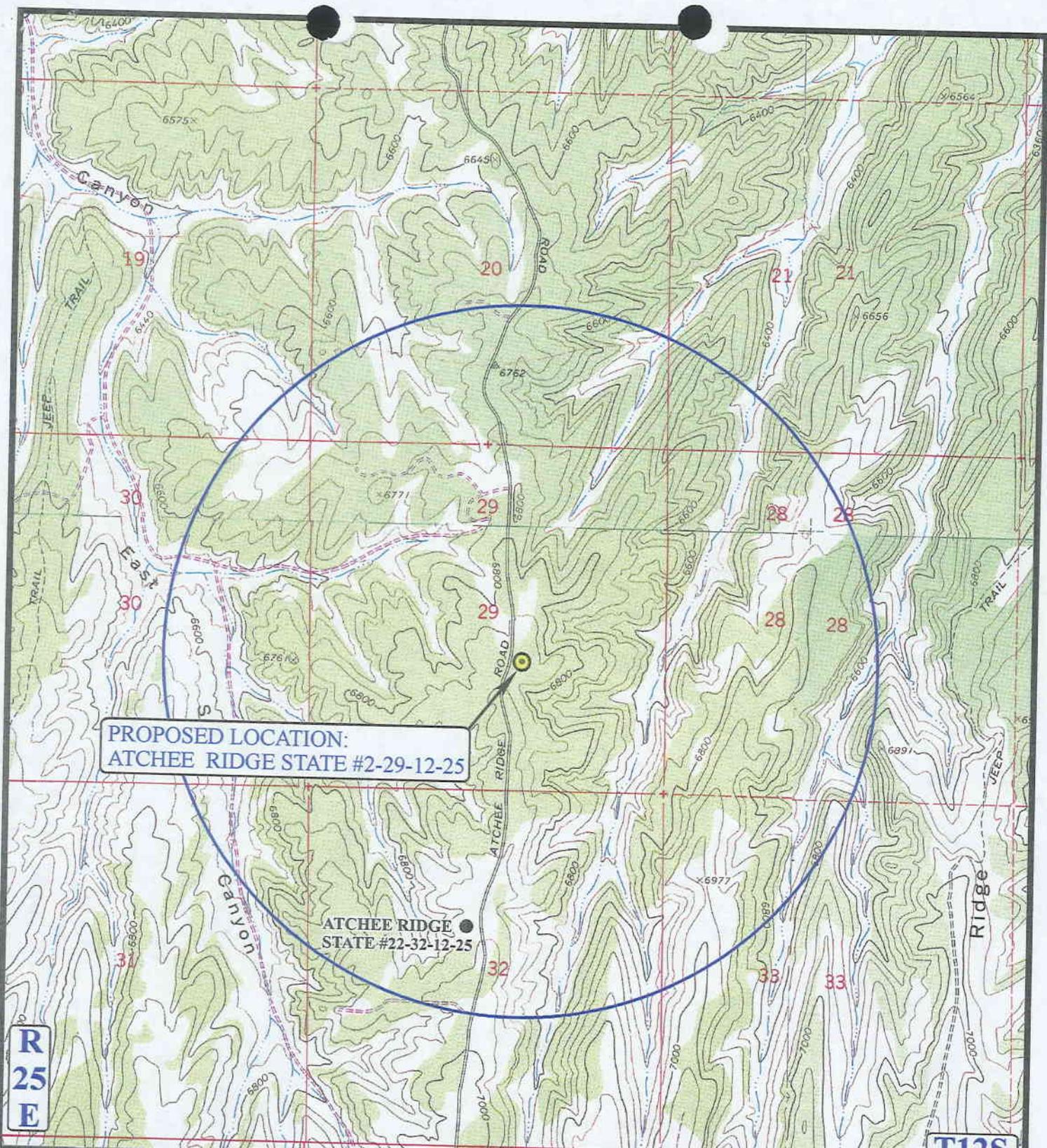


Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
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MEDALLION EXPLORATION
ATCHEE RIDGE STATE #2-29-12-25
SECTION 29, T12S, R25E, S.L.B.&M.
1925' FSL 2142' FEL

TOPOGRAPHIC	6	30	98	B TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: J.L.G.		REVISED: 00-00-00



**PROPOSED LOCATION:
ATCHEE RIDGE STATE #2-29-12-25**

**ATCHEE RIDGE
STATE #22-32-12-25**

**R
25
E**

T12S

LEGEND:

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



MEDALLION EXPLORATION

**ATCHEE RIDGE STATE #2-29-12-25
SECTION 29, T12S, R25E, S.L.B.&M.
1925' FSL 2142' FEL**

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

TOPOGRAPHIC	6	30	98	C TOPO
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: J.L.G.		REVISED: 00-00-00

RECEIVED

MAY 06 2004

WATER RIGHTS
VERNAL

TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by BMW
Fee Paid \$ 2500 4/27/04
Receipt # 04-019576

STATE OF UTAH

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3, Utah Code Annotated 1953, as amended.

WATER RIGHT NUMBER: 49 - 2178
(DLS)

TEMPORARY APPLICATION NUMBER: T75376

1. OWNERSHIP INFORMATION:

LAND OWNED? No

A. NAME: Dalbo Inc.
ADDRESS: P. O. Box 1168
Vernal UT 84078

B. PRIORITY DATE: May 6, 2004

FILING DATE: May 6, 2004

2. SOURCE INFORMATION:

A. QUANTITY OF WATER: 10.0 acre-feet

B. SOURCE: Evacuation Wash and White River

COUNTY: Uintah

C. POINTS OF DIVERSION -- SURFACE:

- (1) N 400 feet W 1,850 feet from E $\frac{1}{4}$ corner, Section 02, T 10S, R 24E, SLBM
DIVERT WORKS: Pump into tank trucks
SOURCE: White River
- (2) N 1,700 feet W 10 feet from SE corner, Section 02, T 12S, R 25E, SLBM
DIVERT WORKS: Pump into tank trucks
SOURCE: Evacuation Wash

D. COMMON DESCRIPTION: 3 miles south of Bonanza

3. WATER USE INFORMATION:

OIL EXPLORATION: from May 15 to May 1 Drilling and completion of oil/gas wells
in South Bonanza area.
Period of Use - May 14, 2004 to May 14, 2005.

4. PLACE OF USE: (which includes all or part of the following legal subdivisions:)

BASE TOWN RANG SEC	NORTH-WEST $\frac{1}{4}$				NORTH-EAST $\frac{1}{4}$				SOUTH-WEST $\frac{1}{4}$				SOUTH-EAST $\frac{1}{4}$			
	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE	NW	NE	SW	SE
6S 2S 104W 12				***					***				***			X
6S 3S 104W 01				***				X	***				***			
11				***		X			***				***			
SL 9S 23E	Entire TOWNSHIP															

Temporary Appropriation

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 07/07/2005

API NO. ASSIGNED: 43-047-36841

WELL NAME: ATCHEE ST 2-29-12-25
 OPERATOR: MEDALLION EXPLORATION (N5050)
 CONTACT: RASCHELLE RICHENS

PHONE NUMBER: 801-566-7400

PROPOSED LOCATION:

NWSE 29 120S 250E
 SURFACE: 1925 FSL 2142 FEL
 BOTTOM: 1925 FSL 2142 FEL
 UINTAH
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DrD	10/6/05
Geology		
Surface		

LEASE TYPE: 3 - State
 LEASE NUMBER: ML47091
 SURFACE OWNER: 3 - State
 PROPOSED FORMATION: MVRD
 COALBED METHANE WELL? NO

LATITUDE: 39.74445
 LONGITUDE: -109.1396

RECEIVED AND/OR REVIEWED:

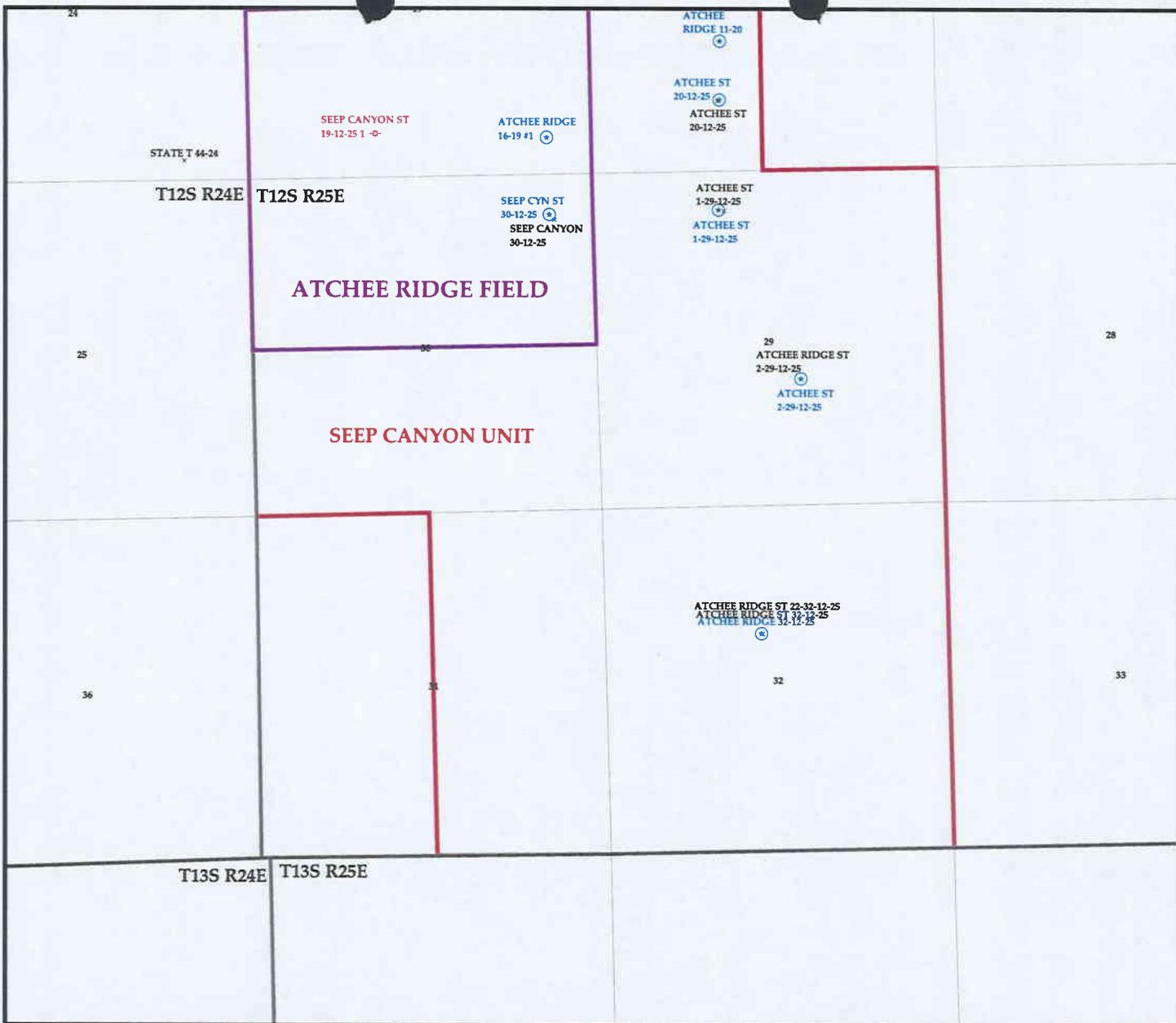
- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0005890)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. 49-2184)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

