



Talon Resources, Inc.

Service, Quality and Accuracy

375 South Carbon Avenue A-10
Suite 101
Price, Utah 84501
Phone: 435-637-8781
435-637-5032 Ext 710/711

Cell: 801-650-1401
801-650-1402
Fax: 435-636-8603
Email: talon@castlenet.com

August 15, 2001

Mr. John Baza
State of Utah
Division of Oil Gas and Mining
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application for Permit to Drill—Dry Valley State 14-23, Utah County, Utah
1980' FNL, 861' FWL, Section 14, T11S, R7E, SLB&M.

Dear Mr. Baza:

On behalf of Prima Oil and Gas Company (Prima), Talon Resources, Inc. respectfully submits the enclosed original of the *Application for Permit to Drill (APD)* for the above referenced well. Included with the APD is the following supplemental information:

Exhibit "A" - Survey plats and layouts of the proposed well site;

Exhibit "B" - Proposed location maps with utility corridors and site photos;

Exhibit "C" - Drilling site layout;

Exhibit "D" - Drilling Program;

Exhibit "E" - Multi Point Surface Use Plan;

Exhibit "F" - Typical road cross-section;

Exhibit "G" - Typical BOP diagram;

Exhibit "H" - Typical wellhead manifold diagram.

RECEIVED

AUG 20 2001

DIVISION OF
OIL, GAS AND MINING

CONFIDENTIAL

ORIGINAL

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN

B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

2. Name of Operator:
Prima Oil and Gas Company

3. Address and Telephone Number:
1099 18th St., Ste. 400, Denver, CO 80202 1-303-297-2300

4. Location of Well (Footages)
At Surface: 1980' FNL, 861' FWL
At Proposed Producing Zone: 4412543N
490335E

5. Lease Designation and Serial Number:
MI-47338
6. If Indian, Allottee or Tribe Name:
N/A
7. Unit Agreement Name:
N/A
8. Farm or Lease Name:
Dry Valley State
9. Well Number:
14-23
10. Field or Pool, or Wildcat:
Wildcat
11. Qtr/Qtr, Section, Township, Range, Meridian:
SW/4 NW/4, Section 14,
T11S, R7E, SLB&M

14. Distance in miles and direction from nearest town or post office:
9.8 miles northeast of Scofield, Utah
12. County: Utah
13. State: Utah

15. Distance to nearest property or lease line (feet): 804'
16. Number of acres in lease: 1482.00 acres
17. Number of acres assigned to this well: 40

18. Distance to nearest well, drilling, completed, or applied for, or None
19. Proposed Depth: 11,500'
20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 7937' GR
22. Approximate date work will start: September 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" J-55 ST&C	36 #	600'	265 sacks Type II w/ 2% CaCl; 1.41 cu.ft / sack, 14.5 # / gal
8-1/2"	7" N-80 LT&C	23 #	6,000'	Lead—365 sacks Prem. Lite II; 3.46 cu.ft / sack, 11.0 # / gal Tail—130 sacks Prem. Lite (High str.); 1.97 cu.ft / sack, 13.0 # / gal

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout prevention program, if any.

*Loc. Chg.
9-10-01-
JC*

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DIVISION OF
OIL, GAS AND MINING
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24. Name & Signature: Cindi Danner Cindi Danner, CPL Title: Landman Date: 8-13-01

(This space for state use only)
API Number Assigned: 43-049-30020

Approval:

Range 7 East

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

BASIS OF ELEVATION OF 7844' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 16, TOWNSHIP 11 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE COLTON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SW1/4, NW1/4 OF SECTION 14, T11S, R7E, S.L.B.&M., BEING 1980.2' SOUTH AND 860.56' EAST FROM THE NORTHWEST QUARTER CORNER OF SECTION 14, T11S, R7E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



*Loc. Chg.
9-10-01
Jc*



GRAPHIC SCALE

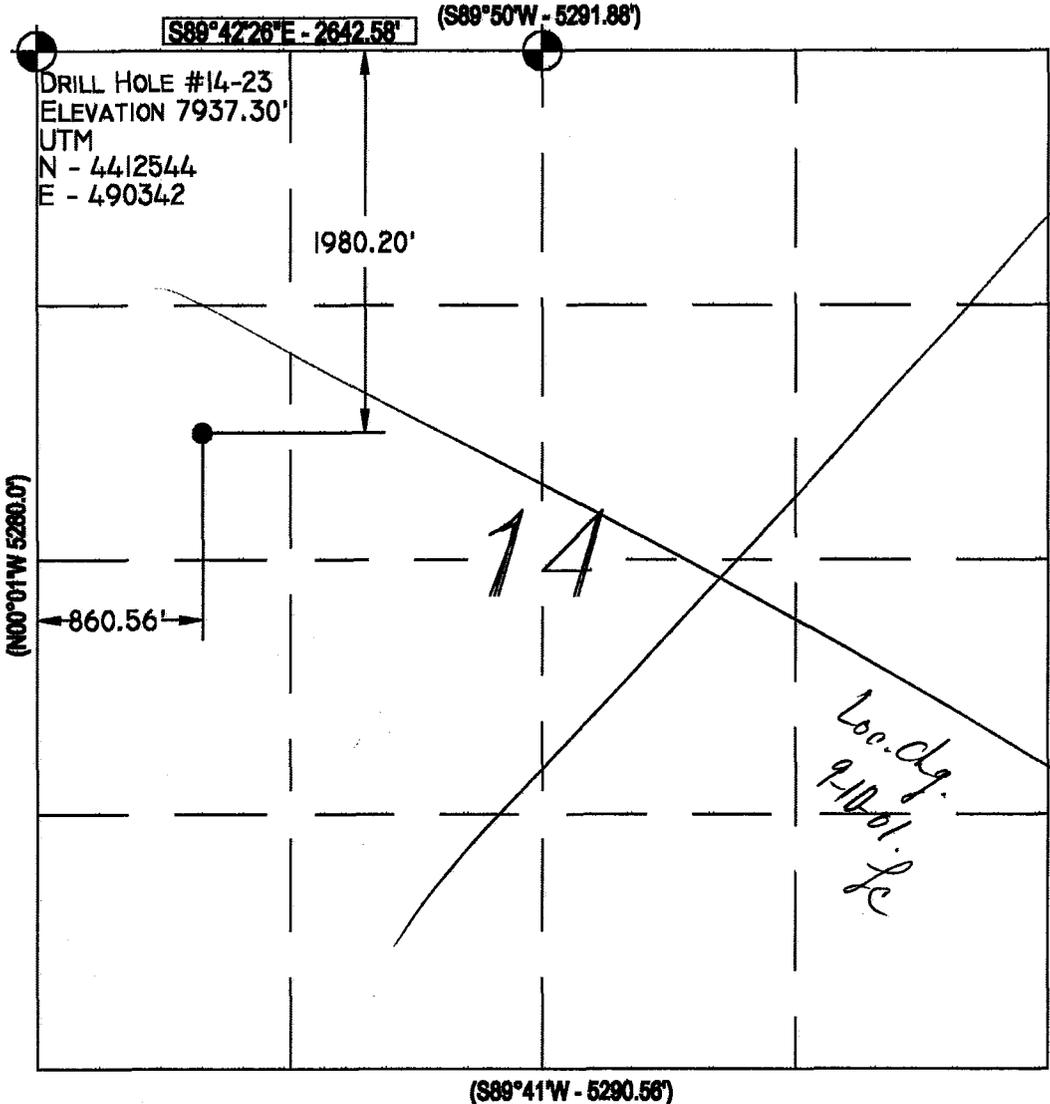
0 500' 1000'
 (IN FEET)
 1 inch = 1000 ft.

ORIGINAL

NOTES:

1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°51'53"N
111°06'47"W



Township 11 South

Legend

- Drill Hole Location
- ⊗ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

Prima Oil & Gas Company
 Dry Valley State #14-23
 Section 14, T11S, R7E, S.L.B.&M.
 Utah County, Utah

Drawn By: M. MOON	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 07/17/01
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 362

EXHIBIT "D"
DRILLING PROGRAM

Attached to UDOGM Form 3
Prima Oil and Gas Company
Dry Valley State 14-23
SW4 NW/4, Sec. 14, T11S, R7E, SLB & M
1980' FNL, 861' FWL
Utah County, Utah

1. The Geologic Surface Formation

North Horn Formation

2. Estimated Tops of Important Geologic Markers

Price River	1,900'
Castlegate	3,000'
Blackhawk	3,600'
Star Point	5,000'
Emery	6,000'
Lower Blue Gate	7,650'
Ferron	9,450'
Tununk	9,750'
Dakota	10,050'

3. Projected Gas & Water Zones

Castlegate	3,000' – 3,600'
Blackhawk	3,600' – 5,000'
Star Point	5,000' – 6,000'
Emery	6,000' – 7,650'
Ferron	9,450' – 9,750'
Dakota	10,050' – 10,250'

Groundwater may be encountered within the North Horn Fm. and Price River Sandstones. Water encountered will be reported on a Form 7 "Report of Water Encountered During Drilling".

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Casing & cementing will be done to protect potentially productive hydrocarbons, lost circulation zones, abnormal pressure zones, and prospectively valuable mineral deposits. All indications of usable water will be reported.

Surface casing will be tested to 2000 psi.

4. The Proposed Casing and Cementing Programs

Casing Program –

<u>HOLE SIZE</u>	<u>SETTING DEPTH (INTERVAL)</u>	<u>SIZE (OD)</u>	<u>WEIGHT, GRADE & JOINT</u>	<u>CONDITION</u>
12-1/4"	600'	9-5/8"	36# J-55 ST&C	New
8-1/2"	6,000'	7"	23# N-80 LT&C	New

Cement Program –

Surface Casing: 265 sacks Type II w/ 2% CaCl;
Weight: 14.5 # / gal
Yield: 1.41 cu.ft / sk

Intermediate Casing:

Lead -- 365 sacks Prem. Lite II
Weight: 11.0 # / gal
Yield: 3.46 cu.ft / sk

Tail -- 130 sacks Prem. Lite (High Strength)
Weight: 13.0 #/gal
Yield: 1.97 cu.ft/sk

The following shall be entered in the driller's log:

- 1) Blowout preventer pressure tests, including test pressures and results;
- 2) Blowout preventer tests for proper functioning;
- 3) Blowout prevention drills conducted;
- 4) Casing run, including size, grade, weight, and depth set;
- 5) How the pipe was cemented, including amount of cement, type, whether cement circulated, location of the cementing tools, etc.;

- 6) Waiting on cement time for each casing string;
- 7) Casing pressure tests after cementing, including test pressures and results.

5. The Operator's Minimum Specifications for Pressure Control

Exhibit "G" is a schematic diagram of the blowout preventer equipment. A 10" or 11" 3,000 psi Double gate Hydraulic BOP with one (1) blind ram and one (1) pipe ram and Annular Preventer; equipped with a 3,000 psi automatic choke manifold. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Log Book. Physical operation of the BOP will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

<u>INTERVAL</u>	<u>TYPE</u>	<u>WEIGHT</u>	<u>VISCOSITY</u>
0 – 6,000'	Freshwater	8.3 – 8.8 #/gal	35 - 50
6,000' – 11,500'	Freshwater polymer (LSND)	8.8 – 10.5 #/gal	45 - 60

7. The Testing, Logging and Coring Programs are as followed

Testing –

DST's are planned in the Emery and Ferron formations.
 Test intervals will be determined from logs.

Logging –

Surface - TD Gamma Ray, Density, Neutron, Porosity, Induction, Caliper

Coring --

3 cored intervals within the Emery:
 Core intervals will be determined from logs.

1 cored intervals within the Ferron:
 Core intervals will be determined from logs.

Any Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in The area nor at the depths anticipated in this well. Bottom hole pressure expected is 1700 psi max. No hydrogen sulfide or other hazardous gases or fluids have been found, reported or are known to exist at these depths in the area.

8. Anticipated Starting Date and Duration of the Operations.

The well will be drilled approx.: September 2001.

Verbal and/or written notifications listed below shall be submitted in accordance with instructions from the Division of Oil, Gas & Mining:

- (a) prior to beginning construction;
- (b) prior to spudding;
- (c) prior to running any casing or BOP tests;
- (d) prior to plugging the well, for verbal plugging instructions.

Spills, blowouts, fires, leaks, accidents or other unusual occurrences shall be reported to the Division of Oil, Gas & Mining immediately.

EXHIBIT "E"
Multipoint Surface Use Plan

Attached to UDOGM Form 3
Prima Oil and Gas Company
Dry Valley State 14-23
SW4 NW/4, Sec. 14, T11S, R7E, SLB & M
1980' FNL, 861' FWL
Utah County, Utah

1. Existing Roads

- a. The proposed access road will encroach the pavement-surfaced State Road 96 under Utah Department of Transportation maintenance in which approval is pending. The existing approach will be upgraded consistent with Utah Department of Transportation specifications.
- b. We do not plan to change, alter or improve upon any other existing state or county roads. Existing roads will be maintained in the same or better condition. See Exhibit "B".
- c. An existing two-track road exists from the State Road to the abandoned well site on the hill (Soldier Summit #1). This road will be upgraded along its existing centerline for a distance of approximately 620'.

2. Planned Access

Approximately 480' of new access will be required (See Exhibit "B")

- a. Maximum Width: 24'
- b. Maximum grade: 5 %
- c. Turnouts: None
- d. Drainage design: 3 - 18" culvert may be required along the new and two-track portion of the road. Water will be diverted around the road as necessary and practical.
- e. If the well is productive, the road will be surfaced and maintained as necessary to prevent soil erosion and accommodate year-round traffic.
- f. Existing trees will be left in place where practical to provide screening and buffer areas.

