Form 3160-3
(April 2004)

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

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR REENTER

5. Lease Serial No.: UTU76293

6. If Indian, Allottee or Tribe Name:

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

1a. Type of Work: [X] DRILL [ ] REENTER

1b. Type of Well: [ ] Oil Well [X] Gas Well [ ] Other [✓] Single Zone [ ] Multiple Zone

8. Lease Name and Well No.: Atchee Federal 11-27-12-25

2. Name of Operator: MEDALLION EXPLORATION

9. API Well No.: 43-047-37192

3a. Address: 6985 Union Park Center, Ste. 375 Midvale UT 84047

3b. Phone No. *(include area code)*: 801-566-7400

10. Field and Pool, or Exploratory: Wildcat

4. Location of well *(Report location clearly and In accordance with any State requirements.*)*
At surface: NWNW 1203' FNL & 782' FWL 661886X 39.749992 4401507Y -109.110465
At proposed prod. zone

11. Sec., T., R., M., or Blk. And Survey or Area: Sec. 27 T.12S R25E

14. Distance in miles and direction from the nearest town or post office*: 74.3 Miles South of Vernal, Utah

12. County or Parish: ~~Sheridan~~ Uintah

13. State: Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. unit line, if any)	16. No. of acres in lease	17. Spacing Unit dedicated to this well
782'	2560	160 acres
18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft.	**19. Proposed Depth**	**20. BLM/ BIA Bond No. on file**
NA	4500'	UTB000021
21. Elevations (Show whether DF. RT, GR, etc.)	**22. Aproximate date work will start***	**23. Estimated duration**
6811' GL	Upon Approval	10 days

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1 shall be attached to this form:

1. Well plat certified by a registered surveyor.
2. A Drilling Plan.
3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
4. Bond to cover the operations unless covered by existing bond on file(see item 20 above).
5. Operator certification.
6. Such other site specific information and/ or plans as may be required by the a authorized officer.

25. Signature	Name *(Printed/ Typed)*	Date
	RaSchelle Richens	25-Sep-05
Title: Permit Specialist		

Approved By (Signature)	Name *(Printed/ Typed)*	Date
	BRADLEY G. HILL	10-26-05
Title	Office: ENVIRONMENTAL SCIENTIST III	

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to cc operations thereon.
Conditions of approval, if any, are attached.

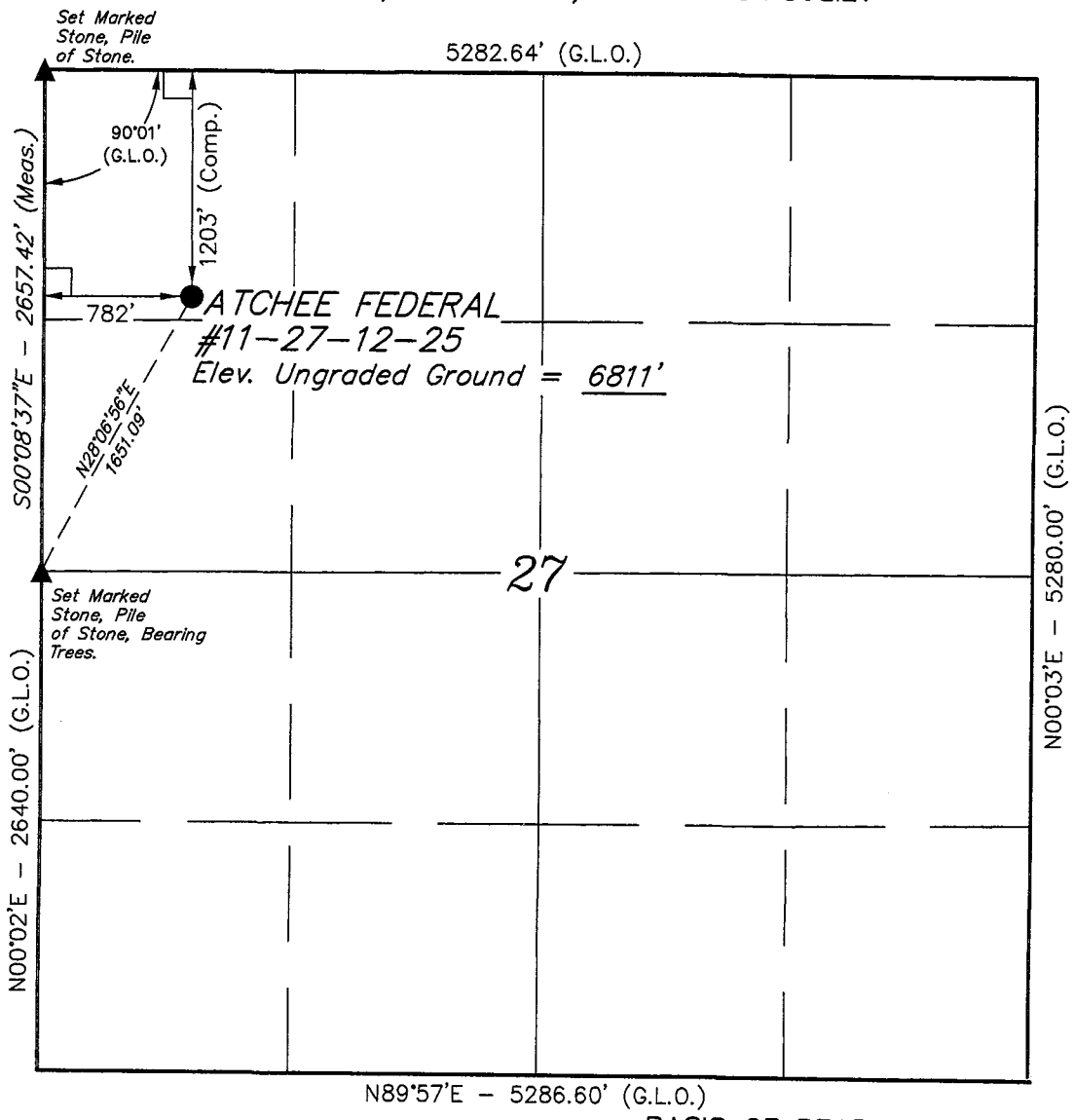
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the Unite States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

* *(Instructions on page 2)*

Federal Approval of this Action is Necessary

RECEIVED
SEP 29 2005
DIV. OF OIL, GAS & MINING

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



LEGEND:

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

BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)

LATITUDE = 39°45'01.10" (39.750306)

LONGITUDE = 109°06'40.10" (109.111139)

(AUTONOMOUS NAD 27)

LATITUDE = 39°45'01.21" (39.750336)

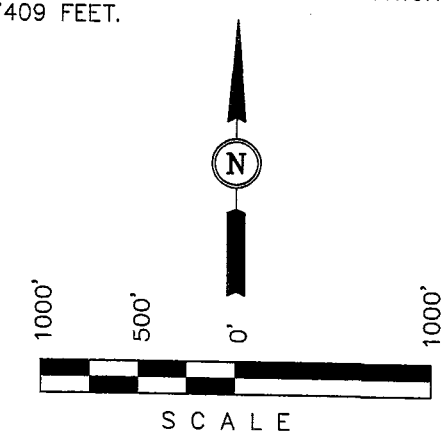
LONGITUDE = 109°06'37.71" (109.110475)

MEDALLION EXPLORATION

Well location, ATCHEE FEDERAL #11-27-12-25, located as shown in the NW 1/4 NW 1/4 of Section 27, T12S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT A ROAD INTERSECTION IN THE NW 1/4 OF SECTION 16, T13S, R25E, S.L.B.&M. TAKEN FROM THE BURNT TIMBER CANYON QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 7409 FEET.