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: Needs Drills (09-21-05)

STIPULATIONS: 1- Spacing Shp
2- STATEMENT OF BASIS



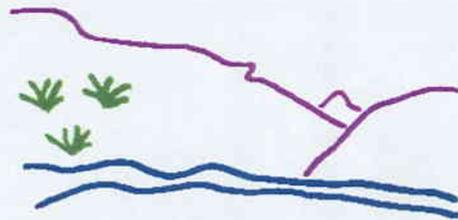
OPERATOR: MEDALLION EXPL (N5050)

SEC: 29 T. 12S R. 25E

FIELD: UNDESIGNATED (002)

COUNTY: UINTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells

- ⚡ GAS INJECTION
- ⊛ GAS STORAGE
- × LOCATION ABANDONED
- ⊕ NEW LOCATION
- ⊖ PLUGGED & ABANDONED
- ⚡ PRODUCING GAS
- PRODUCING OIL
- ⊖ SHUT-IN GAS
- ⊖ SHUT-IN OIL
- × TEMP. ABANDONED
- TEST WELL
- ▲ WATER INJECTION
- ◆ WATER SUPPLY
- ♣ WATER DISPOSAL

Units.shp

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

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 11-JULY-2005

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

OPERATOR: MEDALLION EXPLORATION, INC
WELL NAME & NUMBER: ATCHEE STATE 2-29-12-25
API NUMBER: 43-047-36841
LOCATION: 1/4,1/4 NWSE Sec: 29 TWP: 12S RNG: 25E 1925' FSL 2142' FEL

Geology/Ground Water:

Medallion proposes to set 500' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 4,400'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the proposed location. The surface formation at this site is the Green River Formation and alluvium derived from the Green River Formation. The Green River Formation is made up of interbedded limestones, shales and sandstones and may include fresh water zones above the moderately saline water. The proposed casing and cementing program should adequately protect any underground sources of useable water near the surface.

Reviewer: Brad Hill **Date:** 09-26-05

Surface:

The pre-site investigation of the surface was performed on 9/21/05. This site is on state surface, with state minerals. Ed Bonner of SITLA was invited to attend this inspection but was not present. Ben Williams of DWR stated that this site is critical deer and elk winter range and requested that this site be closed to drilling from Nov 1 to April 15 for deer and elk considerations.

Reviewer: Richard Powell **Date:** 9/23/2005

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils and a felt subliner shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: MEDALLION EXPLORATION

WELL NAME & NUMBER: ATCHEE STATE 2-29-12-25

API NUMBER: 43-047-36841

LEASE: ML-47091 FIELD/UNIT: SEEP CANYON UNIT

LOCATION: 1/4,1/4 NW/SE Sec: 29 TWP: 12S RNG: 25E 1925' FSL 2142' FEL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4,1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): 4400843 12S0659413 SURFACE OWNER: STATE.

PARTICIPANTS

Richard Powell (DOGM), Mike Dudley (Medallion), David Richens (Contour Construction), Ben Williams (DWR).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Location is set near the top of the east side of Atchee ridge. Drainage from this side of the ridge is through many small canyons leading east toward Evacuation Creek. Area of location is generally flat with thick pinyon pine and juniper. Vernal, UT is approximately 64.9 miles to the north.

SURFACE USE PLAN

CURRENT SURFACE USE: Livestock and Wildlife Grazing.

PROPOSED SURFACE DISTURBANCE: Location will be 350' by 225'. Proposed new access road to be approximately 150 feet.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: See attached map from GIS database.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: All production facilities will be on location and added after drilling well. Pipeline will follow access road.

SOURCE OF CONSTRUCTION MATERIAL: All construction material will be borrowed from site during construction of location.

ANCILLARY FACILITIES: None will be required.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OF CONCERNS? (EXPLAIN): Unlikely.

WASTE MANAGEMENT PLAN:

Drilled cuttings will be settled into reserve pit. Liquids from pit will be allowed to evaporate. Formation water will be confined to storage tanks. Portable toilets, sewage holding tanks, and onsite sewage treatment equipment will be handled by commercial contractors and regulated by the appropriate health authority. Trash will be contained

in trash baskets and disposed of at an approved landfill.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: none

FLORA/FAUNA: Pinyonpine, Juniper, Sagebrush, Mountain Mahogany, Prickly Pear, rabbit brush/ Deer, Elk, Rodents, Raptors, Coyote, Songbirds, Rabbit, Bobcat, Pronghorn.

SOIL TYPE AND CHARACTERISTICS: Light brown sandy clay. The surface is scattered with fractured shale, and rock outcroppings are visible along the slopes.

EROSION/SEDIMENTATION/STABILITY: Very little natural erosion. Sedimentation and stability are not a problem and location construction shouldn't cause an increase in stability or erosion problems.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: 175' BY 60' and ten feet deep.

LINER REQUIREMENTS (Site Ranking Form attached): A liner and felt sub-liner will be required for reserve pit. Site ranking score is 30.

SURFACE RESTORATION/RECLAMATION PLAN:

Will be per SITLA.

SURFACE AGREEMENT: As per SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: Mr. Richens stated that the Arch. study had been done.

OTHER OBSERVATIONS/COMMENTS

This location was staked in June 1998. The distances from section lines printed on the center stake differ from those on the plat. Printed on the center stake is 1934' FSL and 2152' FEL.

ATTACHMENTS

Photos of this site were taken and placed on file.

RICHARD POWELL
DOGM REPRESENTATIVE

9/21/05 12:30 PM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>5</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>0</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>20</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 30 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.





Casing Schematic

Green River

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

Surface
500. MD

TOC @
656.

w/18% Washout

BHP

$$(.052)(8.8)(4,000) = 1664$$

Anticipate 900

1522 Wasatch

Gao

$$(.12)(4,000) = 480$$

MASP = 1184

2049 TOC Tail

2392 Mesaverde

BOPE - 3,000 ✓

w/15% Washout

Surf Csg - 3520

$$70\% = 2464$$

Max pressure @ Surface shoe = 894

Test to 900 # min ✓

✓ Adequate

DMD

10/6/05

5-1/2"
MW 8.8

Production
4000. MD

BMSW 4400'

Well name:	10-05 Medallion Atchee St 2-29-12-25	
Operator:	Medallion Exploration	Project ID:
String type:	Surface	43-047-36841
Location:	Uintah, Utah	

Design parameters:	Minimum design factors:	Environment:
<u>Collapse</u>	<u>Collapse:</u>	H2S considered? No
Mud weight: 8.400 ppg	Design factor 1.125	Surface temperature: 65 °F
Design is based on evacuated pipe.		Bottom hole temperature: 72 °F
		Temperature gradient: 1.40 °F/100ft
		Minimum section length: 299 ft
	<u>Burst:</u>	Cement top: Surface
	Design factor 1.00	
<u>Burst</u>		Non-directional string.
Max anticipated surface pressure: 83 psi	<u>Tension:</u>	
Internal gradient: 0.436 psi/ft	8 Round STC: 1.80 (J)	
Calculated BHP 301 psi	8 Round LTC: 1.80 (J)	
No backup mud specified.	Buttress: 1.60 (J)	
	Premium: 1.50 (J)	
	Body yield: 1.50 (B)	
	Tension is based on air weight.	Re subsequent strings:
	Neutral point: 438 ft	Next setting depth: 4,000 ft
		Next mud weight: 8.800 ppg
		Next setting BHP: 1,829 psi
		Fracture mud wt: 19.250 ppg
		Fracture depth: 500 ft
		Injection pressure 500 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	500	9.625	36.00	K-55	ST&C	500	500	8.765	35.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	218	2020	9.260	301	3520	11.68	18	423	23.50 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: (801) 538-5281
FAX: (801)359-3940

Date: October 6, 2005
Salt Lake City, Utah

ENGINEERING STIPULATIONS -
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:	10-05 Medallion Atchee St 2-29-12-25		
Operator:	Medallion Exploration		
String type:	Production	Project ID:	43-047-36841
Location:	Uintah, Utah		

Design parameters:

Collapse

Mud weight: 8.800 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 83 psi
 Internal gradient: 0.436 psi/ft
 Calculated BHP: 1,829 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

8 Round STC: 1.80 (J)
 8 Round LTC: 1.80 (J)
 Buttress: 1.60 (J)
 Premium: 1.50 (J)
 Body yield: 1.50 (B)

Tension is based on air weight.
 Neutral point: 3,466 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 121 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

 Cement top: 656 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	4000	5.5	17.00	J-55	LT&C	4000	4000	4.767	137.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	1829	4910	2.685	1829	5320	2.91	68	247	3.63 J

Prepared by: Clinton Dworshak
 Utah Div. of Oil & Mining

Phone: (801) 538-5281
 FAX: (801) 359-3940

Date: October 6, 2005
 Salt Lake City, Utah

ENGINEERING STIPULATIONS -

Collapse strength is based on the Westcott, Dunlop & Kernler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

From: Ed Bonner
To: Whitney, Diana
Date: 8/25/2005 10:37:49 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC

Archy Bench 12-23-11-16
Archy Bench 12-23-12-16
Archy Bench 12-23-13-16
Archy Bench 12-23-21-16
Archy Bench 12-23-22-16
Archy Bench 12-23-31-16
Archy Bench 12-23-42-16

Medallion Exploration

Atchee State 20-12-25
Atchee State 1-29-12-25 ✓
Atchee State 2-29-12-25
Atchee Ridge 32-12-25
Seep Canyon State 30-12-25

National Fuel Corporation

NFC State Duncan #14-28
NFC Horse Point State #11-6
NFC Westwater State #22-32

Westport Oil & Gas Company

State 920-36J
State 920-36K
State 920-36L
State 920-36M
State 920-36N

If you have any questions regarding this matter please give me a call.