3. Location of Existing Wells

- a. See Exhibit "B". There is one proposed and one existing well within a one mile radius of the proposed location.

4. Location of Existing and/or Proposed Facilities

- a. If the well is a producer, installation of production facilities will be as shown on Exhibit "H".
- b. Rehabilitation of all pad areas not used for production facilities will be made in accordance with landowner stipulations.

5. Location and Type of Water Supply

- a. Water to be used for drilling will be obtained from a local water source either Scofield Town (by well) or Price River Water Improvement District (a local source of municipal water) in which an agreement to purchase the water is still under negotiation.
- b. Water will be transported by truck over approved access roads.
- c. No water well is to be drilled for this location.

6. Source of Construction Materials

- a. Any necessary construction materials needed will be obtained locally from a private source and hauled to the location on existing roads.
- b. No construction or surfacing materials will be taken from Federal/Indian land.

7. Methods for handling waste disposal

- a. As the well is expected to be air drilled, a small reserve pit will be constructed with a minimum of one-half the total depth below the original ground surface on the lowest point within the pit. The pit will be lined with a synthetic liner. Three sides of the reserve pit will be fenced within 24 hours after completion of construction and the fourth side within 24 hours after drilling operations cease with four strands of barbed wire, or woven wire topped with barbed wire to a height of not less than four feet. The fence will be kept in good repair while the pit is drying.

- b. Following drilling, the liquid waste will be evaporated from the pit and the pit backfilled and returned to natural grade. No liquid hydrocarbons will be discharged to the reserve pit or location.
- c. In the event fluids are produced, any oil will be retained in tanks until sold and any water produced will be retained until its quality can be determined. The quality and quantity of the water will determine the method of disposal.
- d. Trash will be contained in a portable metal container and will be hauled from location periodically and disposed of at an approved disposal site. Chemical toilets will be placed on location and sewage will be disposed of at an appropriate disposal site.

8. Ancillary Facilities

- a. We anticipate no need for ancillary facilities with the exception of trailers to be located on the drill site.

9. Well-site Layout

- a. Available topsoil will be removed from the location and stockpiled. Location of the rig, reserve and blooie pits, and drilling support equipment will be located as shown on Attachment "C".
- b. A blooie pit will be located 100' from the drill hole. A line will be placed on the surface from the center hole to the blooie pit. The blooie pit will not be lined, but will be fenced on four sides to protect livestock/wildlife.
- c. Access to the well pad will be as shown on Exhibit "B".
- d. Natural runoff will be diverted around the well pad.

10. Plans for Restoration of Surface

- a. All surface areas not required for producing operations will be graded to as near original condition as possible and contoured to maintain possible erosion to a minimum.
- b. Available topsoil will be stockpiled and will be evenly distributed over the disturbed areas and the area will be reseeded as prescribed by the landowner.
- c. Pits and any other area that would present a hazard to wildlife or livestock will be fenced off when the rig is released and removed.

- d. Any oil accumulation on the pit will be removed or overhead flagged as dictated by then existed conditions.
- e. Rehabilitation will commence following completion of the well. Rat and mouse holes will be filled immediately upon release of the drilling rig from the location. If the well-site is to be abandoned, all disturbed areas will be recontoured to the natural contour as is possible.

11. Surface Ownership

- a. The well-site and access road will be constructed on lands owned by the School and Institutional Trust Lands Administration, 675 East 500 South, SLC, Utah 84102-2818; 801-538-5100. The operator shall contact the landowner and the Division of Oil, Gas and Mining 48 hours prior to beginning construction activities.

12. Other Information:

- a. The primary surface use is wildlife habitat and grazing. The nearest dwelling is approximately 3.75 miles southwest. Nearest live water is Wing spring 1.2 miles northeast.
- b. If there is snow on the ground when construction begins, it will be removed before the soil is disturbed, and piled downhill from the topsoil stockpile location.
- c. The back-slope and fore-slope will be constructed no steeper than 4:1.
- d. All equipment and vehicles will be confined to the access road and well pad.
- e. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations shall be on the well-site during construction and drilling operations.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the Division of Oil, Gas & Mining.

13. **Company Representative**

Cindi Danner, Landman
Prima Oil and Gas, Company
1099 18th Street, Suite 400
Denver, Colorado 80202
1-303-297-2300

Permitting Consultant

Don Hamilton
Environ. Mgr. / Proj. Coord.
Talon Resources, Inc.
375 South Carbon Ave. (A-10)
Price, Utah 84501
1-435-637-8781

Excavation Contractor

Larry Jensen
Owner / Operator
Nelco Construction, Inc
758 South Fairgrounds Road
Price, Utah 84501
1-435-637-3495

Mail Approved A.P.D. To:

Company Representative

14. **Certification**

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

8-7-01
Date

Don S. Hamilton
Don S. Hamilton
Environmental Manager / Project Coord.
Talon Resources, Inc.

ORIGINAL

CONFIDENTIAL

TYPICAL ROAD CROSS-SECTION

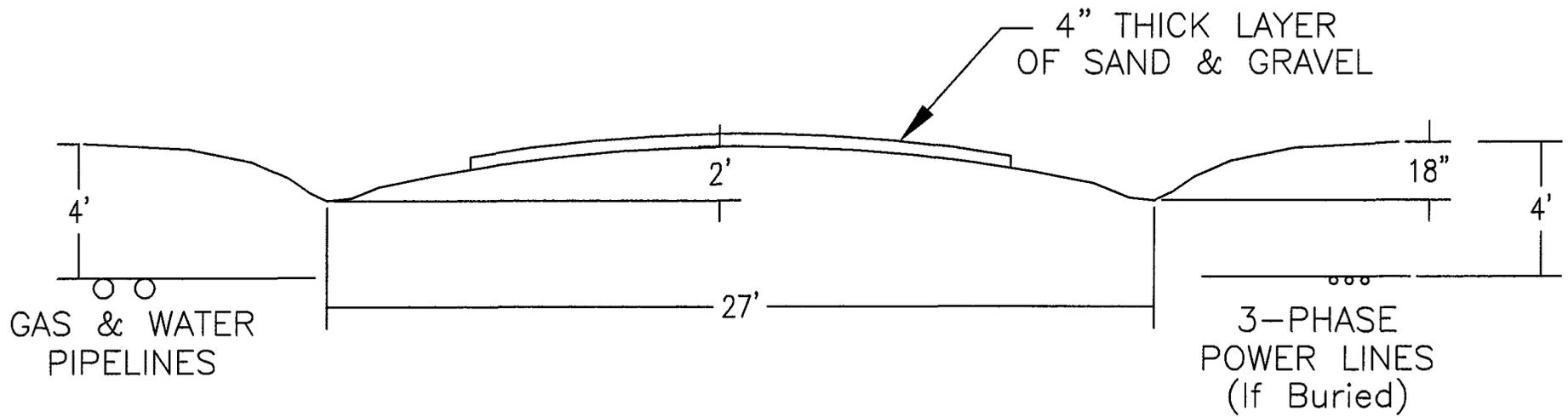
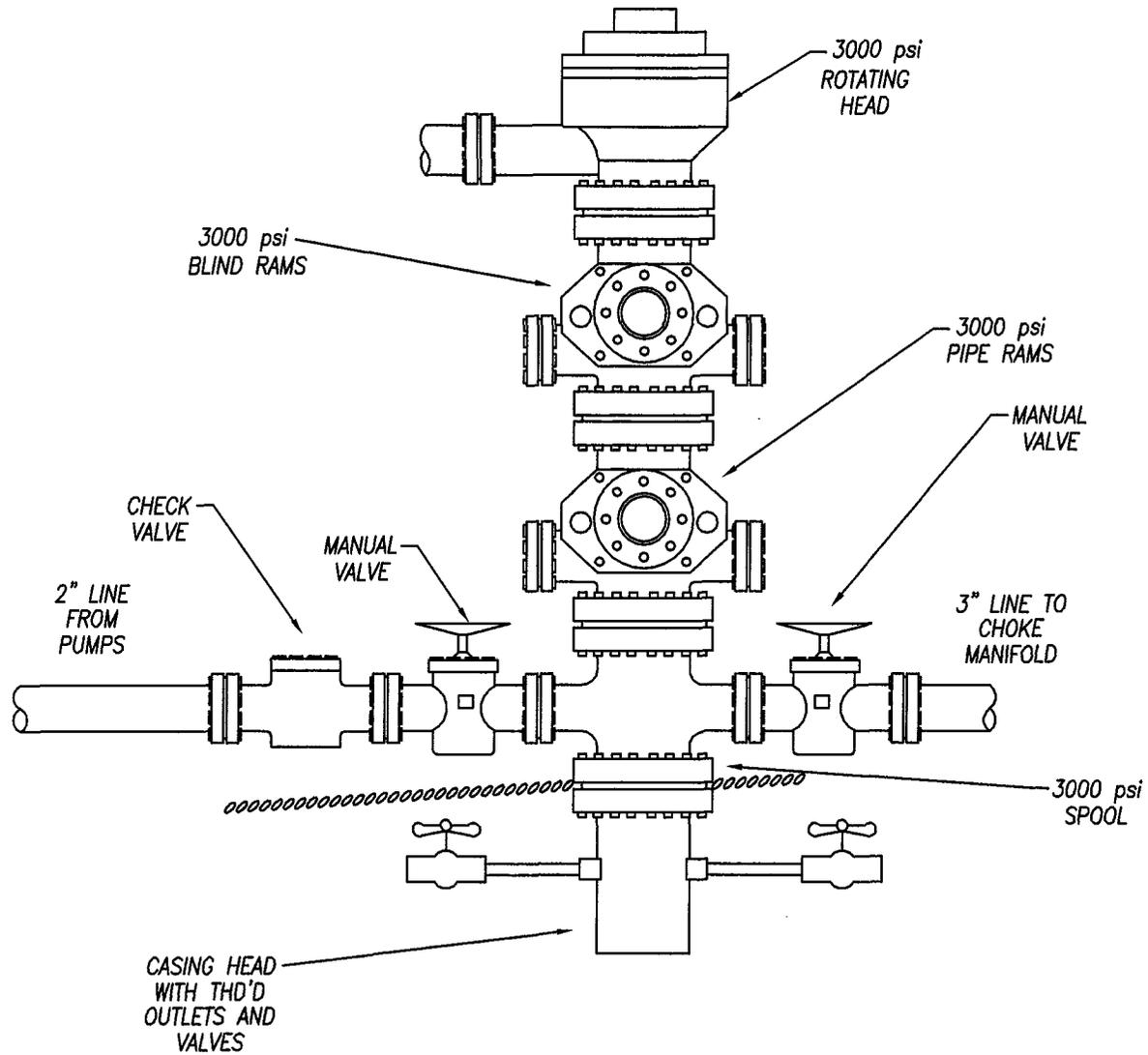


EXHIBIT "F"

