

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

FORM 3

AMENDED REPORT

APPLICATION FOR PERMIT TO DRILL						1. WELL NAME and NUMBER Atchee Wash 33-9								
2. TYPE OF WORK DRILL NEW WELL <input checked="" type="checkbox"/> REENTER P&A WELL <input type="checkbox"/> DEEPEN WELL <input type="checkbox"/>						3. FIELD OR WILDCAT NATURAL BUTTES								
4. TYPE OF WELL Oil Well <input checked="" type="checkbox"/> Coalbed Methane Well: NO <input type="checkbox"/>						5. UNIT or COMMUNITIZATION AGREEMENT NAME								
6. NAME OF OPERATOR MCELVAIN ENERGY INC						7. OPERATOR PHONE 303 893-0933								
8. ADDRESS OF OPERATOR 1050 17th Street Ste 2500, Denver, CO, 80265						9. OPERATOR E-MAIL debbyp@McElvain.com								
10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) UTU-73451			11. MINERAL OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>			12. SURFACE OWNERSHIP FEDERAL <input checked="" type="checkbox"/> INDIAN <input type="checkbox"/> STATE <input type="checkbox"/> FEE <input type="checkbox"/>								
13. NAME OF SURFACE OWNER (if box 12 = 'fee')						14. SURFACE OWNER PHONE (if box 12 = 'fee')								
15. ADDRESS OF SURFACE OWNER (if box 12 = 'fee')						16. SURFACE OWNER E-MAIL (if box 12 = 'fee')								
17. INDIAN ALLOTTEE OR TRIBE NAME (if box 12 = 'INDIAN')			18. INTEND TO COMMINGLE PRODUCTION FROM MULTIPLE FORMATIONS YES <input type="checkbox"/> (Submit Commingling Application) NO <input checked="" type="checkbox"/>			19. SLANT VERTICAL <input checked="" type="checkbox"/> DIRECTIONAL <input type="checkbox"/> HORIZONTAL <input type="checkbox"/>								
20. LOCATION OF WELL		FOOTAGES		QTR-QTR		SECTION		TOWNSHIP		RANGE		MERIDIAN		
LOCATION AT SURFACE		1469 FSL 471 FEL		NESE		33		10.0 S		23.0 E		S		
Top of Uppermost Producing Zone		1469 FSL 471 FEL		NESE		33		10.0 S		23.0 E		S		
At Total Depth		1469 FSL 471 FEL		NESE		33		10.0 S		23.0 E		S		
21. COUNTY UINTAH			22. DISTANCE TO NEAREST LEASE LINE (Feet) 471			23. NUMBER OF ACRES IN DRILLING UNIT 40								
			25. DISTANCE TO NEAREST WELL IN SAME POOL (Applied For Drilling or Completed) 0			26. PROPOSED DEPTH MD: 8297 TVD: 8297								
27. ELEVATION - GROUND LEVEL 5214			28. BOND NUMBER LPM4138223			29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABLE 49-1547								
Hole, Casing, and Cement Information														
String	Hole Size	Casing Size	Length	Weight	Grade & Thread	Max Mud Wt.	Cement		Sacks	Yield	Weight			
SURF	12.25	9.625	0 - 2000	0.0	No Pipe Used	24.0	Halliburton Light , Type Unknown		250	3.38	11.0			
							Class G		529	1.2	15.6			
PROD	7.875	4.5	0 - 8297	0.0	No Pipe Used	11.6	Halliburton Light , Type Unknown		200	3.3	11.0			
							Class G		400	1.56	14.3			
ATTACHMENTS														
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES														
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER						<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN								
<input type="checkbox"/> AFFIDAVIT OF STATUS OF SURFACE OWNER AGREEMENT (IF FEE SURFACE)						<input type="checkbox"/> FORM 5. IF OPERATOR IS OTHER THAN THE LEASE OWNER								
<input type="checkbox"/> DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)						<input checked="" type="checkbox"/> TOPOGRAPHICAL MAP								
NAME E Reed Fischer				TITLE Sr. Operations Engineer				PHONE 303 893-0933						
SIGNATURE				DATE 08/15/2012				EMAIL reedf@McElvain.com						
API NUMBER ASSIGNED 43047530280000				APPROVAL  Permit Manager										

Ten Point Plan**McElvain Oil & Gas Prop., INC****Atchee Wash 33-9**

Surface Location NE ¼ SE ¼, Section 33, T. 10S., R. 23 E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Drilled Depth</u>	<u>Subsea</u>
Green River	1512'	3702'
Uteland Butte Limestone	3512'	1702'
Wasatch	3612'	1602'
Mesaverde	5612'	-398'
Castlegate	7787'	-2573'
Mancos	8147'	-2933'
TD	8297'	-3083'

A 12 ¼ 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:

Off set well:

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/FT</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	24 #	J-55/STC	2000	NEW
7 7/8	4 ½	11.6#	N80 /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:	9 5/8	Primium 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. +/-	3.38ft³/sk	11.0 ppg
Tail:	9 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft³/sk	15.6 ppg
Top Job:	9 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft³/sk	15.6 ppg

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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>
Lead: 4 1/2	Primium 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 ³ /sk	11.0 ppg
Tail: 4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft ³ /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 9 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.	8.4-8.6 (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 H₂S.

10. Drilling Schedule:

The anticipated starting date is September 1, 2004. Duration of operations is expected to be 30 days.

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T10S, R23E, S.L.B.&M.

MCELVAIN OIL & GAS PROP., INC.

Well location, ATCHEE WASH #33-9, located as shown in the NE 1/4 SE 1/4 of Section 33, T10S, R23E, S.L.B.&M. Uintah County Utah.

1994 Alum. Cap. Pile of Stones

N89°58'W - 2644.62' (G.L.O.)

S89°59'W - 2647.26' (G.L.O.)

N00°05'W - 2636.70' (G.L.O.)

33

ATCHEE WASH #33-9
Elev. Ungraded Ground = 5215'

1994 Alum. Cap. Pile of Stones

N00°05'06"E - 2639.14' (Meas.)

S00°04'55"E - 2640.03' (Meas.)

T10S
T11S

1995 Brass Cap. 0.2' High, Pile of Stones

2646.60' (G.L.O.)

S89°58'W - 2632.74' (G.L.O.)

BASIS OF BEARINGS

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

(AUTONOMOUS NAD 83)

LATITUDE = 39°54'07.96" (39.902211)

LONGITUDE = 109°19'26.98" (109.324161)

LEGEND:

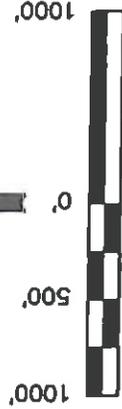
— = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

BASIS OF ELEVATION

BENCH MARK 57 EAM LOCATED IN THE NE 1/4 OF SECTION 24, T11S, R23E, S.L.B.&M. TAKEN FROM THE RED WASH SE. QUADRANGLE, UTAH, UINTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5192 FEET.



