

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

5. LEASE DESIGNATION AND SERIAL NO  
**ML-22161**

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
**na**

1a TYPE OF WORK

**DRILL**  **DEEPEN**  **PLUG BACK**

B TYPE OF WELL

OIL WELL  GAS WELL  OTHER  SINGLE ZONE  MULTIPLE ZONE

7. UNIT AGREEMENT NAME  
**na**

8. FARM OR LEASE NAME  
**na**

2. NAME OF OPERATOR

**Thurston Energy Operating Company**

9. WELL NO.

**Thurston 12-29-9-24**

3. ADDRESS OF OPERATORS

**PO Box 240 Vernal, UT 84078**

10. FIELD OR LEASE NAME

**Undesignated Wildcat**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface **1,973' FSL & 656' FWL NWSW 649859X 40.005161**  
At proposed prod. Zone **same as above 4429596Y -109.244340**

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA  
**Sec. 29, T9S, R24E.**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*

**45.3 miles south of Vernal, UT**

12. COUNTY OR PARISH | 13. STATE

**Uintah | Utah**

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

**656'**

16. NO. OF ACRES IN LEASE

**320**

17. NO. OF ACRES ASSIGNED TO THIS WELL

**40**

16. DISTANCE FROM PROPOSED LOCATION \* TO NEAREST WELL, DRILLING COMPLETED.

**2,700'**

19. PROPOSED DEPTH

**8,000**

20. ROTARY OR CABLE TOOLS

**Rotary**

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

**5,409' GR**

22. APPROX. DATE WORK WILL START

**4/30/06**

**PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>11"</b>	<b>8 5/8"</b>	<b>36#</b>	<b>2000'</b>	<b>779 sks</b>
<b>7 7/8"</b>	<b>4 1/2"</b>	<b>11.6#</b>	<b>T.D.</b>	<b>600 sks</b>

**The operator requests permission to drill the subject well. Please find the attached 10 point plan and 13 point plan.**

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

**CONFIDENTIAL**

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

24

SIGNATURE **Ray Curton** TITLE **President** DATE **5/25/2006**

(This space for Federal or State Office use)

PERMIT NO. **43047-38195** APPROVAL DATE \_\_\_\_\_  
APPROVED BY **Bradley G. Hill** TITLE **BRADLEY G. HILL  
ENVIRONMENTAL MANAGER** DATE **07-10-06**

\*See Instructions on Reverse Side

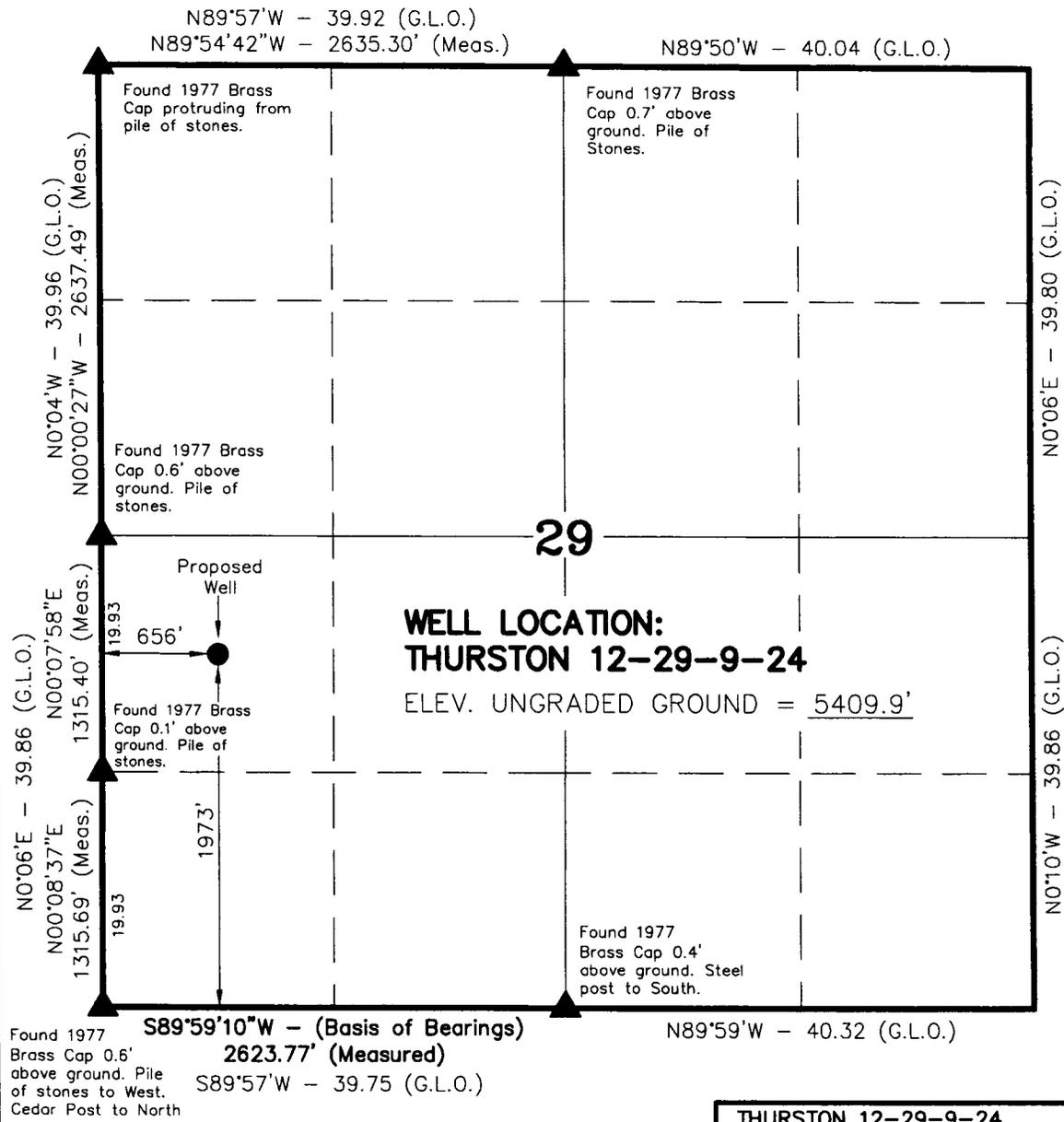
Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**MAY 31 2006**

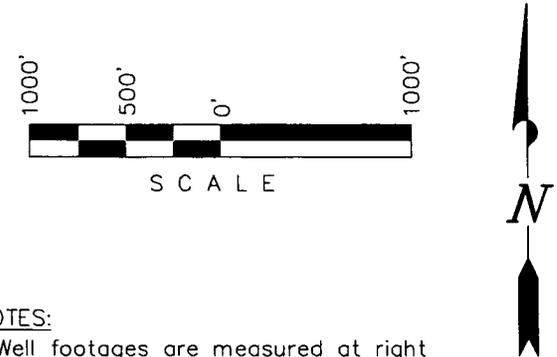
*Federal Approval of this  
Action is Necessary*

# T9S, R24E, S.L.B.&M.

# THURSTON ENERGY OPERATING COMPANY



WELL LOCATION, THURSTON 12-29-9-24,  
 LOCATED AS SHOWN IN THE NW 1/4 SW  
 1/4 OF SECTION 29, T9S, R24E, S.L.B.&M.  
 UTAH COUNTY, UTAH.



- NOTES:**
1. Well footages are measured at right angles to the Section Lines.
  2. Bearings are based on Global Positioning Satellite observations.

**WELL LOCATION:  
 THURSTON 12-29-9-24**  
 ELEV. UNGRADED GROUND = 5409.9'

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.

*Kelly R. Kay*  
 REGISTERED LAND SURVEYOR  
 STATE OF UTAH  
 REGISTRATION NO. 22251

Found 1977 Brass Cap 0.5' above ground. Pile of stones to West. Cedar Post to North  
**S89°59'10"W - (Basis of Bearings) 2623.77' (Measured)**  
 S89°57'W - 39.75 (G.L.O.)

▲ = SECTION CORNERS LOCATED  
 BASIS OF ELEVATION IS BENCH MARK 46 EAM LOCATED IN THE SW 1/4 OF SECTION 23, T9S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE BONANZA 7.5 MIN. QUADRANGLE AS BEING 5550'.

**THURSTON 12-29-9-24  
 (Proposed Well Head)  
 NAD 83 Autonomous**  
 LATITUDE = 40° 00' 18.4"  
 LONGITUDE = 109° 14' 41.9"

<b>TIMBERLINE LAND SURVEYING, INC.</b>		
38 WEST 100 NORTH. - VERNAL, UTAH 84078 (435) 789-1365		
DATE SURVEYED: 04-08-06	SURVEYED BY: K.R.K.	<b>SHEET 2 OF 10</b>
DATE DRAWN: 04-14-06	DRAWN BY: M.W.W.	
SCALE: 1" = 1000'	Date Last Revised:	

**Thurston Energy Operating Company**

2754 W. Hwy 40  
Vernal, Utah 84078  
(435) 789-2653

June 20, 2006

Earlene Russell  
Division of Oil, Gas & Mining  
P.O. Box 145801  
Salt Lake City, Utah 84117

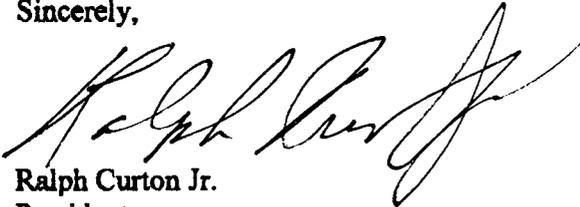
Re: Transfer of Bond from Thurston well 13-29-9-24 to 12-19-9-24

Dear Ms. Russell:

This letter hereby requests that bond # 0269435251 be rescinded from well number 13-29-9-24 and moved to well number 12-29-9-24 due to the declining of approval of the 13-29-9-24 site as a result of arch survey findings.

Thank you for your time and courtesy concerning this matter.

Sincerely,



Ralph Curton Jr.  
President  
Thurston Energy Operating Company

rc/cr

RECEIVED

JUL 03 2006

DIV. OF OIL, GAS & MINING

**SELF-CERTIFICATION STATEMENT**

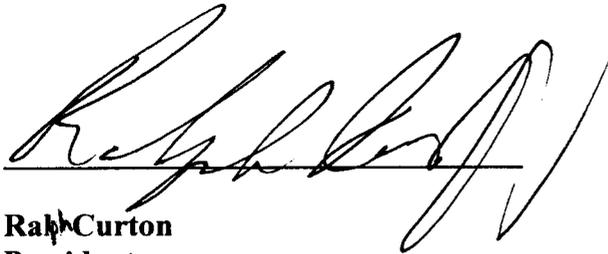
**The following self-certification statement is provided per Federal requirements dated June 15, 1988.**

**Please be advised that The Thurston Energy Operating Company are considered to be the operator of the following well.**

**Thurston 12-29-9-24  
Section 29, T.9S, R. 24 E.  
NW ¼, SW ¼,  
Lease ML-22161  
Uintah County, Utah**

**The Thurston Energy Operating Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.**

**Bond UTB-000181 provides State-wide bond coverage on all Federal lands.**

A handwritten signature in black ink, appearing to read 'Ralph Curton', is written over a horizontal line. The signature is stylized and cursive.

**Ralph Curton  
President  
Thurston Energy Operating Company  
PO BOX: 240  
Vernal Utah 84078  
435-789-2653  
rcurton@thurstonenergy.com**

**Ten Point Plan**

**Thurston Energy Operating Company**

Thurston 12-29-9-24

Surface Location NW ¼ SW ¼, Section 29, T. 9S., R. 24E.