BOP Equipment

3000psi WP



CHOKE MANIFOLD

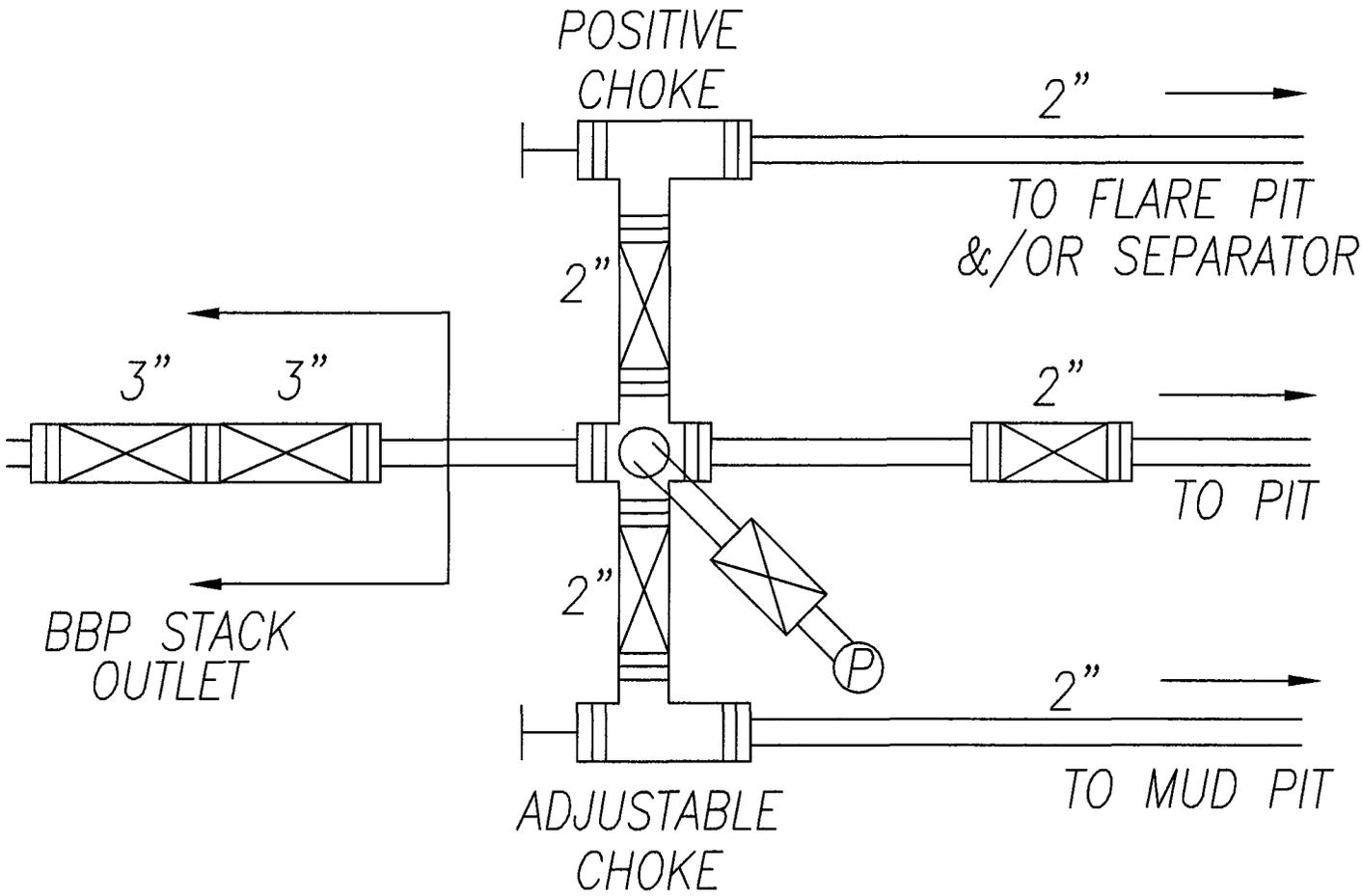
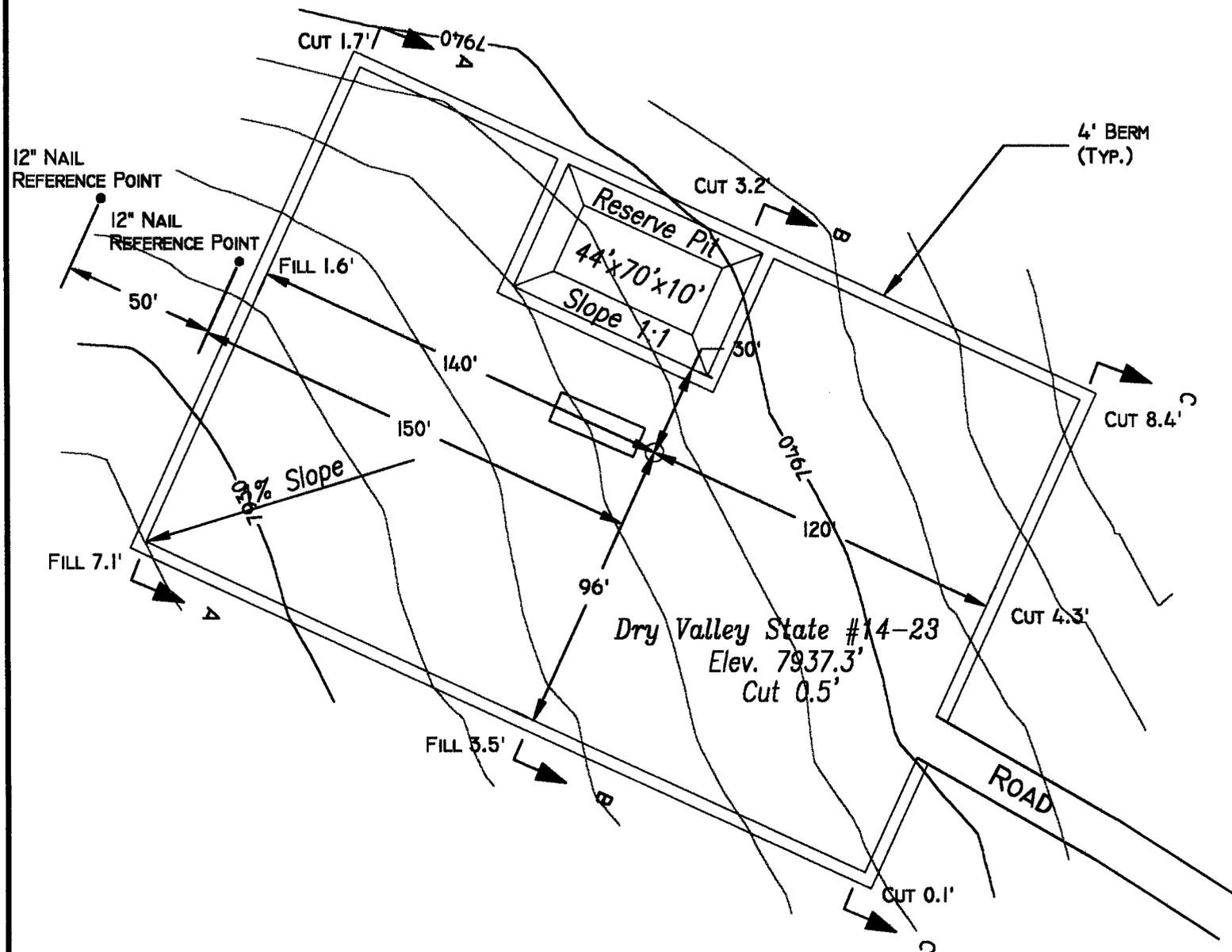


EXHIBIT "H"

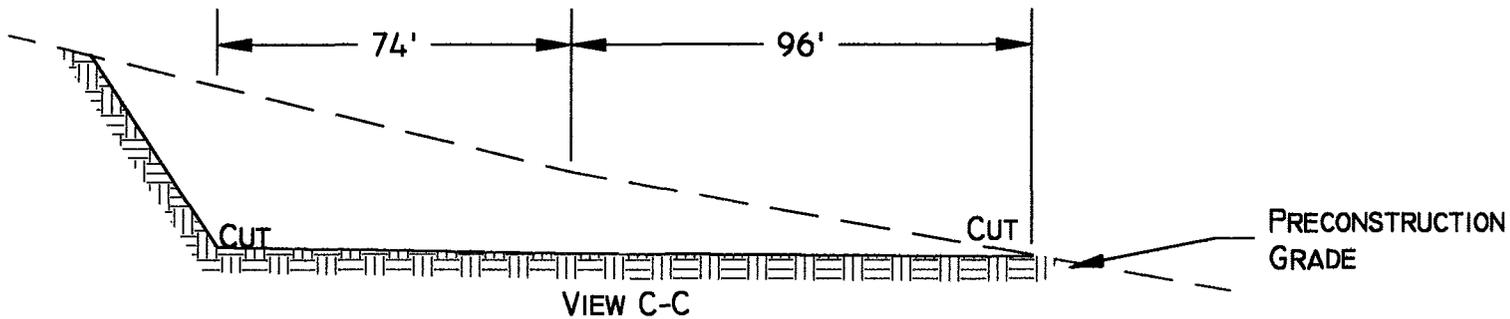
ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7937.3'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7936.8'



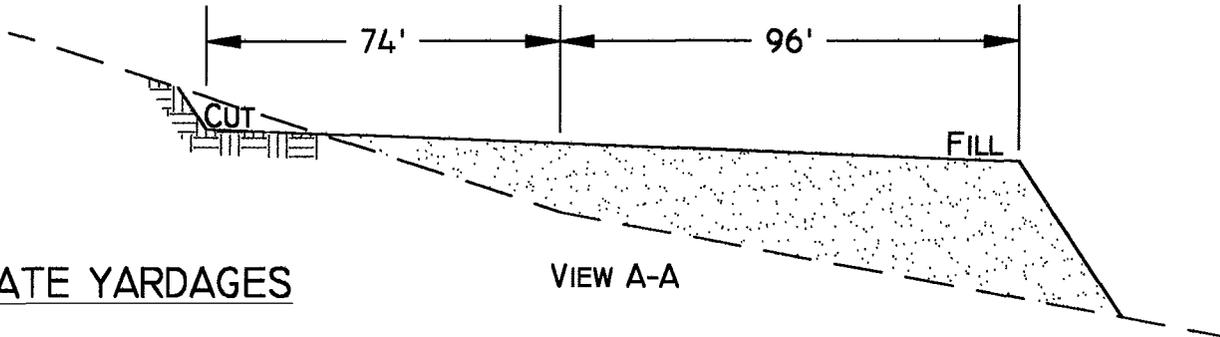
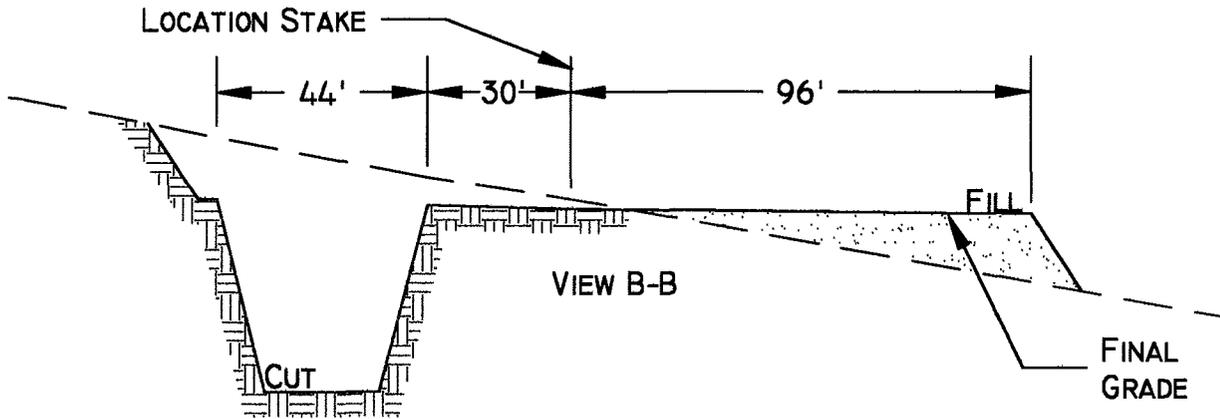
Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

Prima Oil & Gas Company
LOCATION LAYOUT
 Section 14, T11S, R7E, S.L.B.&M.
 Dry Valley State #14-23

Drawn By: M. MOON	Checked By: L.W.J.
Drawing No. A-2	Date: 07/17/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 362



1"=10'
X-Section
Scale
1"=40'



SLOPE = 1 1/2 : 1
(EXCEPT PIT)
PIT SLOPE = 1 : 1



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-837-8781
Fax: 435-836-8803

Prima Oil & Gas Company
TYPICAL CROSS SECTION
Section 14, T11S, R7E, S.L.B.&M.
Dry Valley State #14-23

Drawn By: M. MOON	Checked By: L.W.J.
Drawing No. C-1	Date: 07/17/01
	Scale: 1" = 40'
Sheet 3 of 4	Job No. 362

APPROXIMATE YARDAGES

CUT

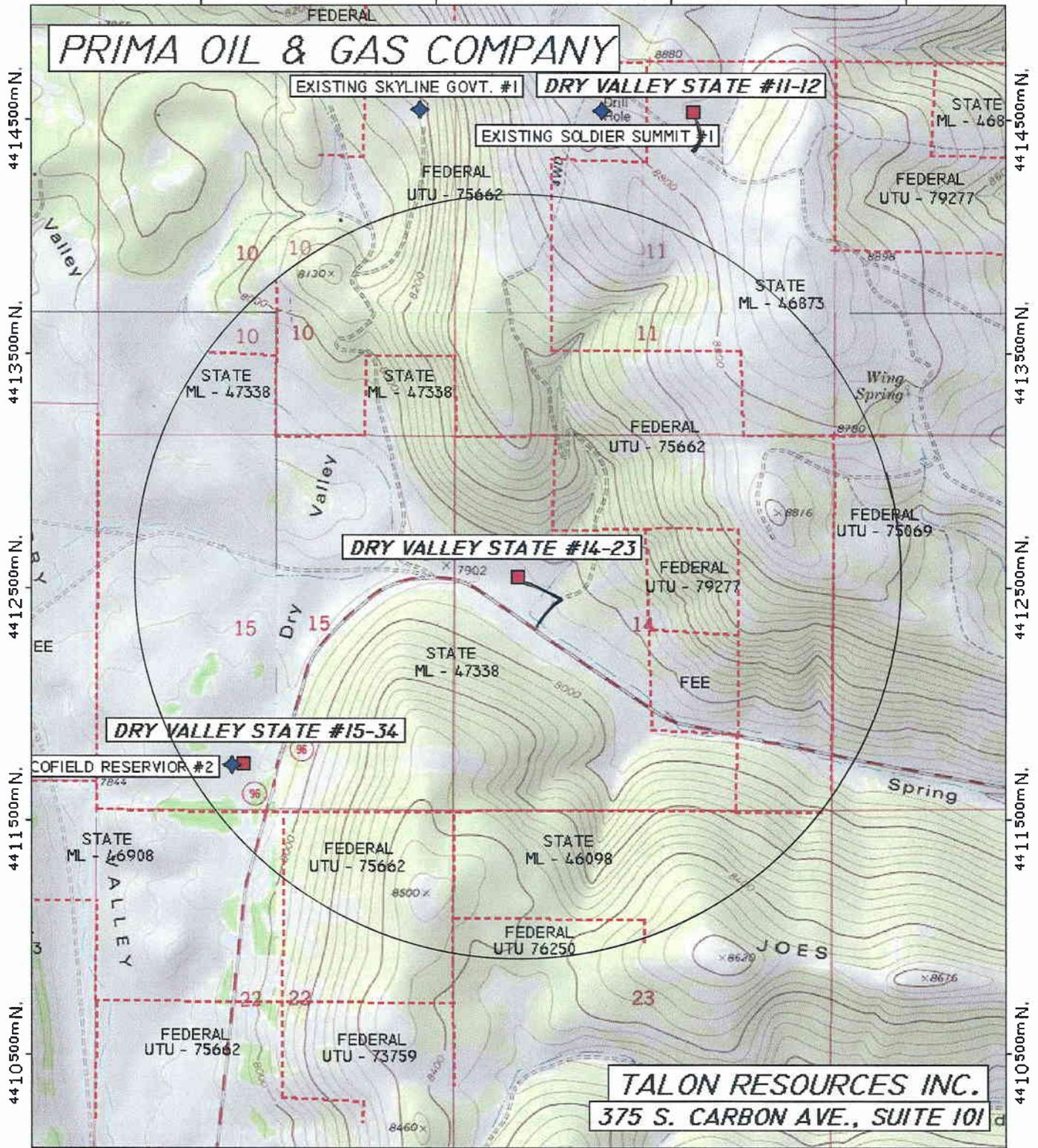
(6") TOPSOIL STRIPPING = 750 CU. YDS.

