APPLICATION FOR PERMIT TO DRILL

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

6. MINERAL LEASE NO: 6. SURFACE: Private Fee
7. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
8. UNIT OR CA AGREEMENT NAME: Drunkards Wash UTU-67921X
9. WELL NAME and NUMBER: Drunkards Wash UTU-67921X
10. FIELD AND POOL, OR WILDCAT: Drunkards Wash
11. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 705'
12. COUNTY: Carbon
13. STATE: UTAH
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 2.8 miles west of Price, Utah
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 705'
16. NUMBER OF ACRES IN LEASE: N/A
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET): 1400'
19. PROPOSED DEPTH: 3,184
20. BOND DESCRIPTION: Rotary
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 6332.5'
22. APPROXIMATE DATE WORK WILL START: 9/1/2005
23. ESTIMATED DURATION: 24. PROPOSED CASING AND CEMENTING PROGRAM

<table>
<thead>
<tr>
<th>SIZE OF HOLE</th>
<th>CASING SIZE, GRADE, AND WEIGHT PER FOOT</th>
<th>SETTING DEPTH</th>
<th>CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT</th>
</tr>
</thead>
<tbody>
<tr>
<td>15&quot;</td>
<td>12 3/4&quot; Conductor</td>
<td>40</td>
<td>137 sks G+2% CaCl</td>
</tr>
<tr>
<td>11&quot;</td>
<td>8 5/8&quot; J-55</td>
<td>316</td>
<td>200 sks 50/50 POZ</td>
</tr>
<tr>
<td>7 7/8&quot;</td>
<td>5 1/2&quot; N-80</td>
<td>3,174</td>
<td>90 sks 10-1 RFC Tail</td>
</tr>
</tbody>
</table>

25. ATTACHMENTS
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:
☑ WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
☑ EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
☑ COMPLETE DRILLING PLAN
☐ FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) Jean Semborski
TITLE Construction Supervisor
SIGNATURE

APR NUMBER ASSIGNED: 43 007 31031

RECEIVED AUG 15 2005
DIV. OF OIL, GAS & MINING
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 6370' being at the southwestern section corner
of section 20, township 14, south, range 9 east, salt lake base
and meridian, as shown on the pinnacle peak quadrangle 7.5 minute
series map.

Description of Location:
Proposed drill hole located in the northwest section of section 20,
t14s, r9e, slb&m., being north 1530.26' from south line
and west 1924.40' from east line of section 20, t14s, r9e,
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 true and
accurate survey based on data of record and
was conducted under my personal direction
and supervision as shown hereon.

TALON RESOURCES, INC.
195 North 100 West P.O. Box 1239
Egypt, Utah 84627
Phone (435) 431-0510  Fax (435) 431-0511
E-mail talon@etru.net

ConocoPhillips Company

WELL TELONIS #20-901
Section 20, T14S, R9E, S.L.B.M.
Carbon County, Utah

LAT / LONG
39°35'25.34''N
110°56'05.31''W

GRAPHIC SCALE
0 1000' 1000' (IN FEET) 1 inch = 1000 ft

Legend:
- Drill Hole Location
- Metal Cap (Found)
- Brass Cap (Search found, 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.
August 11, 2005

Division of Oil, Gas and Mining
Attention: Diane Whitney
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84116

Re: Surface Use Agreement Affidavits for Telonis 19-171r, Telonis 19-900, and Telonis 20-901

Dear Ms. Whitney:

Enclosed are three copies of Affidavits concerning three Surface Use Agreements entered into between ConocoPhillips Company and The Telonis Family. ConocoPhillips is prepared to construct, drill, and produce the Telonis 19-171r, Telonis 19-900, and Telonis 20-901 wells. Nick Sampinos, as attorney in fact for the Telonis Family, executed all three of the original agreements.

We are sending you this agreement in order to show the D.O.G.M. that we have secured permission from the landowners to construct, drill, and produce these wells. If you need any other information please don't hesitate to contact me at 303.376.4368 if you have questions.

Sincerely,

Kile A. Thompson

Enc.
AFFIDAVIT CONCERNING
SURFACE USE AGREEMENT

STATE OF COLORADO
COUNTY OF ADAMS

KILE A. THOMPSON, being first duly sworn upon her oath, deposes and says:

1. I am an Agent in the Property Tax, Real Estate, Right of Way and Claims Organization of ConocoPhillips Company, a Delaware corporation duly authorized to transact business in the State of Utah, ("COPC") and am authorized to execute this Affidavit on behalf of said corporation.

2. FOTINI G. TELONIS, ANGELO G. TELONIS, THOMAS G. TELONIS, AND JOHN G. TELONIS whose address is 190 N. Carbon Ave., Price, Utah, 84501, ("Surface Owner") owns the surface estate of property located in the Northwest Quarter of the Southeast Quarter of Section 20, Township 14 South, Range 9 East, S.L.B.&M., Carbon County, Utah ("Property").

3. COPC owns or operates oil and gas rights, including mineral leases, and may become holder of other oil and gas rights, including mineral leases, underlying and in the vicinity of the Property ("Leases") and desires to enter on the Property for the purposes of conducting oil and gas operations related to such oil and gas rights, including mineral leases.

4. The Surface Owner executed a Surface Use and Damage Agreement effective as of the 3rd day of August 2005, which covers the Property. In addition to other agreements and as required by the State of Utah Division of Oil, Gas and Mining, Oil and Gas Conservation General Rules, R649-3-34 ("Well Site Restoration Rules"), the Surface Use and Damage Agreement sets forth the agreement between the parties for the protection of surface resources, reclamation of the Property and well site restoration, or damages in lieu thereof, for the surface pad location for COPC's Telonis 20-901 well and associated infrastructure, which will be located on the Property. A Memorandum of Surface Use and Damage Agreement will be filed in the public records of Carbon County, Utah.

5. I execute and record this affidavit in accordance with the requirements of the Well Site Restoration Rules.

File: Telonis 20-901
Telonis Family
6. The matters stated herein are true of my own knowledge, except to any matters stated herein upon information and belief, and, as to those matters, I believe them to be true.

DATED this Thursday, August 11, 2005.

[Signature]

KILE A. THOMPSON
ConocoPhillips Company
Property Tax, Real Estate,
Right of Way and Claims
Agent

Subscribed, sworn and acknowledged to and by Kile A. Thompson before me this Thursday, August 11, 2005.

[Signature]

NOTARY PUBLIC
For the State of Colorado

My Commission Expires:
10/20/2007
August 1, 2005

Ms Diana Whitney
State of Utah
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
SLC, Utah 84114-5801

RE: Application for Permit to Drill-
Telonis 20-901, NW/4 SE/4 Sec. 20
T14S, R9E, SLB & M, Carbon County, Utah

Dear Ms. Whitney:

Enclosed is a revised Application for Permit to Drill (APD) for the Telonis 20-901 well location. It replaces the APD dated April 18, 2005. Included in this revised APD is the following information:

Exhibit “A” - Survey Plat of the Proposed Well Site;

Exhibit “B” - Proposed Location Map with Pipeline, Power, and Road Access;

Exhibit “C” - Drilling Site Layout;

Exhibit “D” - Drilling Information

Exhibit “E” - Multipoint Surface Use Plan

Exhibit “F” - Typical Road Cross-section;

Exhibit “G” - BOP Diagram;

Exhibit “H” - Typical Wellhead Manifold;

Exhibit “I” - Evidence of Bond;
The proposed well is located within the Drunkards Wash Federal Unit more than 460 feet from the unit boundary and from the boundary of any uncommitted tract within the Unit Area and will not require the administrative approval in accordance with Utah Administrative Code Rule R649-3-3. The proposed location is 1530’ FSL and 1924’ FEL of Section 20, T14S, R9E.

Please accept this letter as ConocoPhillips’ written request for confidential treatment of all information contained in and pertaining to this permit 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 me if you have any questions.

Sincerely,

Jean Semborski
Construction Supervisor

cc: Mr. Eric Jones, BLM, Moab, Utah
    Mr. Gene Herrington, Texaco
    Mr. John Lennon, Dominion Resources
    Mr. Don Stephens, BLM, Price, Utah
    Ms. Jane Strickland, ConocoPhillips
    Mr. Kile Thompson, ConocoPhillips
    Mr. Mark Jones, DOGM, Price, Utah
    ConocoPhillips Well File
1. The Surface Geologic Formation

   Mancos Shale

2. Estimated Tops of Important Geologic Markers

   Blue Gate/Ferron 2741'

3. Projected Gas & H2O zones (Ferron Formation)

   Coals and sandstones 2776’ - 2953’

   No groundwater is expected to be encountered.

   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 1400 psi.