**1. Surface Formation**

Green River

**2. Estimated Formation Tops and Datum:**

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+5,409' G.L.
Uteland Butte Limestone	3,545	+1,864'
Wasatch	3,635	+1,774'
Mesaverda	5,385	+24'
Buck Tounge	6,810	-1,401'
Castlegate	6,880	-1,471'
TD	8,000	-2,591'

A 11" hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

**3. Producing Formation Depth:**

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information

Producing Wells:

Southman CYN. 9-24-31-30

Dirty Devil Unit 11-29

Abandon Wells:

Devils Playground 32-31

**4. Proposed Casing:**

<u>Hole Size</u>	<u>Casing Size</u>	<u>Weight/FT</u>	<u>Grade</u>	<u>Coupling &amp; Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
11	8 5/8	36#	J-55	STC	2000	NEW
7 7/8	4 1/2	11.6#	N-80	LTC	T.D.	NEW

**Cement Program:**

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	8 5/8	Premium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft <sup>3</sup> /sk	11.0 ppg
Tail:	8 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft <sup>3</sup> /sk	15.6 ppg
Top Job:	8 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft <sup>3</sup> /sk	15.6 ppg

Production casing will be cemented to 2,500' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
<b>Lead:</b>	4 1/2	Premium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft <sup>3</sup> /sk	11.0 ppg
<b>Tail:</b>	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft <sup>3</sup> /sk	14.3 ppg

**5. BOP and Pressure Containment Data:**

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 8 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

**6. Mud Program:**

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss MI/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Clear Water	-----	No Control	Water/Gel
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

## 7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

## 8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

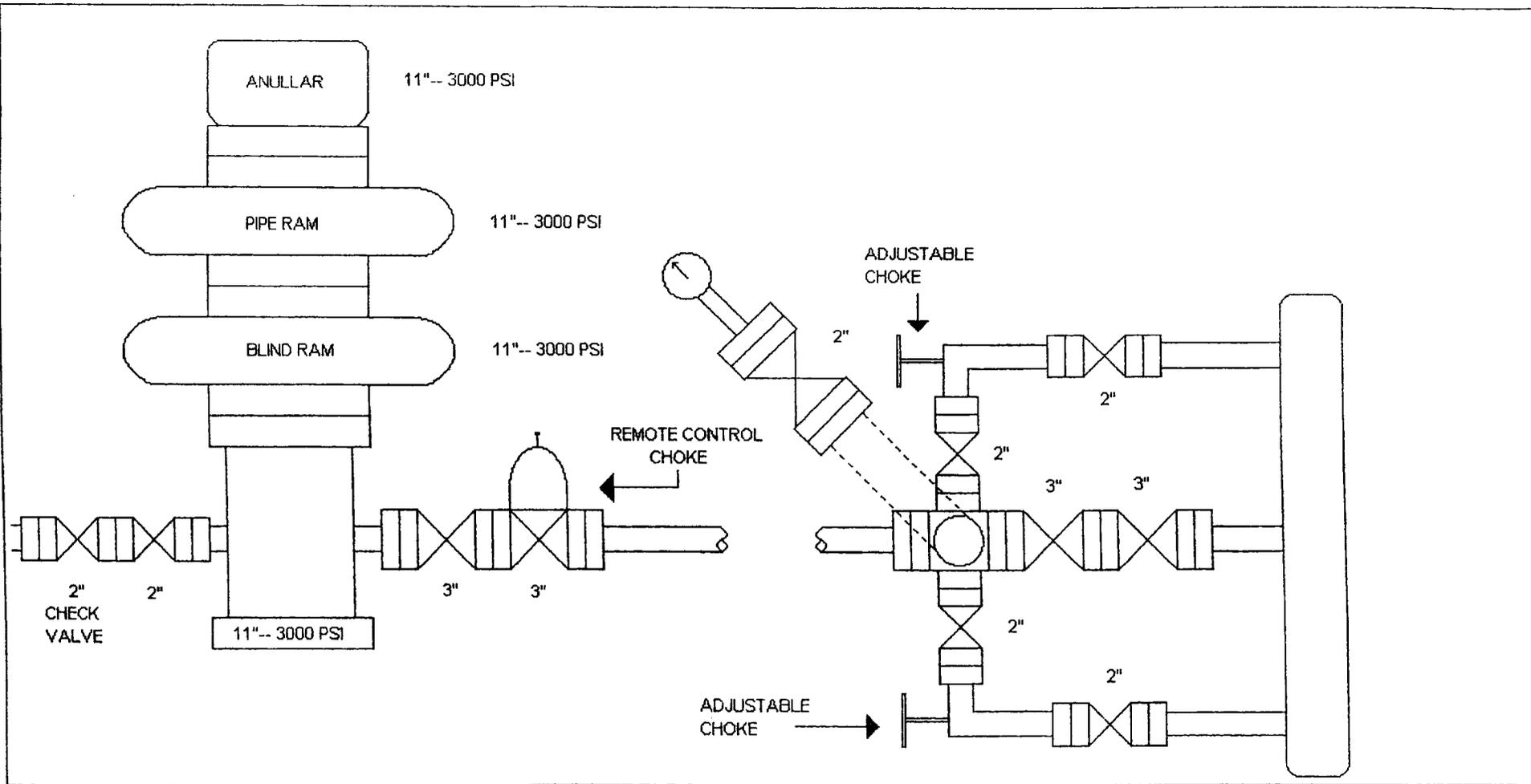
Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

## 9. Abnormalities (including sour gas):

No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H<sub>2</sub>S.

## 10. Drilling Schedule:

The anticipated starting date is 8/01/06. Duration of operations is expected to be 30 days.



**THURSTON ENERGY OPERATING COMPANY**

**13 POINT SURFACE USE PLAN**

**FOR WELL**

**THURSTON 12-29-9-24**

**LOCATED IN NW ¼ SW ¼**

**SECTION 29, T.9S, R24E, S.L.B.&M.**

**UINTAH COUNTY, UTAH**

**LEASE NUMBER: ML-22161**

**SURFACE OWNERSHIP: FEDERAL**

**1. Existing Roads:**

Please see the attached map for additional details.

**Thurston Energy Operating CO**

**Thurston #12-29-9-24**

**Section 29, T9S, R24E**

**Starting in Vernal, Utah:**

**Proceed in an easterly, then southerly direction from Vernal, Utah along US Highway 40 approximately 3.3 miles to the junction of State Highway 45; exit right and proceed in a southerly direction along State Highway 45 approximately 36.0 miles to the junction of County B road 3410 (this road is located approximately 0.5 miles south of Bonanza, UT). Exit right and proceed in a westerly direction along County B road 3410 approximately 4.2 miles to the junction of County B road 3420. Exit left and proceed in a southerly direction along County B road 3420 approximately 1.4 miles to the intersection of county B road 3425. Exit left and proceed in a southerly direction along County B road 3425 approximately 0.3 miles to the proposed access road. Follow road flags in a southeasterly direction approximately 370 feet to the proposed location.**

**Total distance from Vernal, Utah to the proposed well location is approximately 45.3 miles.**

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads.

**2. Planned access road**

**The proposed access road will be approximately 370' +/- of new construction on lease. The road will be graded once per year minimum and maintained.**

- A) Approximate length            370 ft**
- B) Right-of-Way width            30 ft**
- C) Running surface                18 ft**
- D) Surface material                Native soil**
- E) Maximum grade                 8%**
- F) Fence crossing                 None**
- G) Culvert                            None**
- H) Turnouts                         None**
- I) Major cuts and fills            None**
- J) Road Flagged                    Yes**
- K) Access road surface ownership                Federal**
- L) All new construction on lease                Yes**
- M) Pipe line crossing              None**

Please see the attached location plat for additional details.

**An off lease Right-of-Way will not be required.**

All surface disturbances for the road and location will be within the lease boundary.

**3. Location of existing wells**

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

- A) Producing well**  
**Southman CNY 9-24-31-30**

<b>Dirty Devil Unit 11-29</b>	
<b>B) Water well</b>	<b>None</b>
<b>C) Abandoned well</b>	
<b>Devils Playground 31-31</b>	
<b>D) Temp. abandoned well</b>	<b>None</b>
<b>E) Disposal well</b>	<b>None</b>
<b>F) Drilling /Permitted well</b>	<b>None</b>
<b>G) Shut in wells</b>	<b>None</b>
<b>H) Injection well</b>	<b>None</b>
<b>I) Monitoring or observation well</b>	<b>None</b>

Please see the attached map for additional details.

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

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

All permanent (on site for more than six months or longer) structures constructed or installed will be painted a **Carlsbad Canyon** color. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded. The required paint color is **Carlsbad Canyon**.

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

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

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

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

**Approximately 3,200' of 3" steel surface gas gathering pipeline would be constructed on Federal Lands. The pipeline will tie into the existing pipeline in Sec 29, T9S, R24E. The pipeline will be strung and boomed to the north of the location and parallel to the access road. A temporary width of 30' will be required for approximately one week during construction. A permanent width of 15' will be required for the life of the well. The pipeline will be buried at water crossings and at the tap. A water diversion permit has been filed with DWQ.**

**An off lease Right-of-Way will not be required.**

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

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

The gas meter will be calibrated and the tank strapped in place prior to

any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

**Water for drilling and cementing will come from The White River at the Bonanza Bridge, Permit # T-75376.**

6. Source of construction materials

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

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately **12 ft.** deep and

most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

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

B) Produced fluids:

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

C) Garbage:

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

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

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

8. Ancillary facilities

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

9. Well-site layout

Location dimensions are as follows:

- A) Pad length                    345 ft
- B) Pad width                    260 ft
- C) Pit depth                    12 ft
- D) Pit length                    150 ft
- E) Pit width                    75 ft
- F) Max cut                    18.3 ft
- G) Max fill                    10.4 ft
- H) Total cut yds.            7,670 cu yds
- I) Pit location                South end
- J) Top soil location  
   East & West ends
- K) Access road location  
   West end
- L) Flare Pit                    corner C

Please see the attached location diagram for additional details.

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

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of

reinforcement rod is attached to the top of the entire fence.

- B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.

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

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

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

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 1,500 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. **The topsoil will be used in the interim reclamation.** When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit

area. The pit area will be seeded when the soil has been spread. **The unused portion of the location (the area outside the dead men) will be reclaimed and re-contoured.**

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

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

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

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

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

When restoration activities have been completed, the location site and new access road cuts and

shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified and left with a rough surface.

A) Seeding dates:

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

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

B) Interim Seed Mix:

**4#/acre Needle & Thread Grass**  
**4#/acre Crested Wheat Grass**  
**4#/acre Indian Rice Grass**

11. Surface ownership:

<b>Access road</b>	<b>Federal</b>
<b>Location</b>	<b>Federal</b>
<b>Pipe line</b>	<b>Federal</b>

12. Other information:

A) Vegetation

The vegetation coverage is slight. The majority of the existing vegetation consists of Sagebrush. Rabbit brush, Bitter Brush, and Indian Rice grass are also found on the location.

B) Dwellings:

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

C) Archeology:

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

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

D) Water:

**The nearest water is the White River located approximately 3.2 miles to the South.**

E) Chemicals:

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

F) Notification:

- a) Location Construction  
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion  
Prior to moving on the drilling rig.
- c) Spud notice

At least twenty-four (24) hours prior to spudding the well.

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

G) Flare pit:

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

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan  
Rocky Mountain Consulting  
Vernal, UT 84078

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

Ralph Curton  
Thurston Energy Operating Co.  
Vernal, UT 84078

Office 435-789-2653

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

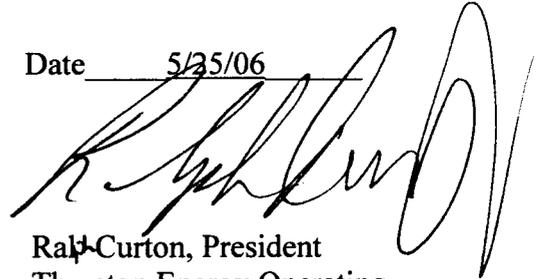
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

**B) Certification:**

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be preformed by Thurston Energy

Operating Company and its contractors and subcontractors in conformity with this plan and terms and conditions with this plan and the terms and conditions under which it is approved.

Date 5/25/06



Ralph Curton, President  
Thurston Energy Operating  
Company

**Onsite Dates:**

**05/23/06**

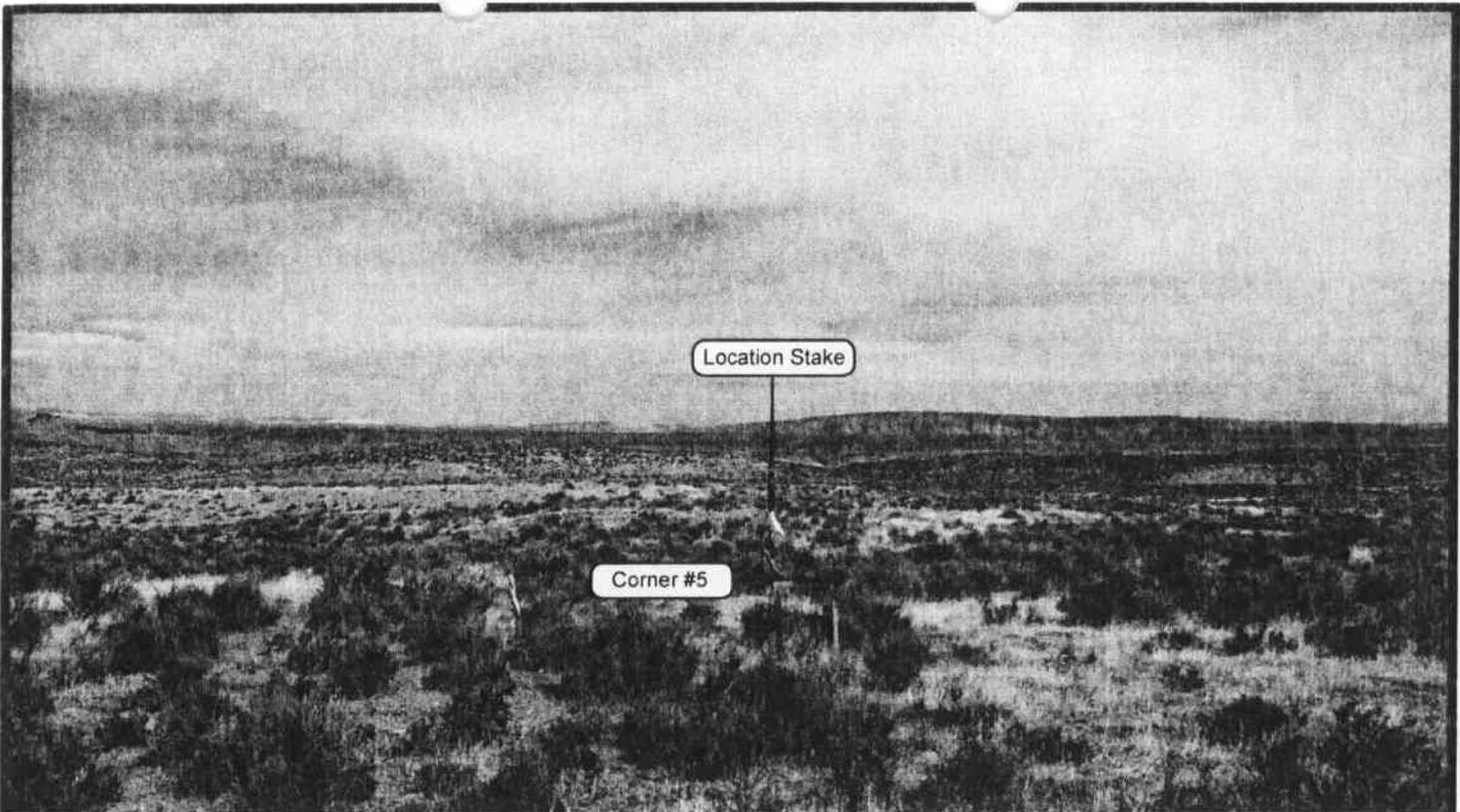
### **Statement of use of Hazardous Materials**

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

If you require additional information please contact:

William A Ryan  
Agent for Thurston Energy Operating CO  
290 S 800 E  
Vernal, UT 84078

435-789-0968 Office  
435-828-0968 Cell



Location Stake

Corner #5

PHOTO VIEW: FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY



Beginning of Road

PHOTO VIEW: FROM BEGINNING OF PROPOSED ROAD

CAMERA ANGLE: EASTERLY

**THURSTON ENERGY OPERATING COMPANY**

**Thurston 12-29-9-24**  
**SECTION 29, T9S, R24E, S.L.B.&M.**  
**1973' FSL & 656' FWL**

**LOCATION PHOTOS**

DATE TAKEN: 04-08-06

DATE DRAWN: 04-14-06

TAKEN BY: K.R.K.