REMAINING LOCATION = 3,813.4 CU, YDS.

TOTAL CUT = 4,463.4 CU. YDS.

TOTAL FILL = 2,267.29 CU. YDS.

489000m E. Prima Oil & Gas Company 490000m E. 491000m E. NAD27 Zone 12S 492000m E.



488500m E.

489500m E.

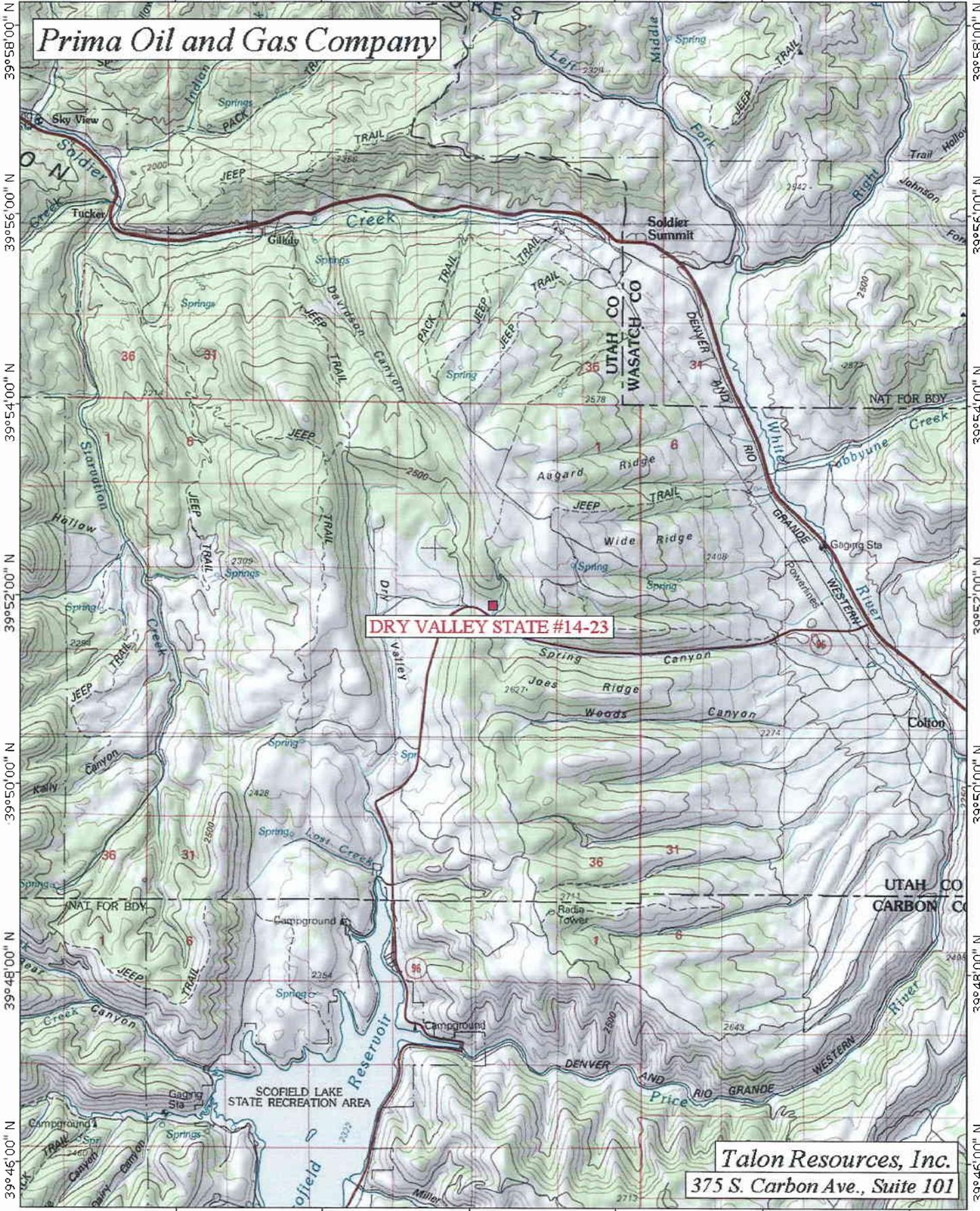
490500m E.

NAD27 Zone 12S 492000m E.

TN
13°



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Prima Oil and Gas Company

DRY VALLEY STATE #14-23

Talon Resources, Inc.
375 S. Carbon Ave., Suite 101



PRIMA OIL & GAS CO.

DRY VALLEY STATE #14-23

LOCATED IN UTAH COUNTY, UTAH
SECTION 14, T11S, R7E, S.L.B.&M.



LOOKING SOUTH



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781

LOCATION
PHOTOS

P-2

PRIMA OIL & GAS CO.

DRY VALLEY STATE #14-23

LOCATED IN UTAH COUNTY, UTAH
SECTION 14, T11S, R7E, S.L.B.&M.



LOOKING EAST



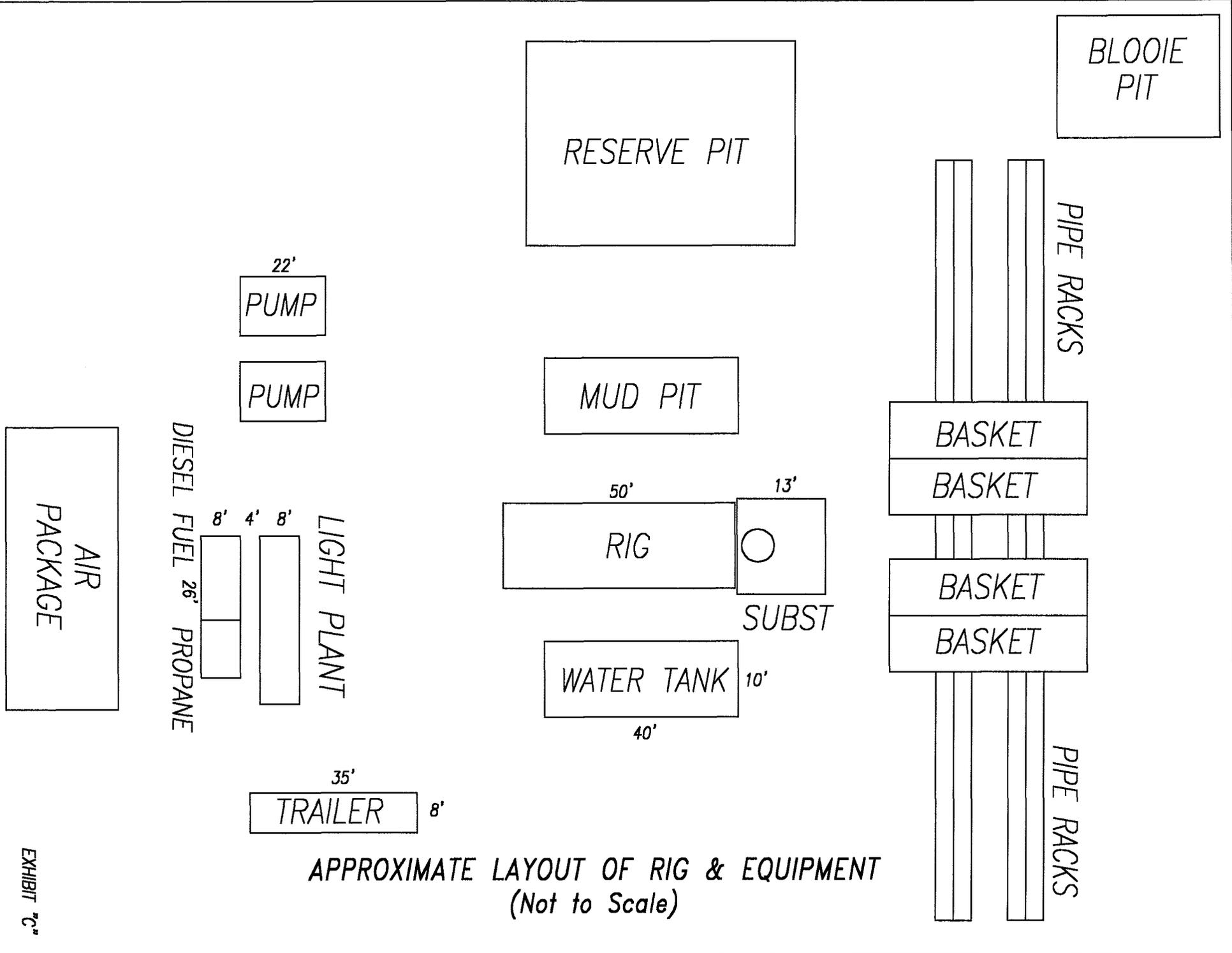
LOOKING NORTH



Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781

LOCATION
PHOTOS

P-1



APPROXIMATE LAYOUT OF RIG & EQUIPMENT
(Not to Scale)

EXHIBIT "C"

Please accept this letter as Prima's written request for confidential treatment of all information contained in and pertaining to this application, if said information is eligible for such consideration.

Thank you very much for your timely consideration of this application. Please feel free to contact myself, or Mrs. Cindi Danner at Prima if you have any questions or need additional information.

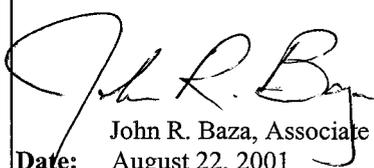
Sincerely,

Don Hamilton

Don Hamilton
Environmental Manager / Project Coordinator

cc: Mr. Walt Lunsford, Prima
Mrs. Cindi Danner, Prima
Mrs. Lisa Morris, Prima
Mr. Jeff Mendenhall, Utah County
Prima Well File

STATE ACTIONS
State Clearinghouse Coordinator
116 State Capitol, SLC, UT 84114
538-1535

1. Administering State Agency Oil, Gas and Mining 1594 West North Temple, Suite 1210 Salt Lake City, UT 84114-5801	2. State Application Identifier Number: (assigned by State Clearinghouse) 3. Approximate date project will start: Upon Approval
4. Areawide clearinghouse(s) receiving state action: (to be sent out by agency in block 1) Mountainland Association of Governments	
5. Type of action: // Lease <input checked="" type="checkbox"/> // Permit // License // Land Acquisition // Land Sale // Land Exchange // Other _____	
6. Title of proposed action: Application for Permit to Drill	
7. Description: Prima Oil and Gas Company proposes to drill the Dry Valley State 14-23 well (wildcat) on a State lease ML 47338, Utah 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.	
8. Land affected (site location map required) (indicate county) SW/4, NW/4, Section 14, Township 11 South, Range 7 East, Utah County, Utah	
9. Has the local government(s) been contacted? No	
10. Possible significant impacts likely to occur: Degree of impact is based on the discovery of oil or gas in commercial quantities.	
11. Name and phone of district representative from your agency near project site, if applicable: 	
12. For further information, contact: Lisha Cordova Phone: (801) 538-5296	13. Signature and title of authorized officer  John R. Baza, Associate Director Date: August 22, 2001

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN

B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

2. Name of Operator:
Prima Oil and Gas Company

3. Address and Telephone Number:
1099 18th St., Ste. 400, Denver, CO 80202 1-303-297-2300

4. Location of Well (Footages)
At Surface: 1980' FNL, 861' FWL
At Proposed Producing Zone: 4412543A
490335E

5. Lease Designation and Serial Number:

ML-47338

6. If Indian, Allottee or Tribe Name:

N/A

7. Unit Agreement Name:

N/A

8. Farm or Lease Name:

Dry Valley State

9. Well Number:

14-23

10. Field or Pool, or Wildcat:

Wildcat

11. Qtr/Qtr, Section, Township, Range, Meridian:

SW/4 NW/4, Section 14,
T11S, R7E, SLB&M

14. Distance in miles and direction from nearest town or post office:

9.8 miles northeast of Scofield, Utah

12. County:

Utah

13. State:

Utah

15. Distance to nearest property or lease line (feet):

804'

16. Number of acres in lease:

1482.00 acres

17. Number of acres assigned to this well:

40

18. Distance to nearest well, drilling, completed, or applied for, or

None

19. Proposed Depth:

11,500'

20. Rotary or cable tools:

Rotary

21. Elevations (show whether DF, RT, GR, etc.):

7937' GR

22. Approximate date work will start:

September 2001

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" J-55 ST&C	36 #	600'	265 sacks Type II w/ 2% CaCl; 1.41 cu ft / sack, 14.5 # / gal
8-1/2"	7" N-80 LT&C	23 #	6,000'	Lead—365 sacks Prem. Lite II: 3.46 cu.ft / sack, 11.0 # / gal
				Tail—130 sacks Prem. Lite (High str.): 1.97 cu ft / sack, 13.0 # / gal

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

RECEIVED

CONFIDENTIAL

AUG 20 2001

DIVISION OF
OIL, GAS AND MINING

ORIGINAL

24.