CERTIFICATE

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

REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE: 1" = 1000'	DATE SURVEYED: 05-13-05	DATE DRAWN: 05-18-05
PARTY: A.F. Z.G. L.K.	REFERENCES: G.L.O. PLAT	
WEATHER: COOL	FILE: MEDALLION EXPLORATION	

Onshore Order No. 1
MEDALLION EXPLORATION
Atchee Federal 11-27-12-25
NW1/4NW1/4 Sec. 11, T12S, R25E
Uintah County, Utah

LEASE NO. UTU76293
DRILLING PLAN

ONSHORE OIL & GAS ORDER NO. 1
Approval of Operations on Onshore
Federal and Indian Oil and Gas Leases

All Lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operationss. 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:**

Formation	Depth	Subsea
Green River	Surface	+6739'
Wasatch	1552'	+5187'
Mesa Verde	2422'	+4317'
T.D	4000'	+2739'

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

Substance	Formation	Depth
Gas	Wasatch	1552'
Gas	Mesa Verde	2422'
Water	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 in 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

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 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 performed. 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 will be as follows:

Purpose	Depth	Hole Size	O.D.	Wt.	Grade	Type	New or Used
Surface	0-450'	12-1/4"	9-5/8"	36#	K-55	ST&C	New
Production	0-4500'	7-7/8"	5-1/2"	17#	J-55	LT&C	New

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	**Type and Amount**
0-450'	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, +6lbs/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 BLM 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 District Manager within30 days after the work is completed.

1. Progress reports, Form 3160-5 (formerly 9-331) "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.

5. Mud Program:

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

Interval	Mud Type	Mud Wt.	Visc.	F/L	PH
0-450'	Native	8.4-8.8	N/A	NC	9.0
0-4500'	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.

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 consists of a Phaser Induction and Compensated Neutron Density from T.D. to base of surface casing.

c. Core samples will be taken of the Lower Mesa Verde.

d. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted no later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample

description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the authorized officer (AO).

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 BLM in Vernal 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 Bureau of Land Management shall be notified, during regular work hours (7:45 a.m. - 4:30 p.m., Monday through Friday with the exception of holidays), at least 24 hours prior to spudding the well.

d. Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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 AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

h. The spud date will be reported orally to the AO 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 Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6 "Monthly Report of Operations", 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 Vernal BLM District Office, 170 South 500 East, Vernal, UT 84078.

j. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revisions.

k. If a replacement rig is contemplated for completion operations, a "Sundry Notice" Form 3160-5 to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

l. Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written 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 District Engineer.

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

District Engineer 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.

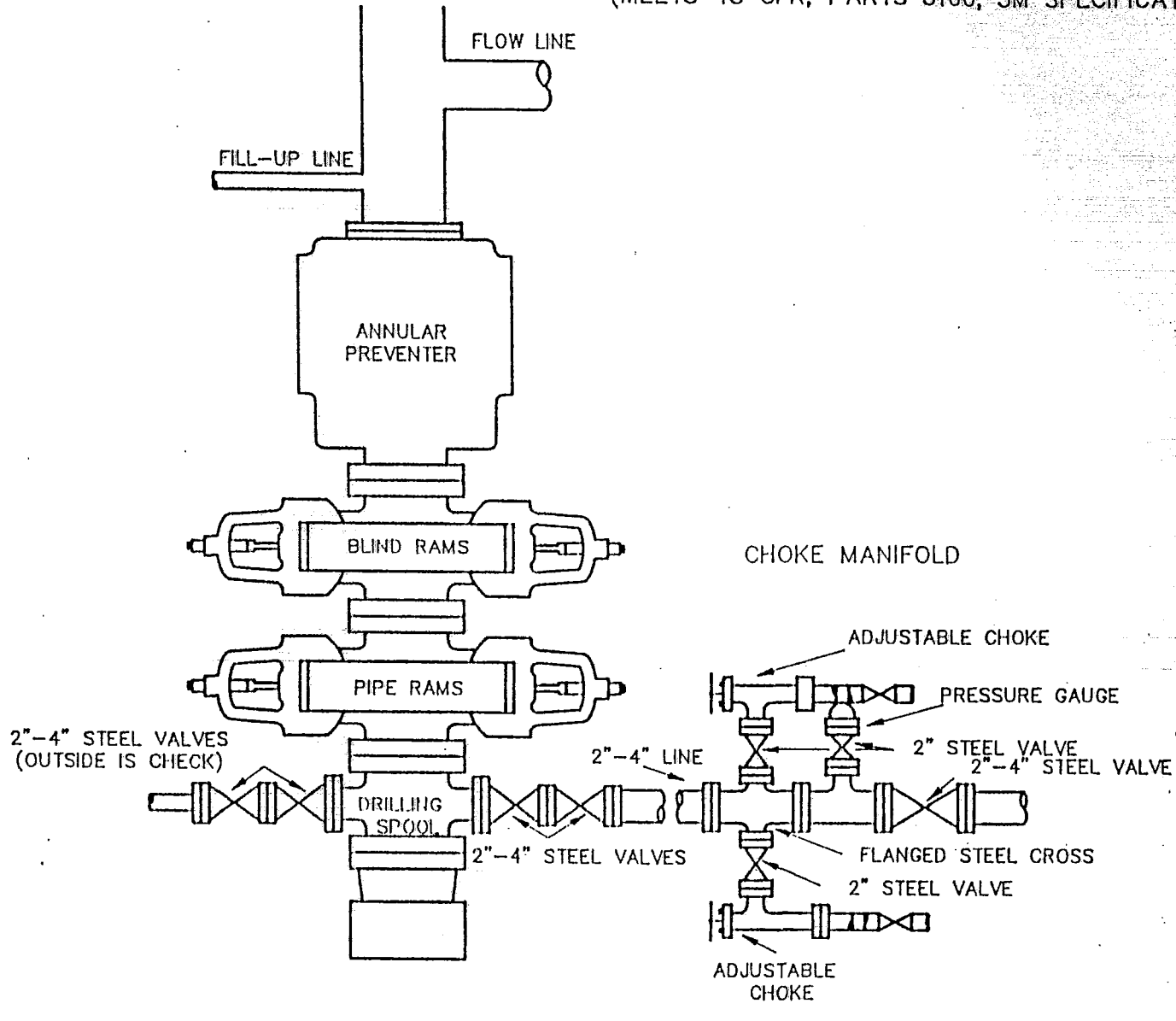
p. A first production conference will be scheduled within 15 days after receipt of the first production notice.

q. No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5 will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

r. Pursuant to Onshore Oil and Gas Order No. 1, 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 Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

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)



ONSHORE ORDER NO. 1
Medallion Exploration
Atchee Federal #11-27-12-25
NWNW SEC. 27, T12S, R25E S.L.B. & M.
Uintah County, Utah

LEASE NO. UTU 76293
SURFACE USE PLAN

ONSHORE OIL & GAS ORDER NO. 1

NOTIFICATION REQUIREMENTS

Location Construction - forty-eight (48) hours prior to construction of location and access roads.

Location Completion - prior to moving on the drilling rig.

Spud Notice - at least twenty-four (24) hours prior to spudding the well.

Casing string and Cementing - twenty-four (24) hours prior to running casing and cementing all casing strings.

BOP and Related – Equipment Tests - twenty-four (24) hours prior to initiating pressure tests.

First Production – Notice - within five (5) business days after new well begins or production resumes after well has been off production for more than ninety (90) days.

1. **Existing Roads**

a. The proposed well site is located approximately 74.3 miles south of Vernal, Utah.

b. Directions to the location from Vernal, Utah are as follows:
Proceed in an easterly, then southerly direction from Vernal, Utah along U.S. highway 40 approximately 3.9 miles to the junction of state highway 45; exit right and proceed in a southerly direction approximately 36.1 miles to Bonanza; Proceed on paved state highway 45 in a southerly direction approximately 5.4 miles to the junction of this road and gravel state highway 45 to the southeast; turn left and proceed in a southeasterly direction approximately 3.8 miles to the junction of this road and an existing road to the southwest; turn right and proceed in a southwesterly direction approximately 8.4 miles to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction approximately 1.4 miles to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction approximately 3.6 miles to the junction of this road and an existing road to the southeast; turn left and proceed in a southeasterly direction approximately 7.5 miles to the junction of this road and an existing road to the north east; turn left and proceed in a northeasterly, direction approximately 4.2 miles to the beginning of the proposed access to the northwest; follow road flags in a northwesterly direction approximately 40' to 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.

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 41' of new construction will be required as shown on Map B.

b. The maximum grade of the new construction will be approximately 5%.

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.

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 (10YR613). 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.