DRAWN BY: M.W.W.

REVISED:

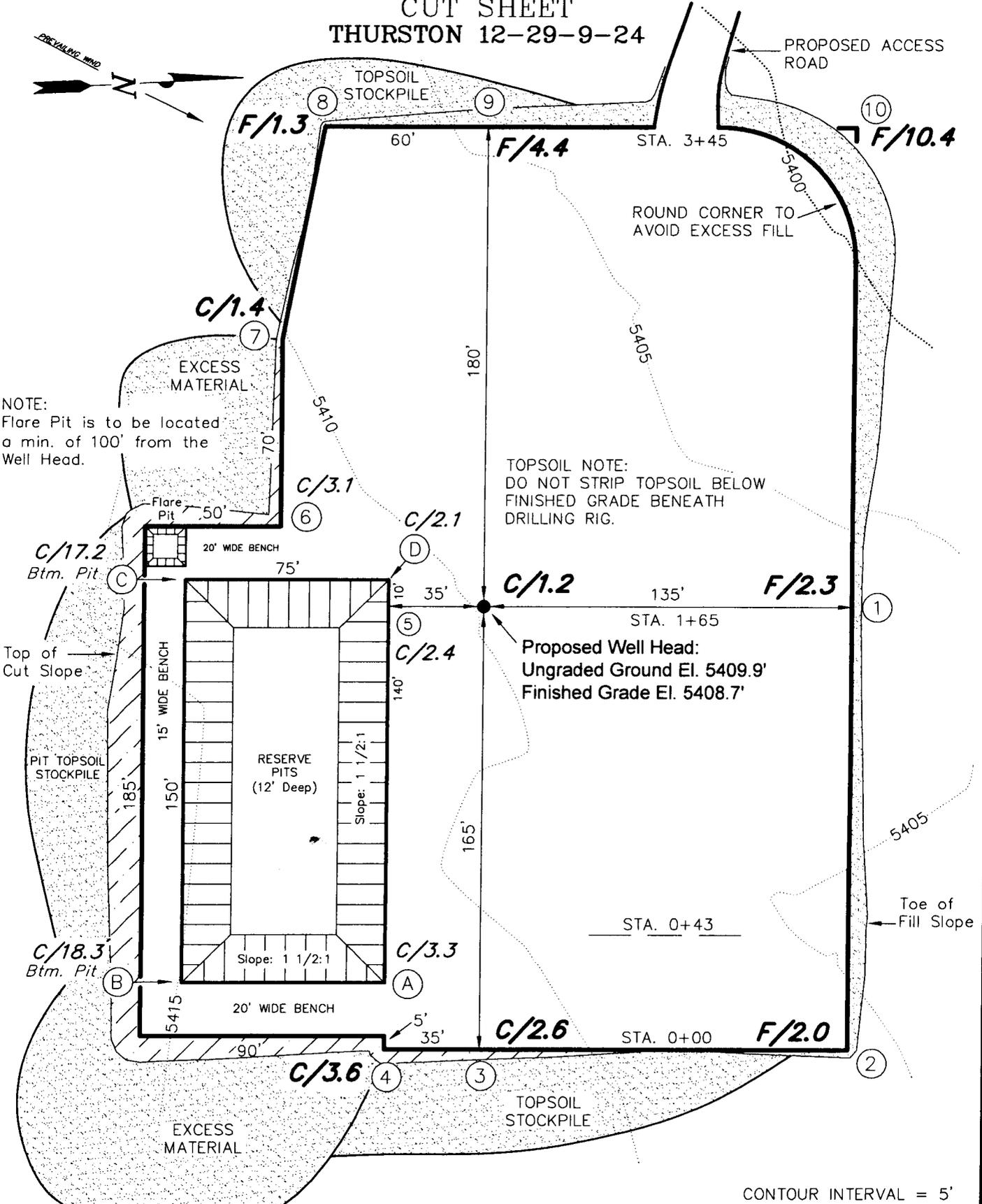
**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**1**  
**OF 10**

# THURSTON ENERGY OPERATING COMPANY

CUT SHEET  
THURSTON 12-29-9-24

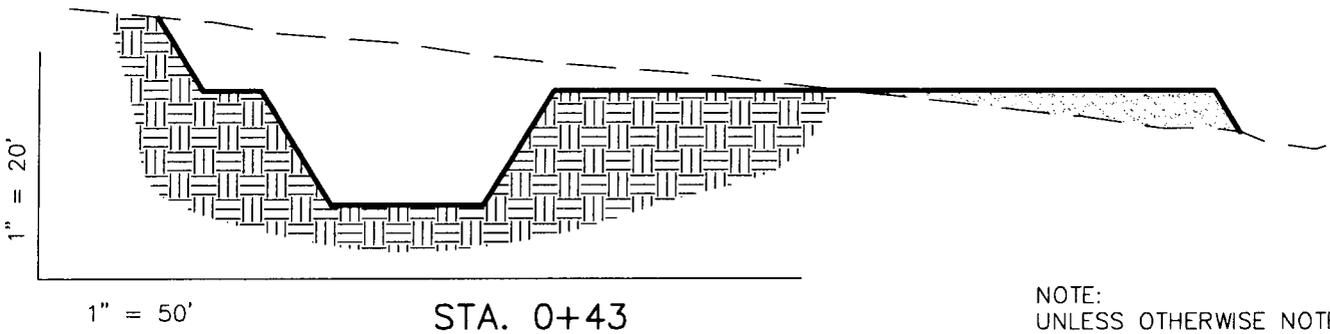
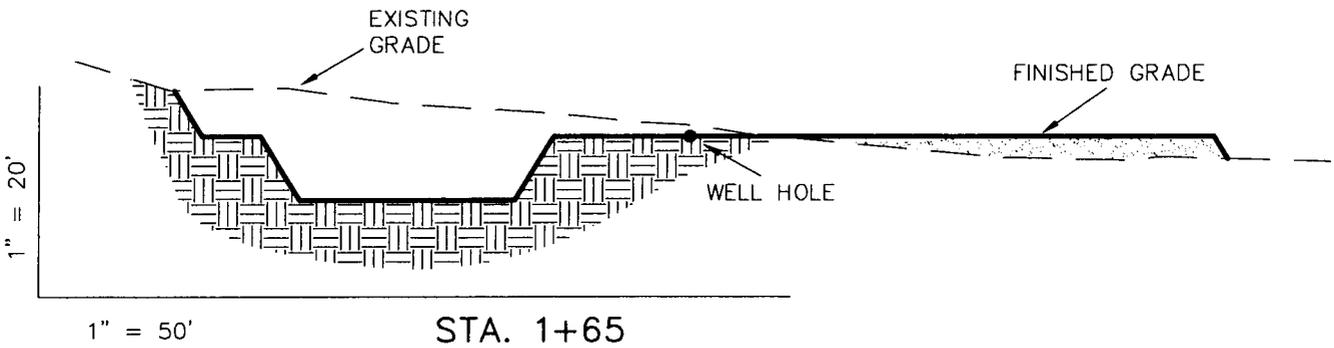
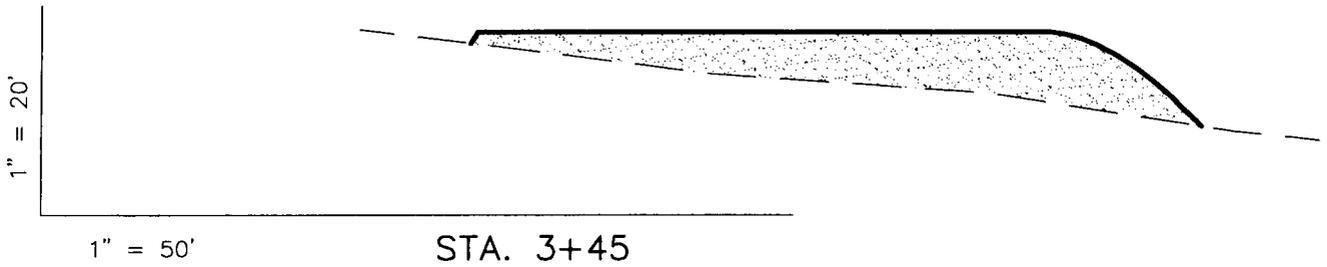


CONTOUR INTERVAL = 5'

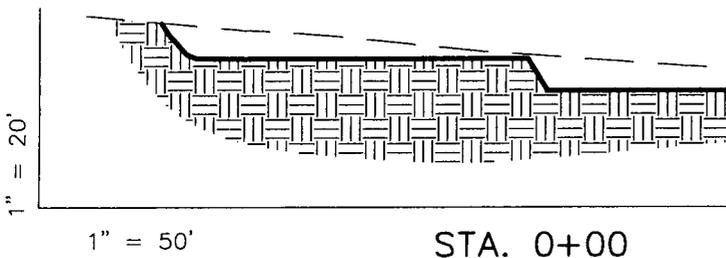
Section 29, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SW	Footage Location: 1973' FSL & 656' FWL
Date Surveyed: 04-08-06	Date Drawn: 04-14-06	Date Last Revision:	<b>Timberline</b> (435) 789-1365 Land Surveying, Inc. 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET <b>3</b> OF 10

# THURSTON ENERGY OPERATING COMPANY

## CROSS SECTIONS THURSTON 12-29-9-24



NOTE:  
UNLESS OTHERWISE NOTED  
ALL CUT/FILL SLOPES ARE  
AT 1.5:1



Pit overburden is included in pad cut.

### ESTIMATED EARTHWORK QUANTITIES (No shrink or swell adjustments have been used) (Expressed in Cubic Yards)

ITEM	CUT	FILL	6" TOPSOIL	EXCESS
PAD	4,330	5,240	Topsoil is not included in Pad Cut	-910
PIT	3,340	0		3,340
TOTALS	7,670	5,240	1,500	2,430

Excess Material after Pit Rehabilitation = 760 Cu. Yds.

### REFERENCE POINTS

185' NORTHERLY = 5405.8'  
235' NORTHERLY = 5404.5'  
215' EASTERLY = 5411.8'  
265' EASTERLY = 5412.0'

Section 29, T9S, R24E, S.L.B.&M.

Qtr/Qtr Location: NW SW

Footage Location: 1973' FSL & 656' FWL

Date Surveyed:  
04-08-06

Date Drawn:  
04-14-06

Date Last Revision:

Surveyed By: K.R.K.

Drawn By: M.W.W.