CC: Garrison, LaVonne; Hill, Brad; Hunt, Gil



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

October 11, 2005

Medallion Exploration
6985 Union Park Center
Midvale, UT 84047

Re: Atchee State 2-29-12-25 Well, 1925' FSL, 2142' FEL, NW SE, Sec. 29,
T. 12 South, R. 25 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 43-047-36841.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Medallion Exploration
Well Name & Number Atchee State 2-29-12-25
API Number: 43-047-36841
Lease: ML47091

Location: NW SE Sec. 29 T. 12 South R. 25 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**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

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. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)

6. 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.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: MEDALLION EXPLORATION

Well Name: ATCHEE ST 2-29-12-25

Api No: 43-047-36841 Lease Type: STATE

Section 29 Township 12S Range 25E County UINTAH

Drilling Contractor LEON ROSS DRILLING RIG #

SPUDDED:

Date 10/17/05

Time 11:00 AM

How DRY

Drilling will Commence:

Reported by MIKE DUDLEY

Telephone # 1-435-823-0316

Date 10/17/05 Signed CHD

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: ML47091
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:
		7. UNIT OR CA AGREEMENT NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: ATCHEE STATE 2-29-12-25
2. NAME OF OPERATOR: MEDALLION EXPLORATION		9. API NUMBER: 4304736841
3. ADDRESS OF OPERATOR: 6985 UNION PARK CTR #37 CITY MIDVALE STATE UT ZIP 84047		10. FIELD AND POOL, OR WILDCAT:
PHONE NUMBER: (801) 566-7400		

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1925' FSL & 2142' FEL** COUNTY: **UINTAH**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSE 29 12S 25E** 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: _____	<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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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: _____
	<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.

MEDALLION EXPLORATION PROPOSES TO SPUD THE ABOVE REFERENCED WELL ON OCTOBER 17, 2005

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

NAME (PLEASE PRINT) <u><i>Roschelle Lichens</i></u>	TITLE <u><i>Permit Specialist</i></u>
SIGNATURE <u><i>Roschelle Lichens</i></u>	DATE <u><i>10-17-05</i></u>

(This space for State use only)

RECEIVED
OCT 18 2005

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

FORM 6

ENTITY ACTION FORM

Operator: MEDALLION EXPLORATION Operator Account Number: N 5050
 Address: 6985 UNION PARK CENTER, STE. 375
city MIDVALE
state UT zip 84047 Phone Number: (801) 566-7400

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304736841	ATCHEE RIDGE STATE 2-29-12-25		NWSE	29	12	25	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15031	10/18/2005			11/9/05	
Comments: <u>MVRD</u> - J							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304735927	ATCHEE RIDGE 16-19#1		SESE	19	12	25	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
A	99999	15032	10/19/2005			11/9/05	
Comments: <u>MVRD</u> - J							

Well 3

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

ACTION CODES:

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

RaSchelle Richens

Name (Please Print) _____
 Signature RaSchelle Richens
 Permit Specialist Date 11/4/2005
 Title _____

RECEIVED

NOV 04 2005

DIV. OF OIL, GAS & MINING

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: ML46717
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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Seep Canyon Unit
2. NAME OF OPERATOR: Medallion Exploration		8. WELL NAME and NUMBER: Atchee State 2-29-12-25
3. ADDRESS OF OPERATOR: 3165 E. Millrock Dr. Holladay UT 84121		9. API NUMBER: 4304736841
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925' FSL & 2142' FEL		10. FIELD AND POOL, OR WILDCAT: Wildcat
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE		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 <small>(Submit in Duplicate)</small> Approximate date work will start: _____ <input type="checkbox"/> SUBSEQUENT REPORT <small>(Submit Original Form Only)</small> 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: _____
	<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.

Medallion intends to complete this well as soon as the weather permits and the pipeline has been installed.

RECEIVED
 FEB 15 2007
 DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) RaSchelle Richens	TITLE Regulatory Affairs Specialist
SIGNATURE	DATE 2/7/2007

(This space for State use only)

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: ML46717
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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Seep Canyon Unit
2. NAME OF OPERATOR: Medallion Exploration		8. WELL NAME and NUMBER: Atchee State 2-29-12-25
3. ADDRESS OF OPERATOR: 3165 E. Millrock Dr. CITY Holladay STATE UT ZIP 84121		9. API NUMBER: 4304736841
PHONE NUMBER: (801) 566-7400		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925' FSL & 2142' FEL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE		STATE: UTAH

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

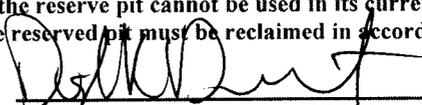
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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: _____
	<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.

Medallion intends to complete this well as soon as the weather permits and the pipeline has been installed. We are requesting the reserve pit remain open until which time the well is completed.

THIS SUNDRY IS BEING RETURNED; INSUFFICIENT DATA WAS SUBMITTED TO APPROVE THE REQUESTED ACTION.

As stated in the NOV, the reserve pit liner has deteriorated and therefore the reserve pit cannot be used in its current state. Unless an extension with a remedial plan for the liner is requested and approved, the reserved pit must be reclaimed in accordance with R649-3-34 and the NOV dated 5/24/2007.


 June 19, 2007
 Utah Division of Oil, Gas and Mining

NAME (PLEASE PRINT) <u>RaSchelle Richens</u>	TITLE <u>Regulatory Affairs Specialist</u>
SIGNATURE _____	DATE <u>6/14/2007</u>

(This space for State use only)

COPY SENT TO OPERATOR
Date: 6-19-07
Initials: PRM

RECEIVED
JUN 18 2007



Division of Oil, Gas & Mining
 1594 West North Temple, Suite 1210
 Salt Lake City, Utah 84114
 Phone: (801) 538-5340

NOTICE OF VIOLATION
 STATE OF UTAH
 OIL AND GAS CONSERVATION ACT

To the following operator:

Name: Medallion Exploration

Well or Site: Atchee state 2-29-12-25 API #: 43-047-3644

Location: Township 12S, Range 24E, Section 29, County Uintah

Date and time of inspection: May 17, 2007. 2:00 P.M.

Mailing Address: Medallion Exploration
3165 Millrock Dr. #550 Holiday UT 84121

Under the authority of the Utah Oil and Gas Conservation Act, Section 40-6 et. Seq., Utah Code Annotated, 1953, as amended, the undersigned authorized representative of the Division of Oil, Gas and Mining has conducted an inspection of the above described site on the above date and has found alleged violation(s) of the act, rules or permit conditions as described below.

Description of Violation(s):

Rule R649- 3-34 Reserve pit has been open over one
year. Liner is deteriorating and pieces are blowing off
location.

Reserve pit must be recased.

Additional information/materials attached Y/N (circle one)

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining.

Compliance Deadline: 6/25/07.

Date of service mailing 5/24/07 Time of service mailing 4:00 PM

David W. Beecher
 Division's Representative

Operator or Representative
 (If presented in person)

RECEIVED
JUN 18 2007

NOTICE

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

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

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

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

Operator: Medallion Exploration Today's Date: 09/18/2007

Well:	API Number:	Drilling Commenced:
Atchee St 2-29-12-25 drlg/wcr	4304736841	10/17/2005
Atchee Ridge 16-19 #1 drlg/wcr	4304735927	10/19/2005
Atchee Fed 32-4-13-25 drlg/wcr	4304738771	04/25/2007

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

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

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

cc: Well File
Compliance File

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: ML46717
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:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME: Seep Canyon Unit
2. NAME OF OPERATOR: Medallion Exploration		8. WELL NAME and NUMBER: Atchee Ridge State 2-29-12-25
3. ADDRESS OF OPERATOR: 3165 E. Millrock Dr. Ste. 550 CITY Holladay STATE UT ZIP 84121		9. API NUMBER: 4304733747-4841
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925' FSL & 2142' FEL		10. FIELD AND POOL, OR WILDCAT:
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 12S 25E		COUNTY: Uintah
		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 checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input type="checkbox"/> OTHER: <u>Well Update</u>

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

The Atchee Ridge State 2-29-12-25 has been drilled and completed. The water and gas pipelines and compressor are installed. Medallion Exploration plans to pipe the water to the H20 tanks on the Seep Canyon 19-12-25 well and truck from there. We will be doing a test sometime this next week at which time we will get the Form 8 Well Completion report filled out and filed.

Drilling reports are attached.

NAME (PLEASE PRINT) <u>RaSchelle Richens</u>	TITLE <u>Regulatory Affairs Specialist</u>
SIGNATURE	DATE <u>12/2/2007</u>

(This space for State use only)

RECEIVED
DEC 12 2007

COMPLETION PROCEDURE

Atchee State 2-29-12-25
Atchee Ridge Field
SEC. 29, TWP. 12S, RGE 25E
Uintah County, Utah
API# 043-047-36841

WELL INFORMATION

Elevation: 6,875' RKB (6,860' GL)
Total Depth: 4,043' RKB (Loggers depth)
PBTD: Approx. 4,000' RKB
Casing: 5-1/2", 15.50 #/ft., J-55 Casing

PROCEDURE

1. MIRU service rig. ND Wellhead, NU BOP's.
2. Fill 5-1/2" casing with water.
3. Rig up Logging Company with lubricator and pressure casing up to 1,000 psi.
4. RUN CBL from plug back TD to 200' above top of cement.
5. RD CBL and RU to perforate.
6. RIH and perforate the following interval w/4 spf on 120° phasing based on Schlumberger Platform Express Print dated 3/05/2006:

3,472' – 3,478'	6', 24 shots
3,120' – 3,126'	6', 24 shots
3,092' – 3,100'	8', 32 shots
2,854' – 2,858'	4', 16 shots
2,750' – 2,754'	4', 16 shots
2,724' – 2,732'	8', 32 shots

TOTAL – 36', 144 Shots

7. RDMO Wireline Truck..
8. RIH with Stator, No-turn tool and 2-3/8", 4.6 #/ft., J-55 tubing and set same at approximately 3,650' RKB.
9. RID with Rotor and 7/8" rods (w/ rod guides) and space out same.
10. ND BOP's, NU Wellhead.
11. RDMO service rig.

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- 10/18/05 MIRU Leon Ross Drilling. Spud rig. Drilled & set 14" conductor pipe to 10'. Spudded well @ 8:30 a.m. MU 12-1/4" rit & air drilled to 5/8'. Cleaned out hole. PU & ran 12 jets. 9-5/8" J-55 36# casing w/ float equipment to 512'. Clamped off & RD rig.
- 10/26/05 RU Big 4 cementing & MU 9-5/8" cementing head. Chained down head. Pumped 30 barrels water & 20 barrels gel to check circulation- ok. Pumped 46 barrels slurry (225 SKS class "G"). 30 barrels flush good slurry to surface. Bump plug @ 12:50 p.m. Check for hold- ok. RD Big 4. Yield 1.15. Water 5.0 gal. / sack.
- 10/28/05 (Day 4) Depth 518'. 0 hrs. Drilling. 12 hrs working on rig. (Bad torque converter- removed). 12 hrs. Waiting on parts.
- 10/29/05 (Day 5) Depth 518'. 8 hrs. Waiting on torque converter. 4 hrs. Prefabricating torque frame. 3 hrs. Working on truck w/ torque converter. 9 hrs. Down due to wrong parts.
- 10/30/05 (Day 6) Depth 518'. 5 hrs. Waiting on right parts. 6 hrs. Installing torque converter & purge. 2 hrs. Cleaning mud tank. 5 hrs. Uncoiling drill line. (Found unsafe fragments on line, could not slip). 6 hrs. SD (Waiting on new drill line).
- 10/31/05 (Day 7) Depth 518'. 8 hrs. Waiting on drill line. 6 hrs. String & spool new drill line. 4 hrs. Purge & test torque converter. 3 hrs. Substructure repair. 3 hrs. Down.
- 11/01/05 (Day 8) Depth 518'. Waiting on new substructure. 12 hrs. Working on rig (catwalk, doghouse, mud pit & pump skid). 4 hrs. Cut conductor pipe & prep for casing head. 4 hrs. Waiting on welder. 4 hrs. SD.
- 11/02/05 (Day 9) Depth 518'. 12 hrs. Waiting. 6 hrs. Working on sub. 6 hrs. Down.
- 11/03/05 (Day 10) Depth 518'. 12 hrs. Waiting on steel for sub. 4 hrs. Cleaning main mud tank. 8 hrs. Down.
- 11/04/05 (Day 11) Depth 518'. 10 hrs. Waiting on T-Beam material. 8 hrs. Working on substructure. 6 hrs. Down.
- 11/05/05 (Day 12) Depth 518'. 14 hrs. Working on substructure. 10 hrs. Waiting on heal ramp.