4. The Proposed Casing and Cementing Programs

<table>
<thead>
<tr>
<th>HOLE</th>
<th>SETTING DEPTH</th>
<th>SIZE (INTERVAL)</th>
<th>WEIGHT, GRADE &amp; JOINT</th>
<th>NEW, USED</th>
</tr>
</thead>
<tbody>
<tr>
<td>15”</td>
<td>40’</td>
<td>12-3/4” Conductor</td>
<td>24#ST&amp;C</td>
<td>New</td>
</tr>
<tr>
<td>11”</td>
<td>318’</td>
<td>8-5/8”</td>
<td>24#ST&amp;C</td>
<td>New</td>
</tr>
<tr>
<td>7-7/8”</td>
<td>3174’</td>
<td>5-1/2</td>
<td>17#LT&amp;C</td>
<td>New</td>
</tr>
</tbody>
</table>

   Cement Program -
   Surface Casing: 137 sks G+2%CaCl+1/4#per sack floce; 15.8#/gal, density, 1.15 cu.ft/sk yield. Every attempt will be made to bring cement back to surface.
   Production Casing: 200 sks 50/50 poz 8%gel+2%CaCl+10%extender; 12.5#/gal, density, 1.92 cu.ft/sk yield.
90 sks "G" thixotropic, 14.2#/gal density, 1.61 cu.ft/sk yield

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 double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2000 psi. All tests will be recorded in a Driller's Report Book. Physical operation of BOP's will be checked on each trip.

6. The Type and Characteristics of the Proposed Circulating Muds

0-300  11" hole  Drill with air, will mud-up if necessary.
300-TD  7 7/8" hole  Drill with air.
        400 psi @ 1500-1800 Scf.

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

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

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 1378 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 around September 2005.

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 “F”
MULTIPOINT SURFACE USE PLAN

Attached to Form 3
ConocoPhillips Company
Telonis 20-901
NW1/4 SE1/4, Sec. 20, T14S, R9E, SLB & M
1530’ FSL, 1924’ FEL
Carbon County, Utah

1. Existing Roads
   a. There is no plan to change, alter or improve upon any existing state or county roads.
   b. Existing roads will be maintained in the same or better condition. See Exhibit “B”.

2. Planned Access
   Approximately 50’ of new access is required (See Exhibit “B”)
   a. Maximum Width: 24’ travel surface with 27’ base
   b. Maximum grade: 5%
   c. Turnouts: None
   d. Drainage design: 0 culvert(s) may be required. Water will be diverted around well pad as necessary.
   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. Pipe and Power lines will follow the proposed access road.

3. Location of Existing Wells
   a. See Exhibit “B”. There are 0 proposed and 12 existing wells 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”. Buried powerlines run along access on the east and north, gathering lines on the south or west.
   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 purchased from the Price River Water Improvement District (a local source of municipal water) (tel. 435-637-6350).

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 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 will 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 not be lined unless conditions encountered during construction warrant it or if deemed necessary by the DOGM representative during the pre-site inspection. 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 operation cease with 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 tankage 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. No ancillary facilities are anticipated with the exception of one trailer to be located on the drill site.

9. Wellsite Layout

a. Available topsoil will be removed from the location and stockpiled. Location of mud tanks, reserve and berm pits, and soil stockpiles will be located as shown on the attachments.

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 pit. The 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.

11. Surface Ownership:

a. The wellsite and access road will be constructed on lands owned by the Telonis Family Trust. The operator shall contact the landowner representative and the Division of Oil, Gas and mining 48 hours prior to beginning construction activities.

Private Land Owner Name: Telonis Family Trust
Represented by: Mr. Nick Sampino
190 North Carbon Avenue
Price, Utah 84501
435/637-9000
12. Other Information:

a. The primary surface use is farming and grazing. The nearest dwelling is approximately 2,000 feet to the west.

b. Nearest live water is Gordon Creek located 7,500’ Northwest.

c. 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.

d. The backslope and foreslope will be constructed no steeper than 4:1.

e. All equipment and vehicles will be confined to the access road and well pad.

f. A complete copy of the approved Application for Permit to Drill (APD) including conditions and stipulations, shall be on the wellsite 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**

Jean Semborski  
Construction Supervisor  
ConocoPhillips Company  
6825 S. 5300 W. P.O. Box 851  
Price, Utah 84501  
(435) 613-9777 ext. 21  
(435) 820-9807

**Excavation Contractor**

Larry Jensen, Vice President  
Nelco Contractors Inc.  
Vice President  
(435) 637-3495  
(435) 636-5268

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

8/1/05

Date

[Signature]

Jean Semborski  
Construction Supervisor  
ConocoPhillips Company
PRECONSTRUCTION LOCATION STAKE
GRADE
50' 75' 100'
SLOPE = \frac{1}{2} \div 1
(EXCEPT PIT)
PIT SLOPE = 1 \div 1

APPROXIMATE YARDAGES
CUT
(6") Topsoil Stripping = 810 Cu. Yds.
Remaining Location = 2,470 Cu. Yds.
(INCLUDING TOPSOIL STRIPPING)
TOTAL CUT (INCLUDING PIT) = 3,230 Cu. Yds.
TOTAL FILL = 2,135 Cu. Yds.
ConocoPhillips Company
6825 South 5300 West
P.O. Box 851
Price, Utah 84501
Phone: (435) 613-9777
Fax: (435) 613-9762

WELL # 21-901
Section 20, T14S, R9E, S.LB.&M.
Exhibit B 1 of 2

LEGEND
Proposed Well Location:
Other Proposed Well Locations:
Proposed Powerline:
Proposed Pipeline:
Proposed Roads:
Lease Boundary:
Existing Wells:
Scale: 1" = 2000'

July 21, 2005
TYPICAL ROAD CROSS-SECTION

- 4" THICK LAYER OF SAND & GRAVEL
- GAS & WATER PIPELINES
- 3-PHASE POWER LINES
DIVERTER HEAD

ROTATING HEAD

DOUBLE HYDRAULIC 3000# BOP

SCREW-ON FLANGE

8-5/8" 24# SURFACE CASING

EXHIBIT G
NOTE:
NUMBER 8 GATE VALVE SITS ON TOP OF MANIFOLD BETWEEN STUDDED CROSS AND 3000# GAUGE.

EXHIBIT H
SURETY BOND

KNOW ALL MEN BY THESE PRESENTS:

That we (operator name) CONOCOPHILLIPS COMPANY as Principal, and

(surety name) SAFECO INSURANCE COMPANY OF AMERICA as Surety, duly authorized
and qualified to do business in the State of Utah, are held and firmly bound unto the State of Utah in the sum of:

EIGHTY THOUSAND AND NO/100 DOLLARS ($ 80,000.00)

lawful money of the United States, payable to the Director of the Division of Oil, Gas and Mining, as agent of the State of Utah, for the use and benefit of the State of Utah for the faithful payment of which we bind ourselves, our heirs, executors, administrators and successors, jointly and severally by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT, WHEREAS the Principal is or will be engaged in the drilling, redrilling, deepening, repairing, operating, and plugging and abandonment of a well or wells and restoring the well site or sites in the State of Utah for the purposes of oil or gas production and/or the injection and disposal of fluids in connection therewith for the following described land or well:

_____ Blanket Bond: To cover all wells drilled in the State of Utah

_____ Individual Bond: Well No: __________________________

Section: __________________ Township: __________ Range: __________

County: __________________________, Utah

NOW, THEREFORE, if the above bounden Principal shall comply with all the provisions of the laws of the State of Utah and the rules, orders and requirements of the Board of Oil, Gas and Mining of the State of Utah, including, but not limited to the proper plugging and abandonment of wells and well site restoration, then this obligation is void; otherwise, the same shall be and remain in full force and effect.

IN TESTIMONY WHEREOF, said Principal has hereunto subscribed its name and has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

30th day of Dec, 2002

By

[Corporate or Notary Seal here]

[Principal (company name)]

Name (print) James F. Hughes

Title Manager

Signature

IN TESTIMONY WHEREOF, said Surety has caused this instrument to be signed by its duly authorized officers and its corporate or notary seal to be affixed this

1st day of JANUARY, 2003

By

[Corporate or Notary Seal here]

[Surety Company (Attach Power of Attorney)]

Name (print) Tina Marie

Title

Signature

Surety Mailing Address

City State Zip
APPLICATION FOR PERMIT TO DRILL

1A. TYPE OF WORK: DRILL [✓] REENTER [ ] DEEPEN [ ]

B. TYPE OF WELL: OIL [ ] GAS [✓] OTHER [ ] SINGLE ZONE [✓] MULTIPLE ZONE [ ]

2. NAME OF OPERATOR: ConocoPhillips Company

3. ADDRESS OF OPERATOR: P.O. Box 851 Price UT 84501

4. LOCATION OF WELL (FOOTAGES)
   AT SURFACE: 2368' FNL, 2138' FEL SWNE 20 14S 09E S
   AT PROPOSED PRODUCING ZONE:

5. MINERAL LEASE NO: 6.
6. SURFACE:
   FEE [ ] PRIVATE [✓]

7. IF INDIAN, ALLOTTEE OR TRIBE NAME:
   N/A

8. UNIT OR AGREEMENT NAME: Drunkards Wash UTU-67921X

9. WELL NAME AND NUMBER:
   Telonis 20-901

10. FIELD AND POOL, OR WILDCAT:
    Drunkards Wash

11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:
    SWNE 20 14S 09E S

12. COUNTY: Carbon
13. STATE: UTAH

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE:
    2.7 miles west of Price, Utah