Name & Signature: Cindi Danner Cindi Danner, CPL Title: Landman

Date: 8-13-01

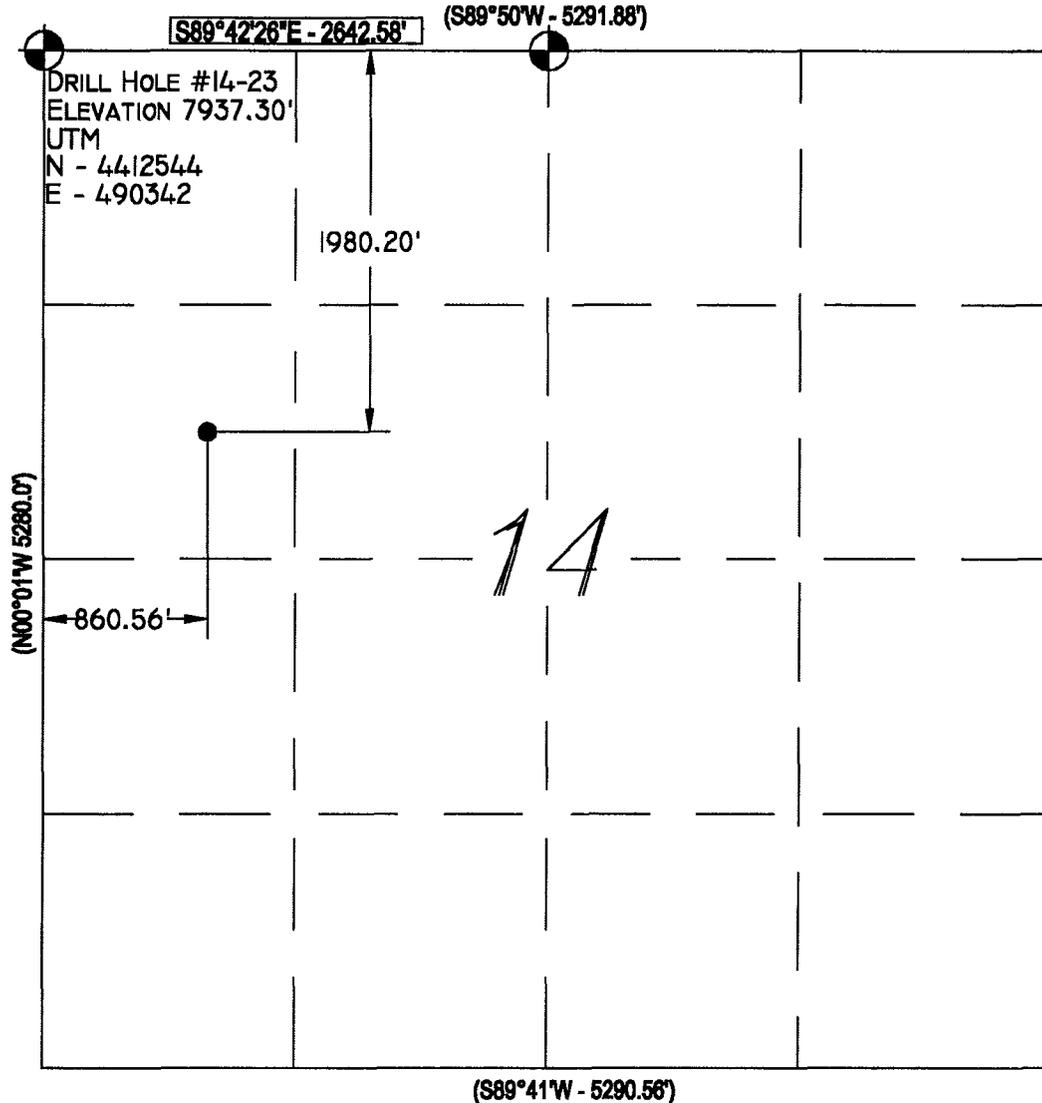
(This space for state use only)

API Number Assigned: 43-049-30020

Approval:

Range 7 East

Township 11 South



Legend

- Drill Hole Location
- ⊕ Brass Cap (Found)
- Brass Cap (Searched for, but not found)
- △ Calculated Corner
- () GLO
- GPS Measured

NOTES:

I. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°51'53"N
111°06'47"W

ORIGINAL

Location:

THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

Basis of Bearing:

THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:

THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:

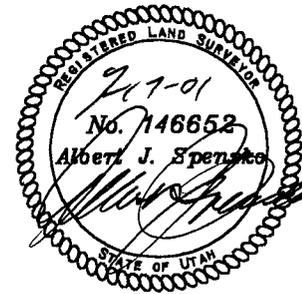
BASIS OF ELEVATION OF 7844' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 16, TOWNSHIP 11 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE COLTON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:

PROPOSED DRILL HOLE LOCATED IN THE SW1/4, NW1/4 OF SECTION 14, T11S, R7E, S.L.B.&M., BEING 1980.2' SOUTH AND 860.56' EAST FROM THE NORTHWEST QUARTER CORNER OF SECTION 14, T11S, R7E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:

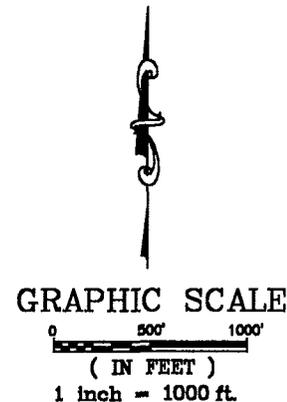
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

Prima Oil & Gas Company
 Dry Valley State #14-23
 Section 14, T11S, R7E, S.L.B.&M.
 Utah County, Utah

Drawn By: M. MOON	Checked By: L.W.J./A.J.S.
Drawing No. A-1	Date: 07/17/01
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 362



**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 08/20/2001

API NO. ASSIGNED: 43-049-30020

WELL NAME: DRY VALLEY ST 14-23

OPERATOR: PRIMA OIL & GAS COMPANY (N1695)

CONTACT: CINDI DANNER

PHONE NUMBER: 303-297-2300

PROPOSED LOCATION:

SWNW 14 110S 070E

SURFACE: ~~1980 FNL 0861 FWL~~ 1978 FNL 856 FWL

BOTTOM: ~~1980 FNL 0861 FWL~~ 1978 FNL 856 FWL

UTAH

WILDCAT (1)

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47338 *lc*

SURFACE OWNER: 3 - State

PROPOSED FORMATION: DKTA

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	<i>DKD</i>	<i>10/19/01</i>
Geology		
Surface		

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[3] Fee[]
(No. 04127698)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
(No. Municipal)
- RDCC Review (Y/N)
(Date: Comments due 9-7-01)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

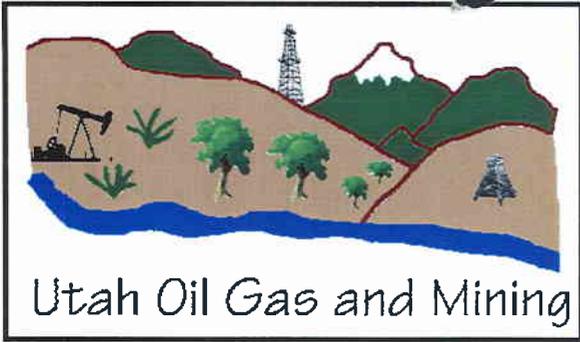
- R649-2-3. Unit _____
- R649-3-2. General
- Siting: 460 From Qtr/Qtr & 920' Between Wells
- ~~R649-3-3. Exception~~
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

COMMENTS:

*Need Presite. (09-11-01)
Need "Ex. Loc" info.*

STIPULATIONS:

- ① A 5M BOP shall be used for drilling below Intermediate Casing
- ② Spacing Stip.
- ③ STATEMENT OF BASIS



OPERATOR: PRIMA O&G COMPANY (N1695)
SEC. 11,14 & 15, T11S, R7E
FIELD: WILDCAT (001)
COUNTY: UTAH SPACING: R649-3-2/GEN ST



09-01 Prima Dry Valley 1023

Casing Schematic

Surface

Northward

9-5/8"
MW 8.8
Frac 19.3

1400'
Price River

3000'
Castlegate

3600'
Blackhawk

5000'
Starpoint

7" frac
MW 8.8
Frac 19.3
Energy

7650'
Lower Blue

9450'
Ferron

9750'
Tonank

10050'
Dakota

4-1/2"
MW 10.5

TOC @ 0.
TOC @ 0.
Surface
600. MD

w/17% washout

TOC @ 2446.

w/14% washout

Intermediate
6000. MD

w/10% washout

Production
11500. MD

BOP

BHP
 $(0.052)(10.5)(11500) = 6279 \text{ psi}$

Gas
 $(0.12)(11500) = 1380 \text{ psi}$

MASP = 4899 psi

Gas/mud
 $(0.22)(11500) = 2530 \text{ psi}$
MASP = 3749 psi

SM BOP proposed

Adequate

DRD 10/19/10

Well name:	09-01 Prima Dry Valley 14-23	
Operator:	Prima Oil & Gas Company	Project ID:
String type:	Surface	43-049-30020
Location:	Utah County	

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.457 psi/ft
 Calculated BHP: 274 psi

No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on air weight.
 Neutral point: 522 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 73 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 200 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 6,000 ft
 Next mud weight: 8.800 ppg
 Next setting BHP: 2,743 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 600 ft
 Injection pressure: 600 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	600	9.625	36.00	J-55	ST&C	600	600	8.796	42.7

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	274	2020	7.37	274	3520	12.84	22	394	18.24 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

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

Date: October 19, 2001
 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 600 ft, a mud weight of 8.8 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:	09-01 Prima Dry Valley 14-23	
Operator:	Prima Oil & Gas Company	Project ID:
String type:	Intermediate	43-049-30020
Location:	Utah County	

Design parameters:

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

Burst
 Max anticipated surface pressure: 0 psi
 Internal gradient: 0.545 psi/ft
 Calculated BHP: 3,273 psi
 No backup mud specified.

Minimum design factors:

Collapse:
 Design factor: 1.125

Burst:
 Design factor: 1.00

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

Tension is based on air weight.
 Neutral point: 5,206 ft

Environment:

H2S considered? No
 Surface temperature: 65 °F
 Bottom hole temperature: 149 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: Surface

Non-directional string.

Re subsequent strings:

Next setting depth: 11,500 ft
 Next mud weight: 10,500 ppg
 Next setting BHP: 6,273 psi
 Fracture mud wt: 19,250 ppg
 Fracture depth: 6,000 ft
 Injection pressure: 6,000 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	6000	7	23.00	N-80	LT&C	6000	6000	6.25	277.3

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	2743	3830	1.40	3273	6340	1.94	138	442	3.20 J

Prepared by: Dustin Doucet
 Utah Dept. of Natural Resources

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

Date: October 19, 2001
 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 6000 ft, a mud weight of 8.8 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:	09-01 Prima Dry Valley 14-23	
Operator:	Prima Oil & Gas Company	Project ID:
String type:	Production	43-049-30020
Location:	Utah County	

Design parameters:

Collapse
Mud weight: 10.500 ppg
Design is based on evacuated pipe.

Burst
Max anticipated surface pressure: 0 psi
Internal gradient: 0.545 psi/ft
Calculated BHP: 6,273 psi
No backup mud specified.

Minimum design factors:

Collapse:
Design factor: 1.125

Burst:
Design factor: 1.00

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

Tension is based on air weight.
Neutral point: 9,695 ft

Environment:

H2S considered? No
Surface temperature: 65 °F
Bottom hole temperature: 226 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 368 ft

Cement top: 2,446 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	11500	4.5	11.60	P-110	LT&C	11500	11500	3.875	266.6

Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	6273	7580	1.21	6273	10690	1.70	133	279	2.09 J

Prepared by: Dustin Doucet
Utah Dept. of Natural Resources

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

Date: October 19, 2001
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 11500 ft, a mud weight of 10.5 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.

DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

Operator Name: Prima Oil and Gas Company
Name & Number: 14-23
API Number: 43-049-30020
Location: 1/4, 1/4 SWNW Sec. 14 T. 11S R. 7E

Geology/Ground Water:

A well drilled at this location will spud into a probably moderately-permeable soil developed on the Tertiary/Cretaceous North Horn Formation. Ground water is likely to be encountered in the North Horn Formation, the Bennion Creek Formation, the Castlegate and Star Point Sandstones, the Emery and Ferron Sandstones and the Dakota Sandstone, all of Cretaceous age. At Castlegate Field, which is about 17 miles southeast, along the Colton Formation outcrop the Spring Creek sand, produced large amounts of moderately saline ground water from depths of ~1,600 feet to 2,000 feet, Total Depth. Water quality will deteriorate in the deeper strata. The nearest mapping of the base of moderately saline ground water (~14 miles east northeast) implies that the base of moderately saline ground water is likely to be above sea level and within several thousand feet of the surface. If so, quality water is likely to be encountered in permeable strata above the Mesa Verde Group. Water rights for 2 water wells and spring are recorded within a mile. A P&A'd well (4304930010) is located about 3/4 mile southwest, respectively, of the proposed location. Drainage is to the southwest toward Spring Creek, which flows to the White River. The proposed surface and intermediate casing, cementing program and freshwater/polymer drilling fluid system should be sufficient protect the shallow ground water resource.