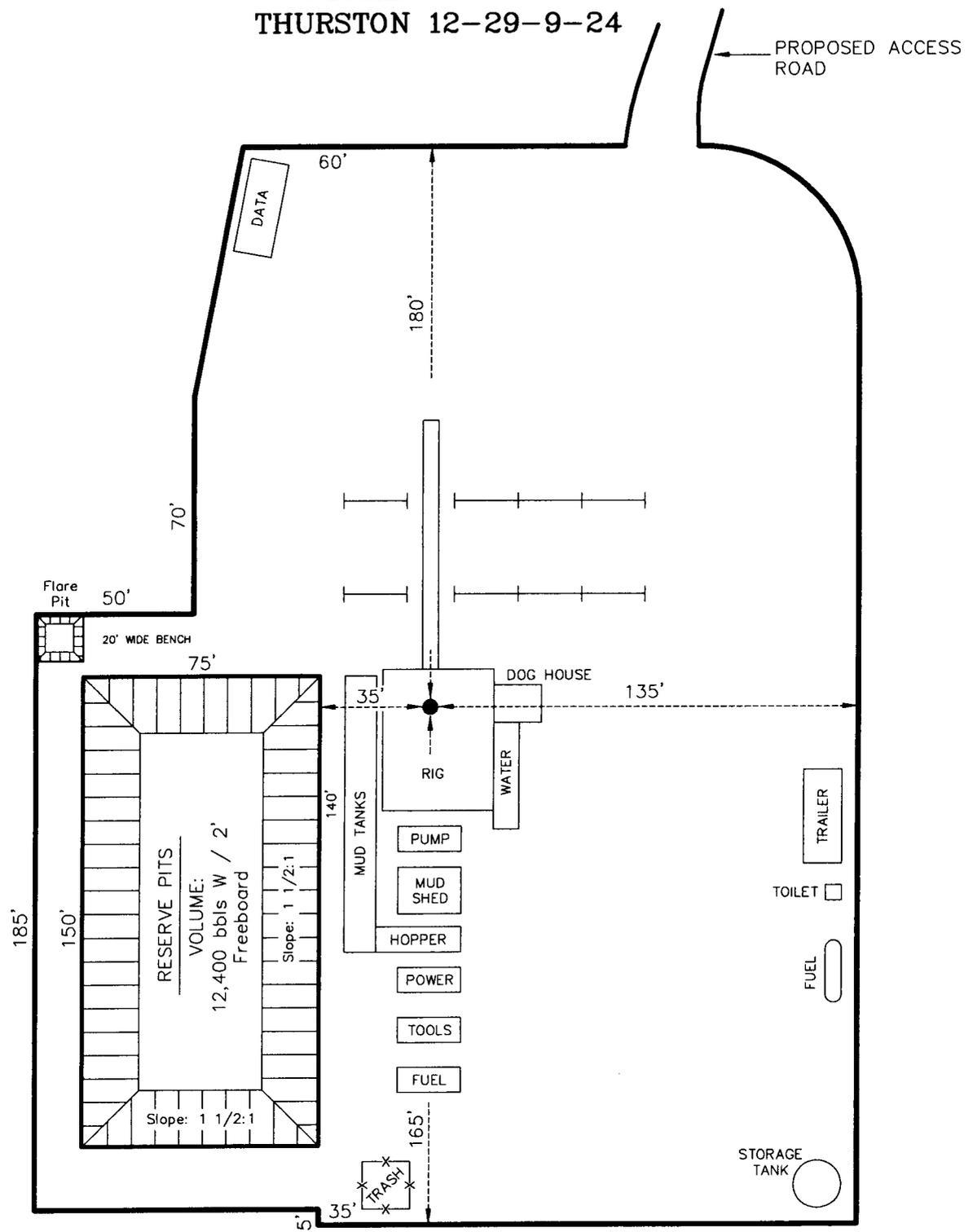
Scale: 1" = 50'

**Timberline** (435) 789-1365  
Land Surveying, Inc.  
38 WEST 100 NORTH VERNAL, UTAH 84078

SHEET  
4  
OF 10

# THURSTON ENERGY OPERATING COMPANY

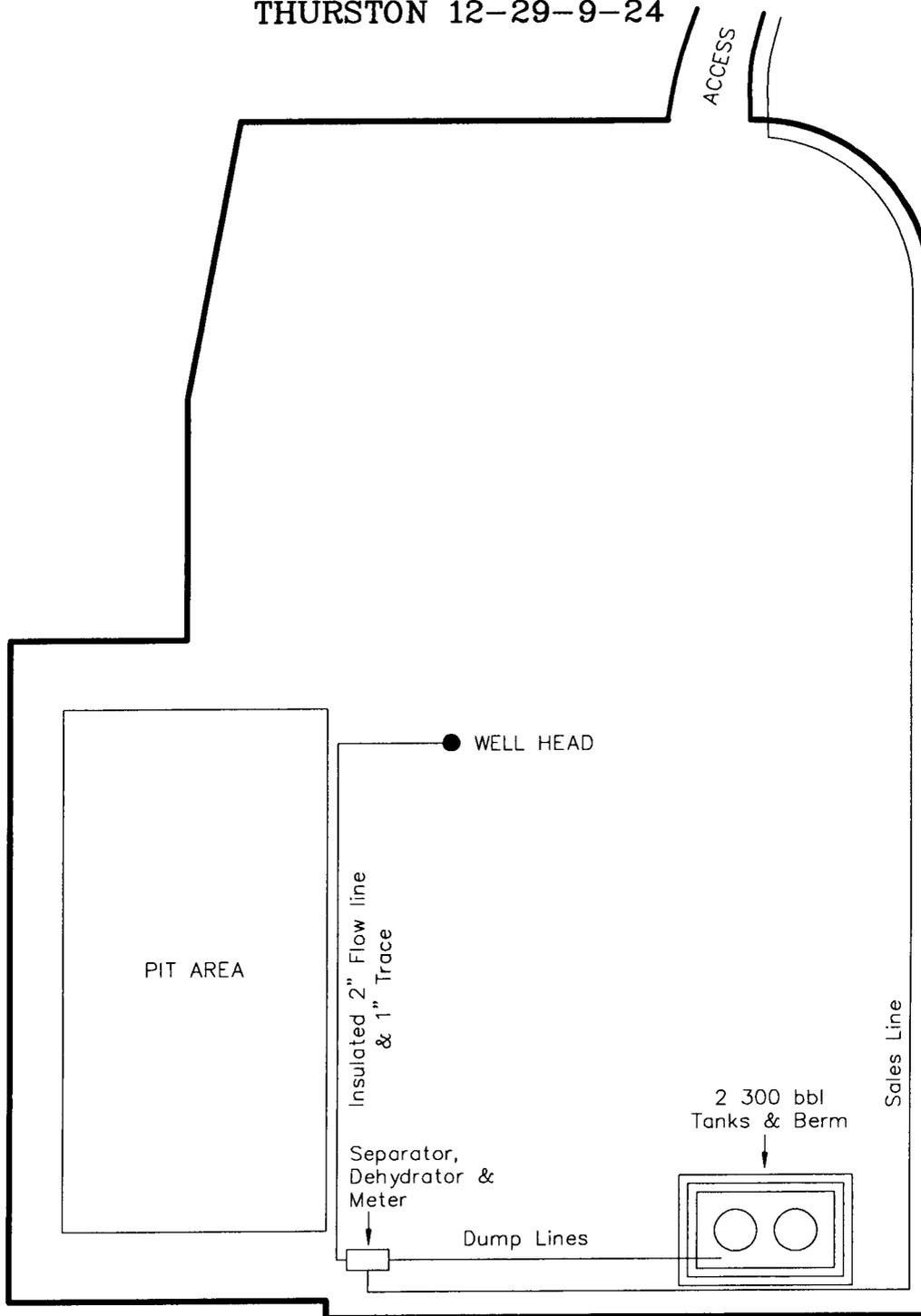
## TYPICAL RIG LAYOUT THURSTON 12-29-9-24



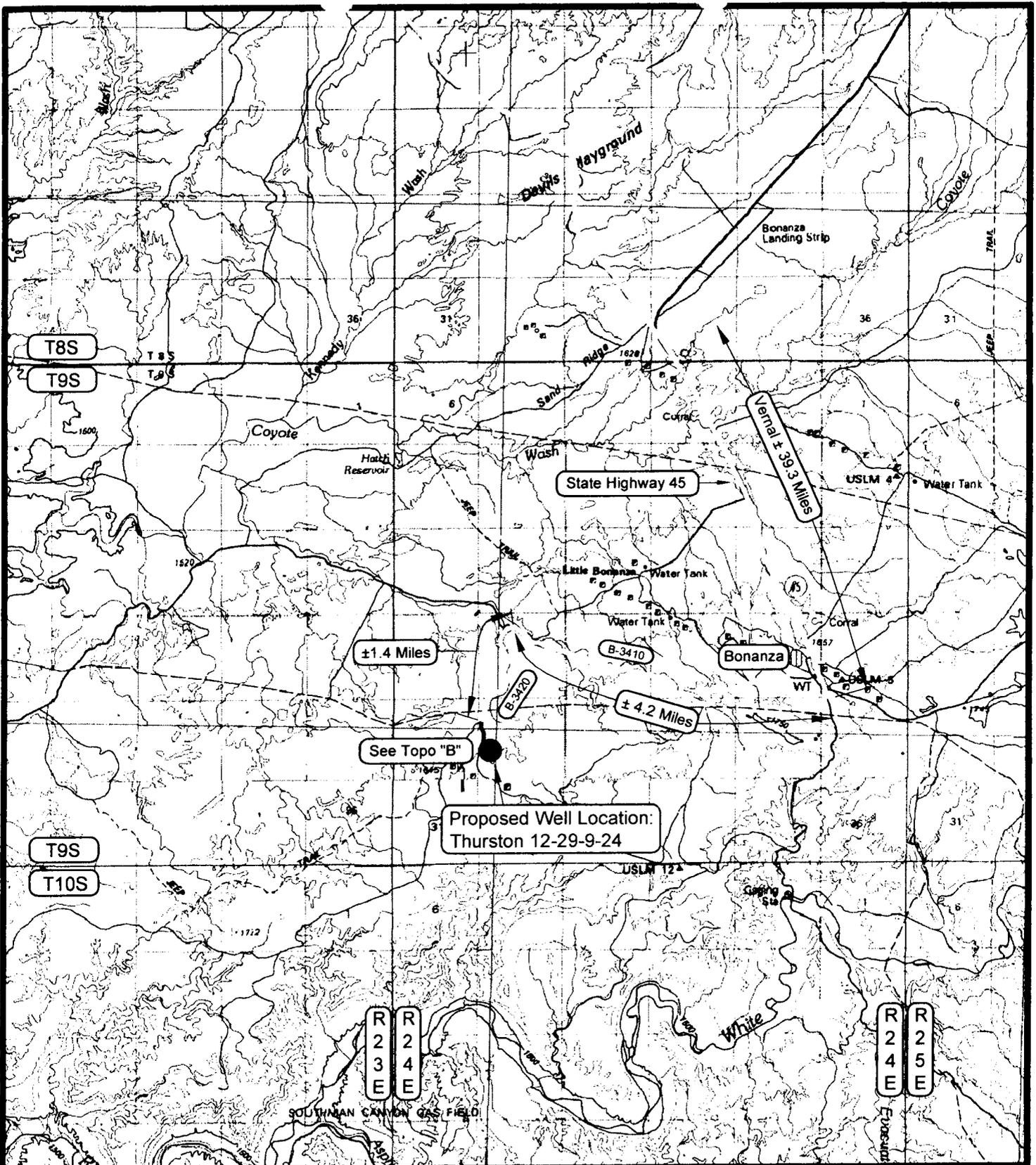
Section 29, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SW	Footage Location: 1973' FSL & 656' FWL
Date Surveyed: 04-08-06	Date Drawn: 04-14-06	Date Last Revision:	<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET <b>5</b> OF 10

# THURSTON ENERGY OPERATING COMPANY

## TYPICAL PRODUCTION LAYOUT THURSTON 12-29-9-24



Section 29, T9S, R24E, S.L.B.&M.		Qtr/Qtr Location: NW SW	Footage Location: 1973' FSL & 656' FWL
Date Surveyed: 04-08-06	Date Drawn: 04-14-06	Date Last Revision:	<b>Timberline</b> (435) 789-1365 <i>Land Surveying, Inc.</i> 38 WEST 100 NORTH VERNAL, UTAH 84078
Surveyed By: K.R.K.	Drawn By: M.W.W.	Scale: 1" = 50'	
			SHEET <b>6</b> OF 10



**LEGEND**

- PROPOSED ACCESS ROAD
- — — = SUBJECT WELL
- — — = OTHER WELLS
- — — = EXISTING ROAD
- — — = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER

**TOPOGRAPHIC MAP "A"**

DATE SURVEYED: 04-08-06

DATE DRAWN: 04-14-06

SCALE: 1:100,000

DRAWN BY: M.W.W.