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- 11/06/05 (Day 13) Depth 518'. 8 hrs. Waiting on sub ramp. 12 hrs. Working on sub base. 4 hrs. Down.
- 11/07/05 (Day 14) Depth 518'. 18 hrs. Working on Substructure base. 6 hrs. Down.
- 11/08/05 (Day 15) Depth 518'. 6 hrs. More sub base to location. 2 hrs. Set sub base. 2 hrs. Set back up ramp. 3 hrs. Prep and spot rig on back up ramp. 4 hrs. Pin & tie down rig to new sub base. 7 hrs. Down.
- 11/09/05 (Day 16) Depth 518'. 12 hrs. Rigging up rig. 4 hrs. Working on lights. 4 hrs. Unloading new drill collars & drill pipe. 4 hrs. Down.
- 11/10/05 (Day 17) Depth 518'. 6 hrs. Down. 4 hrs. Leveling rig base & setting up back board. 4 hrs. Prefabricating mud tank. 5 hrs. Repairing hydraulic leak on rig. 5 hrs. Down.
- 11/11/05 (Day 18) Depth 518'. 8 hrs. Prefabricating mud tank. 6 hrs. Replacing guard rails. 4 hrs. Prepping BOP stack. 2 hrs. Wiring rig lights. 4 hrs. Down.
- 11/12/05 (Day 19) Depth 518'. 4 hrs. Working on BOP stack. 6 hrs. Working on mud tank #2. 4 hrs. On shale shaker. 6 hrs. Replacing valves on mud pump #1. 4 hrs. Down.
- 11/13/05 (Day 20) Depth 518'. 12 hrs. Working to tie in mud tanks. 6 hrs. Working on BOP manifold, hydril. 4 hrs. Down. 2 hrs. Prep to test BOP.
- 11/14/05 (Day 21) Depth 518'. 6 hrs. Prep. Test BOP, manifold, hydril. & 9-5/8" casing. 4 hrs. test BOP equipt. 4 hrs. test pump #1. 4 hrs. Unloading drill collars & pipe.
- 11/15/05 (Day 22) Depth 518'. 8 hrs. Tie mud tanks. 4 hrs. P/U run in hole 8 drill collars. POOH w/ collars. Lay down bad Kelly. Brake Kelly on 3-1/2" 4 hrs. Waiting on tongs. 6 hrs. Swivel bushings. 2 hrs. Down.
- 11/16/05 (Day 23) Depth 518'. 6hrs. Attempting to break out kellys both 4-1/2 & 3-1/2. 2 hrs. POOH w/ drill collars. 6 hrs. P/U & R/U standpipe & reel line. 2 hrs. P/U drill collars & R/I hole. 8 hrs. Down no hands. No help.
- 11/17/05 (Day 24) Depth 518'. 4 hrs. POOH drill collar. 4 hrs. Chg. out Kelly & bushing. Insert boot in rat hole. Caliper all subs drill collars. 2 hrs. Work on mud tank #2. 3 hrs. P/U bit #1, bit sub & 1 drill. R/I hole. 3 hrs. Work on pump #1. 8 hrs. Down, no night shift help.

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- 11/18/05 (Day 25) Depth 518'. 2 hrs. Work on pump #1. 2 hrs. Set pump #2. 2 hrs. Working on sub floor. 5 hrs. RIH w/ 7-7/8" bit, bit sub, 9 DC's. 3 hrs. Working on vibrating hose. 2 hrs. Shale shaker. 4 hrs. On mud lines. 4hrs. on mud guns.
- 11/19/05 (Day 26) Depth 518'. Started drilling out float collar, had returns, pump went down. 4 hrs. Conditioning fuel tanks (gelling). 3 hrs. Change all fuel filters on rig, pumps and generators. 4 hrs. Working on mud system. 2 hrs. On mud pump #1 (still leaking on caps). 2 hrs. On #2 (engine running away). 7 hrs. Working on pump.
- 11/20/05 (Day 27) Depth 519'. 6 Hrs. waiting on pump parts. 4 hrs. Working on pump #1. 4 hrs. Pump suction and discharge lines. 4 hrs. On pump #2. 3 hrs. Drill float collars & cement. 2 hrs. Float shoot. 2 hrs. Rotary table.
- 11/21/05 (Day 28) Depth 539'. 6 hrs. Pump parts. 6 hrs. Working on pump #1. 6 hrs. Working on pump #2. 3hrs. Down. 1-1/2hrs. RIH w/ drill collars. 1-1/2 hrs. Drilling.
- 11/22/05 (Day 29) Depth 622'. 11 hrs. Drilling. 4 hrs. Checking pumps 1 & 2. 6 hrs. Working on mud line.
- 11/23/05 (Day 30) Depth 622'. 12 hrs. Working on pumps 1 & 2. 12 hrs. Down.
- 11/24/05 (Day 31) Depth 622'. 8 hrs. Waiting on parts for pump #1. 6 hrs. Tore down pump #1 & 2. 10 hrs. down.
- 11/25/05 (Day 32) Depth 622'. 6 hrs. Waiting for parts for pump #1. Attempted to repair pump to no avail (too much internal damage). 18 hrs. Down (waiting on parts for pump #2).
- 11/26/05 (Day 33) Depth 622'. (No parts for either pump). 8 hrs. Check pump # 3 @ yard, too many problems to carry to rig. 16 hrs. Down waiting on parts for pump #2.
- 11/27/05 (Day 34) Depth 622'. 24 hrs. Down. (Waiting on parts for pump #2 and spare pump @ yard).
- 11/28/05 (Day 35) Depth 622'. 16 hrs. Waiting on parts for pump #2 & space D175 pump. 4 Hrs. prepping for pump rework. 4 hrs. Down.
- 11/29/05 (Day 36) Depth 622'. 18 hrs. Waiting on parts. 6 hrs. M/U and S/U pump #3. (D175). Moved national K500 to yard for repairs.

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- 11/30/05 (Day 37) Depth 622'. 8 hrs. Set up pump. 16 hrs. Waiting on parts.
- 12/01/05 (Day 38) Depth 704'. 9 hrs. Finish #2 pumps. 6 hrs. Drilling. 2 hrs. Repair cat head cable. 3 hrs. Drilling. 3 hrs. Repairing cat head cable. 1 hr. caught water in mud tank. 1 hr. repairing leaking swivel. 9 hrs. Drilling.
- 12/02/05 (Day 39) Depth 930'. 14 hrs. Drilling. 8 hrs. Building volume and mudding up. 2 hrs. Drilling.
- 12/03/05 (Day 40) Depth 1099'. 19 hrs. Drilling. 5 hrs. Working on clutch on pump #2. (Still waiting on liners for pump #1).
- 12/04/05 (Day 41) Depth 1099'. 6 hrs. Working on pump #2. 7 hrs. Down (no hands all of day shift quit). 3 hrs. Drain pumps, Kelly hose, and mud tanks. 8 hrs. Down (only 2 hands on night shift).
- 12/05/05 (Day 42) Depth 1099'. 8 hrs. Thawing out pumps, hoses, and mud tanks. 2 hrs. Remove old clutch from pump #2. 4 hrs. Mounting air cleaner on pump #1. 10 hrs. Down waiting on pump parts.
- 12/06/05 (Day 43) Depth 1099'. 6 hrs. Removing pump #1 and replacing with pump 1A. 14 hrs. Down. 4 hrs. Thawing out pump #2.
- 12/07/05 (Day 44) Depth 1099'. 8 hrs. Hooking up pump 1A. 12 hrs. Thawing out Kelly hose and mud tanks. 4 hrs. Down.
- 12/08/05 (Day 45) Depth 1099'. 8 hrs. Thawing out pumps and mud equipment. 8 hrs. Work on rig floor. 8 hrs. Down due to weather.
- 12/09/05 (Day 46) Depth 1099'. 6 hrs. Thawing out equipment, pumps and pipes. 4 hrs. Finish RU new pump. 3 hrs. POOH w/ DC's & DP bit. ½ hr. gauge bit #1 (ok). ½ hr. check survey ¾ degree 1075, RIH w/ bit #2 15 DC +.
- 12/10/05 (Day 47) Depth 1099'. 8 hrs. Thawing out all lines & pumps. 8 hrs. Replace clutch on pump #2. 6 hrs. Repair electrical. 2 hrs. Check cathead bearings.
- 12/11/05 (Day 48) Depth 1099'. 8 hrs. Remove cathead shaft. 3 hrs. Remove shaft bearing. 3 hrs. Dress shaft. 10 hrs. Down repairing cathead shaft.
- 12/12/05 (Day 49) Depth 1099'. 8 hrs. Remove shaft bushing & bearing & carry to machine shop. 8 hrs. Preparing mud tanks. 8 hrs. Down.