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 (Form 3160-5)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 Vernal District 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 43 CFR 3162.7 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 District Manager.

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

a. All water needed for drilling purposes will be obtained from Evacuation Creek and White River. 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 Federal land.

7. Methods of Handling Waste Disposal

a. The reserve pit will be constructed so as not to leak, break, or allow discharge. If fractured rock is encountered, a 12 mil plastic nylon reinforced liner will be utilized. The pit will be first lied 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 AO. If a pit liner is deemed to be unnecessary, the pit must be inspected by a representative of the Bureau of Land Management 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 sight.

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 BLM Office forty-eight (48) hours prior to construction of activities.

b. The reserve pit will be located on the north side of the location.

c. The flare pit will be located downwind of the prevailing wind direction on the northwest 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 southwest corner of the location between points B & C and the west side between points 6 and 4.

e. Access to the well pad will be from the north between points 8 and 9.

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 shown on the location layout.

h. During construction, all brush will be removed from the well pad and access road and stockpiled separately from the topsoil.

i. All pits will be fenced 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).

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.

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 AO.

The seed mixture for reclamation work will be a sight specific mixture as recommended by the authorized officer of the BLM 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

At such time as the well is plugged and abandoned, the operator shall submit a subsequent report of abandonment and BLM 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 Federal lands

12. Other Information

a. A Class III archeological survey was conducted by Montgomery Archaelogical Consultants. No cultural resources were found and clearance has been recommended. A copy of this is attached.

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 authorized officer (AO). Within five working days the AO will inform the Operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (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 Federal Lands after the conclusion of drilling operations

or at any other time without BLM 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.

g. There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells whether drilling, producing, suspended or abandoned will be identified in accordance with 43 CFR 3162.

h. "Sundry Notice and Report on Wells" (3160-5) 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 BLM Office 48 hours prior to construction activities.

k. The BLM 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 the following individual.

12. **Lessee's or Operator's Representative and Certification**

Permit Matters
RaSchelle Richens
6985 Union Park Center, Ste. 375
Midvale, Utah 84047
801-566-7400 Office
801-566-7477 Fax
801-699-1729 Cell

Drilling Matters
Michael Dudley
1614 S. 2000 W.
Roosevelt, Utah 84066
435-725-8900 Office
435-725-8901 Fax
435-823-0316 Cell

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 the filing of a false statement.

I hereby certify that Medallion Exploration is authorized by the proper lease interest owners to conduct operations associated with this application. Bond coverage pursuant to 43 CFR3104 for lease activities is being provided by Medallion Exploration BLM Bond:UTB000021

RaSchelle Richens - Permitting

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

Todd B. Seacat
Keith Montgomery
Kate Freudenberg

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By:

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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.

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

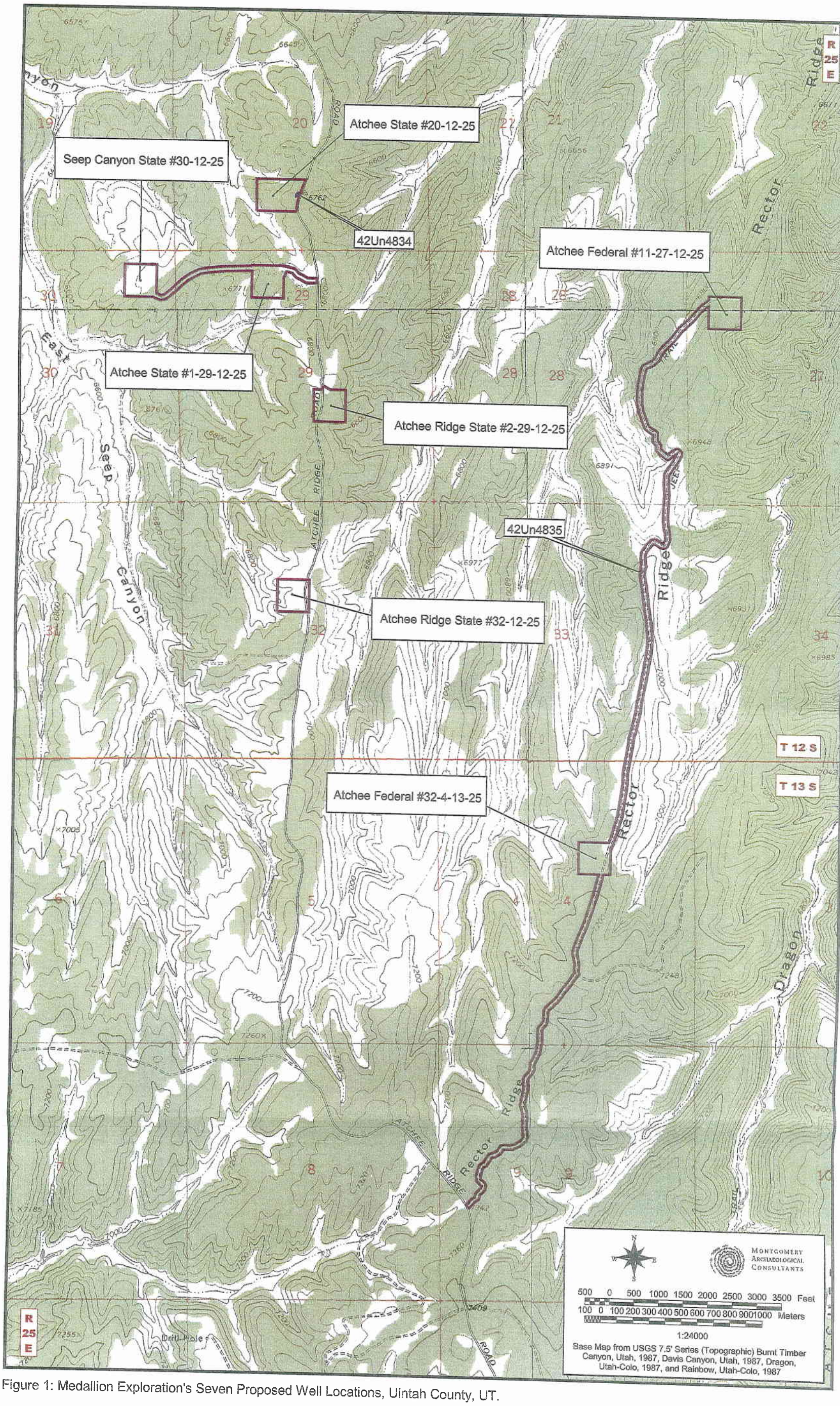

Figure 1: Medallion Exploration's Seven Proposed Well Locations, Uintah County, UT.

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

Smithsonian Site No.:	42Un4834
Temporary Site No.:	05-215-01
Site Type:	Trash Scatter
Cultural Affiliation:	European American
Size:	714 sq. meters (40x28m)
Land Status:	SITLA
NRHP Eligibility:	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 that 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

MOAC# 05-216

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.

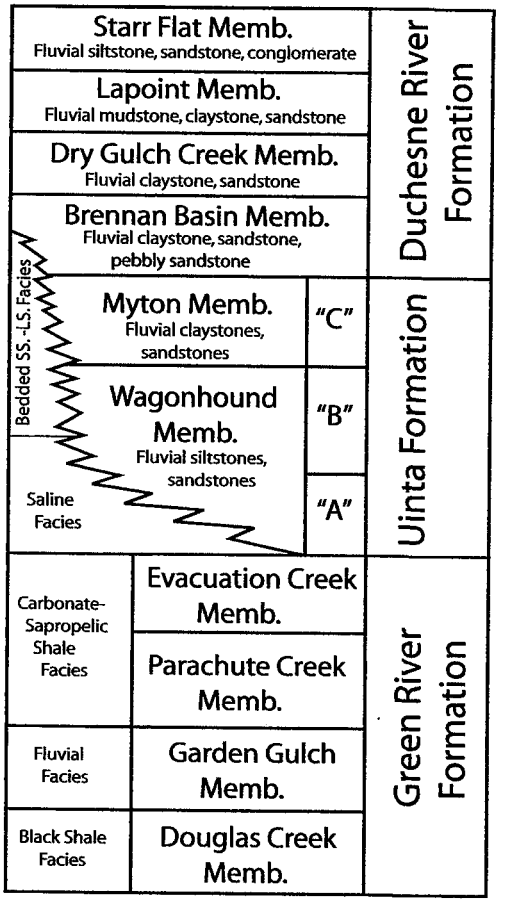


Table 1. Uinta Basin stratigraphy

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).