15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET): 505'
16. NUMBER OF ACRES IN LEASE: N/A
17. NUMBER OF ACRES ASSIGNED TO THIS WELL: N/A

18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR PROPOSED DEPTH):
    1100' Rotary
19. APPROXIMATE DATE WORK WILL START: 8/1/2005
20. BOND DESCRIPTION:

PROPOSED CASING AND CEMENTING PROGRAM

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<th>CASING SIZE, GRADE, AND WEIGHT PER FOOT</th>
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<td>316 136 sks G+2% CaCl 1/4#lskD29</td>
</tr>
<tr>
<td>11&quot;</td>
<td>8 5/8&quot; J-55 24#/ft</td>
<td>316 136 sks G+2% CaCl 1/4#lskD29</td>
<td></td>
</tr>
<tr>
<td>7 7/8&quot;</td>
<td>5 1/2&quot; N-80 17#/ft</td>
<td>316 200 sks 50/50 POZ 8%D20,10% D44,2%S001 1/4#lskD29</td>
<td></td>
</tr>
</tbody>
</table>

21. ELEVATIONS (SHOW WHETHER OF, RT, GR, ETC.):
    6312.2' CL

22. APPROXIMATE DATE WORK WILL START: 8/1/2005
23. ESTIMATED DURATION: 120 days

24. ATTACHMENTS

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

- WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER
- EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER
- COMPLETE DRILLING PLAN
- FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT): Jean Semborski
SIGNATURE: Jean Semborski
DATE: 4/24/05

API NUMBER ASSIGNED: 13-007-31031
APPROVAL: MAY 06 2005
DIV. OF OIL, GAS & MINING (11/2001)
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 6370' being at the southwest section corner of Section 20, Township 14 South, Range 9 East, Salt Lake Base and Meridian, as shown on the Pinnacle Peak Quadrangle 7.5 minute series map.

Description of Location:
Proposed drill hole located in the SW1/4 NE1/4 of Section 20, T14S, R9E, S.L.B.&M., being 2368.13' south and 2138.24' west from the northeast section corner of Section 20, T14S, R9E, 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.
190 North 100 West P.O. Box 1330
Hamburg, Utah 84539
Phone (435) 687-5318 Fax (435) 687-5311
E-Mail talon@str.net

ConocoPhillips Company
WELL TELONIS #20-901
Section 20, T14S, R9E, S.L.B.&M.
Carbon County, Utah

GPS Measured

LEGEND

- DRILL HOLE LOCATION
- METAL CAP (FOUND)
- BRASS CAP (SEARCHED FOR, BUT NOT FOUND)
- CALCULATED CORNER
- GLO

NOTES:

LAT / LONG
39°35'38.999''N
110°56'07.980''W

GRAPHIC SCALE

1 inch = 1000 ft

Exhibit "A" 1 of 3
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 08/15/2005
API NO. ASSIGNED: 43-007-31031

WELL NAME: TELONIS 20-901
OPERATOR: CONOCOPHILLIPS COMPANY (N2335)
CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

INSPECT LOCATN BY: / /

WELL NAME: TELONIS 20-901
OPERATOR: CONOCOPHILLIPS COMPANY (N2335)
CONTACT: JEAN SEMBORSKI

PHONE NUMBER: 435-613-9777

API NO. ASSIGNED: 43-007-31031

INSPECT LOCATN BY: / /

LEAVE TYPE: 4 - Fee
LEASE NUMBER: FEE
SURFACE OWNER: 4 - Fee
PROPOSED FORMATION: FRSD
COALBED METHANE WELL? YES

LATITUDE: 39.59412
LONGITUDE: -110.9355

RECEIVED AND/OR REVIEWED:

- Plat
- Bond: Fed[] Ind[] Sta[] Fee[]
  (No. 6196922)
- Potash (Y/N)
- Oil Shale 190-5 (B) or 190-3 or 190-13
- Water Permit
  (No. MUNICIPAL)
- RDCC Review (Y/N)
  (Date: )
- Fee Surf Agreement (Y/N)
- Intent to Commingle (Y/N)

LOCATION AND SITING:

- R649-2-3.
  Unit DRUNKARDS WASH
- R649-3-2. General
  Siting: 460 From Qtr/Qtr & 920' Between Wells
- R649-3-3. Exception
- Drilling Unit
  Board Cause No: 2432
  Eff Date: 7-13-1994
  Siting: (No. MUNICIPAL)
  (Date: )
- R649-3-11. Directional Drill

COMMENTS:

- Needs Review (8/1/05)

STIPULATIONS:

- Statement of Basis
DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Telonis 20-901
API NUMBER: 43-007-31031
LOCATION: 1/4,1/4 NWSE Sec:20 TWP: 14 S RNG: 9 E 1530 FSL 1924 FEL

Geology/Ground Water:

A poorly to moderately permeable soil is developed on the Blue Gate Member of the Mancos Shale. The Garley Canyon Sandstone Beds of the Blue Gate Member of the Mancos Shale are likely to be present at this location. If the Garley Canyon Sandstone Beds are present (probable) and saturated (possible - standing water was found in upper Garley Canyon Sandstone Beds in Pinnacle Canyon ~1 mile southeast), these strata should be included within the surface casing string. The operator is informed of the potential for saturated Garley Canyon Sandstone and will respond to protect the zones by extending the surface casing string as needed. Extending the proposed casing and cement program will adequately isolate any shallow zones containing water. No aquifers with high quality ground water are likely to be encountered below the Garley Canyon Beds. The proposed casing and cement program will otherwise adequately isolate any water-bearing strata. No underground water rights have been filed within a mile of the location.

Reviewer: Christopher J. Kierst Date: 9/9/2005

Surface:

Proposed location is ~6.8 miles west of Price, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. No new access road will be built for this location. The direct area drains to the southeast into a tributary of Drunkards Wash, then eastward eventually into the Price River, a year-round live water source ~15 miles east of the proposed location. Dry washes run throughout the area. This is a trial with “infield” drilling within the unit boundaries. There are 15 producing, shut-in and/or PA wells, and 1 Salt-Water Disposal well is within a 1-mile radius of the above proposed well. Location layout, storm water drainage control, current surface status and characteristics, planned disturbances, access and utility route, and the reserve pit characteristics were all discussed. Jean Semborski (ConocoPhillips) and Nick Sampinos (representing the surface ownership) were in attendance.

Reviewer: Mark L. Jones Date: August 16, 2005

Conditions of Approval/Application for Permit to Drill:

1. A 12 mil. (minimum) synthetic liner is optional.
ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: ConocoPhillips Company
WELL NAME & NUMBER: Telonis 20-901
API NUMBER: 43-007-31031
LEASE: Fee FIELD/UNIT:
LOCATION: 1/4, 1/4 NWSE Sec: 20 TWP: 14S RNG: 9E 1530 FSL 1924 FEL
LEGAL WELL SITING: 460' from unit boundary and uncommitted tracts.
GPS COORD (UTM): X =505592 E; Y =4382088 N SURFACE OWNER: Telonis Family.

PARTICIPANTS
M. Jones (DOGM), Jean Semborski (ConocoPhillips), and Nick Sampinos (representing the surface ownership) were in attendance.

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Proposed location is ~6.8 miles west of Price, Utah. The current surface use of the immediate area surrounding the proposed well is grazing and wildlife habitat. Access to this well will be along existing ConocoPhillips gas field roads and County maintained roads. No new access road will be built for this location. The direct area drains to the southeast into a tributary of Drunkards Wash, then eastward eventually into the Price River, a year-round live water source ~15 miles east of the proposed location. Dry washes run throughout the area.

SURFACE USE PLAN

CURRENT SURFACE USE: Grazing and wildlife habitat.

PROPOSED SURFACE DISTURBANCE: 175’ x 235’ w/ 50’ x 50’ x 10’ (excluded) pit.

LOCATION OF EXISTING WELLS WITHIN A 1-MILE RADIUS: 15 producing, shut-in and/or PA wells, and 1 Salt-Water Disposal well is within a 1-mile radius of the above proposed well.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: On location and along roadway.

SOURCE OF CONSTRUCTION MATERIAL: Obtained locally and trucked to site.

ANCILLARY FACILITIES: None anticipated.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS? (EXPLAIN): No.

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 be emptied into an approved landfill. Crude oil production is unlikely. Drilling fluid, completion / frac fluid and cuttings will be buried in the pit after evaporation and slashing the pit liner. Produced water will be gathered to the evaporation pit and eventually injected into the Navajo Sandstone via a salt-water disposal well. Used oil from drilling operations and support is hauled to a used oil recycler and reused.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: None.

FLOPA/FAUNA: sagebrush community, grasses, etc.

SOIL TYPE AND CHARACTERISTICS: Sandy clay loam.

SURFACE FORMATION & CHARACTERISTICS: Mancos Shale

EROSION/SEDIMENTATION/STABILITY: Erosive upon disturbance.