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- 12/13/05 (Day 50) Depth 1099'. 4 hrs. Waiting on parts. 2 hrs. Repairing jack shaft (Wrong size bushing). 4 hrs. Take bushing to machine shop for modifications. 14 hrs. Waiting on bushing.
- 12/14/05 (Day 51) Depth 1099'. 5 hrs. Waiting on bushing repair. 3 hrs. Back to Rig. 8 hrs. Repairing jack shaft on rig. 4 hrs preparing mud tanks. 4 hrs. Mixing mud.
- 12/15/05 (Day 52) Depth 1099'. 4 hrs. Building mud volume. 4 hrs. Checking out pump #1 (barrowed from Union Drilling) bad clutch. 6 hrs. Working on pump #2 (D-175). 4 hrs. RIH w/ DC & DP to 1050'. 6 hrs. Working on pump #2 (leaking around liner caps).
- 12/16/05 (Day 53) Depth 1099'. 4 hrs. Working on pump #2. 1hr. RIH to 1099'. 2 hrs. Build volume. 2 hrs. Prime pump. 3 hrs. Attempt to circulate (pump pressure up to 1000#). ½ hr. breaks Kelly (fluid to Kelly). ½ hr. MU Kelly. 2 hrs. Attempt to circulate (plugged @ bit). 2 hrs. Drain Kelly & vibrating hose. 7 hrs. Down (2 hands quit & left @ 8:30p.m.).
- 12/17/05 (Day 54) Depth 1099'. 6 hrs. Waiting on pump parts. 3 hrs. Down for OSHA inspection. 2 hrs. Work on rig engine (Bad fuel pump) will have to order a new one. 2 hrs. Attempt to repair pump #1 (Will have to have new shaft). 11 hrs. Down (Circulating pump).
- 12/18/05 (Day 55) Depth 1099'. 12 hrs. Building guard rails for mud tanks. 12 hrs. Down waiting for fuel pump for rig engine.
- 12/19/05 (Day 56) Depth 1099'. 24 hrs. Circulating mud tanks & pits waiting for Fuel pump for rig engine as well as shaft on clutch for pump #1 (Union Drilling pump).
- 12/20/05 (Day 57) Depth 1099'. 6 hrs. Circulating pits. 8 hrs. Rebuild spare pump (FXQ). 10 hrs. Circulating mud pits & waiting on parts.
- 12/21/05 (Day 58) Depth 1116'. 6 hrs. Rig repair. 3 hrs. Make up mud lines & Kelly hose. 8 hr. POOH unplug hole RIH w/ drill strap. 5 hrs. Ream to Bottom. 1 hr. circulating. 1 hr. Drilling.
- 12/22/05 (Day 59) Depth 1318'. 1 hr. Service rig. 15-1/2 hrs. Circulate. ½ hr. Rig repair.
- 12/23/05 (Day 60) Depth 1610'. 17 hrs. Drilling. 7 hrs. Circulating. (12 units' gas).29 units high.

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- 12/24/05 (Day 61) Depth 1904'. 21-1/2 hrs. Drilling. 2 hrs. Clean mud tank. 1/2 hr. Rig repair.
- 12/25/05 (Day 62) Depth 2060'. 14 hrs. Drilling. 1 hr. LD 4 joints. 9 hrs. Circulating.
- 12/26/05 (Day 63) Depth 2060'. (0 hrs. Drilling off for x-mas. 6 hrs. Clean mud tanks. 18 hrs. Circulating.
- 12/27/05 (Day 64) Depth 2321'. 3 hrs. Ream to bottom. 2-1/2 hrs. Circulate. 18 hrs. drilling. 1/2 hr. Rig service.
- 12/28/05 (Day 65) Depth 2713'. 1/2 hr. Service rig. 23-1/2 hrs. Drilling.
- 12/29/05 (Day 66) Depth 3091'. 1/2 hr. Service rig. 23-1/2 hrs. Drilling.
- 12/30/05 (Day 67) Depth 3149'. 3 hrs. Drilling. 3 hrs. Run survey @ 3113'. 18 hrs. Work stuck pipe.
- 12/31/05 (Day 68) Depth 3149'. 8 hrs. Trip pipe. 5 hrs. Circulate well. 7-1/2 hrs. Free point & back off D. pipe. 1/2 hr. Service rig. 3 hrs. Circulate & condition mud.
- 01/01/06 (Day 69) Depth 3149'. 1/2 hr. Service rig. 2-1/2 hrs. Rig repair (pump #1). 13 hrs. Trip pipe. 8 hrs. Circulate & wait on mud loggers.
- 01/02/06 (Day 70) Depth 3149'. 7 hrs Circulate & wait for mud loggers. 1 hr. Pump carbide & check for leak (no leak). 6 hrs. Tag bottom & screw into Fish & work stuck pipe. 1-1/2 hrs. Pump carbide & fill hole. 3-1/2 hrs. Back off pipe (wrong spot) screw back into fish. 5 hrs. Circulate & work Stuck drill string.
- 01/03/06 (Day 71) Depth 3149'.
- 01/04/06 (Day 72) Depth 3149'. 5 hrs. RIH checking connections. RU Kelly circulate for 40 min. Screw into fish, circulate well. 5 hrs. Rig repair. 5 hrs. Circulate free point & back off w/ wire line (backed off high). 4 hrs. Screw back into fish & manually back off. 56 hrs. POOH w/ pipe.
- 01/05/06 (Day 73) Depth 3149'. 3 hrs. Trip pipe. 4 hrs. Free point stuck pipe. 7 hrs. Work on rig. 1-1/2 hrs. Install new Cat line. 2 hrs. Screw into fish. 7-1/2 hrs. Circulate & work stuck pipe.

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- 01/06/06 (Day 74) Depth 3149'. 1-1/2 hrs. Trip pipe. 5 hrs. RU wire line & back Off. 17-1/2 hrs. Caught fish & work pipe.
- 01/07/06 (Day 75) Depth 3149'. 3-1/2 hrs. Trip pie. 2 hrs. RD wire line. 9 hrs. PU fishing tools. 3-1/2 hrs. TIH & strap pipe. 5-1/2 hrs. Break circulation & wait on tools. 1/2 hr. working on dead line.
- 01/08/06 (Day 76) Depth 3149'. 10 hrs. Waiting on pup sub. 14 hrs. Ream & wash Fish & condition mud.
- 01/09/06 (Day 77) Depth 3149'. 4 hrs. TOO. 20 hrs. Circulate, wash & ream hole condition mud.
- 01/10/06 (Day 78) Depth 3149'. 14hrs. Circulate & condition mud. 8 hrs. LD drill pipe. 2 hrs. Drain Kelly hose & stand pipe.
- 01/11/06 (Day 79) Depth 3149'. 7-1/2 hrs. LD tools. 1 hr. Strap pipe. 3-1/2 hrs. LD floor & derrick. 12 hrs. Wait on crane to level sub.
- 01/12/06 (Day 80) Depth 3149'. 12 hrs. Level sub base. 12 hrs. RU.
- 01/13/06 (Day 81) Depth 3149'. 7-1/2 hrs. RU. 9-1/2 hrs. PU BHA & reel pipe. 6-1/2 hrs. Circulate & ream. 1/2 hr. Rig repair.
- 01/14/06 (Day 82) Depth 3149'. 22 hrs. Ream hole. 2 hrs. Rig repair.
- 01/15/06 (Day 83) Depth 3149'. 23 hrs. Circulate & ream. 1 hr. Pump repair.
- 01/16/06 (Day 84) Depth 3149'. 13-1/2 hrs. Circulate & condition mud. 7-1/2 hrs. Ream hole. 2-1/2 hrs. TOO. 1/2 hrs. Rig service.
- 01/17/06 (Day 85) Depth 3149'. 1 hr. Slip drilling line. 8 hrs. LD tools & collars. 3 hrs. Inspect drill collars. 7 hrs. Circulate. 2 hrs. Lube rig & service rig. 3 hrs. PU fishing tools.
- 01/18/06 (Day 86) Depth 3149'. 4 hrs. Finish POOH RIH fishing tools. 2-1/2 hrs. RIH w/ pipe. 17-1/2 hrs. Screw into fish & work stuck pipe.
- 01/19/06 (Day 87) Depth 3149'. 16-1/2 hrs. Work pipe & jar stuck pipe. 1/2 hr. Spot black magic across fish. 7 hrs. Work & jar stuck pipe.
- 01/20/06 (Day 88) Depth 3149'. 12 hrs. Circ. & jar on fish. 6-1/2 hrs. Free point & Back off. 1 hr. POOH. 4-1/2 hrs. LD drill pipe.

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01/21/06 (Day 89) Depth 3149'. 12 hrs. LD D pipe & fishing tools. 2 hrs. Clean Pits. 10 hrs. Wait on orders.

01/22/06 (Day 90) Depth 3149'. 24 hrs. W.O.O.

01/23/06 (Day 91) Depth 3149'. 24 hrs. W.O.O.

01/24/06 (Day 92) 24 hrs. W.O. rig repair.

01/25/06 (Day 93) Depth 3149'. 24 hrs. W.O. rig repair.

01/26/06 (Day 94) Depth 3149'. 24 hrs. Rigging down Rig #1.

01/27/06 (Day 95) Depth 3149'. 24 hrs. Rigging down Rig #1. (Will replace w/ Rig#2).

01/28/06 (Day 96) Depth 3149'. 24 hrs. Rigging down Rig #1. (Will replace w/ Rig #2).

01/29/06 (Day 97) Depth 3149'. 24 hrs. Rigging down Rig #1. Moved Rig & sub. Set sub for Rig #2.

01/30/06 (Day 98) Depth 3149'. 24 hrs. Waiting on trucks to set sub & ramps for Rig #2. Prepping for Rig #2 move in.

01/31/06 (Day 99) Depth 3149'. 24 hrs. Set subs & ramp, arranging location for Rig #2.

02/01/06 (Day 100) Depth 3149'. 24 hrs. Move in & RU Rig #2 (Cabot 500), placing pumps & moving tanks back in.

02/02/06 (Day 101) Depth 3149'. 24 hrs. Re-adjust mud tanks. Hook up mud line & vibrating hose. Set steps; install safety equipment, re-set doghouse & fuel tank.

02/03/06 (Day 102) Depth 3149'. 24 hrs. Re-fab tank, hook up pumps & air equipment. RU rat hole digger.

02/04/06 (Day 103) Depth 3149'. 24 hrs. Plumb in air equipment, mud pits, frac tank & Prepare to drill rat hole.

02/05/06 (Day 104) Depth 3149'. 4 hrs. Work on lights. 10 hrs. Drill new rat hole. 5 hrs. Work on BOP header. 5 hrs. Re-set BOP kill line & header line.