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.

"Atchee Ridge State #**2-29-12-25**" (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. Condition 3.
"Seep Canyon State #**30-12-25**" (Sec. 29 & 30, T 12 S, R 25 E)	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.	No fossils were found. Condition 3.
"Atchee Ridge State #**32-12-25**" (Sec. 32, T 12 S, R 25 E)	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.	A few isolated flecks of plant debris were observed in the shale, but no other fossils were found. Condition 3.
"Atchee Federal #**32-4-13-25**" (Sec. 4, T 13 S, R 25 E)	The area is soil-covered with sandstone residuum littering the ground. Tall brush and pinion pines vegetate the area.	No fossils were found. Condition 3.
"Atchee Federal #**32-17-13-25**" (Sec. 17, T 13 S, R 25 E)	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. Condition 3.

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.

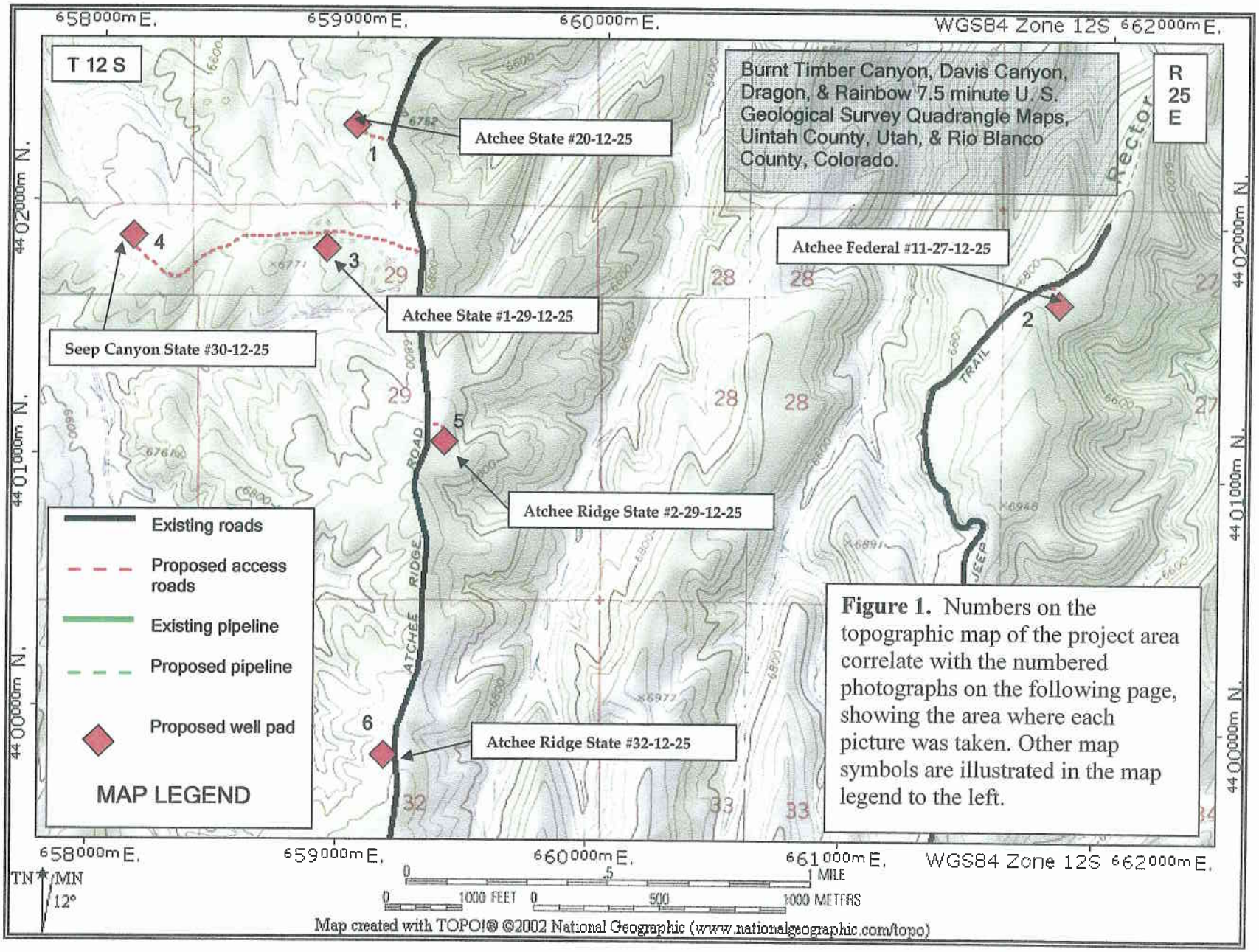
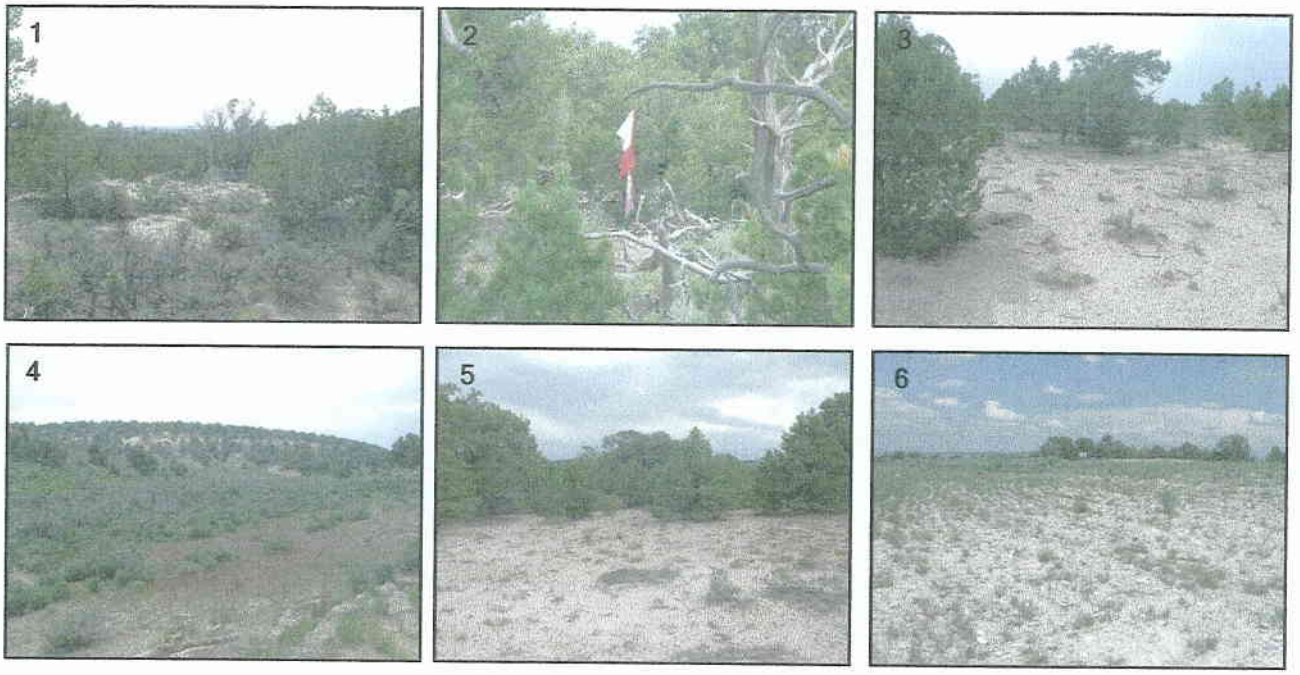


Figure 1. Numbers on the topographic map of the project area correlate with the numbered photographs on the following page, showing the area where each picture was taken. Other map symbols are illustrated in the map legend to the left.

Figure 1.