SCALE

CERTIFICATE

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

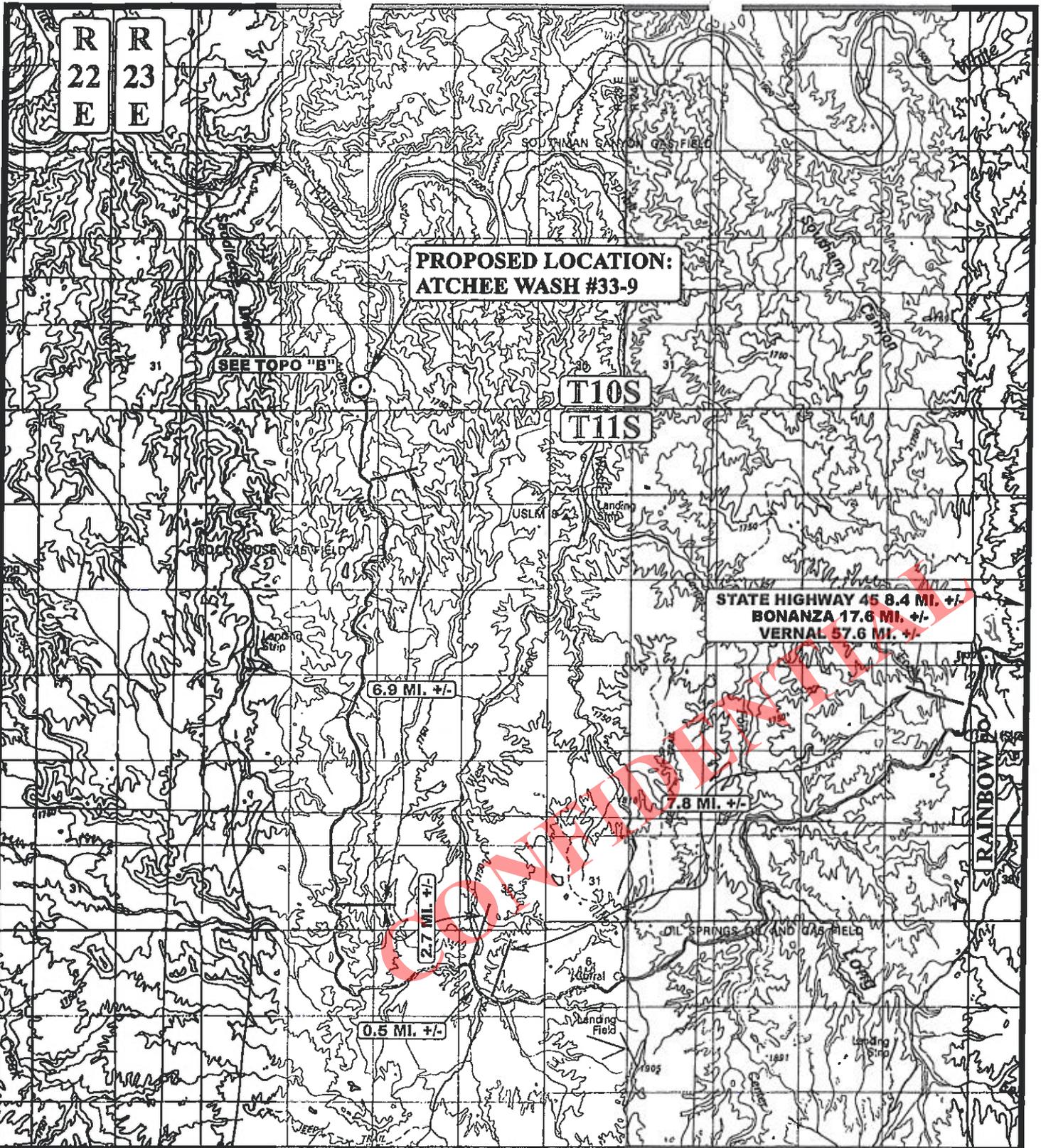
REGISTERED LAND SURVEYOR
REGISTRATION NO. 161319
STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING

85 SOUTH 200 EAST - VERNAL, UTAH 84078

(435) 789-1017

SCALE	1" = 1000'	DATE SURVEYED:	4-2-04	DATE DRAWN:	4-7-04
PARTY	D.A. T.A. C.G.	REFERENCES	G.L.O. PLAT		
WEATHER	COOL	FILE	MCELVAIN OIL & GAS PROP. INC.		



LEGEND:

○ PROPOSED LOCATION

McELVAIN OIL & GAS PROP., INC.

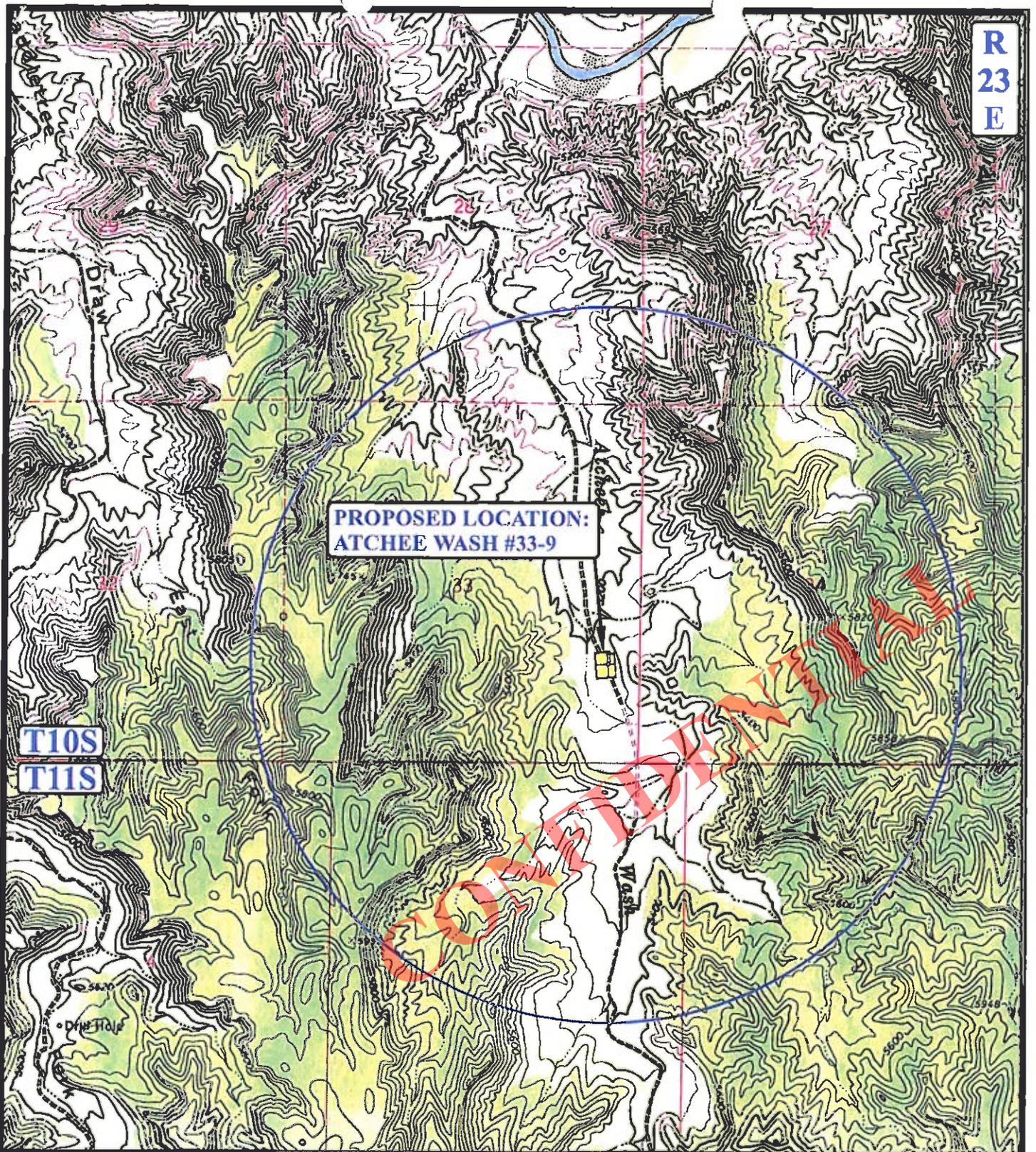
**ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL**