PALEONTOLOGICAL POTENTIAL: None observed.

RESERVE PIT

CHARACTERISTICS: Dugout earthen, 50'x50'x10', exterior to location.

LINER REQUIREMENTS (Site Ranking Form attached): Optional.

SURFACE RESTORATION/RECLAMATION PLAN

As per surface use agreement.

SURFACE AGREEMENT: In negotiation at time of inspection.

CULTURAL RESOURCES/ARCHAEOLOGY: Completed by SencoPheonix.

OTHER OBSERVATIONS/COMMENTS

ATTACHMENTS

Photos of this location were taken and placed on file.

Mark L. Jones
DOGM REPRESENTATIVE
August 12, 2005 / 2:20 pm

DATE/TIME
# Evaluation Ranking Criteria and Ranking Score
For Reserve and Onsite Pit Liner Requirements

<table>
<thead>
<tr>
<th>Site-Specific Factors</th>
<th>Ranking</th>
<th>Site Ranking</th>
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</thead>
<tbody>
<tr>
<td>Distance to Groundwater (feet)</td>
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<tr>
<td>&gt;200</td>
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<td>0</td>
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<tr>
<td>100 to 200</td>
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</tr>
<tr>
<td>75 to 100</td>
<td>10</td>
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<tr>
<td>25 to 75</td>
<td>15</td>
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<tr>
<td>&lt;25 or recharge area</td>
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<td>Distance to Surf. Water (feet)</td>
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<tr>
<td>300 to 1000</td>
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<tr>
<td>200 to 300</td>
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<tr>
<td>100 to 200</td>
<td>15</td>
<td></td>
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<tr>
<td>&lt; 100</td>
<td>20</td>
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<td>&lt;500</td>
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<td>12</td>
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<td>Distance to Other Wells (feet)</td>
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<td>TDS &gt;5000 and &lt;10000</td>
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<td>TDS &gt;10000 or Oil Base Mud Fluid containing significant levels of hazardous constituents</td>
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<td>Drill Cuttings</td>
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<td>Normal Rock</td>
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<td>Salt or detrimental</td>
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<td>Annual Precipitation (inches)</td>
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<td>10 to 20</td>
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<tr>
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**Final Score** 17 (Level II Sensitivity)

Sensitivity Level I = 20 or more; total containment is required. Consider criteria for excluding pit use.
Sensitivity Level II = 15-19; lining is discretionary.
Sensitivity Level III = below 15; no specific lining is required.
## Water Rights

<table>
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<th>WR Number</th>
<th>Diversion Type/Location</th>
<th>Well Log</th>
<th>Status</th>
<th>Priority</th>
<th>Uses</th>
<th>CFS</th>
<th>ACFT</th>
<th>Owner Name</th>
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<td>18690000 S</td>
<td>0.000</td>
<td>0.000</td>
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<td>UTAH SCHOOL AND INSTITUTIONAL TRUST LANDS ADMIN. 675 EAST 500 SOUTH, SUITE 500</td>
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<td></td>
<td>0 0 29 14S 9E SL</td>
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<td>PRICE FIELD OFFICE USA BUREAU OF LAND MANAGEMENT 125 SOUTH 600 WEST</td>
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<td>GEORGE TELONIS  PRICE UT 84501</td>
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<td>0 0 29 14S 9E SL</td>
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<td>91-4788</td>
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</tbody>
</table>
WRPLAT Program Output Listing


Radius search of 5280 feet from a point N1530 W1924 from the SE corner, section 20, Township 14S, Range 9E, SL b&m
8-5/8"
MW 8.4
Frac 19.3

5-1/2"
MW 8.4
Production
3174. MD

318. MD
Frac 19.3
TOC @
1301.

Top:
(103)
3174
MW = 1006

Anticipate 1375

Mid:
(1.10)
3174
MW = 1006

191.8 - 3,000

STC
1950
702 - 2005

Approach and Complete the TP from 1304

Adequate Date 9/13/05

Approx. 318 St. from released track
Well name: 09-05 ConocoPhillips Telonis 20-901
Operator: ConocoPhillips
String type: Surface
Project ID: 43-007-31031
Location: Carbon County

Design parameters:

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

**Burst**
- Max anticipated surface pressure: 280 psi
- Internal gradient: 0.120 psil/ft
- Calculated BHP: 318 psi
- No backup mud specified.

**Tension**
- 8 Round STC: 1.80 (J)
- 8 Round LTC: 1.80 (J)
- Buttress: 1.60 (J)
- Premium: 1.50 (J)
- Body yield: 1.50 (B)
- Tension is based on buoyed weight.
- Neutral point: 278 ft

Minimum design factors:

**Collapse:**
- Design factor: 1.125

**Burst:**
- Design factor: 1.00

Environment:
- H2S considered? No
- Surface temperature: 75 °F
- Bottom hole temperature: 79 °F
- Temperature gradient: 1.40 °F/100ft
- Minimum section length: 162 ft
- Cement top: 11 ft

Completion type is subs
- Non-directional string.

Re subsequent strings:
- Next setting depth: 3,174 ft
- Next mud weight: 8.400 ppg
- Next setting BHP: 1,385 psi
- Fracture mud wt: 19.250 ppg
- Fracture depth: 318 ft
- Injection pressure 318 psi

<table>
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<tr>
<th>Run Seq</th>
<th>Nominal</th>
<th>Grade</th>
<th>End Finish</th>
<th>True Vert Depth</th>
<th>Measured Depth</th>
<th>Drift Diameter</th>
<th>Internal Capacity</th>
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<tr>
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<td>Length</td>
<td>Size</td>
<td>Weight</td>
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<tr>
<td></td>
<td>(ft)</td>
<td>(in)</td>
<td>(lbs/ft)</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>Collapse Load</td>
<td>Collapse Strength Factor</td>
<td>Collapse Design Factor</td>
<td>Burst Load</td>
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<td>(psi)</td>
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<td>(psi)</td>
<td>(Kips)</td>
<td>(Kips)</td>
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<tr>
<td>1</td>
<td>139</td>
<td>1370</td>
<td>9.873</td>
<td>318</td>
<td>2950</td>
<td>9.28</td>
<td>7</td>
</tr>
</tbody>
</table>

Remarks:
- Collapse is based on a vertical depth of 318 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes.
- Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
- Burst strength is not adjusted for tension.

Prepared by: Clinton Dworshak
Phone: 801-538-5280
Date: September 12, 2005
Salt Lake City, Utah

FAX: 801-359-3940

Utah Div. of Oil & Mining

Remarks:
- Engineering responsibility for use of this design will be that of the purchaser.
Well name: 09-05 ConocoPhillips Telonis 20-901
Operator: ConocoPhillips
String type: Production
Location: Carbon County

Project ID: 43-007-31031

Design parameters:

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

Burst
- Max anticipated surface pressure: 1,004 psi
- Internal gradient: 0.120 psi/ft
- Calculated BHP: 1,385 psi
- No backup mud specified.

Minimum design factors:

Collapse
- Design factor: 1.125

Burst
- Design factor: 1.00

Environment:
- H2S considered? No
- Surface temperature: 75 °F
- Bottom hole temperature: 119 °F
- Temperature gradient: 1.40 °F/100ft
- Minimum section length: 1,500 ft
- Cement top: 1,301 ft

Design is based on evacuated pipe. Bottom hole temperature: 119 °F
- Temperature gradient: 1.40 °F/100ft
- Minimum section length: 1,500 ft
- Cement top: 1,301 ft

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 buoyed weight.
- Neutral point: 2,770 ft

Run Segment Nominal End True Vert Measured Drift Internal
Seq Length Size Weight Grade Finish Depth Depth Diameter Capacity
(ft) (in) (Ibs/ft) (ft) (ft) (in) (ft')
1 3174 5.5 17.00 N-80 LT&C 3174 3174 4.767 109.4

Run Load Load Design Load Strength Design Load Strength Design
Seq Collapse Collapse Burst Burst Tension Tension Tension
(psi) (psi) Factor (psi) (psi) Factor (Kips) (Kips) Factor
1 1385 6290 4.541 1385 7740 5.59 47 348 7.39 J

Prepared by: Clinton Dworshak
Phone: 801-538-5280
FAX: 801-359-3940
Salt Lake City, Utah

Remarks:
- Collapse strength is based on Westcott, Dunlop & Kemler method of biaxial correction for tension.
- Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.
September 02, 2005

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

Dear Brad:

Enclosed are revised maps for the Telonis 19-900 and Telonis 20-901 APDs. The previous maps in the existing APDs had incorrectly identified the mineral owner of the west half of section 20 as Carbon County. Carbon County only owns a narrow right-of-way that crosses through the middle of the west half of section 20. The mineral owner is Alan Thomas. The acreage is unleased. There is at least 460 feet between the edge of Mr. Thomas' lease and the two wells proposed by ConocoPhillips.

I have included several copies so that you can replace the old map in the APD currently being reviewed by your office. If you have any questions please contact me at 435/613-9777 ext. 21 or 435/820-9807 (cell). Thanks for your help.