Reviewer: Christopher J. Kierst **Date:** 9/18/01

Surface:

The location staked seems to be a good location for the above proposed well. No moving water sources within the immediate proximity to location. The location wellhead was staked 5 ft. West of the boundary window. Precipitation will be diverted around the pad with berms and culverts where necessary. There are no nearby culinary or irrigation supply wells. The site was photographed and characterized on 9/11 /2001. Rehabilitation of the site, litter and waste control, preservation and drainage patterns, groundwater and other resources was discussed and agreed on. Any well utilities and gathering systems will follow the roadways.

Reviewer: Mark L. Jones **Date:** 9/11/2001

Conditions of Approval/Application for Permit to Drill:

- 1) Culverts sufficient to manage expected runoff, standing and surface water in drainages.
- 2) Berm the location and pit.
- 3) A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

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

OPERATOR: Prima Oil and Gas Company
WELL NAME & NUMBER: 14-23
API NUMBER: 43-049-30020
LEASE: Dry Valley State FIELD/UNIT: Wildcat
LOCATION: 1/4, 1/4 SWNW Sec: 14 TWP: 11S RNG: 7E 1980' FNL 861' FWL
GPS COORD (UTM): X = 490,335 E ; Y = 4,412,543 N (UTM from surveyor)
X = 490,344 E ; Y = 4,412,540 N (Magellan field reading)
SURFACE OWNER: SITLA.

PARTICIPANTS

M. Jones (DOGM), L. Johnson (Talon), SITLA and (Utah County) was invited but chose not to attend. Ray Morris (Drilling consultant), Dennis Jensen (J&R Construction), Joe and JD Jackson (surface lessee).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Top of Spring Canyon where Spring Canyon meets Dry Valley. Location is on gradually sloping terrain from the north to the east that increases in altitude more drastically off the location to the North. Location is ~500' North of Utah State Hwy 96.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat and recreation.

PROPOSED SURFACE DISTURBANCE Proposed surface disturbance will include a 260' X 170' pad. Included within the proposed pad will be a 70' x 44' x 10' reserve pit. Access will consist of ~480' of new road, along with 620' of upgrade along an existing two track road.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: One proposed well and one existing PA well are located within a 1 mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: Production facilities and pipelines will be in accordance to surface agreement issues and following existing pipelines if the well is a producer.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally from a private source and hauled to location using existing roads.

ANCILLARY FACILITIES: None anticipated.

WASTE MANAGEMENT PLAN:

Portable chemical toilets, which will be emptied into the municipal waste treatment system; garbage cans on location will be emptied into centralized dumpsters which will eventually be emptied into an approved landfill. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing of the pit liner. Used oil from drilling operations and support will be hauled away to a used oil recycling tank or facility.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None

FLORA/FAUNA: Sagebrush, native grasses, deer, elk, rodents, various small game animals and birds.

SOIL TYPE AND CHARACTERISTICS: Loamy clay soil.

EROSION/SEDIMENTATION/STABILITY: stable.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: dugout, earthen pit. As indicated in APD.

LINER REQUIREMENTS (Site Ranking Form attached): Synthetic liner.

SURFACE RESTORATION/RECLAMATION PLAN

As per requests of landowner in landowners surface agreement.

SURFACE AGREEMENT: Not in place at time of on-site. In process of negotiation.

CULTURAL RESOURCES/ARCHAEOLOGY: Archeological survey on file with State.

OTHER OBSERVATIONS/COMMENTS

Some issues dealing with hunting seasons. I told the surface lessee to make sure any concerns or stipulations he had regarding his hunting should be addressed in his surface agreement.

ATTACHMENTS:

4 photographs taken.

Mark L. Jones
DOGM REPRESENTATIVE

9/11/2001 / 9:00 a.m.
DATE/TIME

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

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

Final Score 42 Level I Sensitivity)

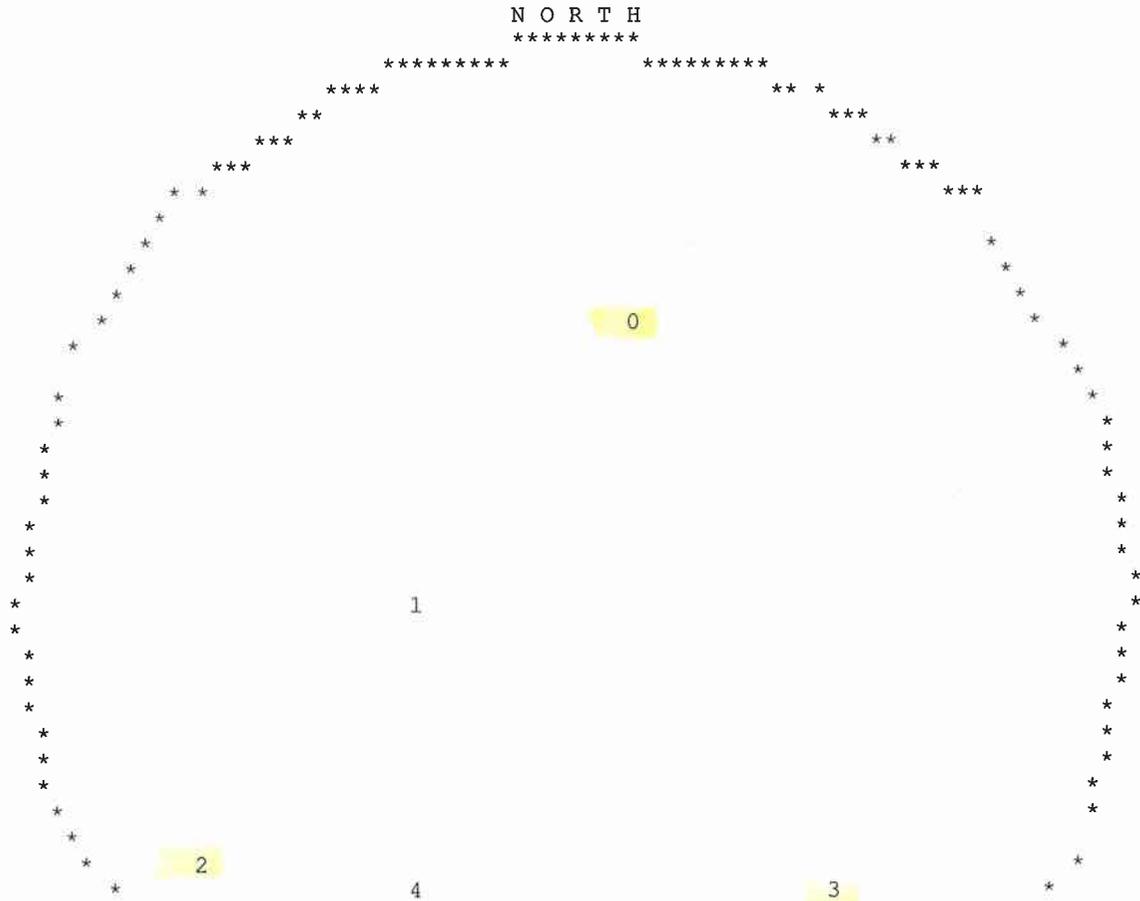
Sensitivity Level I = 20 or more total containment is required.
Sensitivity Level II = 15-19 lining is discretionary.
Sensitivity Level III = below 15 no specific lining is required.



UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED TUE, SEP 18, 2001, 2:49 PM
PLOT SHOWS LOCATION OF 5 POINTS OF DIVERSION

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET FROM A POINT
S 1978 FEET, E 856 FEET OF THE NW CORNER,
SECTION 14 TOWNSHIP 11S RANGE 7E SL BASE AND MERIDIAN

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FEET





UTAH DIVISION OF WATER RIGHTS
 NWPLAT POINT OF DIVERSION LOCATION PROGRAM

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER DEPTH	YEAR LOG	POINT OF DIVERSION DESCRIPTION NORTH EAST	CNR SEC	TWN	RNG B&M	U A P T N P E E N P R R
0	E2454	.0000	1.00	4 526	1986 Y	N 721 E 1435	SW 11	11S	7E SL	X WATER USE(S): DOMESTIC OTHER Heward, Tom 5522 Hew-wood Drive Bennion UT 84118 PRIORITY DATE: 07/02/1986
1	91 3120	.0000	.00	Unnamed Stream						X WATER USE(S): Jackson, Orrin H. 665 East 7th North Provo UT 84601 PRIORITY DATE: 00/00/1902
2	E578	.0000	1.00	6 100 - 200		N 904 W 90	S4 15	11S	7E SL	X WATER USE(S): DOMESTIC Witney, Daniel and Carla 960 South 400 East Springville UT 84663 PRIORITY DATE: 09/12/1972
3	91 3123	.0110	.00	Unnamed Spring						X WATER USE(S): Jackson, Orrin H. Provo UT 84601 PRIORITY DATE: 00/00/1902
4	91 3120	.0000	.00	Unnamed Stream						X WATER USE(S): Jackson, Orrin H. 665 East 7th North Provo UT 84601 PRIORITY DATE: 00/00/1902

From: Frances Bernards
To: Lisha Cordova
Date: 9/4/01 11:29AM
Subject: wildcat wells

The following proposed wildcat well projects may require a permit, known as an Approval Order, from the Utah Division of Air Quality if any compressor stations are operating at the site. 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, SLC, UT, 84116 for review according to the Utah Air Conservation Rule R307-400, Permits, Notice of Intent and Approval Order. These requirements apply to: TD-3; Dry Valley State 11-12 on State Lease NI46873; Dry Valley State 14-23 on State Lease MI47338; White River State 15-32 on State Lease MI46874; Dry Valley State 15-34 on State Lease MI47338; Pugh #3; Pugh #6, Pugh #12; Pugh #18, Alker #1, Pugh #19, and Pugh #22.

If you have any questions, feel free to contact Frances Bernards at (801) 536-4056.

Frances Bernards, Planner
Utah Division of Air Quality
fbernard@deq.state.ut.us
(801) 536-4056

Project Number: 1146

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 33, T38S, R5W

Counties Affected: Kane

Description: Application for Permit to Drill - proposal to drill a wildcat well, the Pugh #6 on a Fee lease.

Comments Due to Sponsor 09/07/2001

Project Number: 1144

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 26, T38S, R5W

Counties Affected: Kane

Description: Application for Permit to Drill - proposal to drill a wildcat well, the Pugh #18 on a Fee lease.

Comments Due to Sponsor 09/07/2001

Project Number: 1152

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 19, T13S, R13E

Counties Affected: Carbon

Description: Application for Permit to Drill - proposal to drill a wildcat well, the TD-3 on a Patented lease.

Comments Due to Sponsor 09/07/2001

Project Number: 1145

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 27, T38S, R5W

Counties Affected: Kane

Description: Application for Permit to Drill - proposal to drill a wildcat well, the Pugh #12 on a Fee lease.

Comments Due to Sponsor 09/07/2001

Project Number: 1151

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 11, T11S, R7E

Counties Affected: Utah

Description: Application for Permit to Drill - proposal to drill a wildcat well, the Dry Valley State 11-12 on a State Lease NL46873.

Comments Due to Sponsor 09/07/2001

Project Number: 1150

Sponsor: Division of Oil, Gas and Mining

SLB&M: Sec. 14, T11S, R7E

Counties Affected: Utah

Description: Application for Permit to Drill - proposal to drill a wildcat well, the Dry Valley State 14-23 on a State Lease ML47338.