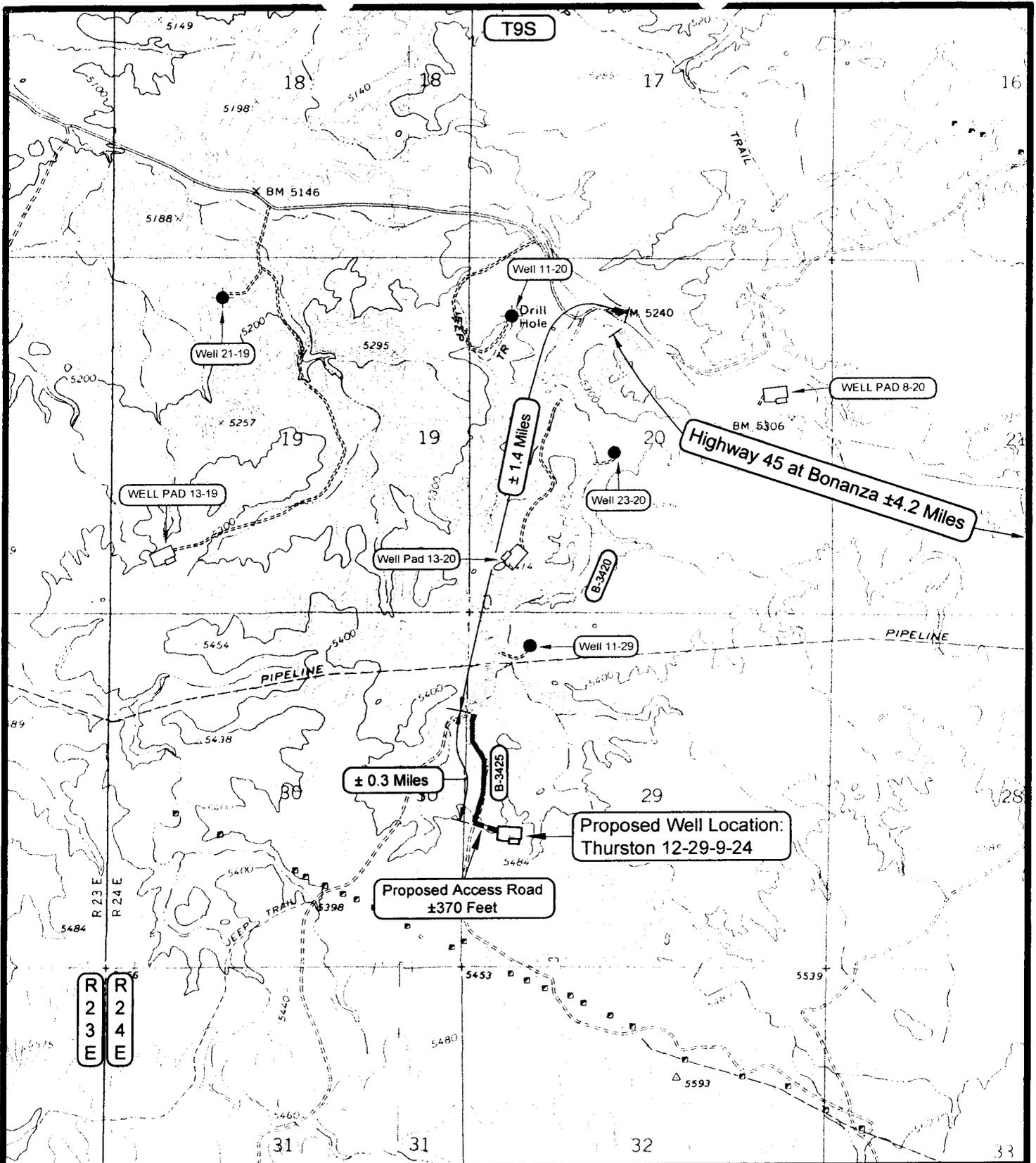
REVISED:

**THURSTON ENERGY OPERATING COMPANY**

**Thurston 12-29-9-24**  
**SECTION 29, T9S, R24E, S.L.B.&M.**  
**1973' FSL & 656' FWL**

**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1365

**SHEET**  
**7**  
**OF 10**



**LEGEND**

- PROPOSED ACCESS ROAD
- ■ ■ ■ = SUBJECT WELL
- --- = SHARED ACCESS
- — — — = EXISTING ROAD
- — — — = EXISTING ROAD (TO BE IMPROVED)
- B-5460 = COUNTY ROAD CLASS & NUMBER
- — — — = LEASE LINE AND / OR PROPERTY LINE

**TOPOGRAPHIC MAP "B"**

DATE SURVEYED: 04-08-06

DATE DRAWN: 04-14-06

SCALE: 1" = 2000'

DRAWN BY: M.W.W.

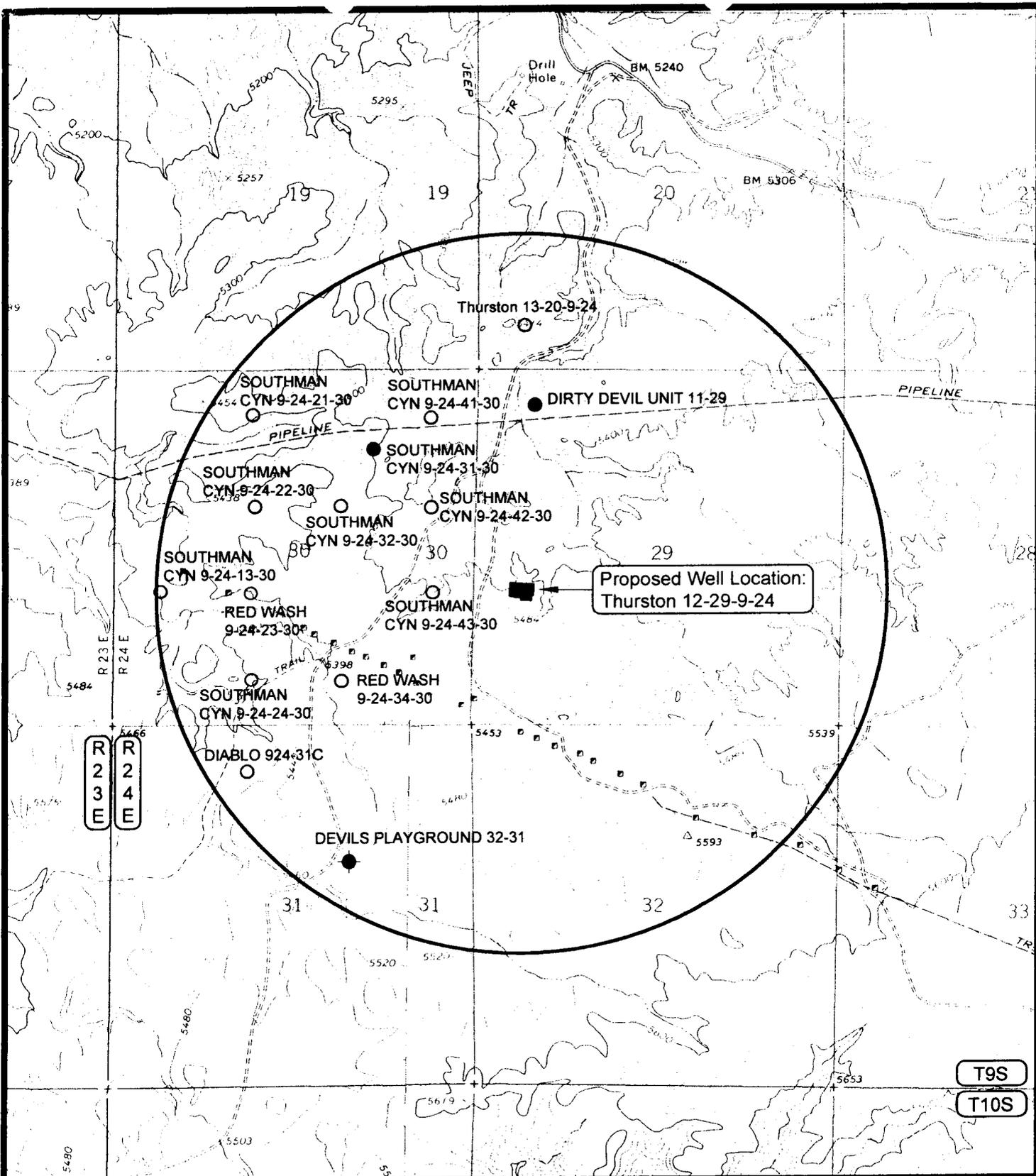
REVISED:

**THURSTON ENERGY OPERATING COMPANY**

**Thurston 12-29-9-24  
SECTION 29, T9S, R24E, S.L.B.&M.  
1973' FSL & 656' FWL**

**Timberline Land Surveying, Inc.**  
38 West 100 North Vernal, Utah 84078  
(435) 789-1365

**SHEET  
8  
OF 10**



R  
2  
3  
E

R  
2  
4  
E

Proposed Well Location:  
Thurston 12-29-9-24

T9S

T10S

**LEGEND**

- ⊘ = DISPOSAL WELL
- = PRODUCING WELL
- = SHUT IN WELL
- = PROPOSED WELL
- ⊘ = WATER WELL
- = ABANDONED WELL
- = TEMPORARILY ABANDONED WELL
- ⊘ = ABANDONED LOCATION

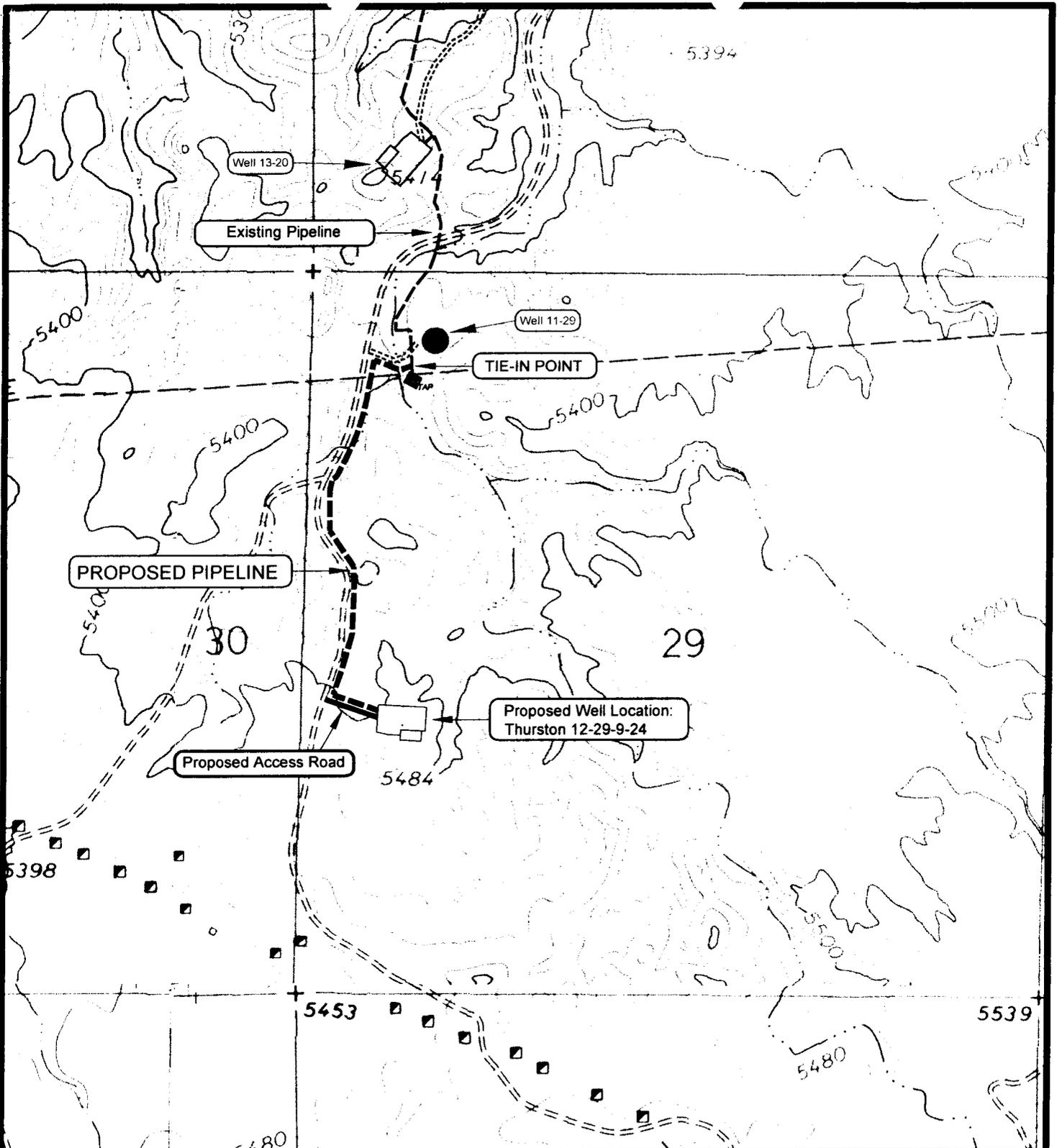
**THURSTON ENERGY OPERATING COMPANY**

**Thurston 12-29-9-24**  
**SECTION 29, T9S, R24E, S.L.B.&M.**  
**1973' FSL & 656' FWL**

<b>TOPOGRAPHIC MAP "C"</b>		DATE SURVEYED: 04-08-06
SCALE: 1" = 2000'		DATE DRAWN: 04-14-06
DRAWN BY: M.W.W.	REVISED:	

**Timberline Land Surveying, Inc.**  
 38 West 100 North Vernal, Utah 84078  
 (435) 789-1385

**SHEET**  
**9**  
**OF 10**



**APPROXIMATE PIPELINE LENGTH = ± 3,200 Feet**

**LEGEND**

- = PROPOSED PIPELINE
- - - - -** = OTHER PIPELINE
- = PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = LEASE LINE AND / OR PROPERTY LINE

**TOPOGRAPHIC MAP "D"**

DATE SURVEYED: 04-08-06

DATE DRAWN: 04-14-06

SCALE: 1" = 1000'

DRAWN BY: M.W.W.