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

TOPOGRAPHIC 07 08 04
MAP MONTH DAY YEAR
SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





**PROPOSED LOCATION:
ATCHEE WASH #33-9**

**T10S
T11S**

**R
23
E**

LEGEND:

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



McELVAIN OIL & GAS PROP., INC.

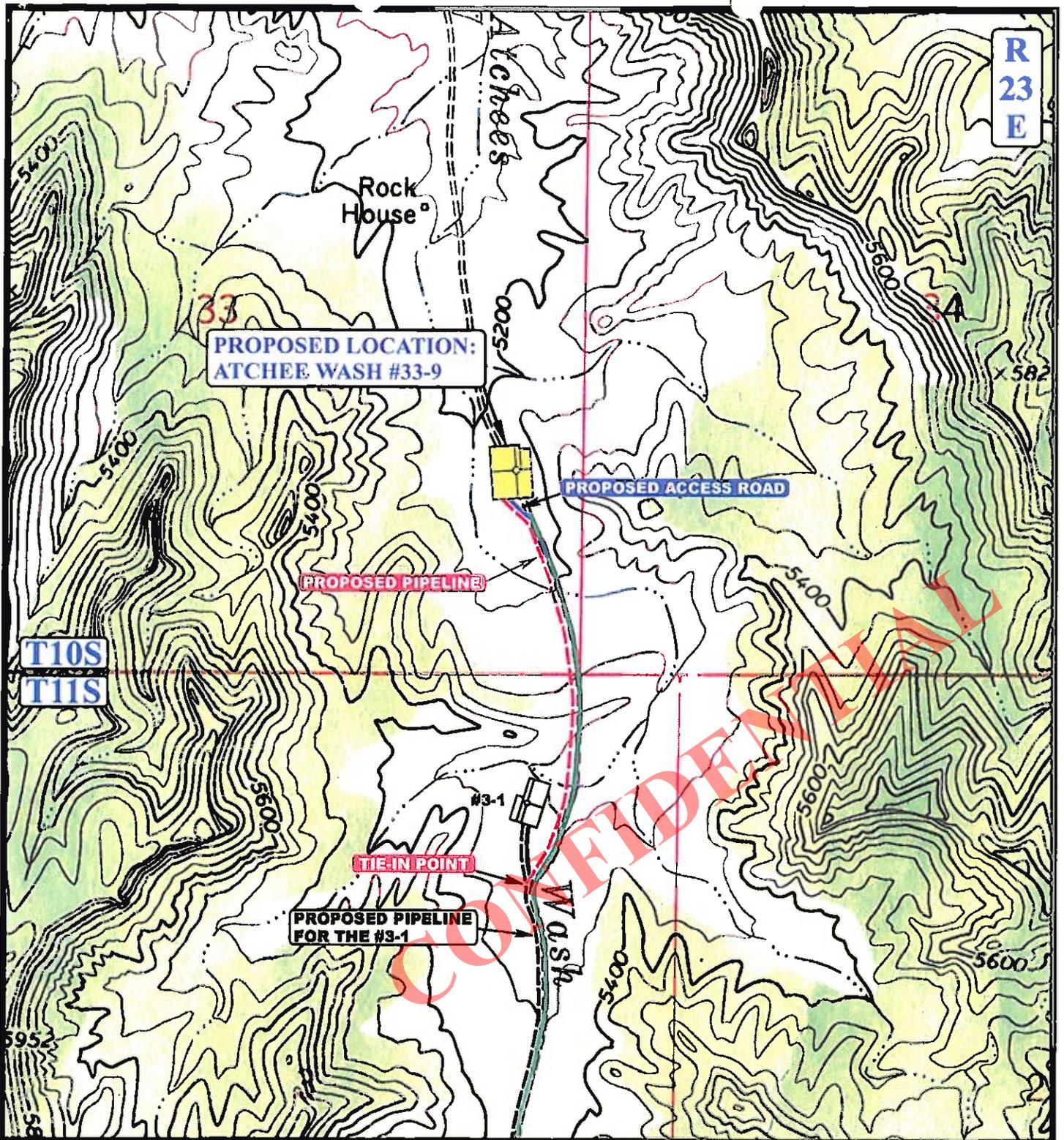
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TOPOGRAPHIC	07	08	04
MAP	MONTH	DAY	YEAR
SCALE: 1"=2000'	DRAWN BY: P.M.		REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 2,900' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING PIPELINE
- - - - PROPOSED PIPELINE

McELVAIN OIL & GAS PROP., INC.

ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL



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TOPOGRAPHIC MAP 07 08 04
 MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00

D
TOPO

MCELVAIN OIL & GAS PROP., INC

13 POINT SURFACE USE PLAN

FOR WELL

ATCHEE WASH 33-9

LOCATED IN NE ¼ SE ¼

SECTION 33, T.10S, R23E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-73451

SURFACE OWNERSHIP: FEDERAL

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1. Existing Roads:

To reach McElvain Oil and Gas Prop., INC well Atchee Wash #33-9 in Section 33, T 10 S, R 23 E, from Vernal, Utah:

Starting in Vernal, Utah Proceed in an Easterly, then Southerly direction from Vernal, Utah along US Highway 40 approximately 3.9 miles to the junction of state highway 45; exit right and proceed in a southerly direction approximately 41.5 miles on paved state highway 45 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 state highway 207 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 southwest; proceed in a southwesterly direction approximately 7.8 miles to the junction of this road and existing road to the northwest; turn right and proceed in a northwesterly direction approximately 0.5 miles to the junction of this road and an existing road to the west; turn left and proceed in a westerly, then northerly direction approximately 2.7 miles to the junction of this road and an existing road to the north; proceed in a northerly direction approximately 6.9 miles to the junction of this road and existing road to the northwest; turn left and proceed in a northwesterly, then northerly direction approximately 1.1 miles to the beginning of the proposed access to the northwest; follow road flags in a northwesterly direction

approximately 200' to the proposed location.

Total distance from Vernal, Utah to the proposed well location is approximately 76.6 miles.