Comments Due to Sponsor 09/07/2001

Stream Alterations

Project Number: 1140

Sponsor: Division of Water Rights

SLB&M: Sec. 3, T9N, R1E

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work: DRILL DEEPEN
 B. Type of Well: OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

2. Name of Operator:
Prima Oil and Gas Company

3. Address and Telephone Number:
1099 18th St., Ste. 400, Denver, CO 80202 1-303-297-2300

4. Location of Well (Footages)
 At Surface: 1978' FNL, 856' FWL 4412544N
 At Proposed Producing Zone: 490333E

5. Lease Designation and Serial Number:
MI-47338
 6. If Indian, Allottee or Tribe Name:
N/A
 7. Unit Agreement Name:
N/A
 8. Farm or Lease Name:
Dry Valley State
 9. Well Number:
14-23
 10. Field or Pool, or Wildcat:
Wildcat
 11. Qtr/Qtr, Section, Township, Range, Meridian:
SW/4 NW/4, Section 14, T11S, R7E, SLB&M

14. Distance in miles and direction from nearest town or post office:
9.8 miles northeast of Scofield, Utah
 12. County: Utah 13. State: Utah

15. Distance to nearest property or lease line (feet): 804'
 16. Number of acres in lease: 1482.00 acres
 17. Number of acres assigned to this well: 40

18. Distance to nearest well, drilling, completed, or applied for, or None
 19. Proposed Depth: 11,500'
 20. Rotary or cable tools: Rotary

21. Elevations (show whether DF, RT, GR, etc.): 7937' GR
 22. Approximate date work will start: September 2001

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	9-5/8" J-55 ST&C	36 #	600'	265 sacks Type II w/ 2% CaCl; 1.41 cu.ft / sack, 14.5 # / gal
8-1/2"	7" N-80 LT&C	23 #	6,000'	Lead—365 sacks Prem. Lite II: 3.46 cu.ft / sack, 11.0 # / gal Tail—130 sacks Prem. Lite (High str.): 1.97 cu.ft / sack, 13.0 # / gal
<i>D&D</i> <i>10/19/01</i> 6-7/8"	4-1/2" P110 LT&C	11.6 #	11,500'	Lead—245 Sx Prem Lite II = 3.46 cu.ft/sk, 11.0 #/gal Tail—200 Sx Prem Lite (HS) = 1.97 cu.ft/sk, 13.0 #/gal

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.*

RECEIVED

CONFIDENTIAL

SEP 10 2001

DIVISION OF
OIL, GAS AND MINING

ORIGINAL

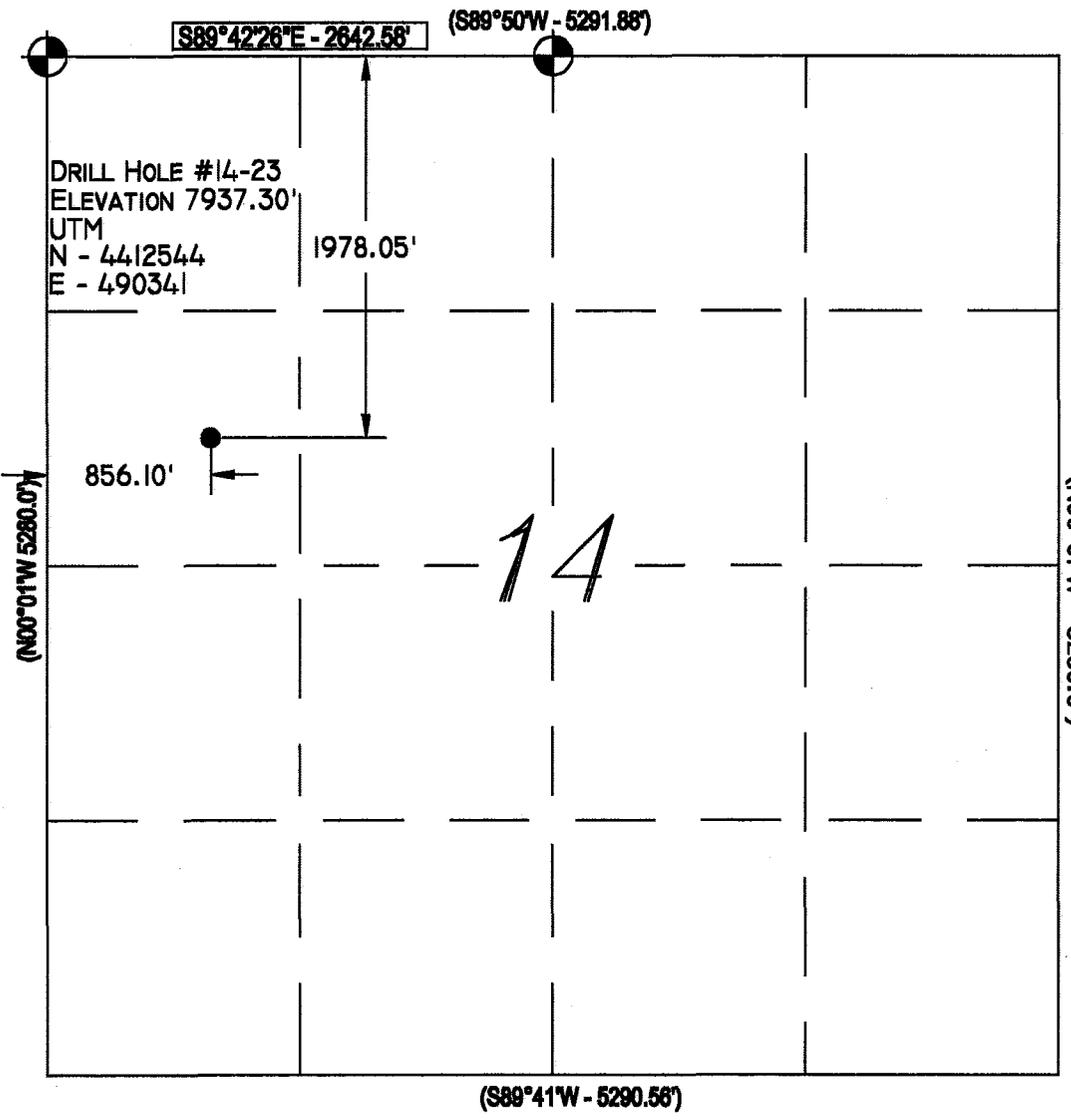
24. Name & Signature: Cindi Danner Cindi Danner, CPI Title: Landman Date: 8-3-01

(This space for state use only)
 API Number Assigned: 43-049-30020

Approval: [Signature]
 Date: 10-22-01
 By: [Signature]

Range 7 East

Township 11 South



Location:
THE WELL LOCATION WAS DETERMINED USING A TRIMBLE 4700 GPS SURVEY GRADE UNIT.

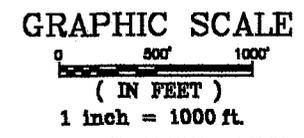
Basis of Bearing:
THE BASIS OF BEARING IS GPS MEASURED.

GLO Bearing:
THE BEARINGS INDICATED ARE PER THE RECORDED PLAT OBTAINED FROM THE U.S. LAND OFFICE.

Basis of Elevation:
BASIS OF ELEVATION OF 7844' BEING AT THE SOUTHEAST SECTION CORNER OF SECTION 16, TOWNSHIP 11 SOUTH, RANGE 7 EAST, SALT LAKE BASE AND MERIDIAN, AS SHOWN ON THE COLTON QUADRANGLE 7.5 MINUTE SERIES MAP.

Description of Location:
PROPOSED DRILL HOLE LOCATED IN THE SW1/4, NW1/4 OF SECTION 14, T11S, R7E, S.L.B.&M., BEING 1978.05' SOUTH AND 856.1' EAST FROM THE NORTHWEST QUARTER CORNER OF SECTION 14, T11S, R7E, SALT LAKE BASE & MERIDIAN.

Surveyor's Certificate:
I, Albert J. Spensko, a Registered Professional Land Surveyor, holding Certificate 146652 State of Utah, do hereby certify that the information on this drawing is a true and accurate survey based on data of record and was conducted under my personal direction and supervision as shown hereon.



- Legend**
- Drill Hole Location
 - ⊙ Brass Cap (Found)
 - Brass Cap (Searched for, but not found)
 - △ Calculated Corner
 - () GLO
 - GPS Measured

NOTES:
1. UTM AND LATITUDE / LONGITUDE COORDINATES ARE DERIVED USING A GPS PATHFINDER AND ARE SHOWN IN NAD 27 DATUM.

LAT / LONG
39°51'53"N
111°06'47"W

Talon Resources, Inc.
375 South Carbon Avenue, Suite 101
Price, Utah 84501
Ph: 435-637-8781
Fax: 435-636-8603

Prima Oil & Gas Company
Dry Valley State #14-23
Section 14, T11S, R7E, S.L.B.&M.
Utah County, Utah

Drawn By M. MOON	Checked By L.W.J./A.J.S.
Drawing No. A-1	Date: 07/17/01
	Scale: 1" = 1000'
Sheet 1 of 4	Job No. 362

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:

Prima Oil and Gas Company.

3. Address and Telephone Number:

1099 18th St. Ste 400. Denver. CO 80202 1-303-297-2300

4. Location of Well
Footages:

1978' FNL, 856' FWL

County: Utah

State: Utah

QQ, Sec., T., R., M.:

SW/4 NW/4, Section 14, T11S, R7E, SLB&M

5. Lease Designation and Serial Number:
ML-47338

6. If Indian, Allottee or Tribe Name:
N/A

7. Unit Agreement Name:
N/A

8. Well Name and Number:
Dry Valley State 14-23

9. API Well Number:

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

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |
- Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|---|---|
| <input type="checkbox"/> Abandon * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>Well site relocation</u> | |
- Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

The Dry Valley State 14-23 was moved approximately 5' northwest to avoid an exception to spacing (state spacing rules) prior to the onsite being conducted.

The new location for the Dry Valley State 14-23 is 1978' FNL, 856' FWL SW/4 NW/4, Section 14, T11S, R7E, SLB&M, Utah County, Utah.

RECEIVED

SEP 10 2001

DIVISION OF
OIL, GAS AND MINING

ORIGINAL

13.

Name & Signature:

Cindi Danner

Cindi Danner, CPL

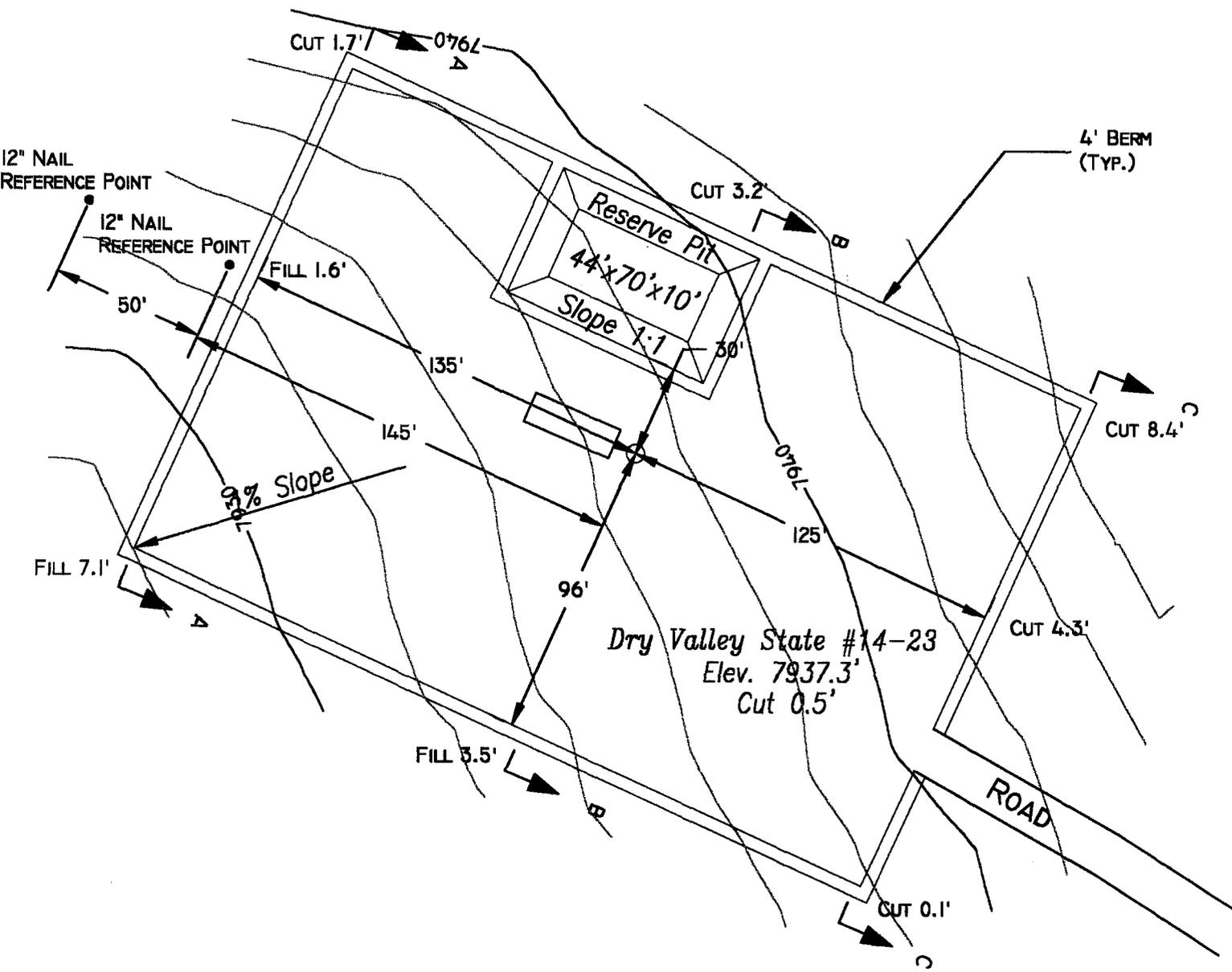
Title: Landman

Date:

9-30-01

(This space for state use only)

ELEVATION OF UNGRADED GROUND AT LOCATION STAKE = 7937.3'
 ELEVATION OF GRADED GROUND AT LOCATION STAKE = 7936.8'




Talon Resources, Inc.
 375 South Carbon Avenue, Suite 101
 Price, Utah 84501
 Ph: 435-637-8781
 Fax: 435-636-8603

Prima Oil & Gas Company
LOCATION LAYOUT
 Section 14, T11S, R7E, S.L.B.&M.
 Dry Valley State #14-23

Drawn By: M. MOON	Checked By: L.W.J.
Drawing No. A-2	Date: 07/17/01
	Scale: 1" = 50'
Sheet 2 of 4	Job No. 362

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial No.
ML 47338

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

6. If Indian, Allotte or Tribe Name
N/A

7. Unit Agreement Name
N/A

8. Well Name and Number
Dry Valley State #14-23

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator: **PRIMA OIL & GAS CORP**
Contact: **Becky Adams**
Phone: **(303) 297-2300**

9. API Well Number
43-049-30020

3. Address and Telephone No.
1099 18th Street, Suite 400 Denver, Co 80202

10. Field and Pool, or Exploratory Area
Wildcat

4. Location of Well
Footages: 1980' FNL, 861' FWL
County: Utah
QQ, Sec T,R,M: SWNW Sec. 14-T11S-R7E, SLB & M
State: UTAH

11. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Alter Casing--New BOP diagram

Approximate date work will start **June 2002**

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon*
- Repair Casing
- Change Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. Describe Proposed or completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with the BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, A form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection).