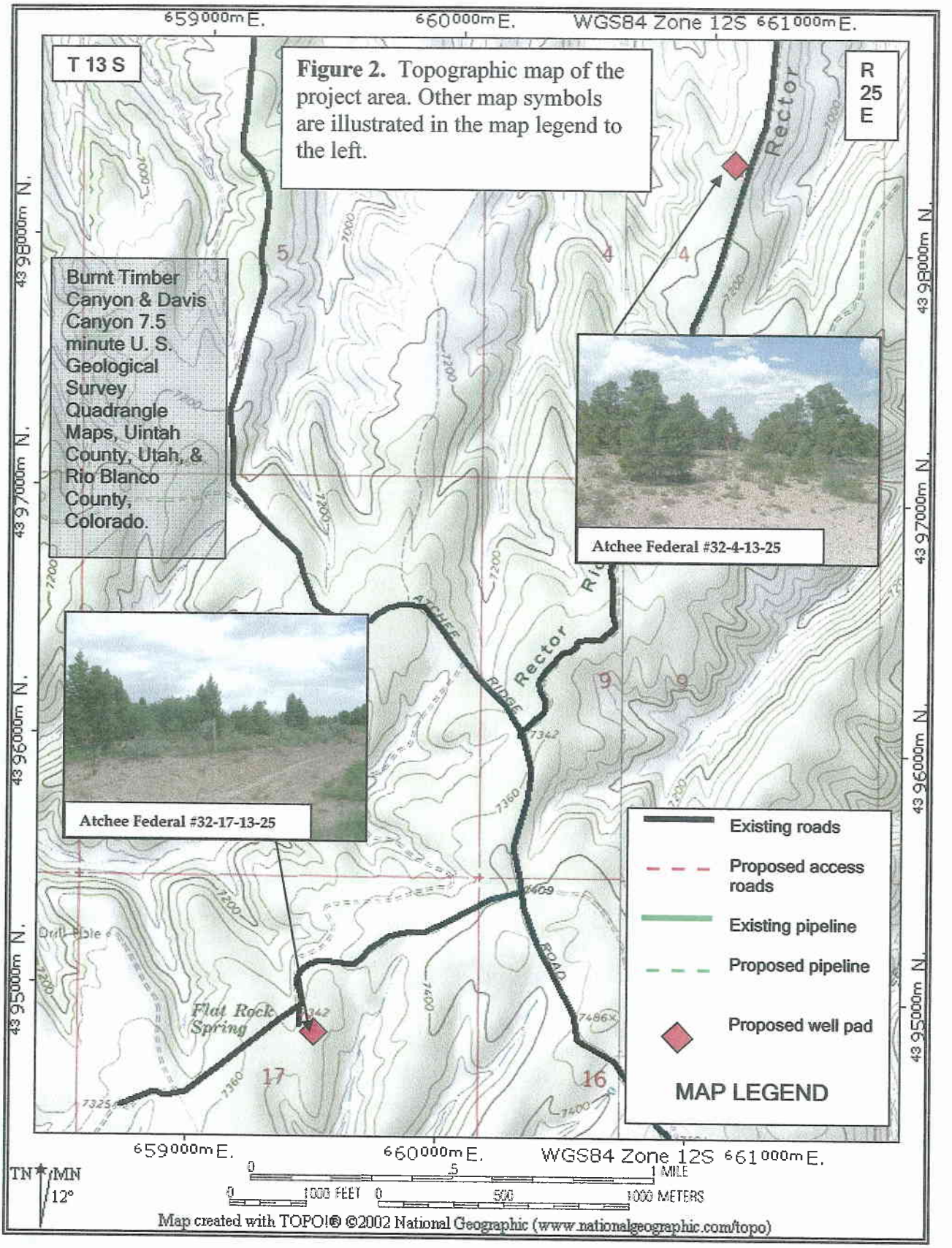


Figure 2. Topographic map of the project area. Other map symbols are illustrated in the map legend to the left.

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MEDALLION EXPLORATION
ATCHEE FEDERAL #11-27-12-25
LOCATED IN UINTAH COUNTY, UTAH
SECTION 27, T12S, R25E, S.L.B.&M.

PHOTO: VIEW FROM LOCATION STAKE TO CORNER #1 **CAMERA ANGLE: NORTHEASTERLY**

PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS **CAMERA ANGLE: EASTERLY**

- Since 1964 -
Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

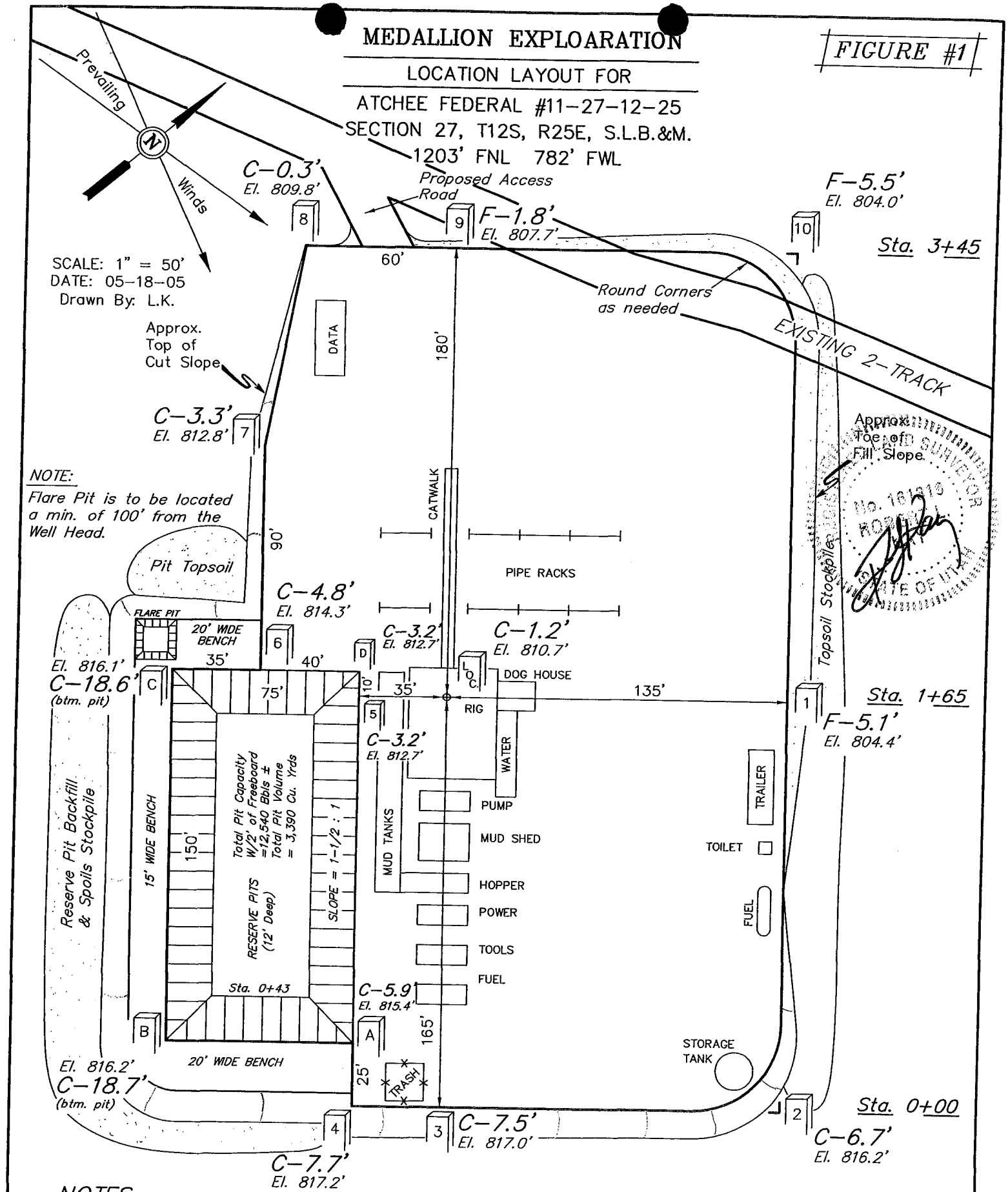
LOCATION PHOTOS	05 MONTH	26 DAY	05 YEAR	PHOTO
TAKEN BY: A.F.	DRAWN BY: S.L.	REVISED: 00-00-00		