Sincerely,

Jean Semborski
Construction Supervisor

Attachment
Cc: well file
ConocoPhillips Company
P O Box 851
Price, UT 84501

Re: Telonis 20-901 Well, 1530' FSL, 1924' FEL, NW SE, Sec. 20, T. 14 South, R. 9 East, Carbon 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 43-007-31031.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Carbon County Assessor
    Bureau of Land Management, Moab District Office
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 Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
5. Lease Designation and Serial No.  
Private

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

7. If Unit or CA, Agreement Designation

Drunkards Wash UTU-67921X

8. Well Name and No.  
Telons 20-901

9. API Well No.  
43-007-31031

10. Field and Pool, or Exploratory Area

Drunkards Wash

11. County or Parish, State

Carbon County, Utah

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

<table>
<thead>
<tr>
<th>TYPE OF SUBMISSION</th>
<th>TYPE OF ACTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Notice of Intent</td>
<td>Change of Plans</td>
</tr>
<tr>
<td>Subsequent Report</td>
<td>Change of Plans</td>
</tr>
<tr>
<td>Final Abandonment Notice</td>
<td>Change of Plans</td>
</tr>
</tbody>
</table>

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Please be advised that this well was spud on 10/07/2005 at 8:45 p.m. with the Pense #9 Rig.

14. I hereby certify that the foregoing is true and correct.

Signed Lynnette Allred  
Sr. Operations Assistant  Date October 14, 2005

(Approved by ___________  
Conditions of approval, if any:  
Title______ Date______)

* See Instructions on Reverse Side
SUNDARY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to deepen or reentry to a different reservoir. Use "APPLICATION FOR PERMIT--" for such proposals.

SUBMIT IN TRIPlicate

1. Type of Well
   - Oil [ ]
   - Gas [ ]

2. Name of Operator
   ConocoPhillips

3. Address and Telephone No.
   6825 South 5300 West, P.O. Box 851, Price, Utah 84501 (435) 613-9777

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
   1530' FSL, 1924' FEL
   NW/SE, Sec. 20, T14S, R09E, SLB&M

5. Land Designation and Serial No.
   Private

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

7. If Unit or CA, Agreement Designation
   Drunkards Wash UTU-67921X

8. Well Name and No.
   Telonis 20-901

9. API Well No.
   43-007-31031

10. Field and Pool, or Exploratory Area
    Drunkards Wash

11. County or Parish, State
    Carbon County, Utah

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

   TYPE OF SUBMISSION
   - Notice of Intent [ ]
   - Subsequent Report [ ]
   - Final Abandonment Notice [ ]

   TYPE OF ACTION
   - Online Notice [ ]
   - Change of Name [ ]
   - Recompletion [ ]
   - Plugging Back [ ]
   - Casing Repair [ ]
   - Altering Casing [ ]
   - Other Well Report [X]
   - Change of Plans [ ]
   - New Construction [ ]
   - Non-Routine Fracturing [ ]
   - Water Shut-Off [ ]
   - Conversion to Injection [ ]
   - Dispose Water [ ]

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

    See Attached.

14. I hereby certify that the foregoing is true and correct.

   Signed  Lynnette Allred  Sr. Operations Assistant  Date  October 14, 2005

   (This space for Federal or State office use)

   Approved by  Title  Date

   Conditions of approval, if any:

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

* See Instructions on Reverse Side
### Daily Activity and Cost Summary

**TELONIS 20-901**

**APU/WI Surfaco Legal Location**

<table>
<thead>
<tr>
<th>Field Name</th>
<th>BUUV</th>
<th>Latitude (DMS)</th>
<th>Longitude (DMS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DRUNKARD WASH</td>
<td>Lower 48 - MA</td>
<td>39° 55' 38.999&quot; N</td>
<td>2° 52' 1.10447E-11&quot; E</td>
</tr>
</tbody>
</table>

**APU/WI:**

1. **APU/WI Surfaco Location**

- **Type of Location:** Surfaco Legal Location
- **Orientation:** Field Name BUUV
- **Orig Km Elevation:** 0

**Well Type Development**

- **Type:** Drilling
- **Well Configuration Type:** Original A6 elevation

**ConocoPhillips WI (%)**

1. **Development Job Category:** Drilling

- **Primary Job Type:** Drilling
- **Primary Type:** Original
- **Secondary Job Type:** AFE Number

**START DATE:** 10/8/2005

**END DATE:**

<table>
<thead>
<tr>
<th>Day</th>
<th>Total</th>
<th>Cum Cost</th>
<th>Last 24h Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0</td>
<td>10/7/2005</td>
<td>10/8/2005</td>
<td>25,275.00</td>
</tr>
<tr>
<td>2.0</td>
<td>10/8/2005</td>
<td>10/9/2005</td>
<td>50,783.00</td>
</tr>
<tr>
<td>3.0</td>
<td>10/9/2005</td>
<td>10/10/2005</td>
<td>21,920.00</td>
</tr>
<tr>
<td>4.0</td>
<td>10/10/2005</td>
<td>10/11/2005</td>
<td>63,127.00</td>
</tr>
<tr>
<td>5.0</td>
<td>10/11/2005</td>
<td>10/12/2005</td>
<td>2,000.00</td>
</tr>
<tr>
<td>6.0</td>
<td>10/12/2005</td>
<td>10/13/2005</td>
<td>10,040.00</td>
</tr>
</tbody>
</table>

### Summary of Activity

- **DRILLING:**
  - **Objective:** drill for oil and gas
  - **Well Type:** Develin Development
  - **Well Configuration:** Original
  - **Working Interest:** 100%

- **Contractor:** ConocoPhillips WI

- **Rig Name/No:**
  - **Penese Bros Drilling:** #9
  - **Nabors Drlg Co:** #1111

- **Rig Type:** Land Rig

- **Contractor:** ConocoPhillips WI

- **Rig Name/No:**
  - **Penese Bros Drilling:** #9
  - **Nabors Drlg Co:** #1111

- **Rig Type:** Land Rig

**Report Printed:** 10/13/2005

**OCT 18 2005**

**DIV. OF SURFACE TECH"**
Daily Operations
TELONIS 20-901

Report Date - 10/12/2005 to 10/13/2005

Operations at Report Time
POOH W/ TBG & BHA

24hr Forecast
FINISH L/D WORK STRING. N/D BOP, N/U NIGHT CAP, RDMO RIG 11-11 TO 171R.

Last 24hr Summary
N/D 9" BOP STACK, N/U 9" x 3K 7 1/16" B-SECTION, N/U 7 1/16" 5K BOP. TESTED BOTH SET OF RAMS TO COPC SPECIFICATION. RACK OUT AND R/D ALL 5.5" CASING EQUIPMENT. R/U & RIH W/ 4 3/4" SMITH ROCK BIT W/ 3 1/8" DRILL COLLARS. XO BACK TO 2 7/8" TBG. TAG STAGE TOOL @ 2438', DRILLED OUT STAGE TOOL, TIH TO 3152' TAG TOP OF CEMENT. LEFT 21' OF CEMENT IN THE HOLE. L/D 50 JTS OF 2 7/8" TBG, SHUT DOWN FOR THE NIGHT.

Remarks
NO HSE INCIDENTS IN THE LAST 24 HRS.

Days RI (days)
34.00

Days LTI (days)
34.00

Weather
SUNNY

Temperature (°F)
60.0

Wind
CALM

Time Log

<table>
<thead>
<tr>
<th>Time</th>
<th>Phase</th>
<th>Op Code</th>
<th>Op Sub-Code</th>
<th>Trbl Code</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>00:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>SHUT IN AT THIS TIME</td>
</tr>
<tr>
<td>06:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>SAFETY MEETING W/ RIG CREW. REVIEWED DAILY ACTIVITY WITH THE CREW. PREFORMED 1 COPC ORIENTATION.</td>
</tr>
<tr>
<td>09:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>R/D 9&quot; TOWNSON BOPs. N/U 9&quot; x 3K TO 5K 7 1/16 B-SECTION. N/U 7 1/16&quot; BOP TESTED BOTH SET OF RAMS TO COPC SPECIFICATION. TESTED BLINDS AND 2 7/8&quot; PIPE W/ ONE LOW TEST AND ONE HIGH TEST W/ REMOTE PANEL. HELD TEST ON EACH SET FOR 10 MIN. TEST HELD GOOD.</td>
</tr>
<tr>
<td>12:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>R/D 5.5&quot; CASING EQUIPMENT. TIDE RIG BACK TO FAST LINE.</td>
</tr>
<tr>
<td>13:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>OD &amp; ID BHA, TALLY 2 7/8&quot; WORK STRING. RIH 4 3/4&quot; SMITH ROCK BIT, 4- 3 1/8&quot; DRILL COLLARS. XO BACK TO 2 7/8&quot; TBG, TAG STAGE TOOL @ 2438 W/ 76 JTS IN THE HOLE.</td>
</tr>
<tr>
<td>15:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>R/U POWER SWIVEL, AND CIRCULATING EQUIPMENT. BROKE CIRCULATION 2.5 BPM. GOT GOOD RETURNS TO SURFACE. TAG UP ON STAGE TOOL 2438'. COMMENCE DRILLING OUT STAGE TOOL.</td>
</tr>
<tr>
<td>16:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>DRILLED THROUGH DV-TOOL. REAM ED AND WORKED THE 2.5' SECTION OF THE DV-TOOL GOOD. CIRCULATED BOTTOMS UPs.</td>
</tr>
<tr>
<td>17:45</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>SHUT DOWN RIG PUMP, R/D POWER SWIVEL.</td>
</tr>
<tr>
<td>18:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>RIH W/ A TOTAL OF 96 JTS OF 2 7/8&quot; TBG. TAG CEMENT TOP IN 5.5 CASING @ 3152'.</td>
</tr>
<tr>
<td>19:00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>SHUT DOWN &amp; SECURED WELLHEAD FOR THE NIGHT.</td>
</tr>
<tr>
<td>20:30</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>OTHR</td>
<td>P</td>
<td>SHUT IN, WAITING ON DAY LIGHT.</td>
</tr>
</tbody>
</table>