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

2. Planned access road

Will use existing roads to existing location. The road will be graded once per year minimum and maintained.

- | | |
|----------------------------------|----------------|
| A) Approximate length | 200 ft |
| B) Right of Way width | 30 ft. |
| C) Running surface | 18 ft. |
| D) Surface material | Native soil |
| E) Maximum grade | 5% |
| F) Fence crossing | None |
| G) Culvert | None |
| H) Turnouts | None |
| I) Major cuts and fills | None |
| J) Road Flagged | Yes |
| K) Access road surface ownership | Federal |
| L) All new construction on lease | Yes |
| M) Pipe line crossing | None |

Please see the attached location plat for additional details.

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

3. Location of existing wells

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

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

Please see the attached map for additional details.

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

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

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

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 2,900' +/- of 2" or 4" gathering line would be constructed on Federal Lands. The line would tie into the existing line in Section 3, T10S, R23E. The line will be strung along side the existing BLM maintained road and boomed off to the west side of the road.

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.

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.

5. Location and type of water supply

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

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.

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.

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.

7. Methods for handling waste disposal

A) Pit construction and liners:

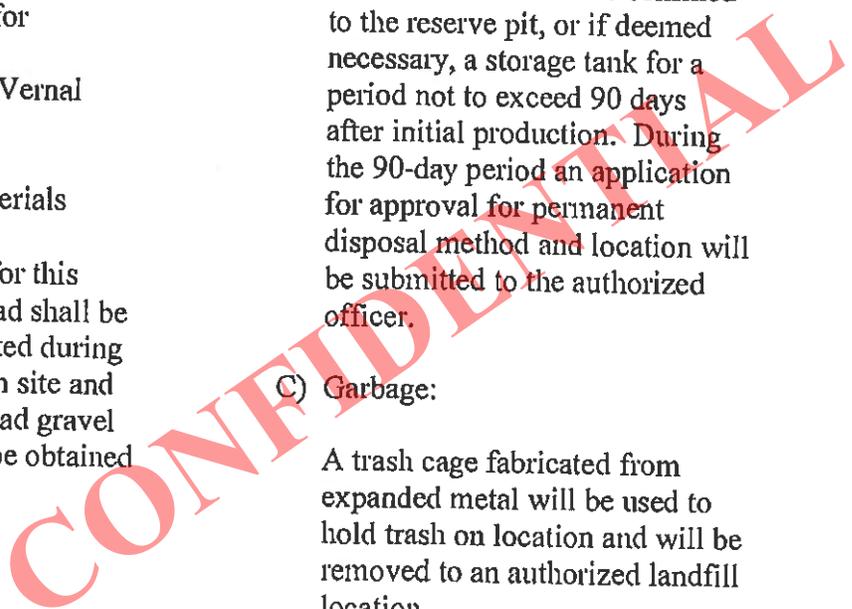
The reserve pit will be approximately 10 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

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.

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.

9. Well-site layout

Location dimensions are as follows:

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

Please see the attached location diagram for additional details.

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

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

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

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

10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately 2,310 cubic yards of material.

Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the

surface use plan prior to construction activities.

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

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

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

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

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

A) Seeding dates:

Seed will be spread when top-soil is stock piled and when reclamation work is performed.

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

B) Seed Mix

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

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

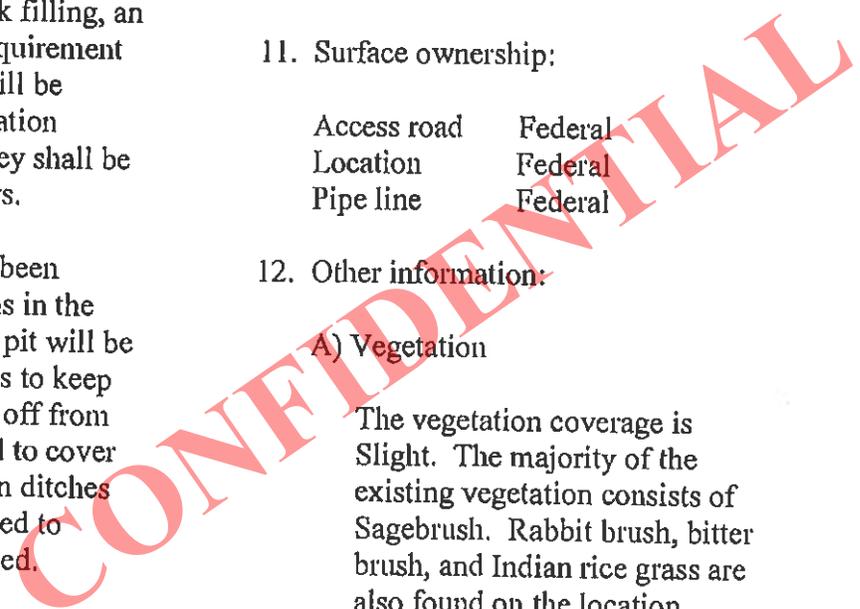
12. Other information:

A) Vegetation

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

B) Dwellings:

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



C) Archeology:

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

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

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.

D) Water:

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

E) Chemicals:

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

G) Flare pit:

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

13. Lessees or Operator's representative and certification

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

A) Representative

William A. Ryan

Rocky Mountain Consulting

Vernal, UT 84078

Office 435-789-0968

Fax 435-789-0970

Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is

made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates:

5-1-04

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

B) Certification:

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

Date Aug 18/04

William A Ryan

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Statement of use of Hazardous Materials

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

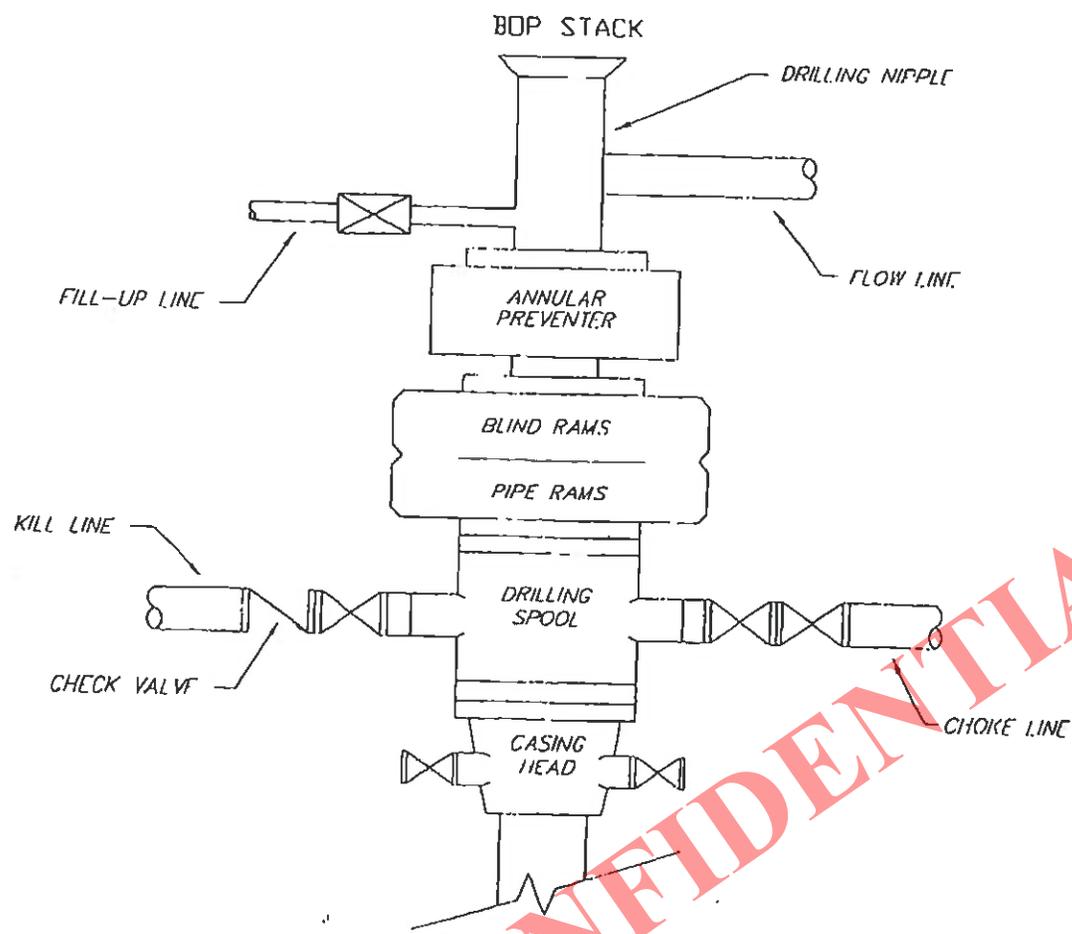
If you require additional information please contact:

William A Ryan
Agent for McElvain Oil & Gas Prop., INC
Rocky Mountain Consulting
350 S 800 E
Vernal, UT 84078

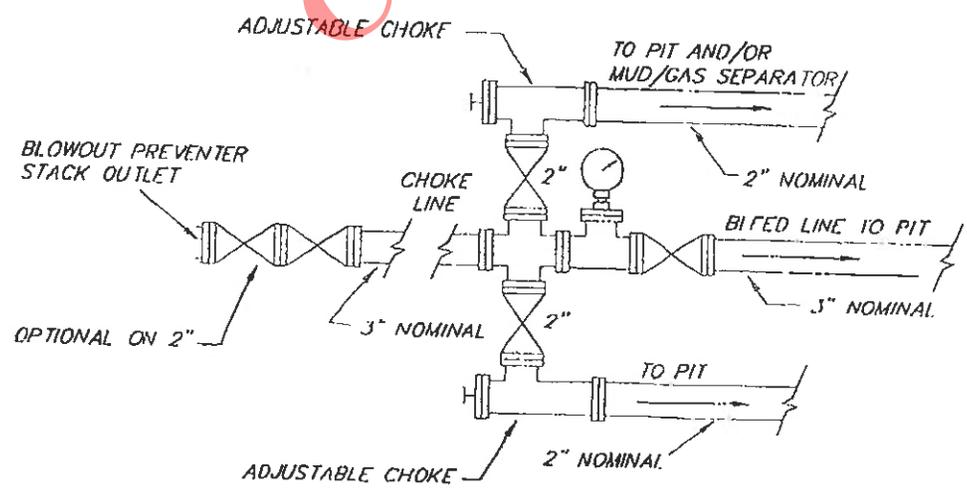
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax

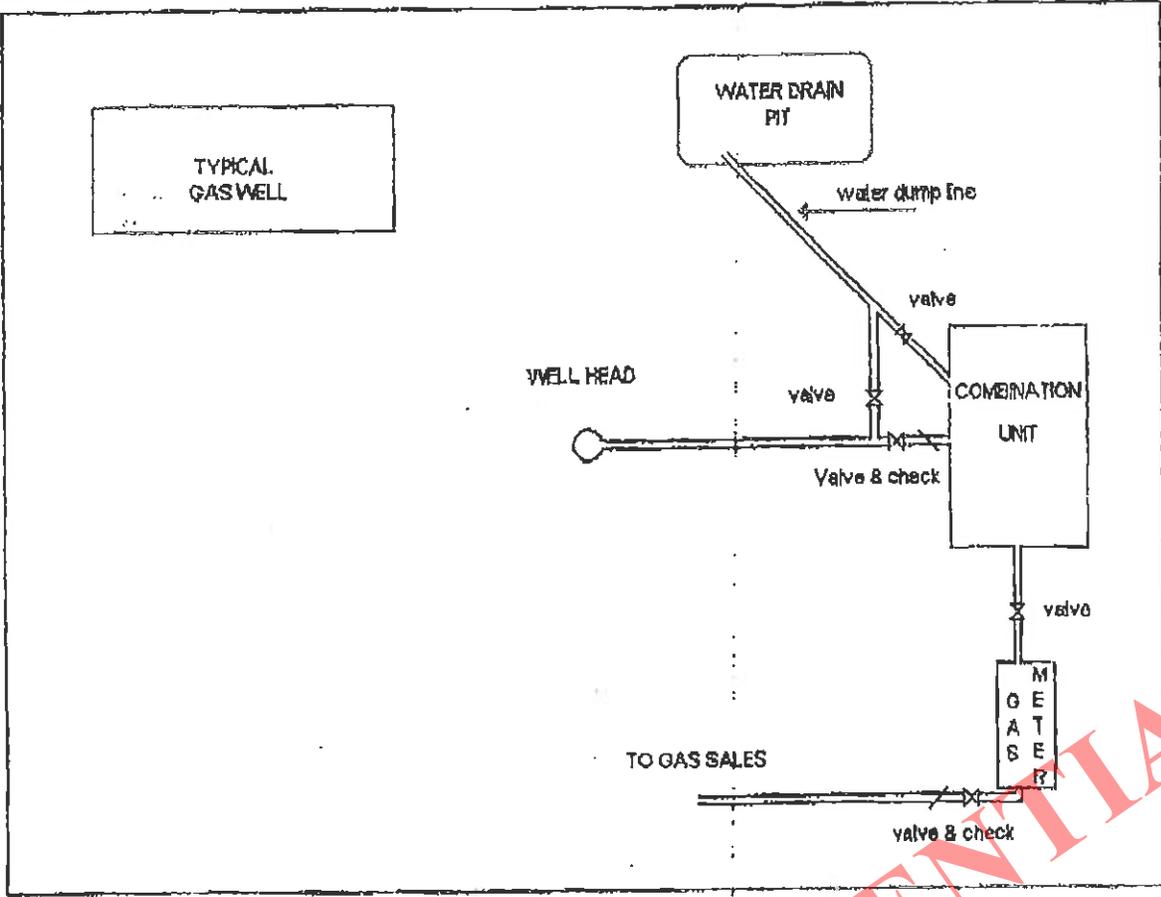
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TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