MEDALLION EXPLOARATION

LOCATION LAYOUT FOR

ATCHEE FEDERAL #11-27-12-25
SECTION 27, T12S, R25E, S.L.B.&M.
1203' FNL 782' FWL

FIGURE #1



NOTES:

Elev. Ungraded Ground At Loc. Stake = 6810.7'

FINISHED GRADE ELEV. AT LOC. STAKE = 6809.5'

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

MEDALLION EXPLOARATION

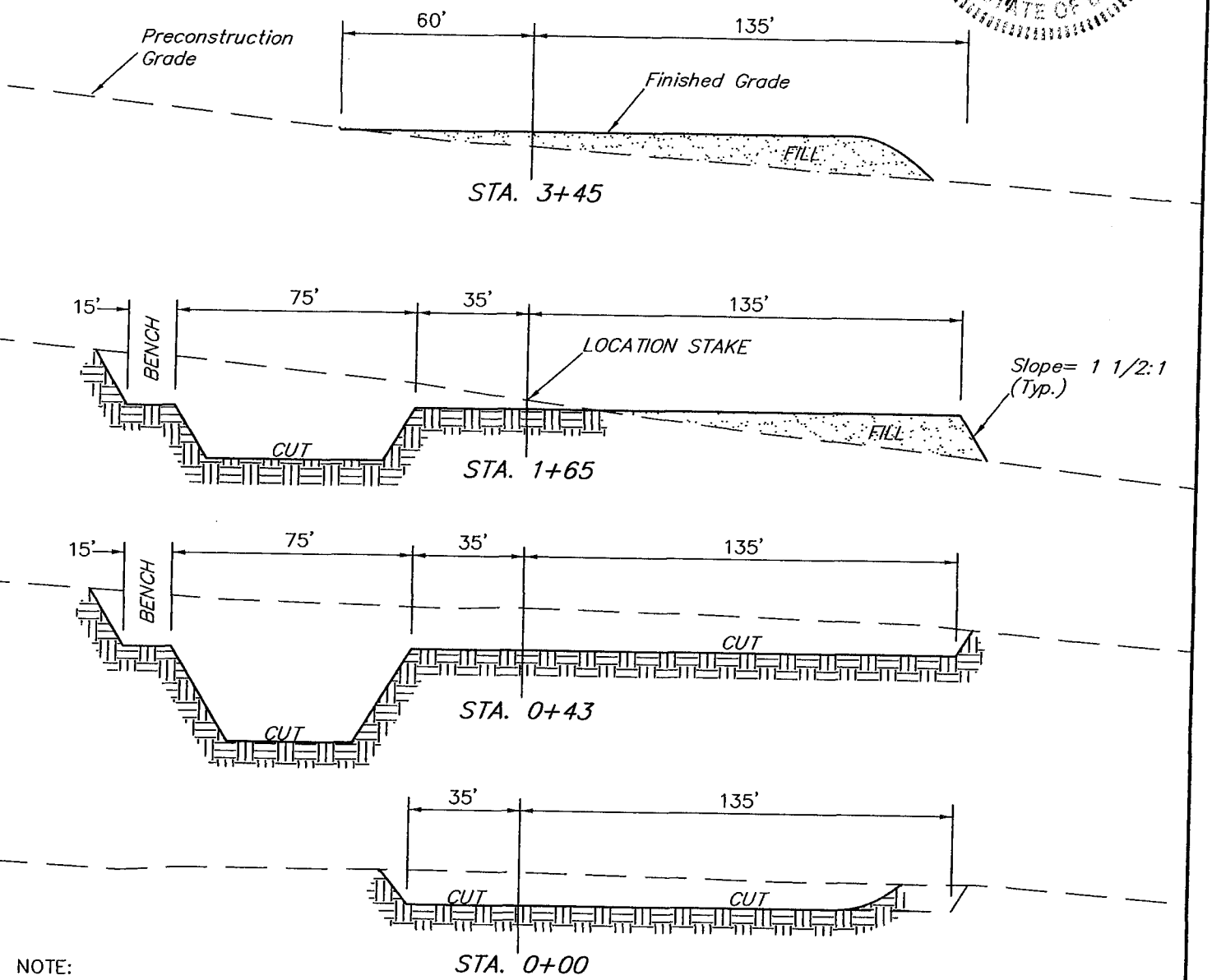
TYPICAL CROSS SECTIONS FOR

ATCHEE FEDERAL #11-27-12-25
SECTION 27, T12S, R25E, S.L.B.&M.
1203' FNL 782' FWL

FIGURE #2

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

DATE: 05-18-05
Drawn By: L.K.



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

* NOTE:
FILL QUANTITY INCLUDES 5% FOR COMPACTION

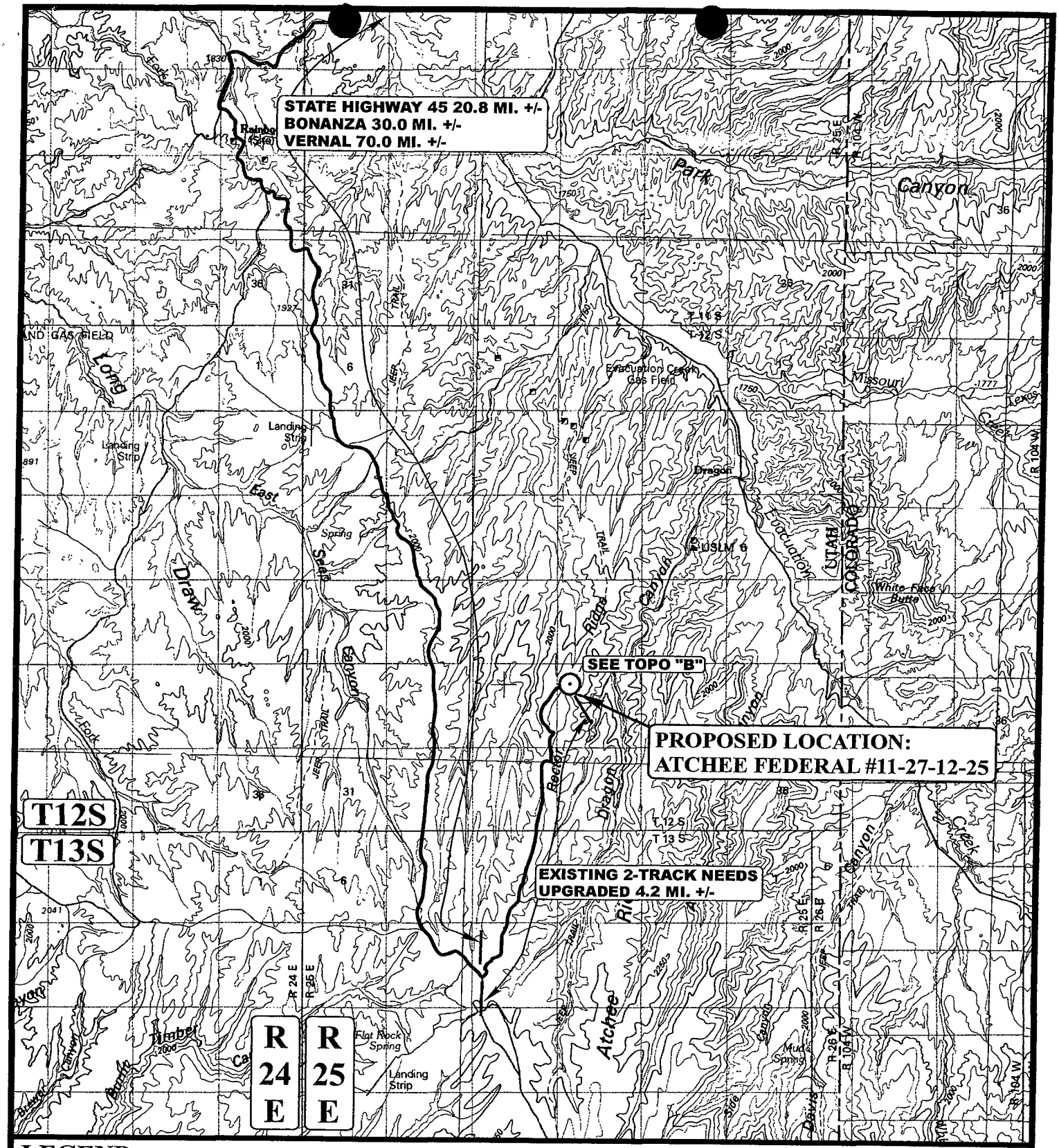
APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,720 Cu. Yds.
Remaining Location = 10,120 Cu. Yds.