Mud Data

| Type | Temp Bottom Hole (°F) | Depth (ftKB) | Density (Ibgal) | Filter Cake (/32") | pH | Pi (mL/mL) | Mf (mL/mL) | Sand (%) | Low Gravity Solids (%) | High Gravity Solids (%) | Gel 10 sec (Ibg/100ft²) | Gel 10 min (Ibg/100ft²) | Gel 30 min (Ibg/100ft²) | Lime (Ibg/bbl) | Mud Lost to Hole (bbl) | Solids (%) | Oil Water Ratio |
|------|-----------------------|--------------|----------------|-------------------|----|------------|------------|----------|-----------------------|-----------------------|-----------------|-------------------|-----------------|----------------|----------------------|---------|---------------|-------------|---------------|

Support Vessels

<table>
<thead>
<tr>
<th>Type</th>
<th>Vessel Name</th>
<th>Note</th>
<th>Time</th>
<th>Time</th>
</tr>
</thead>
</table>

WEATHER

<table>
<thead>
<tr>
<th>Time</th>
<th>Comment</th>
</tr>
</thead>
</table>

Temperature - High (°F) | Temperature - Low (°F) | Visibility (miles) | Ceiling (ft) | Wind Speed (knots) | Wind Direction (°) |
|-------------------------|------------------------|-------------------|-------------|-----------------|-----------------|

Current Speed (knots) | Current Direction (°) | Wave Height (ft) | Wave Direction (°) | Wave Period (s) | Swell Height (ft) |
|-----------------------|-----------------------|------------------|-----------------|-----------------|-----------------|

Heave (knots) | Pitch (°) | Roll (°) | Vessel Offset (ft) | Vessel Heading (°) |
|--------------|---------|--------|--------------------|-------------------|

Riser Tension (kips)

Daily Contacts

<table>
<thead>
<tr>
<th>Job Contact</th>
<th>Position</th>
</tr>
</thead>
</table>

SHIRLEY LLOYD | Drilling Supv |
JOHNNY DAMRON | Drilling Supv |

www.peloton.com Page 1/2 Report Printed: 10/13/2005
# Daily Operations

**ConocoPhillips**

**TELONIS 20-901**

**Report Date - 10/12/2005 to 10/13/2005**

## Head Count (POB)

<table>
<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Count</th>
<th>OT (hrs)</th>
<th>Reg (hrs)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>True CONOCOPHILLIPS CO</td>
<td>Operator</td>
<td>2</td>
<td>27.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True PENSE BRS. DRILLING</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True NELCO CONTRACTORS, INC.</td>
<td>Contractor</td>
<td>1</td>
<td>6.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True HALLIBURTON</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True QUIK TEST</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True NABORS DRILLING CO</td>
<td>Contractor</td>
<td>5</td>
<td>65.00</td>
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</table>

## STOP Cards Submitted

<table>
<thead>
<tr>
<th>Company</th>
<th>No. Rpts</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>NABORS</td>
<td>7</td>
<td>2 JSA REVIEW &amp; SAFETY MEETING.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1 COPC ORIENTATION.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 STOP CARDS</td>
</tr>
</tbody>
</table>
Daily Operations
ConocoPhillips TELONIS 20-901

Operations at Report Time
SHUT DOWN

24hr Forecast
DRILL OUT STAGE TOOL.

Last 24hr Summary
SHUT DOWN WAITING ON CEMENT TO CURE.

Remarks
SHUT DOWN FOR THE LAST 24 HRS

Days RI (days) 33.00  Days LTI (days) 33.00  Weather CALM  Temperature (°F)  60.0  Wind

Time Log

<table>
<thead>
<tr>
<th>Time</th>
<th>Time</th>
<th>Dur (hrs)</th>
<th>Phase</th>
<th>Op Code</th>
<th>Op Sub-Code</th>
<th>Thr Code</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>00:00</td>
<td>00:00</td>
<td>24.00</td>
<td>PROD1</td>
<td>WELLPR</td>
<td>WOC</td>
<td>P</td>
<td>SHUT DOWN, WAITING ON CEMENT TO CURE.</td>
</tr>
</tbody>
</table>

Mud Data

<table>
<thead>
<tr>
<th>Type</th>
<th>Temp Bottom Hole (°F)</th>
<th>Depth (ftKB)</th>
<th>Density (lb/gal)</th>
<th>Funnel Viscosity (s/qt)</th>
<th>PV Override (cp)</th>
<th>YP Override (lb/100ft²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Filter Cake (/32&quot;)</td>
<td>pH</td>
<td>PF (mL/mL)</td>
<td>MF (mL/mL)</td>
<td>Sand (%)</td>
<td>Low Gravity Solids (%)</td>
<td>High Gravity Solids (%)</td>
</tr>
<tr>
<td>Gel 10 sec (lb/100ft²)</td>
<td>Gel 10 min (lb/100ft²)</td>
<td>Gel 30 min (lb/100ft²)</td>
<td>Lime (lb/bbl)</td>
<td>Mud Lost to Hole (bbl)</td>
<td>Solids (%)</td>
<td>Oil Water Ratio</td>
</tr>
</tbody>
</table>

Support Vessels

<table>
<thead>
<tr>
<th>Type</th>
<th>Vessel Name</th>
<th>Note</th>
<th>Time</th>
<th>Time</th>
</tr>
</thead>
</table>

WEATHER

<table>
<thead>
<tr>
<th>Time</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Current Speed (knots) | Current Direction (*) | Wave Height (ft) | Wave Direction (*) | Wave Period (s) | Swell Height (ft) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Heave (ft)</td>
<td>Pitch (*)</td>
<td>Roll (*)</td>
<td>Vessel Offset (ft)</td>
<td>Vessel Heading (*)</td>
<td></td>
</tr>
<tr>
<td>Riser Tension (kips)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Daily Contacts

SHIRLEY LLOYD  Drilling Supv
JOHNNY DAMRON  Drilling Supv

Head Count (POB)

<table>
<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Count</th>
<th>OT (hrs)</th>
<th>Reg (hrs)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>True</td>
<td>CONOCOPHILLIPS CO</td>
<td>Operator</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>True</td>
<td>PENSE BRS. DRILLING</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>True</td>
<td>NELCO CONTRACTORS, INC.</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>True</td>
<td>HALLIBURTON</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>True</td>
<td>QUIK TEST</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>True</td>
<td>NABORS DRILLING CO</td>
<td>Contractor</td>
<td>0</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>

STOP Cards Submitted

<table>
<thead>
<tr>
<th>Company</th>
<th>No. Rpts</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>NABORS</td>
<td>0 RIG ACTIVITY WERE SHUT DOWN AT THIS TIME.</td>
<td></td>
</tr>
</tbody>
</table>

www.peloton.com  Page 1/1  Report Printed: 10/13/2005
## Daily Operations
### ConocoPhillips
### TELONIS 20-901