REVISED:

**THURSTON ENERGY OPERATING COMPANY**

**Thurston 12-29-9-24**

**SECTION 29, T9S, R24E, S.L.B.&M.**

**1973' FSL & 656' FWL**

**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

**SHEET**

**10**

**OF 10**

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/31/2006

API NO. ASSIGNED: 43-047-38155

WELL NAME: THURSTON 12-29-9-24  
 OPERATOR: THURSTON ENERGY ( N2790 )  
 CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:  
 NWSW 29 090S 240E  
 SURFACE: 1973 FSL 0656 FWL  
 BOTTOM: 1973 FSL 0656 FWL  
 COUNTY: UINTAH  
 LATITUDE: 40.00516 LONGITUDE: -109.2443  
 UTM SURF EASTINGS: 649859 NORTHINGS: 4429596  
 FIELD NAME: WILDCAT ( 1 )

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWR	6/2/06
Geology		
Surface		

LEASE TYPE: 3 - State  
 LEASE NUMBER: ML-22161  
 SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: CSLGT  
 COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta[] Fee[]  
 (No. 0269435351 )

Potash (Y/N)

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

Water Permit  
 (No. T-75376 )

RDCC Review (Y/N) (D)  
 (Date: 06/22/2006 )

Fee Surf Agreement (Y/N)

Intent to Commingle (Y/N)

LOCATION AND SITING:

     R649-2-3.

Unit:     

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

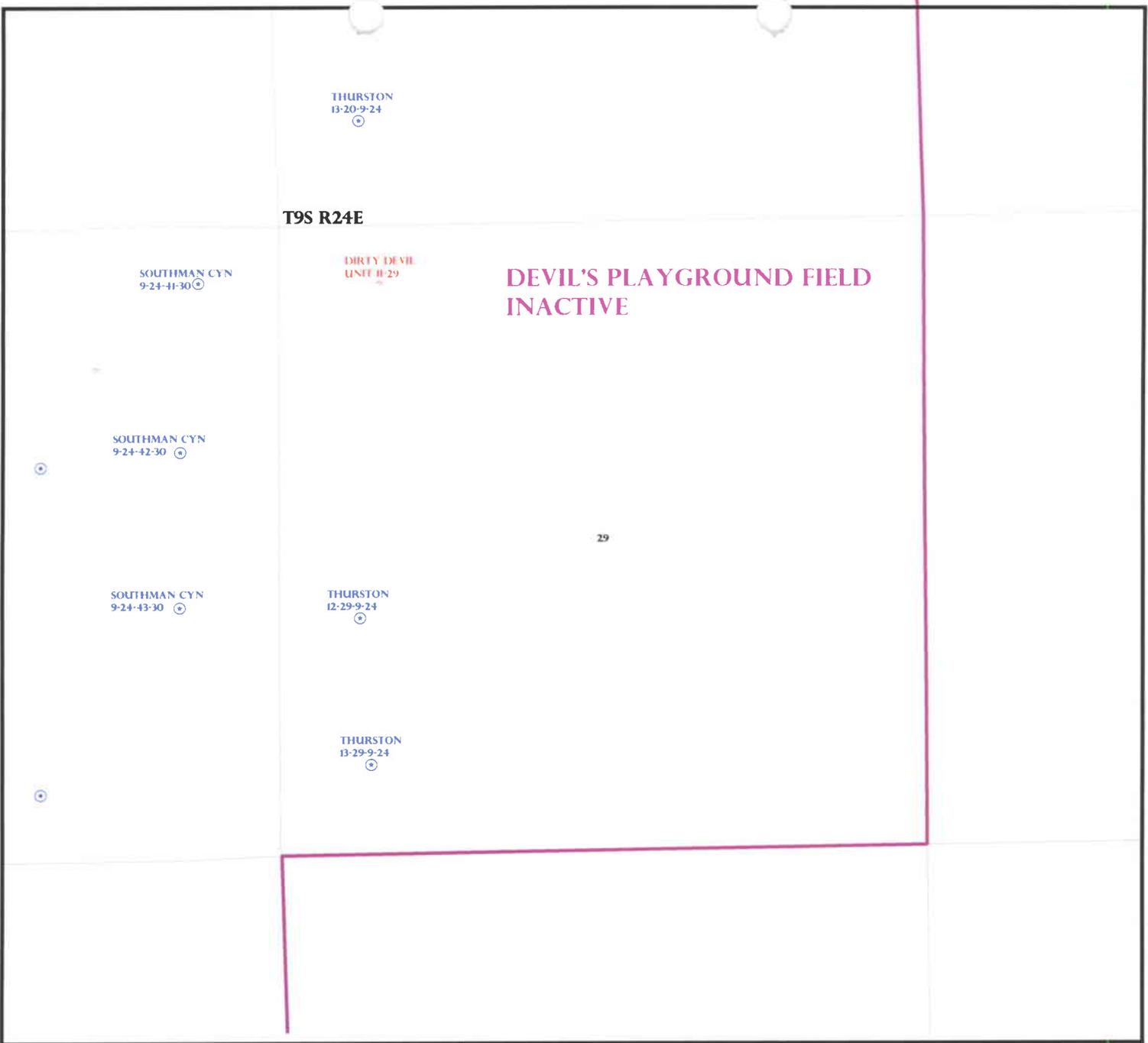
     R649-3-3. Exception

     Drilling Unit  
 Board Cause No:       
 Eff Date:       
 Siting:     

     R649-3-11. Directional Drill

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STIPULATIONS: 1. Admin Approval  
2. Spacing Strip  
3 - Cement Strip # 3 (4 1/2" production, ± 2500' MD)



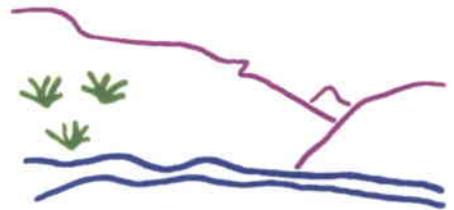
OPERATOR: THURSTON ENERGY (N2790)

SEC: 29 T. 9S R. 24E

FIELD: WILDCAT (001)

COUNTY: Uintah

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY  
DATE: 7-JUNE-2006

- 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

**STATE ACTIONS**  
**Resource Development Coordinating Committee**  
**Governor's Office of Planning and Budget**  
**5110 State Office Building**  
**SLC, UT 84114**  
**Phone No. 537-9230**

<b>1. State Agency</b> Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	<b>2. Approximate date project will start:</b>  Upon Approval or June 21, 2006
<b>3. Title of proposed action:</b> Application for Permit to Drill	
<b>4. Description of Project:</b>  Thurston Energy Operating Company proposes to drill the Thurston 12-29-9-24 well (wildcat) on a State lease ML-22161, Uintah County, Utah. This action is being presented to the RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.	
<b>5. Location and detailed map of land affected (site location map required, electronic GIS map preferred)</b> (include UTM coordinates where possible) (indicate county) 1973' FSL 656' FWL, NW/4 SW/4, Section 29, Township 9 South, Range 24 East, Uintah County, Utah	
<b>6. Possible significant impacts likely to occur:</b> Surface impacts include up to five acres of surface disturbance during the drilling and completion phase (estimated for five weeks duration). If oil and gas in commercial quantities is discovered, the location will be reclaimed back to a net disturbance of between one and two acres – not including road, pipeline, or utility infrastructure. If no oil or gas is discovered, the location will be completely reclaimed.	
<b>7. Identify local government affected</b> a. Has the government been contacted? No. b. When? c. What was the response? d. If no response, how is the local government(s) likely to be impacted?	
<b>8. For acquisitions of land or interests in land by DWR or State Parks please identify state representative and state senator for the project area. Name and phone number of state representative, state senator near project site, if applicable:</b> a. Has the representative and senator been contacted? N/A	
<b>9. Areawide clearinghouse(s) receiving state action:</b> (to be sent out by agency in block 1) Uintah Basin Association of Governments	
<b>10. For further information, contact:</b>   <b>Diana Whitney</b> <b>Phone:</b> (801) 538-5312	<b>11. Signature and title of authorized officer</b>    Gil Hunt, Associate Director <b>Date:</b> June 7, 2006

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

5. LEASE DESIGNATION AND SERIAL NO.	<b>ML-22161</b>
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	<b>na</b>
7. UNIT AGREEMENT NAME	<b>na</b>
8. FARM OR LEASE NAME	<b>na</b>
9. WELL NO.	<b>Thurston 12-29-9-24</b>
10. FIELD OR LEASE NAME	<b>Undesignated Wildcat</b>
11. Sec., T., R., M., OR BLK AND SURVEY OR AREA	<b>Sec. 29, T9S. R24E.</b>
12. COUNTY OR PARISH	<b>Uintah</b>
13. STATE	<b>Utah</b>
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*	<b>45.3 miles south of Vernal, UT</b>
15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any)	<b>656'</b>
16. NO. OF ACRES IN LEASE	<b>320</b>
17. NO. OF ACRES ASSIGNED TO THIS WELL	<b>40</b>
18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.	<b>2,700'</b>
19. PROPOSED DEPTH	<b>8,000</b>
20. ROTARY OR CABLE TOOLS	<b>Rotary</b>
21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)	<b>5,409' GR</b>
22. APPROX. DATE WORK WILL START	<b>4/30/06</b>

**APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK**

1a TYPE OF WORK  
**DRILL**  **DEEPEN**  **PLUG BACK**

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

2. NAME OF OPERATOR  
**Thurston Energy Operating Company**

3. ADDRESS OF OPERATORS  
**PO Box 240 Vernal, UT 84078**

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)  
 at surface **1,973' FSL & 656' FWL NWSW 649859X 40.005161**  
 At proposed prod. Zone **same as above 4429596Y -109.244340**

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
**45.3 miles south of Vernal, UT**

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drig. Unit line, if any)  
**656'**

16. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT.  
**2,700'**

21. ELEVATION (SHOW WHETHER DF. RT, GR, etc.)  
**5,409' GR**

PROPOSED CASING AND CEMENT PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
<b>11"</b>	<b>8 5/8"</b>	<b>36#</b>	<b>2000'</b>	<b>779 sks</b>
<b>7 7/8"</b>	<b>4 1/2"</b>	<b>11.6#</b>	<b>T.D.</b>	<b>600 sks</b>

**The operator requests permission to drill the subject well. Please find the attached 10 point plan and 13 point plan.**

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

**CONFIDENTIAL**

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

24

SIGNATURE **William A Ryan** TITLE **President** DATE **5/25/2006**

(This space for Federal or State Office use)

PERMIT NO. **43-047-38155** APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY: \_\_\_\_\_

\*See Instructions on Reverse Side

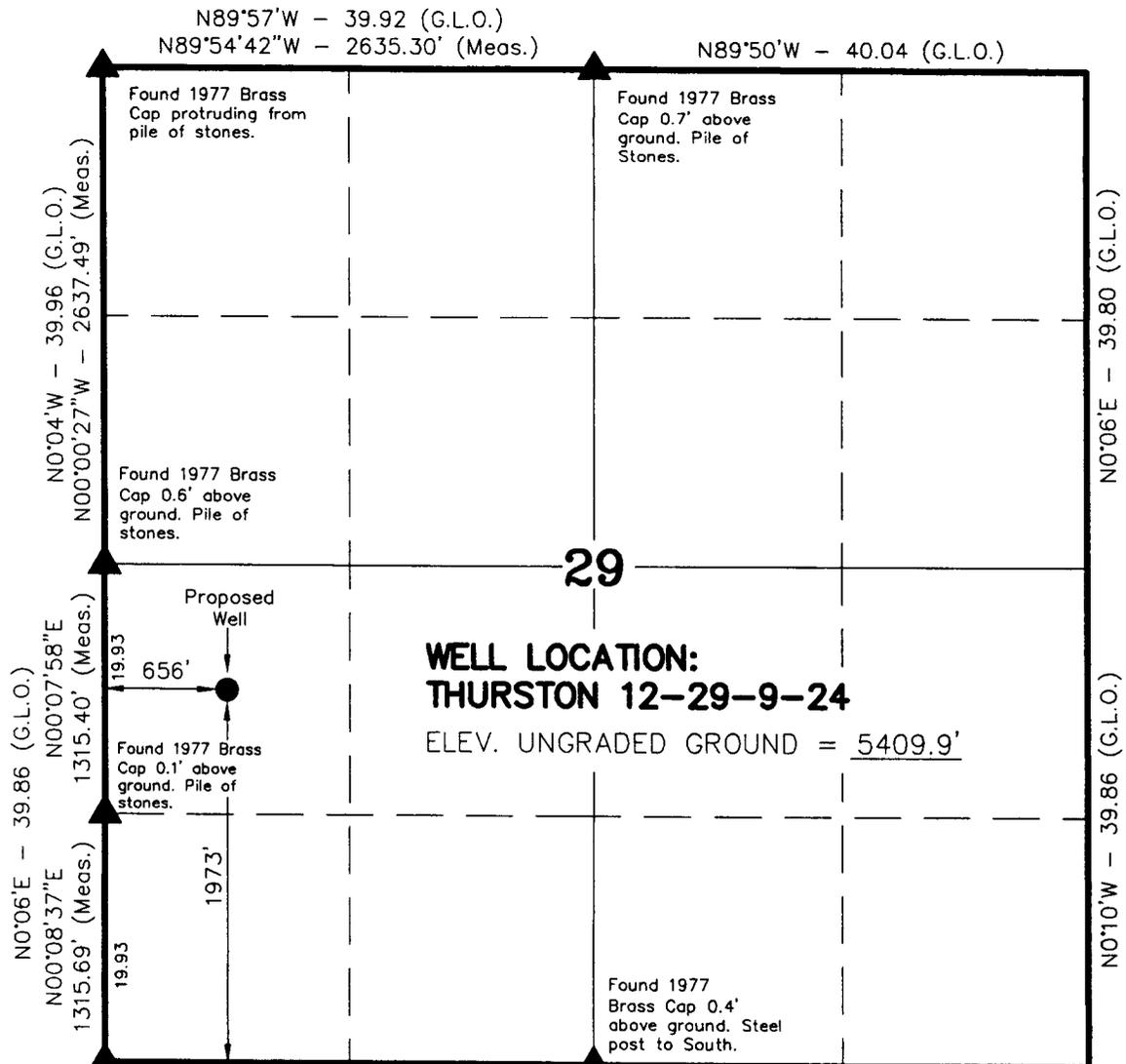
Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

**RECEIVED  
MAY 31 2006**

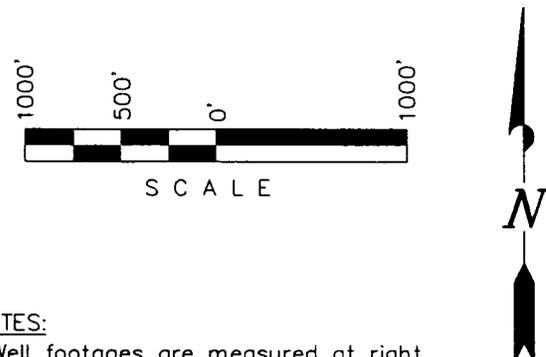
DIV. OF OIL, GAS & MINING

# T9S, R24E, S.L.B.&M.

# THURSTON ENERGY OPERATING COMPANY



WELL LOCATION, THURSTON 12-29-9-24,  
 LOCATED AS SHOWN IN THE NW 1/4 SW  
 1/4 OF SECTION 29, T9S, R24E, S.L.B.&M.  
 UTAH COUNTY, UTAH.