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- 02/06/06 (Day 105) Depth 3149'. 8 hrs. Re-set BOP stack. 2 hrs. Work on manifold & kill line. 6 hrs. PU & start in hole w/ fishing tools. 8 hrs. PU & RIH w/ drill pipe.
- 02/07/06 (Day 106) Depth 3149'. 13-1/2 hrs. PU drill pipe. 8 hrs. Mix mud and circulate. 1/2 hr. PU rotating head rubber. 2 hrs. Screw into fish & jar.
- 02/08/06 (Day 107) Depth 3149'. 16 hrs. Work & jar on stuck pipe. 3 hrs. Set & Work on air booster. 5 hrs. Circulate & jar on stuck pipe.
- 02/09/06 (Day 108) Depth 3149'. 20-1/2 hrs. Circulate work fish. 1/2 hr. Hook up Booster. 3 hrs. Pump air, work & jar fish.
- 02/11/06 (Day 110) Depth 3149'. 5-1/2 hrs. Wait on tools. 18-1/2 hrs. Trip pipe.
- 02/12/06 (Day 111) Depth 3149'. 14 hrs. Ream. 4 hrs. Trip pipe. 6 hrs. Thaw out Kelly & rat hole.
- 02/13/06 (Day 112) Depth 3149'. 13 hrs. Ream 2725. 1-1/2 hrs. Circulate. 8-1/2 hrs. Trip pipe. 1 hr. PU whip stock Weatherford tools.
- 02/14/06 (Day 113) Depth 2500' plugged back. 14 hrs. Trip. 5 hrs. Wait on cementers. 1 hr. Cement. 1 hr. Circulate. 3 hrs. Wait on cement.
- 02/15/06 (Day 114) Depth 2500' PB. 6-1/2 hrs. Wait on Cement & clean pits. 11 hrs. Tripping. 7-1/2 hrs. Ream try kicking off whip stack.
- 02/16/06 (Day 115) Depth 1550' PB. 3-1/2 hrs. Work pipe on top of whip stock. Try to kick off. 2-1/2 hrs. Circulate and wait on orders. 3 hrs. Trip. 2-1/2 hrs. Log. 1/2 hr. W/O logger. 1-1/2 hrs. Cement & whip stock.
- 02/17/06 (Day 116) Depth 1550' PB. 9 hrs. Unthaw. 1 hr. Trip. 2 hrs. Work on Hot oiler. 6 hrs. With Hot oiler thawed out stand pipe. 6 hrs. Wait on hands.
- 02/18/06 (Day 117) Depth 1550 PB. 7 hrs. Unthaw stand pipe Kelly hose. 10 hrs. Mix mud. 6 hrs. Wait on hands.
- 02/19/06 (Day 118) Depth 1550 PB. 5-1/2 hrs. Unthaw Standpipe. 1-1/2 hrs. Drilling cement. 1/2 hr. Circulate. 3 hrs. Cement whip stock 1358' to 1260'. 7-1/2 hrs. Trip. 6 hrs. WOC.

Atchee Ridge State 2-29-12-25
API No. 4304735927
Sec, 19, T12S, R25E
Uintah Co., Utah

- 02/20/06 (Day 119) Depth 1273'. WOC. Make up drill bit & BHA. TIH w/ 15 Stands. Ream hole to 1160'. Drill cement to 1260'. Top whip stack @ 1260', bottom @ 1272'. Drill to 1273'. Lay down drill pipe. Trip in hole w/ 15 stands. Laying down DP.
- 02/21/06 (Day 120) Depth 1323'. Build mud volume (pits froze and ran over). Trip out laying down DP. Circulate & condition mud. RIH w/ 6 DC's. Pick up and PIH w/ 10 DC's. Circulate & condition mud. Trip in hole w/ 12 stands DP (1228). Circ. & Condition mud. Wash down from 1228' to 1273' (tag & fill @ 1265'). Drill from 1273' to 1323'.
- 02/22/06 (Day 121) Depth 1354'. 7 hrs. Building mud volume. 5 hrs. Condition & Circulate mud. 8-1/2 hrs. TIH. 3-1/2 hrs. Drilling.
- 02/23/06 (Day 122) Depth 1756'. 1/2 hr. Rig service. 23-1/2 hrs. Drilling.
- 02/24/06 (Day 123) Depth 2224'. 9-1/2 hrs. Drilling. 5 hrs. Clean pits. 3 hrs. TOOH. 3-1/2 hrs, Circ. & condition mud. 2-1/2 hrs. Dump mud from Sand trap. 1/2 hr. Pump repair.
- 02/25/06 (Day 124) Depth 2538'. 1-1/2 hrs. TIH. 22-1/2 hrs. Drilling.
- 02/26/06 (Day 125) Depth 2879'. 22-1/2 hrs. Drilling. 1/2 hr. Circulate tight hole. 1/2 hr. Rig service. 1/2 hr. Pump repair (#1) rod packing. *Gas show of 384 units at 2579' (trace coal).
- 02/27/06 (Day 126) Depth 3179'. 22-1/2 hrs. Drilling. 1-1/2 hrs. Repair pump & Hopper.
- 02/28/06 (Day 127) Depth 3221'. 12 hrs. Pump repair & mix mud. 2 hrs. Drilling. 2 hrs. TOH with 20 stands. 8 hrs. Clean pits & work on pump.
- 03/01/06 (Day 128) Depth 3221'. 12 hrs. Pump repair & mix mud. 12 hrs. Pump Repair & changed Kelly & pump ore.
- 03/02/06 (Day 129) Depth 3350'. 4 hrs. Work on pump #1. 4-1/2 hrs. TIH. 5-1/2 Hrs. Ream & circulate hole. 10 hrs. Drilling.
- 03/03/06 (Day 130) Depth 3541'. 13 hrs. Drilling. 1/2 hr. Ream. 2 hrs. Trip. 9-1/2 Hrs. Change out Kelly & pump.
- 03/04/06 (Day 131) Depth 3848'. 22-1/2 hrs. Drilling. 1-1/2 hrs. Work on pump.
- 03/05/06 (Day 132) Depth 4073'. 7-1/2 hrs. Drilling. 1/2 hr. Repair leak on swivel.

Atchee Ridge State 2-29-12-25

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Uintah Co., Utah

Short trip 7 std. 2-1/2 hrs. Change out swivel packing. 1/2 hr. TIH. 1 hr. Drilling. 1 hr. Circulate for short trip. 1-1/2 hrs. Short trip.

- 03/06/06 (Day 133) Depth 4073'. 1 hr. Short trip. 1 hr. Circulate. 5 hrs. POOH W/ DP & DC. 1 hr. RU Schlumberger for logging. 3 hrs. E- Logging well. 1/2 hr. RD loggers. 2-1/2 hrs. Rig repair. 10 hrs. LD drill string.
- 03/07/06 (Day 134) Depth 4043'. 7 hrs. POOH & LD DP & DC's. 1 hr. RU casing Crew. 7 hrs. PU & RIH w/ 95 jets. 5-1/2" 17# m-80 casing to 4038'. 9 hrs. Circulate around 5-1/2" casing (waiting on cement job).
- 03/08/06 (Day 135) Depth 4043'. 16 hrs. Circulating around 5-1/2" casing (waiting On cement job). 1 hr. RU Halliburton for cement job on long string. 1-1/2 hrs. Pump cement job (400sks class "G" cement, displace w/ 91 bbls. Water, plug bumped @ 12:15a.m.). 1/2 hr. RD Halliburton. 2-1/2 hrs. PU casing & set slips, PU BOP & cut 5-1/2" casing 8" above head. 2-1/2 hrs. Clean mud tanks.

NOTICE

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

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

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

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

Operator: Medallion Exploration Today's Date: 02/14/2008

Well:		API Number:	Drilling Commenced:
Atchee ST 2-29-12-25	drlg rpts/wcr	4304736841	10/17/2005
Atchee Ridge 16-16 #1	drlg rpts/wcr	4304735927	10/19/2005
Atchee Fed 32-4-13-25	drlg rpts/wcr	4304738771	04/25/2007

12S 25E 29

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

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

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

cc: Well File
Compliance File

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

AMENDED REPORT FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 46717
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
2. NAME OF OPERATOR: Medallion Exploration		7. UNIT or CA AGREEMENT NAME: Seep Canyon Unit
3. ADDRESS OF OPERATOR: 3165 E. Millrock Dr. #550 CITY Holladay STATE UT ZIP 84121		8. WELL NAME and NUMBER: Atchee State 2-29-12-25
PHONE NUMBER: (801) 566-7400		9. API NUMBER: 4304736841
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 1925' FSL & 2142' FEL AT TOP PRODUCING INTERVAL REPORTED BELOW: 2724 AT TOTAL DEPTH: 3478		10. FIELD AND POOL, OR WILDCAT
11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 12S 25E		12. COUNTY Uintah
		13. STATE UTAH

14. DATE SPUDDED: 10/18/2005	15. DATE T.D. REACHED: 3/5/2006	16. DATE COMPLETED: 10/19/2007	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 6860' GL
18. TOTAL DEPTH: MD 4,073 TVD	19. PLUG BACK T.D.: MD TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) Platform Express Array Induction Gamma Ray/ Sp			23. WAS WELL CORED? NO <input type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
12-1/4	9-5/8 J55	36#	0	512		Cls G 225	46	0	
7-7/8	5-1/2 M80	17#	0	4,038		Cls G 400		1195	

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8	3,621							

26. PRODUCING INTERVALS					27. PERFORATION RECORD			
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS
(A) Mesa Verde	2,550	3,970						Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(B)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/> Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL

29. ENCLOSED ATTACHMENTS: <input checked="" type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION	<input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS	<input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: _____	<input type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS: SI
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31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

33. 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.

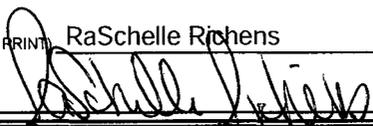
34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River	0	1,530	red, brn, gy, ltgy, sdy ip, sli arg, trpyr		
Wasatch	1,530	2,334	brn-drkbrn, ltgy-gy, flky, sbblk, firm slk, cal		
Mesa Verde	2,334	3,970	brn-drk, brn, ltgy-gy, grtty, flky, sbblk, firm, slty		

35. ADDITIONAL REMARKS (Include plugging procedure)

Waiting on repairs to transmission gas line.

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

NAME (PLEASE PRINT) RaSchelle Richens TITLE Regulatory Affairs
 SIGNATURE  DATE 2/28/2008

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 Box 145801
 Salt Lake City, Utah 84114-5801

Phone: 801-538-5340
 Fax: 801-359-3940

COMPLETION PROCEDURE

Atchee State 2-29-12-25
Atchee Ridge Field
SEC. 29, TWP. 12S, RGE 25E
Uintah County, Utah
API# 043-047-36841

Perf Record

RIH and perforate the following interval w/4 spf on 120° phasing based on Schlumberger Platform Express Print dated 3/05/2006:

3,472' – 3,478'	6', 24 shots
3,120' – 3,126'	6', 24 shots
3,092' – 3,100'	8', 32 shots
2,854' – 2,858'	4', 16 shots
2,750' – 2,754'	4', 16 shots
2,724' – 2,732'	8', 32 shots

TOTAL – 36', 144 Shots



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 15, 2011

CERTIFIED MAIL NO.: 7005 1820 0001 5562 8163

Mr. Jake Harouny
Medallion Exploration
3165 Millrock Dr #550
Holladay, UT 84121-4732

43 047 36841
Atchee St. 2-29-12-25
12S 25E 29

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Harouny:

As of January 2011, Medallion Exploration has three (3) State Lease Wells (see attachment A) that are currently in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT.

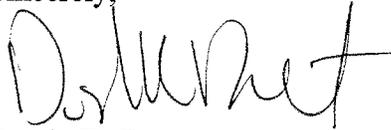
Page 2
Medallion Exploration
March 15, 2011

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

DKD/JP/js
Enclosure
cc: Compliance File
Well File
LaVonne Garrison, SITLA

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

	Well Name	API	LEASE	Years Inactive
1	SEEP CANYON ST 19-12-25 1	43-047-32660	ML-46104	2 Years 7 Months
2	ATCHEE RIDGE 16-19 #1	43-047-35927	ML-46104	2 Years 8 Months
→ 3	ATCHEE ST 2-29-12-25	43-047-36841	ML-47091	2 Years 7 Months

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 46717

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Atchee Ridge 2-29-12-25

9. API NUMBER:
0430473684

10. FIELD AND POOL, OR WILDCAT:

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.