**Report Date**: 10/10/2005 to 10/11/2005

### Operations at Report Time
**RIGGING DOWN CEMENTERS, DRILL OUT STAGE TOOL**

### Last 24hr Summary
**MOVE ON WORKOVER, RIG UP, RUN CSG AND CEMENT SAME**

### Remarks
**NO HSE INCIDENTS REPORTED LAST 24HRS**

### Time Log

<table>
<thead>
<tr>
<th>Time</th>
<th>Dur (hrs)</th>
<th>Phase</th>
<th>Op Code</th>
<th>Op Sub-Code</th>
<th>Tbl Code</th>
<th>Comment</th>
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</thead>
<tbody>
<tr>
<td>00:00</td>
<td>09:00</td>
<td>9.00</td>
<td>PROD1</td>
<td>CASING</td>
<td>WOOL</td>
<td>WAITING ON DAYLIGHT TO MOVE RIG ON TO RUN CSG.</td>
</tr>
<tr>
<td>09:00</td>
<td>10:30</td>
<td>1.50</td>
<td>PROD1</td>
<td>CASING</td>
<td>RURD</td>
<td>RIG UP WORKOVER AND TALLY CSG.</td>
</tr>
<tr>
<td>10:30</td>
<td>18:00</td>
<td>7.50</td>
<td>PROD1</td>
<td>CASING</td>
<td>RNCS</td>
<td>RUN 76 JOINTS OF 5 1/2&quot;, 17 PPF LTC N-80, SHOE @ 3174', TOP OF MARKER JOINT 14 @ 2605.9', TOP OF DV TOOL @ 2438.2'.</td>
</tr>
<tr>
<td>18:00</td>
<td>20:00</td>
<td>2.00</td>
<td>PROD1</td>
<td>CEMENT</td>
<td>CIRC</td>
<td>RIGGED UP HSE, CONDUCTED SAFETY MEETING AND PRESSURE TESTED THE CEMENTING LINES TO 5000 PSI. PUMPED 150 BBLS 2% KCL WATER INCLUDING 20 BBLS SPACER WITH 5 LBS/BBL BENTONITE. NO RETURN. PUMPED 99 SX STANDARD CEMENT WITH 10% Cal Seal 60, 1% Calcium Chloride AND 0.25 LB/SK Flocale. WITH SLURRY DENSITY OF 14.2 PPG AND SLURRY VOLUME OF 28 BBLS. DROPPED THE PLUG AND DISPLACED WITH 73 BBLS OF 2% KCL WATER. DROPPED THE BOMB AND WAITED 15 MINUTES. PUMPED ONE BBL WATER AND OPENED THE DV TOOL WITH 600 PSI. PUMPED 86 BBLS WATER WITH NO RETURN. SWITCHED TO RIG PUMP AND STARTED PUMPING 1 1/2 BBLS OF WATER PER MINUTE WITH NO RETURN WHILE WOC.</td>
</tr>
<tr>
<td>20:00</td>
<td>21:00</td>
<td>1.00</td>
<td>PROD1</td>
<td>CEMENT</td>
<td>CIRC</td>
<td>PUMPING 1 1/2 BBLS WATER PER MINUTE WITH RIG PUMP WHILE WOC WITH NO RETURN.</td>
</tr>
<tr>
<td>21:00</td>
<td>22:00</td>
<td>1.00</td>
<td>PROD1</td>
<td>CEMENT</td>
<td>CIRC</td>
<td>STOPPED PUMPING WATER.</td>
</tr>
<tr>
<td>22:00</td>
<td>23:00</td>
<td>1.00</td>
<td>PROD1</td>
<td>CEMENT</td>
<td>CIRC</td>
<td>STARTED PUMPING 2% KCL WATER, 1 1/2 BBLS/MIN, NO RETURN.</td>
</tr>
<tr>
<td>23:00</td>
<td>00:00</td>
<td>1.00</td>
<td>PROD1</td>
<td>CEMENT</td>
<td>CIRC</td>
<td>SECOND STAGE CEMENT, PUMPED 275 SX 50/50 Poz CEMENT, 0.8% BENTONITE, 10% Cal Seal 60, 0.25 LB/SK Flocale. WITH SLURRY DENSITY OF 12.5 PPG AND SLURRY VOLUME OF 97 BBLS. RELEASED THE WIPER PLUG AND DISPLACED THE CASING TO DV TOOL WITH 56.7 BBLS OF 2% KCL WATER. CLOSED THE DV TOOL WITH 2000 PSI, WITH NO RETURN. RIGGED DOWN HSE AND SECURE THE WELL.</td>
</tr>
<tr>
<td>00:00</td>
<td>00:00</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

### Mud Data

<table>
<thead>
<tr>
<th>Type</th>
<th>Temp Bottom Hole (°F)</th>
<th>Depth (RKB)</th>
<th>Density (lb/gal)</th>
<th>Funnel Viscosity (s/qt)</th>
<th>PV Override (cp)</th>
<th>YP Override (lb/100ft³)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Filter Cake (32&quot;)</th>
<th>pH</th>
<th>PI (mL/mL)</th>
<th>MF (mL/mL)</th>
<th>Sand (%)</th>
<th>Low Gravity Solids (%)</th>
<th>High Gravity Solids (%)</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Gel 10 sec (lb/100ft³)</th>
<th>Gel 10 min (lb/100ft³)</th>
<th>Gel 30 min (lb/100ft³)</th>
<th>Lime (lb/bbl)</th>
<th>Mud Lost to Hole (bbl)</th>
<th>Solids (%)</th>
<th>Oil Water Ratio</th>
</tr>
</thead>
</table>

### Support Vessels

<table>
<thead>
<tr>
<th>Type</th>
<th>Vessel Name</th>
<th>Note</th>
<th>Time</th>
<th>Time</th>
</tr>
</thead>
</table>

### WEATHER

<table>
<thead>
<tr>
<th>Temperature - High (°F)</th>
<th>Temperature - Low (°F)</th>
<th>Visibility (miles)</th>
<th>Ceiling (ft)</th>
<th>Wind Speed (knots)</th>
<th>Wind Direction (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Speed (knots)</td>
<td>Current Direction (*)</td>
<td>Wave Height (ft)</td>
<td>Wave Direction (*)</td>
<td>Wave Period (s)</td>
<td>Swell Height (ft)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Heave (ft)</th>
<th>Pitch (*)</th>
<th>Roll (*)</th>
<th>Vessel Offset (ft)</th>
<th>Vessel Heading (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Riser Tension (kips)</td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

**www.peloton.com**
## Daily Contacts

**Job Contact**: SHIRLEY LLOYD  
**Position**: Drilling Supv

### Head Count (POB)

<table>
<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Count</th>
<th>OT [hrs]</th>
<th>Reg [hrs]</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONOCOPHILLIPS CO</td>
<td>Operator</td>
<td>2</td>
<td>24.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>PENSE BRS. DRILLING</td>
<td>Contractor</td>
<td>0</td>
<td>120.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>NELCO CONTRACTORS, INC.</td>
<td>Contractor</td>
<td>4</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>HALLIBURTON</td>
<td>Contractor</td>
<td>4</td>
<td>4.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>QUIK TEST</td>
<td>Contractor</td>
<td>0</td>
<td>3.00</td>
<td></td>
<td></td>
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<tr>
<td>NABORS DRILLING CO</td>
<td>Contractor</td>
<td>4</td>
<td>18.00</td>
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</tbody>
</table>

## STOP Cards Submitted

<table>
<thead>
<tr>
<th>Company</th>
<th>No. Rpts</th>
<th>Comment</th>
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</table>

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Report Date: 10/10/2005 to 10/11/2005  
Report Printed: 10/13/2005
**Daily Operations**

**ConocoPhillips TELONIS 20-901**

Report Date - 10/9/2005 to 10/10/2005

**Operations at Report Time**

WO DAYLIGHT TO RUN CSG

24hr Forecast

RUN 6 1/2 ING AND CEMENT,

Last 24hr Summary

HAMMER TO 2845FT, TOOH, RIH W/ TRICONE, DRILL 7 7/8IN HOLE TO 3180FT TD @ 1300HRS, 10.09.05, TOOH, RDOWN AND MOVE TO 900 LOCATION

Remarks

NO HSE INCIDENTS REPORTED LAST 24HRS

**Operations at Report Time**

**WO DAYLIGHT TO RUN CSG**

**24hr Forecast**

RUN 6 1/2 ING AND CEMENT,

**Last 24hr Summary**

HAMMER TO 2845FT, TOOH, RIH W/ TRICONE, DRILL 7 7/8IN HOLE TO 3180FT TD @ 1300HRS, 10.09.05, TOOH, RDOWN AND MOVE TO 900 LOCATION

**Remarks**

NO HSE INCIDENTS REPORTED LAST 24HRS

**Days RI (days)**

| 31.00 | 31.00 |

**Days LT (days)**

| 31.00 | 31.00 |

**Weather**

| Temperature (°F) | Wind |

**Time Log**


| 00:00 | 02:45 | 2.77 | PROD1 | DRILL | DRLG | P | PRE TOUR SFTY MTG, DISCUSS TOOH, COWS IN THE ROAD, |
| 02:45 | 03:15 | 0.50 | PROD1 | DRILL | CIRC | P | CLEAN HOLE |
| 03:15 | 05:30 | 2.25 | PROD1 | DRILL | TRIP | P | TOOH F/ TRICONE |
| 05:30 | 06:30 | 1.00 | PROD1 | DRILL | TRIP | P | PUP 7 7/8IN TRICONE, STABILIZER, 5 DC, TOTAL BHA 180FT, TIH |
| 06:30 | 08:00 | 1.50 | PROD1 | DRILL | TRIP | P | TIH, REAM LAST 40FT, |
| 08:00 | 10:30 | 5.00 | PROD1 | DRILL | DRLG | P | DRILL 2845FT - 3180FT, TD @ 1300HRS 10.09.05, |
| 10:30 | 12:00 | 1.00 | PROD1 | DRILL | CIRC | P | CLEAN HOLE |
| 12:00 | 14:00 | 3.00 | PROD1 | DRILL | TRIP | P | TOOH, PUMP 1000GAL OF 2%KCL @ 2500FT AND 1500FT |
| 14:00 | 16:00 | 1.00 | PROD1 | DRILL | RURD | P | RIG DOWN AND MOVE TO 900 LOCATION, RELEASE RIG @ 1900HRS 10.09.05 |