- NOTES:**
1. Well footages are measured at right angles to the Section Lines.
  2. Bearings are based on Global Positioning Satellite observations.

**WELL LOCATION:**  
**THURSTON 12-29-9-24**  
 ELEV. UNGRADED GROUND = 5409.9'

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.

*Kolby R. Kay*  
 REGISTERED LAND SURVEYOR  
 REGISTRATION NO. 362251  
 STATE OF UTAH

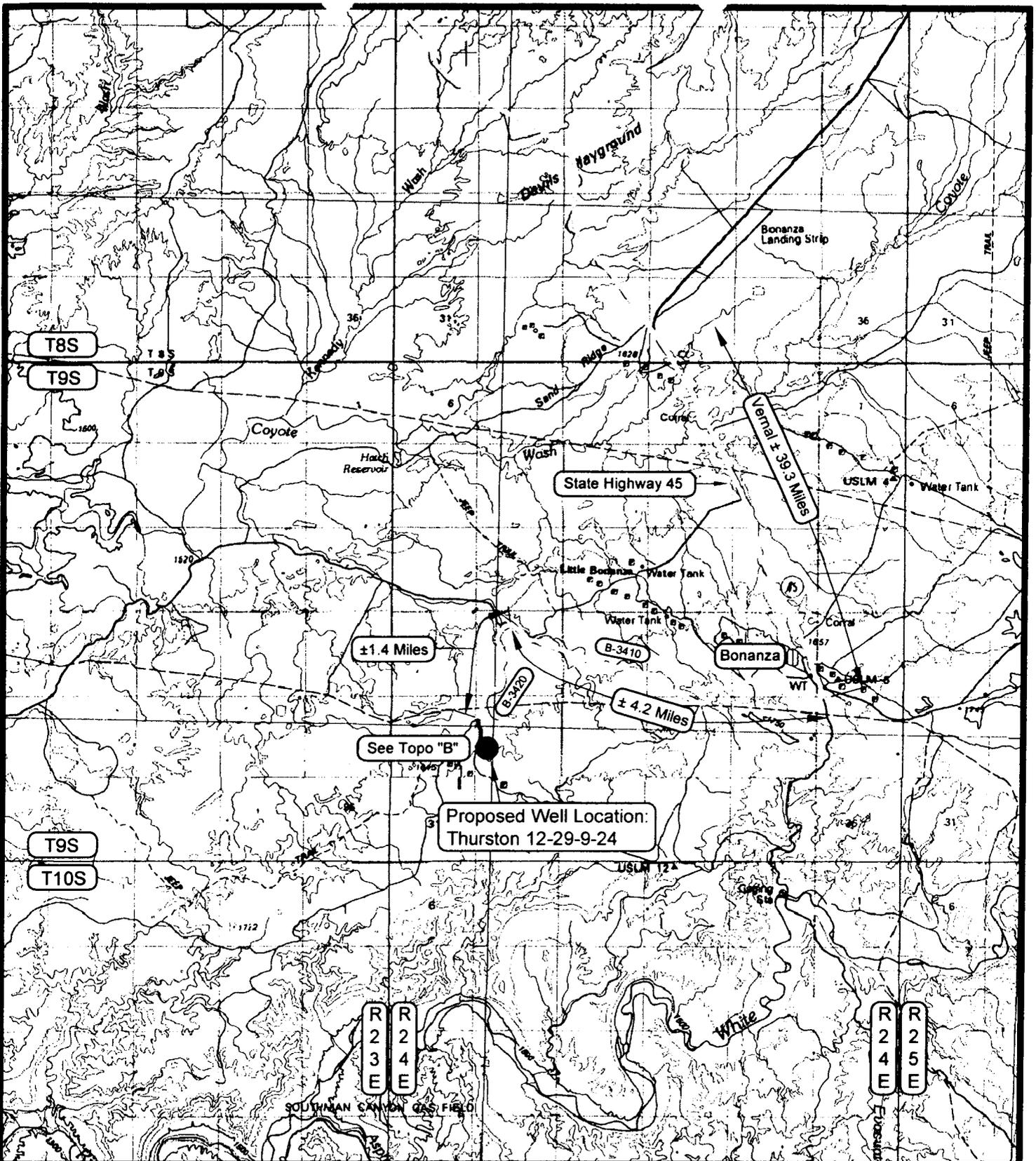
Found 1977 Brass Cap 0.6' above ground. Pile of stones to West. Cedar Post to North  
**S89°59'10\"W - (Basis of Bearings) 2623.77' (Measured)**  
**S89°57'W - 39.75 (G.L.O.)**

**N89°59'W - 40.32 (G.L.O.)**

▲ = SECTION CORNERS LOCATED  
 BASIS OF ELEVATION IS BENCH MARK 46 EAM LOCATED IN THE SW 1/4 OF SECTION 23, T9S, R24E, S.L.B.&M. THE ELEVATION OF THIS BENCH MARK IS SHOWN ON THE BONANZA 7.5 MIN. QUADRANGLE AS BEING 5550'.

**THURSTON 12-29-9-24**  
**(Proposed Well Head)**  
**NAD 83 Autonomous**  
 LATITUDE = 40° 00' 18.4"  
 LONGITUDE = 109° 14' 41.9"

<b>TIMBERLINE LAND SURVEYING, INC.</b>		<b>SHEET</b> <b>2</b> <b>OF 10</b>
38 WEST 100 NORTH. - VERNAL, UTAH 84078		
(435) 789-1365		
DATE SURVEYED: 04-08-06	SURVEYED BY: K.R.K.	
DATE DRAWN: 04-14-06	DRAWN BY: M.W.W.	Date Last Revised:
SCALE: 1" = 1000'		



**LEGEND**

- PROPOSED ACCESS ROAD
- = SUBJECT WELL
- = OTHER WELLS
- = EXISTING ROAD
- = EXISTING ROAD (TO BE IMPROVED)
- (B-5460) = COUNTY ROAD CLASS & NUMBER

**TOPOGRAPHIC MAP "A"**

DATE SURVEYED: 04-08-06

DATE DRAWN: 04-14-06

SCALE: 1:100,000

DRAWN BY: M.W.W.

REVISED:

**THURSTON ENERGY OPERATING COMPANY**

**Thurston 12-29-9-24**

**SECTION 29, T9S, R24E, S.L.B.&M.**

**1973' FSL & 656' FWL**

**Timberline Land Surveying, Inc.**

38 West 100 North Vernal, Utah 84078  
(435) 789-1365

**SHEET**

**7**

**OF 10**

06-06 Thurston 12-29-9-2  
Casing Schematic

Green River

Surface

8-5/8"  
MW 8.4  
Frac 19.3

TOC @  
0.

1230  
TOC Tail

Surface  
2000. MD

✓ w/ 18% washout

TOC @  
2363.

3635  
washout

5261  
TOC Tail

5345  
Milestone

✓ w/ 0% washout  
\* Cement stop to  
2500' min as  
proposed

4-1/2"  
MW 9.5

Production  
8000. MD

BHP

$$(.052)(8000)(9.5) = 3952$$

Anticipate < 3,000

G<sub>10</sub>

$$(6.1)(8,000) = 9600$$

MABP - 2992

Base 3,000 ✓

Surf. Csg. 4460

70% = 3122

Max pressure @ Surf. Csg. shoe 2632

Test to 2632# ✓

✓ Adequate OK 6/24/06

Well name:	<b>06-06 Thurston 12-29-9-24</b>	
Operator:	<b>Thurston Energy Operating</b>	Project ID:
String type:	Surface	43-047-38155
Location:	Uintah County	

**Design parameters:**

**Collapse**

Mud weight: 8.400 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 93 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 185 ft

Cement top: Surface

**Burst**

Max anticipated surface pressure: 374 psi  
 Internal gradient: 0.447 psi/ft  
 Calculated BHP 1,267 psi

No backup mud specified.

**Tension:**

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

Tension is based on air weight.  
 Neutral point: 1,749 ft

Non-directional string.

**Re subsequent strings:**

Next setting depth: 8,000 ft  
 Next mud weight: 9.500 ppg  
 Next setting BHP: 3,948 psi  
 Fracture mud wt: 19.250 ppg  
 Fracture depth: 2,000 ft  
 Injection pressure 2,000 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	8.625	36.00	J-55	ST&C	2000	2000	7.7	143.5
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	3450	3.953	1267	4460	3.52	72	434	6.03 J

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

Phone: 801-538-5280

Date: June 8,2006  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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

Well name:	<b>06-06 Thurston 12-29-9-24</b>	
Operator:	<b>Thurston Energy Operating</b>	Project ID:
String type:	Production	43-047-38155
Location:	Uintah County	

**Design parameters:**

**Collapse**

Mud weight: 9.500 ppg  
 Design is based on evacuated pipe.

**Minimum design factors:**

**Collapse:**

Design factor 1.125

**Burst:**

Design factor 1.00

**Environment:**

H2S considered? No  
 Surface temperature: 65 °F  
 Bottom hole temperature: 177 °F  
 Temperature gradient: 1.40 °F/100ft  
 Minimum section length: 368 ft

Cement top: 2,363 ft

**Burst**

Max anticipated surface pressure: 374 psi  
 Internal gradient: 0.447 psi/ft  
 Calculated BHP 3,948 psi

No backup mud specified.

**Tension:**

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

Non-directional string.

Tension is based on air weight.

Neutral point: 6,864 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8000	4.5	11.60	N-80	LT&C	8000	8000	3.875	185.4
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3948	6350	1.608	3948	7780	1.97	93	223	2.40 J

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

Phone: 801-538-5280

Date: June 8,2006  
 Salt Lake City, Utah

**ENGINEERING STIPULATIONS: NONE**

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.  
 Collapse is based on a vertical depth of 8000 ft, a mud weight of 9.5 ppg The casing is considered to be evacuated for collapse purposes.  
 Burst strength is not adjusted for tension.

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



**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*

July 10, 2006

Thurston Energy Operating Company  
P O Box 240  
Vernal, UT 84078

Re: Thurston 12-29-9-24 Well, 1973' FSL, 656' FWL, NW SW, Sec. 29,  
T. 9 South, R. 24 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38155.

Sincerely,

Gil Hunt  
Associate Director

pab  
Enclosures

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

**Operator:** Thurston Energy Operating Company

**Well Name & Number** Thurston 12-29-9-24

**API Number:** 43-047-38155

**Lease:** ML-22161

**Location:** NW SW                      **Sec.** 29                      **T.** 9 South                      **R.** 24 East

### Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

6. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.
8. Cement volume for the 4 1/2" production string shall be determined from actual hole diameter in order to place cement from the pipe setting depth back to  $\pm 2500'$  MD as indicated in the submitted drilling plan.

**From:** Robert Clark  
**To:** Whitney, Diana  
**Date:** 7/25/2006 9:42:56 AM  
**Subject:** RDCC short turn around responses

*Thurston Energy  
43-047-38155*

The following comments are provided in response to RDCC #6842 - RDCC #6848.