Proposed Casing and Cementing Program

Size of hole	Casing Size, weight, and grade	Depth	Cement Type, Quantity, Yield and Slurry Wt
12-1/4"	9-5/8", J-55, 36#/ft	600'	Type II w/2% CaCl, 265 sx, 1.41 ft3/sk, 14.5#/gal
8-1/2"	7", N-80, 23#/ft	6000'	Lead-Prem Lite II, 365 sx, 3.46 ft3/sk, 11.0#/gal Tail-Prem Lite High Strength, 130 sx, 1.97 ft3/sk, 13 #/gal
6-1/8"	4-1/2", P-110, 11.6#/ft, LT&C	11500'	Lead-Prem Lite II, 245 sx, 3.46 ft3/sk, 11.0 #/gal Tail-Prem Lite High Strength, 200 sx, 1.97 ft3/sk, 13 #/gal

Proposed mud program (Visual Monitoring)

Interval	Type	Weight	Viscosity
0-6000'	Freshwater	8.3-8.8#/gal	35-50
6000'-11500'	Freshwater polymer (LSND)	8.8-10.5#/gal	45-60

ATTACHED: SEE NEW BOP DIAGRAM

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

DATE: 10/19/01
BY: [Signature]

RECEIVED

13. Name (Printed/Typed) **Cindi Danner**

Title **Landman**

OCT 16 2001

Signature [Signature]

Date 10-11-01

DIVISION OF
OIL, GAS AND MINING

BOP Equipment

5000psi WP

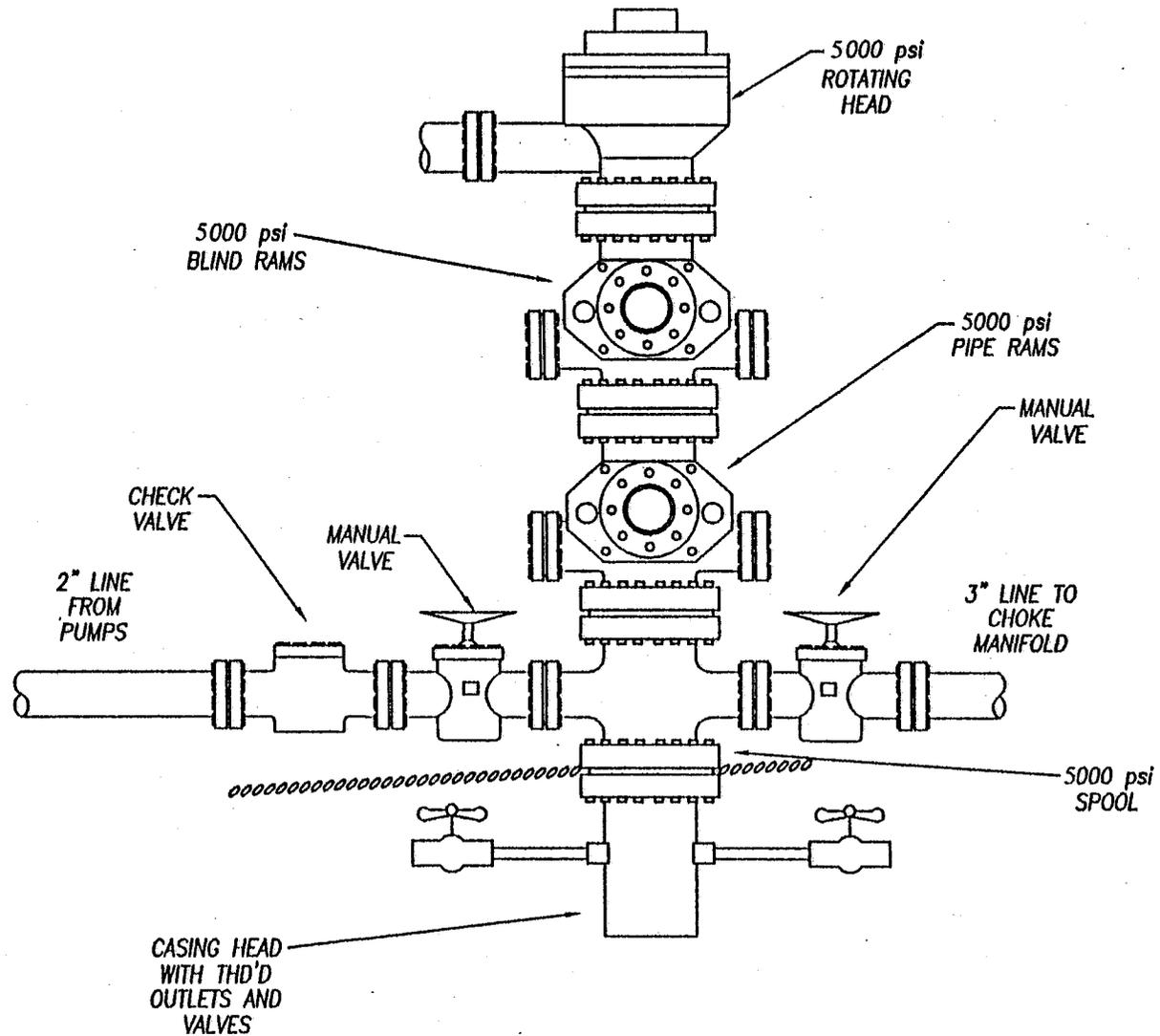


EXHIBIT "G"



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

October 22, 2001

Prima Oil & Gas Company
1099 18th St., Ste. 400
Denver, CO 80202

Re: Dry Valley State 14-23 Well, 1978' FNL, 856' FWL, SW NW, Sec. 14, T. 11 South,
R. 7 East, Utah 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 43-049-30020.

Sincerely,

A handwritten signature in black ink, appearing to read "John R. Baza".

John R. Baza
Associate Director

dm

Enclosures

cc: Utah County Assessor
SITLA

Operator: Prima Oil & Gas Company
Well Name & Number Dry Valley State 14-23
API Number: 43-049-30020
Lease: ML 47338

Location: SW NW Sec. 14 T. 11 South R. 7 East

Conditions of Approval

1. **General**

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

2. **Notification Requirements**

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

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

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

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

3. **Reporting Requirements**

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

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

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

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

7. Operator shall comply with applicable recommendations resulting from Resource Development Coordinating Committee review. Statements attached.

8. A 5M BOP shall be used for drilling below intermediate casing.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, Utah 84078-2799

Phone: (435) 781-4400

Fax: (435) 781-4410

IN REPLY REFER TO:

3160

UT08300

RECEIVED

April 4, 2002

APR 08 2002

DIVISION OF
OIL, GAS AND MINING

Cheryl Cameron
El Paso Production Oil & Gas Co.
P. O. Box 1148
Vernal, Utah 84078

Re: Well No. Bonanza #10-3
NWNE, Sec. 10, T10S, R23E
Uintah County, Utah
Lease No. UTU-38261
C. A. No. CR-5

43-047-34090

Dear Cheryl:

The Application for Permit to Drill (APD) the above referenced well, received May 17, 2001, is being returned unapproved. There has been no expression of interest in resolving relocation of this well due to paleontological issues. If your plans change and you intend to drill at this location at a future date, a new APD must be submitted.

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

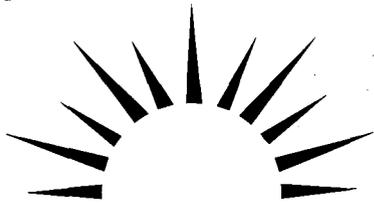
Sincerely,

Leslie Walker

Leslie Walker
Legal Instruments Examiner

cc: UDOGM-Lisha Cordova

** Hold per op.
will expire 5-24-02 unless
loc. cty. is rec'd. for*



Prima Oil & Gas Company

September 9, 2002

Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, UT 84114

Attention: Diana Mason

RE: Dry Valley State 14-23 Well
API 043-049-30020
Sec. 14-T11S-R7E
Utah County, Utah

Dear Diana:

Enclosed is a sundry notice for the Dry Valley State 14-23 requesting an extension of the APD expiring in October.

Thank you in advance and should you have any questions, I can be reached at (303) 297-2300.

Sincerely,

Jan Kajiwara
Operations Assistant

Enc

RECEIVED

SEP 12 2002

**DIVISION OF
OIL, GAS AND MINING**

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML 47338
2. NAME OF OPERATOR: PRIMA OIL & GAS COMPANY		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 1099 18TH STREET CITY DENVER STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1978 FNL 856 FWL QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 14 11S 7E		8. WELL NAME and NUMBER: DRY VALLEY STATE #14-23
		9. API NUMBER: 64430020 43-049-30020
		10. FIELD AND POOL, OR WILDCAT: WILDCAT
		COUNTY: UTAH
		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input 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"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: EXTENSION REQUEST
	<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.
PRIMA OIL & GAS IS REQUESTING A ONE YEAR EXTENSION ON THIS APD.

RECEIVED
SEP 13 2002
DIVISION OF
OIL, GAS AND MINING

Approved by the
Utah Division of
Oil, Gas and Mining

COPY SENT TO OPERATOR
Date: 9-23-02
Initials: CHD

Date: 09-23-02
By: [Signature]

NAME (PLEASE PRINT) JAN KAJIWARA	TITLE Operations Assist
SIGNATURE [Signature]	DATE 9/13/02

(This space for State use only)



Prima Oil & Gas Company

CONFIDENTIAL

August 26, 2003

Via US Mail

State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Ut 84114-5801
Attn: Ms. Diana Mason

Re: APD Extension
Sundry Notice and Request for Permit Extension Validation

Dear Ms. Mason:

Enclosed please find a copy of the referenced Sundry Notice along with a completed Permit Extension Validation form for the following well.

DRY VALLEY STATE #14-23
API No. 43-049-30020

Thank you in advance for your cooperation and please feel free to contact me if you have any questions.

Sincerely,

PRIMA OIL AND GAS COMPANY

Susan Miller
Operations Tech.

SMM
Enclosures

cc: Jan Kajiwara, Prima Oil & Gas
Carol Myers, Prima Oil & Gas
Lisa Morris, Prima Oil & Gas
Cindi Danner-Weide, Prima Oil & Gas

RECEIVED
SEP 03 2003
DIV. OF OIL, GAS & MINING

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

5. LEASE DESIGNATION AND SERIAL NUMBER:
ML 47338

SUNDRY NOTICES AND REPORTS ON WELLS

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
n/a

7. UNIT or CA AGREEMENT NAME:
n/a

8. WELL NAME and NUMBER:
Dry Valley State #14-23

9. API NUMBER:
43-049-30020

10. FIELD AND POOL, OR WILDCAT:
Wildcat

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

1. TYPE OF WELL
OIL WELL GAS WELL OTHER _____

2. NAME OF OPERATOR:
Prima Oil & Gas Company

3. ADDRESS OF OPERATOR:
1099 18th St., Ste. 400 CITY Denver STATE CO ZIP 80202
PHONE NUMBER: (303) 297-2300

4. LOCATION OF WELL
FOOTAGES AT SURFACE: 1978' FNL and 856' FWL

COUNTY: Utah

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SWNW 14 11S 7E

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 checked="" type="checkbox"/> OTHER: <u>Extension Request</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.
Prima Oil & Gas Company respectfully requests a 1-year extension of the APD for the subject well.
Attached is a completed Request for Extension Validation form.

Approved by the
Utah Division of
Oil, Gas and Mining
Date: 08-15-03
By: *[Signature]*

COPY SENT TO OPERATOR
Date: 9-16-03
Initials: *[Initials]*

NAME (PLEASE PRINT) Susan Miller TITLE Operations Tech.
SIGNATURE *[Signature]* DATE 8/26/2003

(This space for State use only)

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SEP 03 2003
DIV. OF OIL, GAS & MINING

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

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

API: 43-049-30020
Well Name: Dry Valley State #14-23
Location: 1978' FNL, 856' FWL, SWNW Sec. 14, T11S, R7E
Company Permit Issued to: Prima Oil & Gas Company
Date Original Permit Issued: 10/22/2001

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

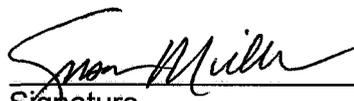
Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No

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

8/26/2003
Date

Title: Operations Tech.

Representing: Prima Oil & Gas Company

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SEP 03 2003
DIV. OF OIL, GAS & MINING



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

August 3, 2004

Susan Miller
Prima Oil & Gas Company
1099 18th Ste. 400
Denver, CO 80202

Re: APD Rescinded – Dry Valley State 14-23, Sec. 14, T. 11S, R. 7E
Utah County, Utah API No. 43-049-30020

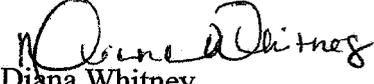
Dear Ms. Miller:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on October 22, 2001. On September 23, 2002 and on September 15, 2003 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 August 3, 2004.

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

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

Sincerely,


Diana Whitney
Engineering Technician

cc: Well File
SITLA, Ed Bonner