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Medallion Exploration

3. ADDRESS OF OPERATOR:
6965 Union Park Center #400 CITY Cottonwood Heights STATE UT ZIP 84047

PHONE NUMBER:
(801) 566-7400

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1925' FSL & 2142' FEL COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSE 29 12S 25E 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: _____	<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"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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 checked="" type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

Medallion Exploration proposes to recomplete this well in the Neslon coals from 3878' to 4022' Gross. If a frac or number of fracs are required, additional sundries will be sent. Medallion plans to isolate the existing perms by setting a packer between the new and old perms and produce through the tubing.

*Neslon is correct so
is in Mesaverde.*

COPY SENT TO OPERATOR
Date: 8.8.2013
Initials: KS

NAME (PLEASE PRINT) Dana Christiansen TITLE Manager
SIGNATURE [Signature] DATE 8/1/2013

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 8/1/2013
BY: [Signature] (See Instructions on Reverse Side)

RECEIVED
AUG 01 2013
DIV. OF OIL, GAS & MINING

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 46717

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
Atchee Ridge 2-29-12-25

9. API NUMBER:
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Medallion Exploration

3. ADDRESS OF OPERATOR: PHONE NUMBER:
6965 Union Park Center #400 **(801) 566-7400**
CITY Cottonwood Heights STATE UT ZIP 84047

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1925' FSL & 2142' FEL** COUNTY: **Uintah**

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSE 29 12S 25E** STATE: **UTAH**

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

TYPE OF SUBMISSION	TYPE OF ACTION		
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	<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
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	<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: _____
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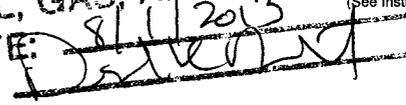
*Neslon is correct so
is in Mesaverde.*

COPY SENT TO OPERATOR
Date: 8.8.2013
Initials: KS

NAME (PLEASE PRINT) Dana Christiansen TITLE Manager

SIGNATURE  DATE 8/1/2013

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 8/1/2013 (See Instructions on Reverse Side)
BY: 

RECEIVED
AUG 01 2013
DIV. OF OIL, GAS & MINING

UTAH DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas & Mining
Oil and Gas Program
1594 West North Temple, Suite 1210, Box 145801
Salt Lake City, UT 84114-5801
(801) 538-5340 Phone
(801) 359-3940 Fax

Immediate Action: For the wells subject to this notice, Medallion shall fulfill full cost bonding requirements for each well. Medallion shall also submit plans to plug and abandon each well contained in this Notice.

*** Fines may be levied up to \$10,000.00 per day for every well in violation given the authority provided under U.C.A 40-6-11, part 4**

This notice shall remain in effect until it is modified, terminated, or vacated by a written notice of an authorized representative of the director of the Division of Oil, Gas and Mining. Failure to comply with this notice will result in the Division pursuing further actions against said operator. Further actions may include initiation of agency actions and requests for bond forfeiture and civil penalties.

Compliance Deadline: June 30, 2014

Date of Service Mailing: May 21, 2014

Certified Mail No.: 7003 2260 0003 2358 6922

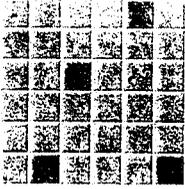


Division Representative Signature

Operator Representative (if presented in person)

cc: Compliance File
Well Files
LaVonne Garrison, SITLA

1/2013



State of Utah
School & Institutional
Trust Lands Administration

675 East 500 South, Suite 500
Salt Lake City, UT 84102-2818
801-538-5100
801-355-0922 (Fax)
www.trustlands.com

Gary R. Herbert
Governor

Spencer J. Cox
Lieutenant Governor

Kevin S. Carter
Director

May 6, 2014

CERTIFIED MAIL RETURN RECEIPT REQUESTED

Medallion Exploration
ATTENTION: Mr. Jake Harouny
6965 Union Park Center #400
Cottonwood Heights, UT 84047

RE: ML 46104
Township 12 South, Range 25 East, SLM
Portions of Sections 19, 20, 29, 30
Containing 2000 acres, more or less and
ML 47091
Township 12 South, Range 25 East
Section 29: E/2
Containing 320 acres, more or less
Uintah County, UT

Seep Canyon State 24-19-1225
Atchee Ridge 16-19 #1
Atchee State 2-29-12-25

Dear Mr. Harouny:

It has come to the attention of the agency that the wells located on the captioned oil and gas leases are scheduled for a tax sale on May 22, 2014. The leases have not produced since 2008 despite the existence of a gas line to at least one or more of them. It is also five years past the expiration of the extended term of the leases without production, and based on agency rules no longer can be held without the express consent of the agency. Since the wells no longer qualify as shut in wells sufficient to hold the oil and gas leases, Medallion must immediately make arrangements to properly plug and abandon them. Please be advised that regardless of the outcome of the tax sale, Medallion's obligation to properly plug and abandon these wells is not extinguished. The agency looks to Medallion to make appropriate arrangements with the Division of Oil, Gas and Mining to finalize the status of the wells and receive appropriate plugging approvals from it.

Should you have any questions, please contact me at 801-538-5197 or by email at lavonnegarrison@utah.gov.

Yours very truly,

LaVonne J. Garrison
Assistant Director/Oil & Gas

Cc: Mr. John Rogers, DOGM
Mr. Jim Davis, SITLA



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 13, 2014

Certified Mail #7011 2970 0001 8828 1832

Jake Harouny
Medallion Exploration
6965 Union Park Center #400
Cottonwood Heights, Utah 84047

29 12S 25E

DIVISION ORDER

Subject: Notice of Violation for the Seep Canyon St 19-12-25 , Atchee Ridge 16-9 #1 and Atchee St 2-29-12-25 Wells

Dear Mr. Harouny:

The Division of Oil, Gas and Mining (Division) issued Medallion Exploration (Medallion) a Notice of Violation (NOV) for the Seep Canyon St 19-12-25 (API 43-047-32660), Atchee Ridge 16-19 #1 (API 43-047-35927) and Atchee St 2-29-12-25 (API 43-047-36841) wells on May 21, 2014. The compliance deadline for the notice was June 30, 2014. To date, Medallion has not brought the subject wells into compliance.

Therefore, the Division hereby Orders Medallion to meet the NOV requirements within 30 days of the date of this Order.

Medallion has the right to appeal this Order by filing to the Board of Oil, Gas and Mining (Board) a request for review, according to procedures set forth in Utah Administrative Code R649-10-6. A review of a Division Order must be filed with the secretary to the Board, Julie Ann Carter (801) 538-5277, within 30 days of issuance of the Order.

In the event Medallion does not comply with this Order, the Division is prepared to file a Notice of Agency Action (NAA) for Commencement of Informal Adjudicative Proceedings (R649-10-3) on this matter in accordance with Oil and Gas Conservation General Rule R649-10 Administrative Procedures.



It is recommended that you contact the Division immediately upon receipt of this Order. For further assistance please contact Clinton Dworshak, Compliance Manager, at 801-538-5280 or Dustin Doucet, Petroleum Engineer, at 801-538-5281.

Sincerely,



Clinton Dworshak
Compliance Manager

CLD/js

Enclosures

cc: John Rogers, Associate Director
Dustin Doucet, Petroleum Engineer
Steve Alder, Assistant Attorney General
LaVonne Garrison, SITLA
Compliance File
Well Files

N:\O&G Reviewed Docs\ChronFile\Enforcement

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: ML47091	
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
1. TYPE OF WELL Gas Well		7. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: MEDALLION EXPLORATION		8. WELL NAME and NUMBER: ATCHEE ST 2-29-12-25	
3. ADDRESS OF OPERATOR: 6965 Union Park Center #400 , Cottonwood Heights, UT, 84047		9. API NUMBER: 43047368410000	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925 FSL 2142 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 12.0S Range: 25.0E Meridian: S		9. FIELD and POOL or WILDCAT: UNDESIGNATED	
		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 Approximate date work will start: 8/15/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
	<input type="checkbox"/> TUBING REPAIR	<input type="checkbox"/> VENT OR FLARE	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.			
<p>Replace Sundry #63357 Submitted May 18, 2015. (Well bore diagram was not included and date of work to begin changed). . . (1)- RIH to 2,674' and set CIBP 50' above top perf, pump 15 sacs (100') on top CIBP. (2)- TOH to surface pump 25 sacs cement (150') filling prod casing & annulus. (3)- Cut Casing 3' below surface and top with sakrete if needed. (4)- Weld on marker and bury 3' below surface. (5)- Level area and reseed as needed.</p>			
<p>Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY</p> <p><i>Please Review Attached Conditions of Approval</i> July 22, 2015</p>			
NAME (PLEASE PRINT) Dana Christiansen	PHONE NUMBER 801 453-3262	TITLE Field Manager	
SIGNATURE N/A	DATE 6/16/2015		



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047368410000

Please see Sundry #63357 for approved procedure. Accepting this sundry for record to include the operator provided WBD and updated date of proposed work. Please adhere to the Conditions of Approval provided with the approval of Sundry #63357.

Atchee State 2-29-12-25
Atchee Ridge Field
Uintah County, Utah
API # 043-047-36841
April 18, 2008

9-5/8", 36 #/ft., K-55 csg set at 522' RKB
Cemented to Surface

Green River 0 - 1530
Mesa Verde 1530 - 2334
Wasatch 2334 - 3970

Top of Cement 1,300'

Perfs: 2,724' - 2,732'
Perfs: 2,750' - 2,754'

Perfs: 2,854' - 2,858'

Perfs: 3,092' - 3,100'
Perfs: 3,120' - 3,126'

Perfs: 3,472' - 3,478'

2-3/8", 4.6 #/ft. tbg
@ 3,630'
095 PCP set @ 3,650'
7/8" Sucker Rods

PBTD: 4,000' RKB

Atchee

TD: 4,073' RKB

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9 5.LEASE DESIGNATION AND SERIAL NUMBER: ML47091
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.	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: 7.UNIT or CA AGREEMENT NAME:
1. TYPE OF WELL Gas Well	8. WELL NAME and NUMBER: ATCHEE ST 2-29-12-25
2. NAME OF OPERATOR: MEDALLION EXPLORATION	9. API NUMBER: 43047368410000
3. ADDRESS OF OPERATOR: 6965 Union Park Center #400 , Cottonwood Heights, UT, 84047	PHONE NUMBER: 801 453-3262
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925 FSL 2142 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 12.0S Range: 25.0E Meridian: S	9. FIELD and POOL or WILDCAT: UNDESIGNATED 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 Approximate date work will start: 8/1/2015	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	<input type="checkbox"/> TEMPORARY ABANDON
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	<input type="checkbox"/> WATER SHUTOFF	<input type="checkbox"/> SI TA STATUS EXTENSION	<input type="checkbox"/> APD EXTENSION
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width:100px;" type="text"/>