TOTAL CUT = 11,840 CU.YDS.
FILL = 3,930 CU.YDS.

EXCESS MATERIAL = 7,910 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,420 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation) = 4,490 Cu. Yds.

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



LEGEND:

⊙ PROPOSED LOCATION

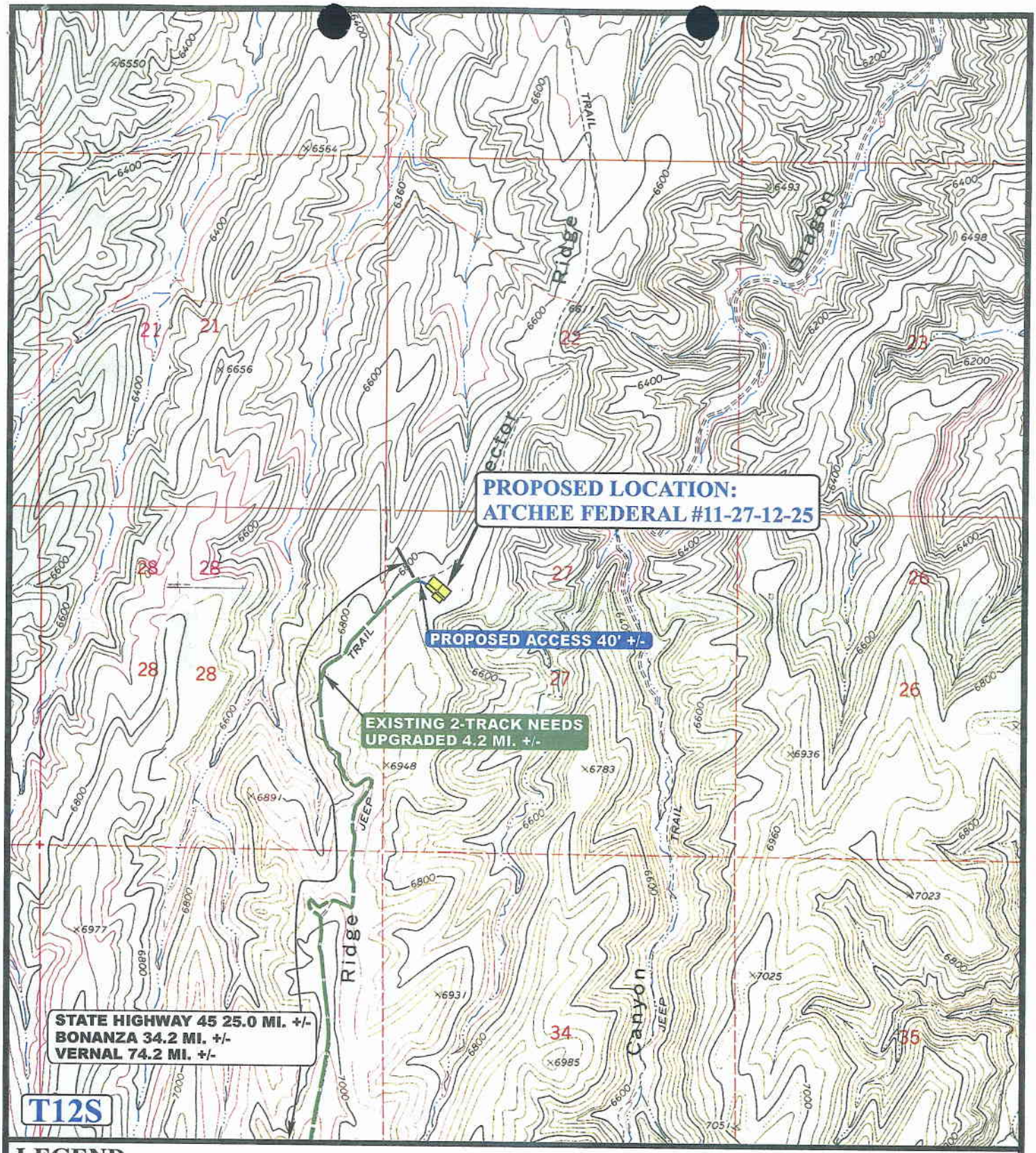
N

MEDALLION EXPLORATION

ATCHEE FEDERAL #11-27-12-25
SECTION 27, T12S, R25E, S.L.B.&.M.
1203' FNL 782' FWL

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

TOPOGRAPHIC MAP	05 MONTH	26 DAY	05 YEAR	A TOPO
SCALE: 1:100,000	DRAWN BY: S.L.	REVISED: 00-00-00		



LEGEND:

EXISTING ROAD

PROPOSED ACCESS ROAD

EXISTING 2-TRACK NEEDS UPGRADED

N

MEDALLION EXPLORATION

ATCHEE FEDERAL #11-27-12-25
SECTION 27, T12S, R25E, S.L.B.&.M.
1203' FNL 782' FWL

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

TOPOGRAPHIC MAP	05 MONTH	26 DAY	05 YEAR	B TOPO
SCALE: 1" = 2000'	DRAWN BY: S.L.	REVISED: 00-00-00		

TEMPORARY APPLICATION TO APPROPRIATE WATER

Rec. by BMW
Fee Paid $75.00 ck 09804
Receipt # 04-03520

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 N¼ 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-WEST¼ NW NE SW SE	NORTH-EAST¼ NW NE SW SE	SOUTH-WEST¼ NW NE SW SE	SOUTH-EAST¼ NW NE SW SE
SL	10S	22E		Entire TOWNSHIP			
SL	10S	23E		Entire TOWNSHIP			
SL	11S	22E		Entire TOWNSHIP			
SL	11S	23E		Entire TOWNSHIP			

WORKSHEET

APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/29/2005

API NO. ASSIGNED: 43-047-37192

WELL NAME: ATCHEE FED 11-27-12-25

OPERATOR: MEDALLION EXPLORATION (N5050)

CONTACT: RASCHELLE RICHENS

PHONE NUMBER: 801-566-7400

PROPOSED LOCATION:

NWNW 27 120S 250E

SURFACE: 1203 FNL 0782 FWL

BOTTOM: 1203 FNL 0782 FWL

UINTAH

WILDCAT (1)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU76293

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MVRD

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.74999

LONGITUDE: -109.1105

RECEIVED AND/OR REVIEWED:

✓ Plat

✓ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. UTB000021)

N Potash (Y/N)

N Oil Shale 190-5 (B) or 190-3 or 190-13

✓ Water Permit
(No. 49-2184)

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

N/A Fee Surf Agreement (Y/N)

N/A Intent to Commingle (Y/N)

LOCATION AND SITING:

___ R649-2-3.

Unit

___ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells

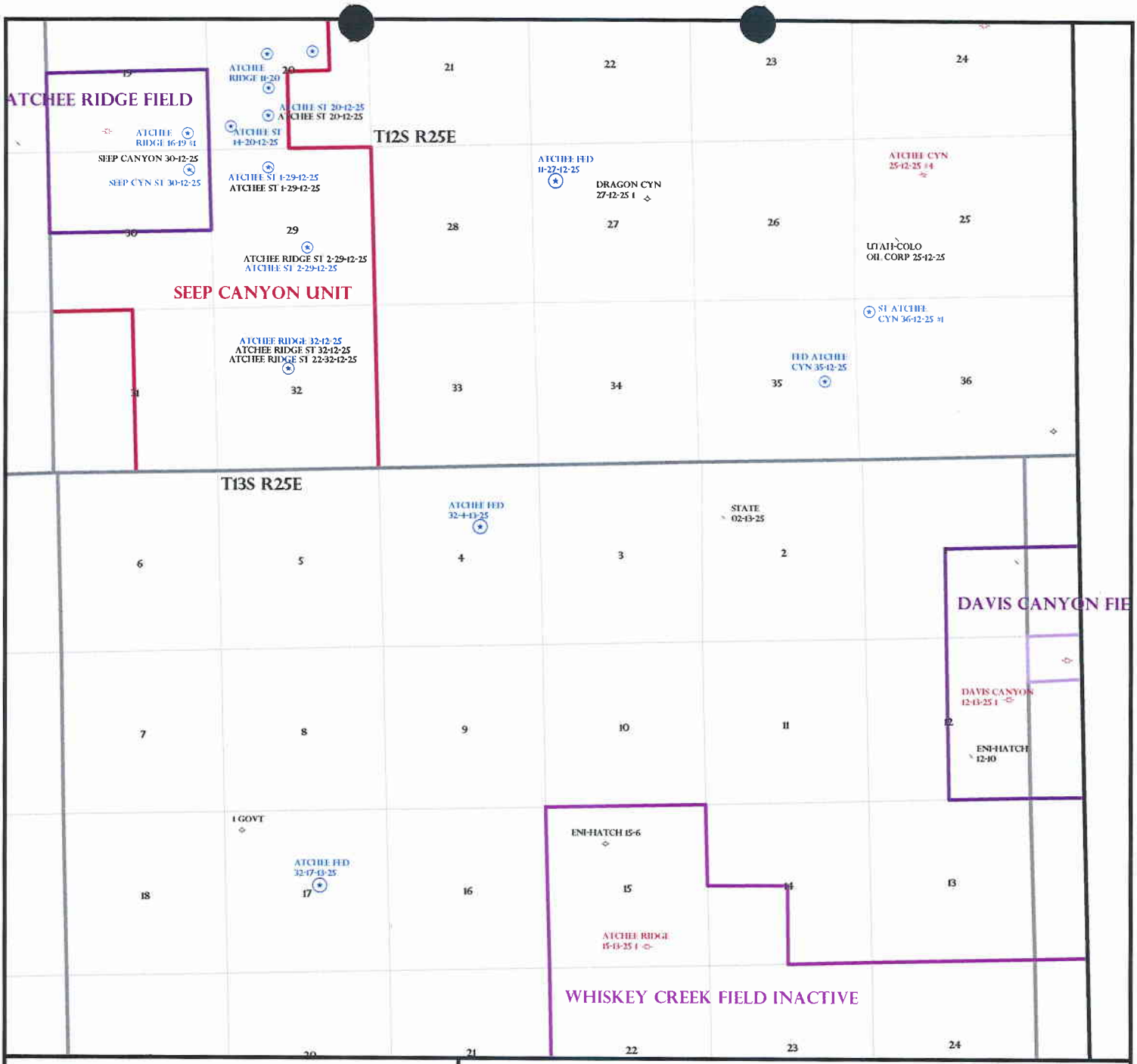
✓ R649-3-3. Exception

___ Drilling Unit
Board Cause No:
Eff Date:
Siting:

___ R649-3-11. Directional Drill

COMMENTS:

STIPULATIONS: 1- Federal Approval
2- Spacing Slip



OPERATOR: MEDALLION EXPL (N5050)

SEC: 27 T. 12S R. 25E

FIELD: WILDCAT (001)

COUNTY: UINTAH

SPACING: R649-3-3 / EXCEPTION LOCATION

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

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

Wells Status
- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING

Utah Oil Gas and Mining

N W E S

PREPARED BY: DIANA WHITNEY
DATE: 29-SEPTEMBER-2005

MEDALLION
EXPLORATION

October 26, 2005

Utah Division of Oil, Gas & Mining
Attn: Diana Whitney
1594 W. North Temple Ste. 1210
Salt Lake City, Utah 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3. The Atchee Federal 11-27-12-25 is an exception to this rule due to topography and the location of the well.

There are no additional lease owners with 460' of the proposed location. If you have any questions, please contact me at 801-566-7400 or rrichens@m-exp.com . Thank you for your help.

Sincerely,

RaSchelle Richens
Permit Specialist

6985 Union Park Center
Suite 375
Midvale, UT 84047
(801) 566-7400
(801) 566-7477 fax

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 26, 2005

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

Re: Atchee Federal 11-27-12-25 Well, 1203' FNL, 782' FWL, NW NW, Sec. 27, 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.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby 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 43-047-37192.

Sincerely,

Gil Hunt
Associate Director

mf
Enclosures

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

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

Operator: Medallion Exploration

Well Name & Number Atchee Federal 11-27-12-25

API Number: 43-047-37192

Lease: UTU76293

Location: NW NW **Sec.** 27 **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

   Notify the Division within 24 hours of spudding the well.

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

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

   - Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

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

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

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

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
http://www.blm.gov/utah/vernal

TAKE PRIDE IN AMERICA

IN REPLY REFER TO:
3160
UT08300

February 7, 2006

RaSchelle Richens
Medallion Exploration
6985 Union Park Center, Suite 375
Midvale, Utah 84047

Re: Wells: Atchee Federal 11-27-12-25
NWNW, Sec. 27, T12S, R25E
Lease No. UTU-76293
Atchee Federal 32-4-13-25
SWNE, Sec. 4, T13S, R25E
Lease No. UTU-74874
Uintah County, Utah

Dear Ms. Richens:

The Applications for Permit to Drill the above-referenced wells are being returned unapproved. The Atchee Federal 11-27-12-25 will need to be moved due to an Archaeological Site, and the Atchee Federal 32-4-13-25 because Applicant Committed Measures were not addressed in the permit.

If you have any questions concerning this matter, please contact Melissa Hawk at (435) 781-4476.

Sincerely,

Leslie Wilcken

Leslie Wilcken
Land Law Examiner

cc: UDOGM

RECEIVED
FEB 13 2006
DIV. OF OIL, GAS & MINING

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

February 14, 2006

RaSchelle Richens
Medallion Exploration
6985 Union Park Center, Suite 375
Midvale, Utah 84047

Re: APD Rescinded –Atchee Fed 11-27-12-55 Sec. 27, T. 12S R. 25E
Uintah County, Utah API No. 43-047-37192

Dear Ms. Richens:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 26, 2005. On February 13, 2006 the Division received a letter from the Bureau of Land Management (BLM), which states that the permit filed with the BLM is being returned. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 13, 2006.

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

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

Sincerely,

Diana Whitney
Engineering Technician

cc: Well File
Bureau of Land Management, Vernal

1594 West North Temple, Suite 1210, PO Box 145801, Salt Lake City, UT 84114-5801
telephone (801) 538-5340 • facsimile (801) 359-3940 • TTY (801) 538-7458 • *www.ogm.utah.gov*

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078
http://www.blm.gov/ut/st/en/fo/vernal.html

JUL 13 2015

IN REPLY REFER TO:
3160 (UTG011)

RECEIVED
JUL 17 2015
DIV. OF OIL, GAS & MINING

Medallion Exploration
3165 Millrock Dr., #550
Holladay, UT 84121

Re: Atchee Federal 22-17-13-25
SENW Section 17, Township 13 South, Range 25 East, SLM
Lease UTU74875
Uintah County, Utah

Atchee Federal 11-21-12-25
NWNW Section 21, Township 12 South, Range 25 East, SLM
Lease UTU76293
Uintah County, Utah

To Whom It May Concern:

Our office sent a certified letter to Medallion Exploration (Medallion) in regard to Applications for Permit to Drill (APD) for the above mentioned wells, the Atchee Federal 22-17-13-25 received February 15, 2007, and the Atchee Federal 11-21-12-25 received March 30, 2007. Medallion received this letter on May 30, 2015. The letter provided Medallion with 15 days from receipt of the letter to inform our office whether or not Medallion was still interested in pursuing and completing the processing of the APDs. The letter stated that a failure to respond would be interpreted as Medallion no longer having an interest in completing the processing of these APDs.

Medallion did not contact our office within the provided time frame. As a result, our office is returning these APDs without prejudice.

Should Medallion desire to drill at either of these locations at a future date, a new APD must be submitted.

Medallion Exploration has the right to a State Director review of our decision as per the procedures outlined in 43 CFR 3165.3. Should Medallion have any questions pertaining to this correspondence, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
AFM for Lands & Minerals

Enclosures

cc: UDOGM
Well file
Reading file