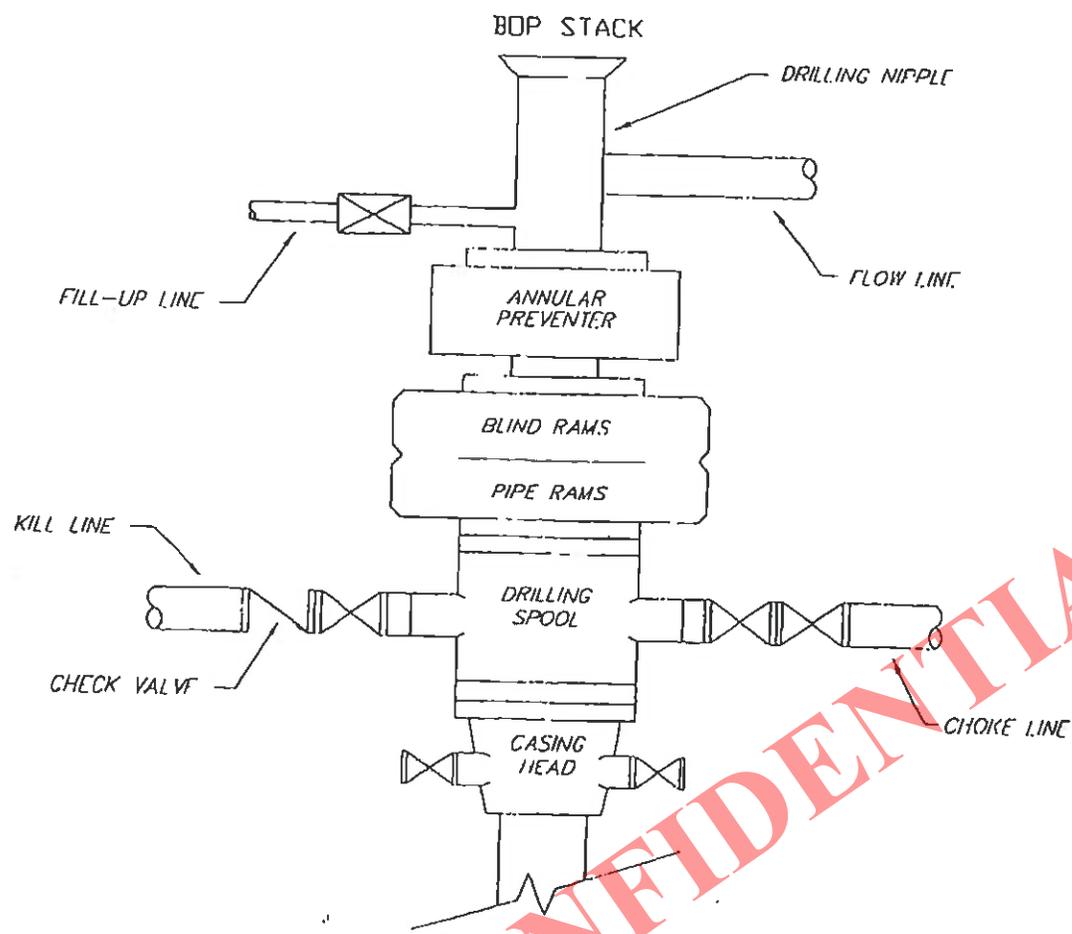
TYPICAL 3,000 p.s.i.
CHOKE MANIFOLD SCHEMATIC



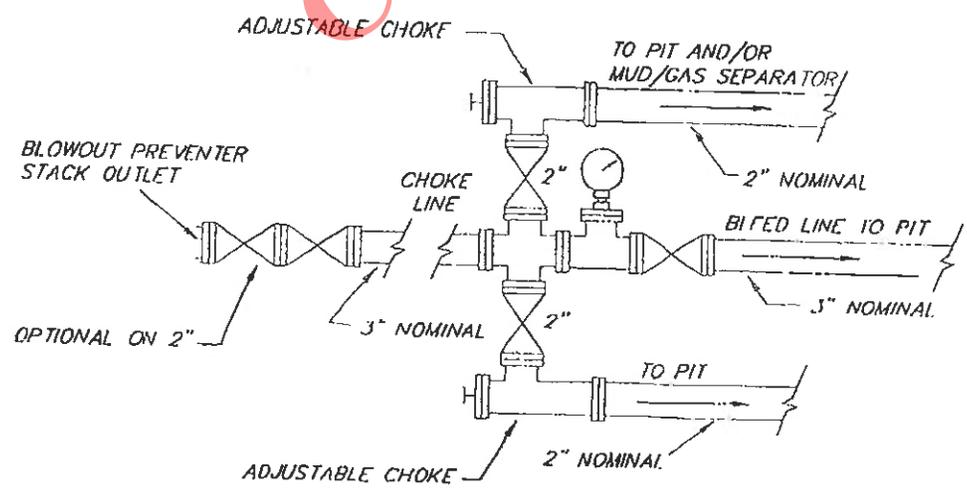


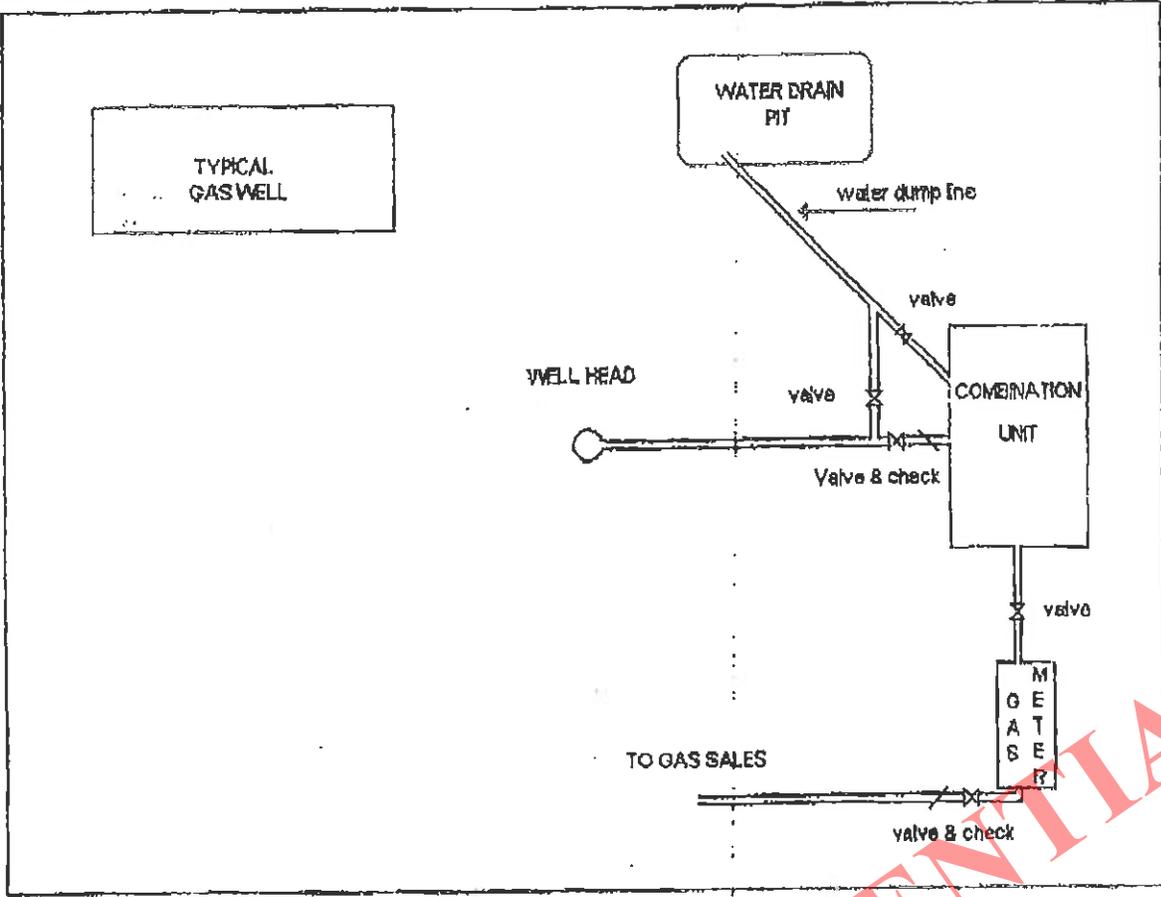
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TYPICAL 3,000 p.s.i.
BLOWOUT PREVENTER SCHEMATIC