**RDCC #6842, Comments begin:** The proposal of Petro-Canada Resources (USA) Inc. to drill the **State 32-21** wildcat well, in Carbon County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.**

**RDCC #6843, Comments begin:** The proposal of Parallel Petroleum Corporation to drill the **Trail Creek Anticline 1-2-6-25** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.**

**RDCC #6844, Comments begin:** The proposal of Parallel Petroleum Corporation to drill the **Buckskin Hills 13-32-3-22** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.**

**RDCC #6845, Comments begin:** The proposal of Pioneer Natural Resources (USA) Inc. to drill the **UTCO Fee 32C-25B-12-25** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end. RDCC #6846, Comments begin:** The proposal of Pioneer Natural Resources (USA) Inc. to drill the **UTCO Fee 24C-24-12-25** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end. RDCC #6847, Comments begin:** The proposal of Pioneer Natural Resources (USA) Inc. to drill the **UTCO Fee 23C-25-12-25** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end. RDCC #6848, Comments begin:** The proposal of Thurston Energy Operating Company to drill the **Thurston 12-29-9-24** wildcat well, in Uintah County, may require a permit, known as an Approval Order, from the Executive Secretary of the Air Quality Board if any compressor or pump stations are constructed at the site. If a permit is required, a permit application, known as a Notice of Intent (NOI), should be submitted to the Executive Secretary at the Utah Division of Air Quality at 150 N. 1950 West, Salt Lake City, Utah, 84116 for review according to the Utah Air Quality Rule R307-401. Permit: Notice of Intent and Approval Order. The guidelines for preparing an NOI are available on-line at

<http://www.airquality.utah.gov/Permits/FORMS/NOIGuide8.pdf>. The proposed project is also subject to Utah Air Quality Rule R307-205-5, Fugitive Dust, due to the fugitive dust that is generated during the excavating phases of the project. These rules apply to construction activities that disturb an area greater than 1/4 acre in size. A permit, known as an Approval Order, is not required from the Executive Secretary of the Air Quality Board, but steps need to be taken to minimize fugitive dust, such as watering and/or chemical stabilization, providing vegetative or synthetic cover or windbreaks. A copy of the rules may be found at [www.rules.utah.gov/publicat/code/r307/r307.htm](http://www.rules.utah.gov/publicat/code/r307/r307.htm). **Comments end.** Robert Clark Division of Air Quality 536-4435

CC: McNeill, Dave; Wright, Carolyn

**From:** Brad Hill  
**To:** Whitney, Diana  
**Date:** 7/27/2006 10:43:27 AM  
**Subject:** Fwd: UGS comments on RDCC item 6848

>>> Gil Hunt 7/26/2006 4:02 PM >>>

43-0473 8155

>>> Kimm Harty 07/26/2006 12:23 PM >>>

Pam & Gil: Attached are UGS comments on RDCC item 6848. Let us know if you have any questions. Thaniks. Kimm

6848. Division of Oil, Gas and Mining  
Short Turn Around Drilling Permit  
Sec. 29, T9S, R24E, Uintah County  
Application for Permit to Drill - proposal to drill a wildcat well the Thurston 12-29-9-24 on a State lease ML-22161

Although there are no paleontological localities recorded in our files for this project area, the Eocene Uinta Formation that is exposed here has the potential for yielding significant vertebrate fossils. The office of the State Paleontologist therefore recommends that a paleontological survey be conducted for this project.

BLM, Vernal Field Office  
170 S 500 E  
Vernal, UT 84078

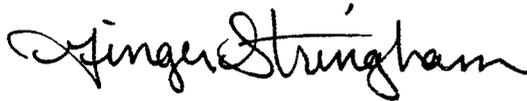
43-047-38155

Paradigm Consulting, INC  
PO BOX 790203  
Vernal, UT 84079

Dear Sir or Madam:

Due to an over-site on my behalf, please find the attached SF-299 application which should have been included with the original (APD) Right-of-Way filed with your office. The SF-299 should be referenced to Thurston 12-29-9-24 (APD) Right-of-Way. The APD is on split estate with Federal surface and State minerals. The mineral lease number is ML-22161. I apologize for any inconveniences this may have caused. If you have any additional questions, please feel free to contact me at 435-789-4162.

Sincerely,



Ginger Stringham  
Agent for Thurston Energy Operating Company

AUG 29 2006

**APPLICATION FOR TRANSPORTATION AND  
UTILITY SYSTEMS AND FACILITIES  
ON FEDERAL LANDS**

FORM APPROVED  
OMB NO. 1004-0060  
Expires: December 31, 2001

**FOR AGENCY USE ONLY**

**NOTE:** Before completing and file application, the applicant should completely review this package and schedule a preapplication meeting with representatives of the agency responsible for processing the application. Each agency may have specific and unique requirements to be met in preparing and processing the application. Many times, with help of the representative, the application can be completed at the application meeting.

Application Number

Date Filed

1 Name and address of the applicant (include Zip code)  
**Thurston Energy Operating Co.  
2754 W. Hwy. 40  
Vernal, UT 84078**

2 Name, title, and address of authorized agent if different from item 1 (include zip code)  
**William A Ryan  
290 S 800 E  
Vernal, UT 84078**

3 TELEPHONE (area code)

Applicant

435-789-2653

Authorized Agent

435-789-0968

4

- a  Individual  
b  Corporation\*  
c  Partnership/Association\*  
d  State Government/State Agency  
e  Local Government  
f  Federal Agency

\* If checked complete supplemental page

6 If an individual, or partnership are you a citizen(s) of the United States?

7 Project description (describe in detail): (a) Type of system or facility, e.g., canal, pipeline, road);(b) related structures and facilities; (c) physical specifications (length, width, grade, etc.); (d) term of years needed; (e) time of year of use or operation; (f) Volume or amount of production to be transported; (g) duration and time of construction; and (h) temporary work area needed for construction (Attach additional sheets, if additional space is needed.)

**A. Well location, Access road, Pipeline.**

**B. None.**

**C. Please see attached A.P.D.**

**D. For the life of the proposed well.**

**E. Year round.**

**F. Typical oil and gas traffic.**

**G. 30 Days.**

**H. None.**

8 Attach a map covering area and show location of proposal

9 State or Local government approval  Attached  Applied for  Not Required

10 Nonreturnable application fee:  Attached  Not Required

11 Does Project cross international or affect international waterways?  Yes  No

12 Give statement of your technical and financial capability to conduct, operate, maintain, and terminate system for which authorization is being requested

**Thurston Energy Operating Company has the financial capability to construct, operate, maintain, and terminate the proposed drilling program.**

**AUG 29 2006**

13 a Describe other reasonable alternative routs and modes considered.

**None were considered**

b Why were these alternatives not selected

**Please see attached APD.**

c Give explanation as to why it is necessary to cross Federal Lands.

**To access State minerals located below Federal surface.**

14 List authorization and pending application filed for similar projects which may provide information to authorizing agency. (specify number, date, code, or name)

**An Application for Permit to Drill has been filed with the State of Utah Division of oil, Gas and Mining.**

15 Provide statement of need for project, including the economic feasibility and items as: (a) cost of proposal (construction, operation, and maintenance); (b) estimated cost of next best alternative; and © expected public benefits.

**a. Please see attached APD.**

**b. Please see attached APD.**

16 Describe probable effects on the population in the area, including the social and economic aspects, and the rural lifestyles.

**There will be no significant impacts on the areas population, social or economic aspects or the rural lifestyle from the proposed project.**

17 Describe likely environmental effects project will have on: (a) air quality; (b) visual impacts; © surface and ground water quality and Quantity; (d) the control or structural change on any stream or other body of water; (e) existing noise levels; and (f) the surface of the land including vegetation, permafrost, soil, and soil stability.

- a. minimal
- b. minimal
- c. minimal
- d. no change
- e. minimal
- f. minimal

18 Describe the probable effects that the proposed project will have on (a) populations of fish, plantlike, wildlife, and marine life, including threatened and endangered species; and (b) marine mammals, including hunting, capturing, collecting, or killing these animals.

**a. There will be little or no impacts on fish, plantlife, wildlife, and threatened and endangered species**  
**b. NA**

19 State whether any hazardous material, as defined in this paragraph, will be used, transported or stored on or within the right-of-way or any of the right-of-way facilities, or used in the construction, operation, maintenance or termination of the right-of-way or any of its facilities. "Hazardous Material" means any substance, pollutant or contaminant that is listed as hazardous under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. 9601 et seq., and its regulations. The definition of hazardous substances unsure CERCLA includes any "hazardous waste" as defined in the Resource Conservation and Recovery Act of 1976 (RCRA), ass amended, 42 U.S.C. 6901 et seq., and its regulations. The term hazardous material also includes any nuclear or byproduct material as defined by the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq. The term does not include petroleum, including crude oil or any fraction thereof that is not otherwise specifically listed or described as a hazardous substance, under CERCIA Section 101(14), 42 U.S.C. 9601(14), nor does the term include natural gas.

**Please see attached APD.**

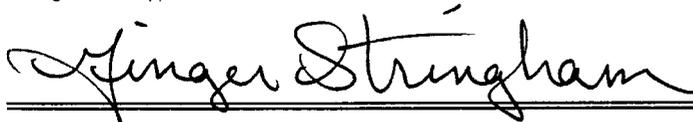
20 Name all the Department(s)/Agency(ies) where this application is being filed.

**Bureau of Land Management, Vernal Field Office. Vernal, UT**

**Cc: Utah Division of Oil, Gas and Mining.**

I HEREBY CERTIFY, That I am of legal age and authorized to do business in the State and that I have personally examined the information contained the information contained in the application and believe that the formation submitted in correct to the best of my knowledge.

Signature of applicant



Date

**8/24/2006**

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

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

**CONFIDENTIAL**

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:  
**ML-22161**

**SUNDRY NOTICES AND REPORTS ON WELLS**

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:  
**NA**

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

7. UNIT or CA AGREEMENT NAME:  
**NA**

1. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER \_\_\_\_\_

8. WELL NAME and NUMBER:  
**Thurston 12-29-9-24**

2. NAME OF OPERATOR:  
**Thurston Energy Operating Operating**

9. API NUMBER:  
**4304738155**

3. ADDRESS OF OPERATOR:  
**290 South 800 East** CITY **Vernal** STATE **UT** ZIP **84078**

PHONE NUMBER:  
**(435) 789-0968**

10. FIELD AND POOL, OR WLD CAT:  
**Undesignated**

4. LOCATION OF WELL  
FOOTAGES AT SURFACE: **1,973' FSL & 656' FWL** COUNTY: **Uintah**  
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 29 9S 24E** STATE: **UTAH**

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

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

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.  
Operator respectfully requests to extend approval for the subject location for one year.

Approved by the  
Utah Division of  
Oil, Gas and Mining

6-12-07  
RM

RECEIVED  
JUN 07 2007  
DIV. OF OIL, GAS & MINING

Date: 06-11-07  
By: [Signature]

NAME (PLEASE PRINT) William A. Ryan TITLE Agent  
SIGNATURE [Signature] DATE 6/6/2007

(This space for State use only)

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304738155  
**Well Name:** Thurston 12-29-9-24  
**Location:** Section 29 Township 9S Range 24E NWSW  
**Company Permit Issued to:** Thurston Energy Operating Company  
**Date Original Permit Issued:** 7/10/2006

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes  No

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes  No

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes  No

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes  No

Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

  
\_\_\_\_\_  
Signature

6/6/2007  
\_\_\_\_\_  
Date

Title: Agent  
\_\_\_\_\_

Representing: Thurston Energy Operating Company  
\_\_\_\_\_

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>			5. LEASE DESIGNATION AND SERIAL NUMBER: <b>ML-22161</b>
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.			6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____			7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Thurston Energy Operating Company</b>			8. WELL NAME and NUMBER: <b>Thurston 12-29-9-24</b>
3. ADDRESS OF OPERATOR: 290 S. 800 E. CITY <b>Vernal</b> STATE <b>UT</b> ZIP <b>84078</b>		PHONE NUMBER: <b>(435) 789-0968</b>	9. API NUMBER: <b>4304738155</b>
4. LOCATION OF WELL FOOTAGES AT SURFACE: <b>1973' FSL &amp; 656' FWL</b>			10. FIELD AND POOL, OR WILDCAT: <b>Undesignated</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: <b>NWSW 29 9S 24E</b>			COUNTY: <b>Uintah</b>
			STATE: <b>UTAH</b>

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

TYPE OF SUBMISSION	TYPE OF ACTION		
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Extension</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

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

The operator respectfully requests to extend approval for the subject location for one year.

Approved by the  
Utah Division of  
Oil, Gas and Mining

Date: 06-18-08  
By: [Signature]

COPY SENT TO OPERATOR  
Date: 6-19-2008  
Initials: KS

NAME (PLEASE PRINT) <u>Ginger Bowden</u>	TITLE <u>Agent</u>
SIGNATURE <u>[Signature]</u>	DATE <u>6/12/2008</u>

(This space for State use only)

**RECEIVED**  
**JUN 17 2008**

**Application for Permit to Drill  
Request for Permit Extension  
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

**API:** 4304738155  
**Well Name:** Thurston 12-29-9-24  
**Location:** Sec. 29, T 9 S R 24E NWSW  
**Company Permit Issued to:** Thurston Energy Operating Company  
**Date Original Permit Issued:** ~~6/12/2007~~ 7/10/2006

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Has the approved source of water for drilling changed? Yes  No

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes  No

Is bonding still in place, which covers this proposed well? Yes  No

Lincoln Bowden  
Signature

6/12/2008  
Date

Title: Agent

Representing: Thurston Energy Operating Company

RECEIVED

JUN 17 2008

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 and Mining

JOHN R. BAZA  
Division Director

July 1, 2009

Thurston Energy Operating Co.  
290 South 800 East  
Vernal, UT 84078

Re: APD Rescinded – Thurston 12-29-9-24, Sec.29, T. 9S, R. 24E,  
Uintah County, Utah API No. 43-047-38155

Ladies and Gentlemen:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on July 10, 2006. On June 11, 2007 and June 18, 2008, the Division granted a one-year APD extension. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective July 1, 2009.

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 Mason  
Environmental Scientist

cc: Well File  
SITLA, Ed Bonner  
Bureau of Land Management, Vernal