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

1. RIH to 2,674' and set CIBP 50' above top perf, pump 15 sacs (100') on top CIBP 2. TOH to surface pump 25 sacs cement (150') filling prod casing & annulus 3. Cut Casing 3' below surface and top with sakrete if needed 4. Weld on marker and bury 3' below surface 5. Level area and reseed as needed

**Approved by the
Utah Division of
Oil, Gas and Mining**

Date: July 22, 2015
By: *Dana Christiansen*

Please Review Attached Conditions of Approval

NAME (PLEASE PRINT) Dana Christiansen	PHONE NUMBER 801 453-3262	TITLE Field Manager
SIGNATURE N/A	DATE 5/18/2015	



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Sundry Conditions of Approval Well Number 43047368410000

- 1. Notify the Division at least 24 hours prior to conducting abandonment operations. Please call Dan Jarvis at 801-538-5338.**
- 2. Add Plug #2: A 100' plug (± 15 sx) shall be balanced from $\pm 1575'$ to $1475'$. This will isolate the Wasatch formation from migration uphole into other formations.**
- 3. Add Plug #3: A 100' minimum plug shall be set across the surface shoe as required by R649-3-24-3.6. This plug shall be an inside/outside plug. RIH and perforate $5 \frac{1}{2}''$ @ $550'$. Establish circulation through perfs. RIH with CICR and set at $500'$. Sting into CICR and establish circulation down the $5 \frac{1}{2}''$ casing back up the $5 \frac{1}{2}'' \times 9 \frac{5}{8}''$ annulus. M&P 35 sx cement, sting into CICR, pump 29 sx into perfs, sting out and dump 5 sx on top of CICR. This will isolate the surface casing shoe. If preferred, a single plug can be pumped from surface through perfs and back to surface (approximately 195 sx).**
- 4. Note Plug #4: This plug requires approximately 35 sx of cement to fill from 100' to surface inside the $5 \frac{1}{2}''$ casing and in the $5 \frac{1}{2}'' \times 9 \frac{5}{8}''$ casing annulus.**
- 5. All balanced plugs shall be tagged to ensure that they are at the depth specified.**
- 6. Surface reclamation shall be done in accordance with R649-3-34 - Well Site Restoration.**
- 7. All requirements in the Oil and Gas Conservation General Rule R649-3-24 shall apply.**
- 8. If there are any changes to the procedure or the wellbore configuration, notify Dustin Doucet at 801-538-5281 (of c) or 801-733-0983 (home) prior to continuing with the procedure.**
- 9. All other requirements for notice and reporting in the Oil and Gas Conservation general rules shall apply.**

Wellbore Diagram

API Well No: 43-047-36841-00-00 Permit No: Well Name/No: ATCHEE ST 2-29-12-25

Company Name: MEDALLION EXPLORATION

Location: Sec: 29 T: 12S R: 25E Spot: NWSE

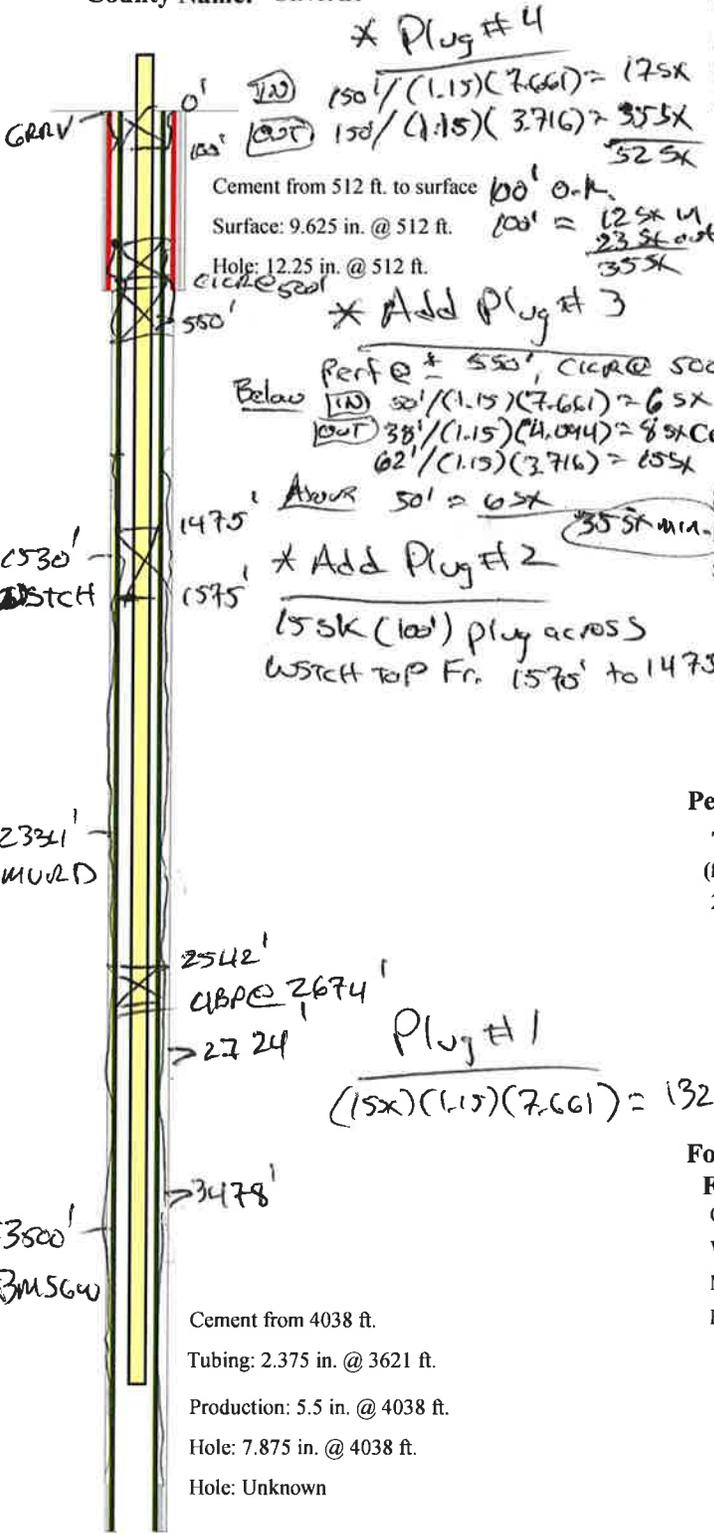
Coordinates: X: 659344 Y: 4401044

Field Name: UNDESIGNATED

County Name: UINTAH

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (f/ft)
HOL1	512	12.25			
SURF	512	9.625	36	512	
HOL2	4038	7.875			
PROD	4038	5.5	17	4038	7.061
TI	3621	2.375			



Cement from 512 ft. to surface

Surface: 9.625 in. @ 512 ft.

Hole: 12.25 in. @ 512 ft.

Circ @ 500'

Perf @ 550', Circ @ 500'

Below $100' / (1.15) (7.661) = 65X$

$38' / (1.15) (4.094) = 85X$

$62' / (1.15) (3.716) = 155X$

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
PROD	4038	1195	G	400
SURF	512	0	G	225

Perforation Information

Top (ft sub)	Bottom (ft sub)	Shts/Ft	No Shts	Dt Squeeze
2724	3478			

Formation Information

Formation	Depth
GRRV	0
WSTC	1530
MVRD	2334
BMSW	3500

Cement from 4038 ft.

Tubing: 2.375 in. @ 3621 ft.

Production: 5.5 in. @ 4038 ft.

Hole: 7.875 in. @ 4038 ft.

Hole: Unknown

TD: 4073 TVD: 4073 PBD:

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.	
1. TYPE OF WELL Gas Well	5. LEASE DESIGNATION AND SERIAL NUMBER: ML47091
2. NAME OF OPERATOR: MEDALLION EXPLORATION	6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 6965 Union Park Center #400 , Cottonwood Heights, UT, 84047	7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925 FSL 2142 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 12.0S Range: 25.0E Meridian: S	8. WELL NAME and NUMBER: ATCHEE ST 2-29-12-25
PHONE NUMBER: 801 453-3262	9. API NUMBER: 43047368410000
9. FIELD and POOL or WILDCAT: UNDESIGNATED	COUNTY: Uintah
	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 Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 7/22/2016	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> OPERATOR CHANGE	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> PLUG BACK
	<input type="checkbox"/> PRODUCTION START OR RESUME	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

1- L/D 3630' 7/8" rods. 2- POOH w/tbg and pump assembly. 3- RIH w/ 5.5" csg scrapper, circulate well w/ corrosion chemical, TOO H with tbg. RIH w/ 5.5" CIBP. 4- Set 5.5" CIBP @ 2663', 61' above top perms. Tested csg to 700 psi, failed test. 5- Pump plug #1 15 sx , 15.8 ppg cmt plug on CIBP, WOC tag cmt @ 2614', 49', repeat plug, WOC, tag plug @ 2478'. Plug #1 f/2663' to 2478', 185'. 6- Pump plug #2, 15 sx, 15.8 ppg balanced plug, f/1575' to 1447', 128', WOC, tag plug to confirm TOO H to shoot 4 shot perf for CICR @ 550', TIH w/ CICR to 493', set CICR and test csg to 600 psi, test good. 7- Pump plug #3, 35 sx, 29 sxs below and 6 sxs above CICR f/550' to 441', 109', L/D tbg. 8- Cut off wellhead. 9- P/U 100' 1" pipe, pump 25 sx 15.8 ppg cmt in 9.625" x 5.5" annulus to surface and 15 sx 15.8 ppg plug in 5.5" csg to surface. 10- Install monument style dry hole marker. All cementing was done with class G cement. Dates on well 7-18 to 7-22

**Accepted by the
 Utah Division of
 Oil, Gas and Mining
 FOR RECORD ONLY
 September 22, 2016**

NAME (PLEASE PRINT) Dana Christiansen	PHONE NUMBER 801 453-3262	TITLE Field Manager
SIGNATURE N/A	DATE 9/10/2016	

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING	FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS	
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PHONE NUMBER: 801 453-3262	8. WELL NAME and NUMBER: ATCHEE ST 2-29-12-25
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1925 FSL 2142 FEL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSE Section: 29 Township: 12.0S Range: 25.0E Meridian: S	9. API NUMBER: 43047368410000
	9. FIELD and POOL or WILDCAT: UNDESIGNATED
	COUNTY: UINTAH
	STATE: UTAH

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TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> CASING REPAIR
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 9/20/2016	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> CHANGE WELL NAME
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> CONVERT WELL TYPE
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	<input type="checkbox"/> WILDCAT WELL DETERMINATION	<input checked="" type="checkbox"/> OTHER	OTHER: <input style="width: 100px;" type="text"/>

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

Recompletion of this well in the Neslon coals was canceled and not done.

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY
 September 22, 2016

NAME (PLEASE PRINT) Dana Christiansen	PHONE NUMBER 801 453-3262	TITLE Field Manager
SIGNATURE N/A	DATE 9/20/2016	