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





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PO Box 99 • Eastlake, CO 80614 • (303) 857-9999 • FAX (303) 450-9200 • www.oilpermits.com

August 15, 2012

Division of Oil, Gas & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114-5801

Attn: Diana Mason

Re: **McElvain Oil & Gas Prop., Inc.**
Atchee Wash #33-9
1469' FSL and 471' FEL
Sec. 33, T10S - R23E
Uintah County, Utah

Dear Diana,

Please note that this location was staked at non-standard spacing in accordance with the rules and regulations of the Utah Division of Oil Gas and Mining. This was done for geologic considerations. Please also note that there are no other working interest owners within a 460' radius. Therefore, we request your administrative approval of this exception to spacing.

If you should need additional information, please don't hesitate to contact me.

Sincerely,

PERMITCO INC.

A handwritten signature in blue ink, appearing to read "Lisa Smith".

Lisa Smith
President
Agent for McElvain Oil & Gas Prop., Inc.

cc: McElvain Oil & Gas Prop., Inc. - Denver, CO

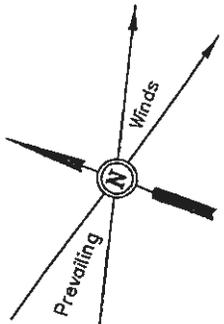
MCELVAIN OIL & GAS PROP., INC.
LOCATION LAYOUT FOR

FIGURE #1

ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.

1469' FSL 471' FEL
 Proposed Access Road

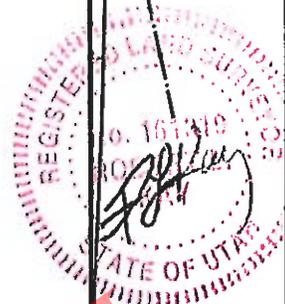
CONSTRUCT DIVERSION DITCH



SCALE: 1" = 60'
 DATE: 4-7-04
 Drawn By: C.G.

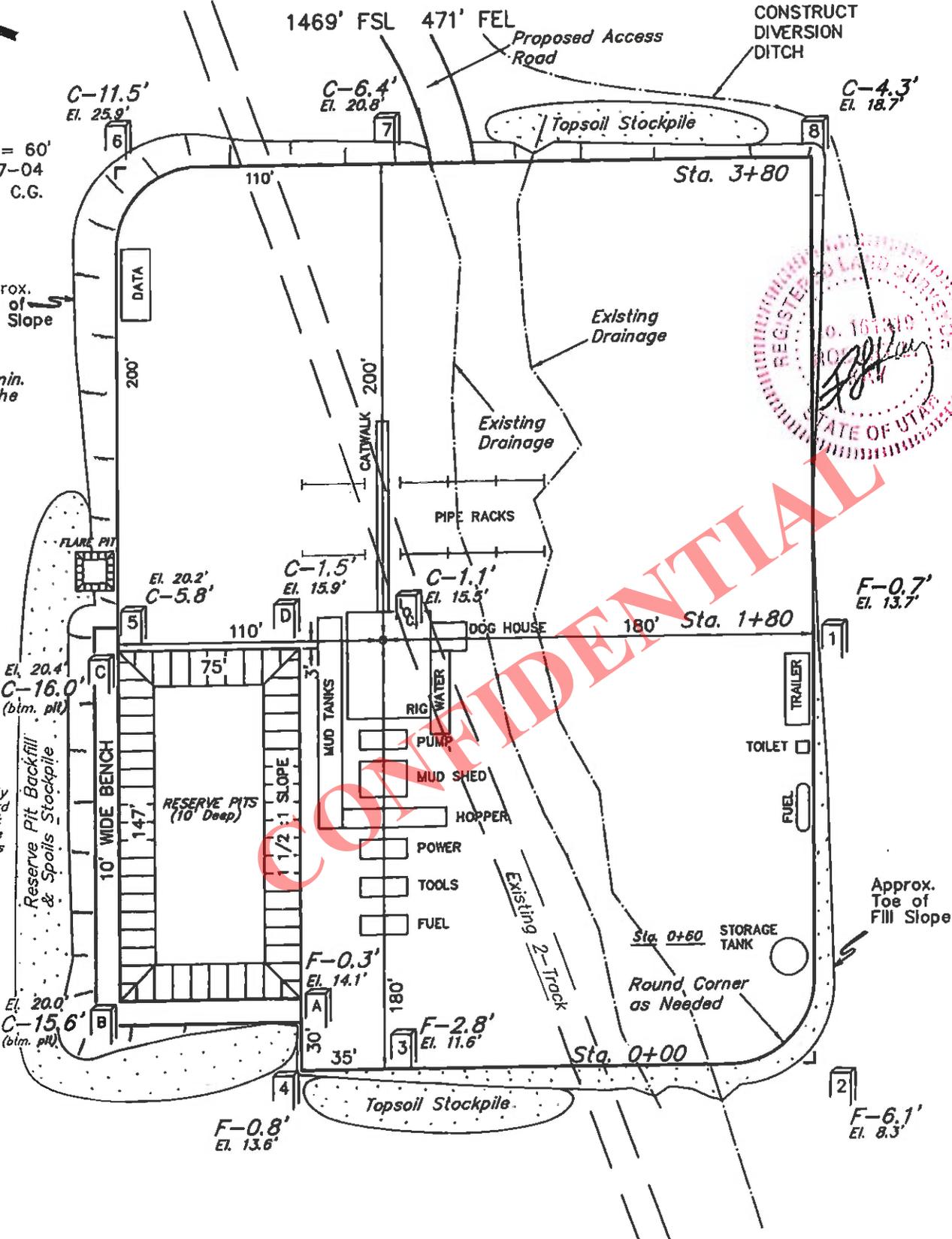
Approx. Top of Cut Slope

NOTE:
 Flare Pit is to be located a min. of 100' from the Well Head.



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Total Pit Capacity W/2' of Freeboard = 10,550 Bbls. ±
 Total Pit Volume = 2,960 Cu. Yds



Elev. Ungraded Ground at Location Stake = 5215.5'
 Elev. Graded Ground at Location Stake = 5214.4'

McELVAIN OIL & GAS PROP., Inc.

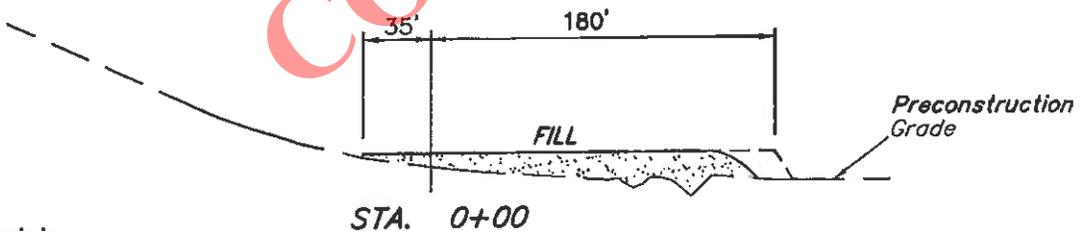
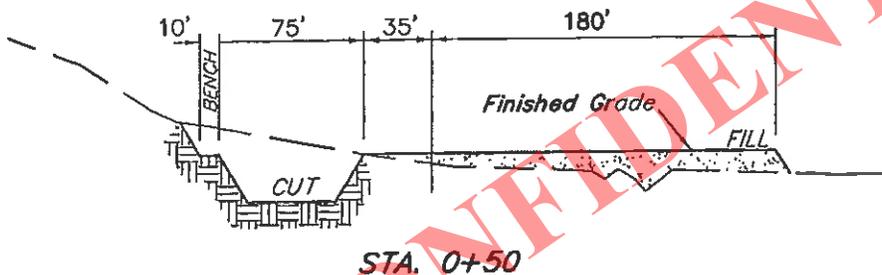
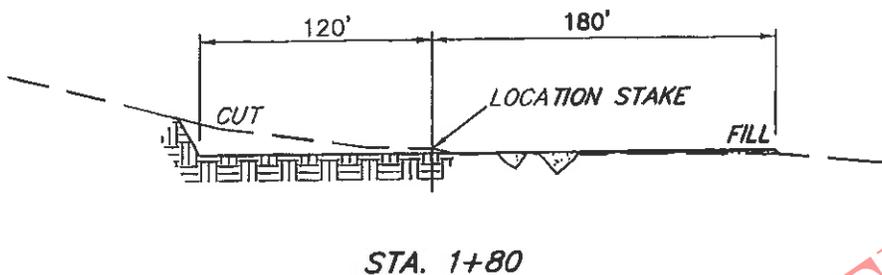
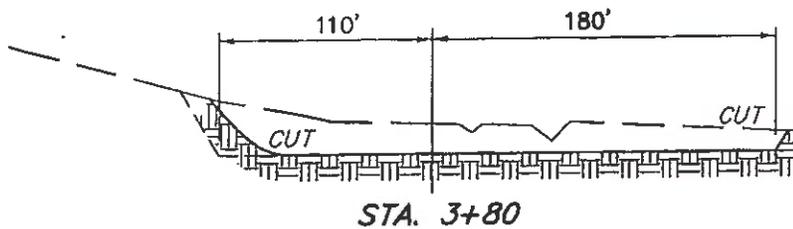
FIGURE #2

TYPICAL CROSS SECTIONS FOR

**ATCHEE WASH #33-9
SECTION 33, T10S, R23E, S.L.B.&M.
1469' FSL 471' FEL**

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

DATE: 4-7-04
Drawn By: C.G.



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

*** NOTE:**
FILL QUANTITY INCLUDES 5% FOR COMPACTION

APPROXIMATE YARDAGES

(6") Topsoil Stripping	= 2,310 Cu. Yds.
Remaining Location	= 12,470 Cu. Yds.
TOTAL CUT	= 14,780 CU.YDS.
FILL	= 5,270 CU.YDS.

EXCESS MATERIAL	= 9,510 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 3,790 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 5,720 Cu. Yds.

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (435) 788-1017

WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 8/15/2012

API NO. ASSIGNED: 43047530280000

WELL NAME: Atchee Wash 33-9

OPERATOR: MCELVAIN ENERGY INC (N3795)

PHONE NUMBER: 303 893-0933

CONTACT: E Reed Fischer

PROPOSED LOCATION: NESE 33 100S 230E

Permit Tech Review:

SURFACE: 1469 FSL 0471 FEL

Engineering Review:

BOTTOM: 1469 FSL 0471 FEL

Geology Review:

COUNTY: UINTAH

LATITUDE: 39.90218

LONGITUDE: -109.32413

UTM SURF EASTINGS: 643259.00

NORTHINGS: 4418244.00

FIELD NAME: NATURAL BUTTES

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73451

PROPOSED PRODUCING FORMATION(S): MESA VERDE

SURFACE OWNER: 1 - Federal

COALBED METHANE: NO

RECEIVED AND/OR REVIEWED:

- PLAT
- Bond: FEDERAL - LPM4138223
- Potash
- Oil Shale 190-5
- Oil Shale 190-3
- Oil Shale 190-13
- Water Permit: 49-1547
- RDCC Review:
- Fee Surface Agreement
- Intent to Commingle

Commingling Approved

LOCATION AND SITING:

- R649-2-3.
- Unit:
- R649-3-2. General
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: R649-3-3
- Effective Date:
- Siting:
- R649-3-11. Directional Drill

Comments: Presite Completed

Stipulations: 1 - Exception Location - dmason
4 - Federal Approval - dmason
23 - Spacing - dmason



GARY R. HERBERT
Governor

GREGORY S. BELL
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: Atchee Wash 33-9
API Well Number: 43047530280000
Lease Number: UTU-73451
Surface Owner: FEDERAL
Approval Date: 9/18/2012

Issued to:

MCELVAIN ENERGY INC , 1050 17th Street Ste 2500, Denver, CO 80265

Authority:

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of R649-3-3. The expected producing formation or pool is the MESA VERDE Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

Duration:

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

Exception Location:

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

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.

Conditions of Approval:

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

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.

Notification Requirements:

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

- Within 24 hours following the spudding of the well - contact Carol Daniels at 801-538-5284

(please leave a voicemail message if not available)

OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at <http://oilgas.ogm.utah.gov>

Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) - due within 5 days of spudding the well
- Monthly Status Report (Form 9) - due by 5th day of the following calendar month
- Requests to Change Plans (Form 9) - due prior to implementation
- Written Notice of Emergency Changes (Form 9) - due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) - due prior to implementation
- Report of Water Encountered (Form 7) - due within 30 days after completion
- Well Completion Report (Form 8) - due within 30 days after completion or plugging

Approved By:



For John Rogers
Associate Director, Oil & Gas



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

November 29, 2013

McElvain Energy Inc.
1050 17TH Street, Ste. 2500
Denver, CO 80265

Re: APD Rescinded – Atchee Wash 33-9, Sec. 33, T.10, R.23E,
Uintah County, Utah API No. 43-047-53028

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 September 18, 2012. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective November 29, 2013.

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
Bureau of Land Management, Vernal