**Mud Data**

| Type | Temp Bottom Hole (°F) | Depth (RKB) | Density (lbs/gal) | Funnel Viscosity (sgt) | PV Override (cp) | TP Override (lbs/100ft³) |

| Filter Cake (/32") | pH | P (mL/mL) | M (mL/mL) | Sand (%) | Low Gravity Solids (%) | High Gravity Solids (%) |

| Gcl 10 sec (lbs/100ft²) | Gcl 10 min (lbs/100ft²) | Gcl 30 min (lbs/100ft³) | Lime (lbs/bbl) | Mud Lost to Hole (lbs) | Solids (%) | Oil Water Ratio |

**Support Vessels**

| Type | Vessel Name | Note | Time | Time |

**WEATHER**

| Time | Comment |

| Temperature - High (°F) | Temperature - Low (°F) | Visibility (miles) | Ceiling (ft) | Wind Speed (knots) | Wind Direction (°) |

| Current Speed (knots) | Current Direction (°) | Wave Height (ft) | Wave Direction (°) | Wave Period (s) | Swell Height (ft) |

| Heave (ft) | Pitch (°) | Roll (°) | Vessel Offset (ft) | Vessel Heading (°) |

| Riser Tension (kips) | |

**Daily Contacts**

SHIRLEY LLOYD

**Job Contact**

Drilling Supv

**Head Count (POS)**

| Carrier | Company | Type | Count | GT (tons) | Reg (tons) | Note |

| True | CONOCOPHILLIPS CO Operator 2 24.00 |
| True | PENSE BRS. DRILLING Contractor 9 120.00 |
| True | NELCO CONTRACTORS, INC. Contractor 4 5.00 |
| True | HALLIBURTON Contractor 4 4.00 |
| True | QUIK TEST Contractor 2 3.00 |

**STOP Cards Submitted**

| Company | No. Rpts | Comment |

www.peloton.com Page 1/1 Report Printed: 10/13/2005
Daily Operations
TELONIS 20-901

Report Date - 10/8/2005 to 10/9/2005

Operations at Report Time
DRILLING AHEAD @ 2215FT

24hr Forecast
TD WELL AND MOVE OFF LOCATION

Last 24hr Summary
DRILL 11IN HOLE TO 420FT, RUN SURFACE CSG, CEMENT, N/UP DRILL 7 7/8IN HOLE TO

Remarks
NO HSE INCIDENTS REPORTED LAST 24HRS.

<table>
<thead>
<tr>
<th>Days RI (days)</th>
<th>Days LTI (days)</th>
<th>Weather</th>
<th>Temperature (°F)</th>
<th>Wind</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</thead>
<tbody>
<tr>
<td>00:00</td>
<td>02:00</td>
<td>2.00</td>
<td>SURFAC</td>
<td>DRILL</td>
<td>DRLG</td>
<td>P</td>
<td>DRILL 11IN HOLE TO 420FT, TOOH</td>
</tr>
<tr>
<td>02:00</td>
<td>04:00</td>
<td>2.00</td>
<td>SURFAC</td>
<td>CASING</td>
<td>RNC8</td>
<td>P</td>
<td>RUN W/ 8 5/8IN GS + 14,TS OF 8 5/8IN CSG, LAND @ 412FT, 19IN BELOW GL, CENTRALIZERS ON 2,5,8, CEMENT BASKET ON JT13,</td>
</tr>
<tr>
<td>04:00</td>
<td>05:00</td>
<td>1.00</td>
<td>SURFAC</td>
<td>CEMENT</td>
<td>RURD</td>
<td>P</td>
<td>PRE JOB SFTY MTG, R/UP CEMENTERS,</td>
</tr>
<tr>
<td>05:00</td>
<td>05:45</td>
<td>0.75</td>
<td>SURFAC</td>
<td>CEMENT</td>
<td>CIRC</td>
<td>P</td>
<td>TEST LINES TO 1000PSI, PUMP 30BBLS OF FRESH H2O AHEAD, MIX AND PUMP 180SX OF TYPE V CEMENT W/ 2% CACL2 + 25%SK OF FLCCELE, DISPLACE W/ 230BBLS OF FRESH H2O, CLOSE VALVE @ 0545HRS, 10BBLS GOOD CEMENT TO SURFACE,</td>
</tr>
<tr>
<td>05:45</td>
<td>09:45</td>
<td>4.00</td>
<td>SURFAC</td>
<td>CEMENT</td>
<td>WOC</td>
<td>P</td>
<td>WOC</td>
</tr>
<tr>
<td>09:45</td>
<td>13:45</td>
<td>4.00</td>
<td>SURFAC</td>
<td>TREBOP</td>
<td>RURD</td>
<td>P</td>
<td>BREAK LOOSE, N/UP WELLHEAD, BOP SAFETY MTG W/ RANDY LOTTO, HOTWORK, CONFINED SPACE PRESENTATION,</td>
</tr>
<tr>
<td>13:45</td>
<td>15:00</td>
<td>1.25</td>
<td>SURFAC</td>
<td>TREBOP</td>
<td>BOPE</td>
<td>P</td>
<td>TEST BOP, BLINDS PIPE RAMS, MANIFOLD, 250PSI LOW, 2000PSI HIGH, 5/10 MINUTES, CSG 250PSI LOW 500PSI HIGH, 5/30 MINUTES,</td>
</tr>
<tr>
<td>15:00</td>
<td>16:00</td>
<td>1.00</td>
<td>SURFAC</td>
<td>DRILL</td>
<td>TRIP</td>
<td>P</td>
<td>TIH, TAG CEMENT @ 385FT, DRILL OUT CEMENT</td>
</tr>
<tr>
<td>16:00</td>
<td>20:30</td>
<td>4.50</td>
<td>PROD1</td>
<td>DRILL</td>
<td>DRLG</td>
<td>P</td>
<td>DRILL 7 7/8IN HOLE TO 1735FT</td>
</tr>
<tr>
<td>20:30</td>
<td>00:00</td>
<td>3.50</td>
<td>PROD1</td>
<td>DRILL</td>
<td>DRLG</td>
<td>P</td>
<td>DRILL 1735FT - 2215FT</td>
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Mud Data

<table>
<thead>
<tr>
<th>Type</th>
<th>Temp Bottom Hole (°F)</th>
<th>Depth (ft/KB)</th>
<th>Density (lb/gal)</th>
<th>Funnel Viscosity (s/qt)</th>
<th>PV Override (cp)</th>
<th>YP Override (lb/100ft³)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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Filter Cake (32")

<table>
<thead>
<tr>
<th>pH</th>
<th>Pf (mL/mL)</th>
<th>Mf (mL/mL)</th>
<th>Send (%)</th>
<th>Low Gravity Solids (%)</th>
<th>High Gravity Solids (%)</th>
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<tr>
<td></td>
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</table>

Gel 10 sec (lb/100ft³)

<table>
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<tr>
<th>Gel 10 min (lb/100ft³)</th>
<th>Gel 30 min (lb/100ft³)</th>
<th>Lime (lb/bbl)</th>
<th>Mud Lost to Hole (bbl)</th>
<th>Solids (%)</th>
<th>Oil Water Ratio</th>
</tr>
</thead>
<tbody>
<tr>
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Support Vessels

<table>
<thead>
<tr>
<th>Vessel Name</th>
<th>Note</th>
<th>Time</th>
<th>Time</th>
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<tbody>
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WEATHER

<table>
<thead>
<tr>
<th>Time</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
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</tbody>
</table>

Temperature - High (°F)

<table>
<thead>
<tr>
<th>Temperature - Low (°F)</th>
<th>Visibility (miles)</th>
<th>Ceiling (ft)</th>
<th>Wind Speed (knots)</th>
<th>Wind Direction (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Current Speed (knots)

<table>
<thead>
<tr>
<th>Current Direction (*)</th>
<th>Wave Height (ft)</th>
<th>Wave Direction (*)</th>
<th>Wave Period (s)</th>
<th>Swell Height (ft)</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
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<td></td>
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</table>

Heave (ft)

<table>
<thead>
<tr>
<th>Pitch (*)</th>
<th>Roll (*)</th>
<th>Vessel Offset (ft)</th>
<th>Vessel Heading (*)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</table>

Riser Tension (kips)

Daily Contacts

SHIRLEY LLOYD Drilling Supv

Head Count (POB)

<table>
<thead>
<tr>
<th>Company</th>
<th>Type</th>
<th>Count</th>
<th>OT (hrs)</th>
<th>Reg (hrs)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>True CONOCOPHILLIPS CO</td>
<td>Operator</td>
<td>2</td>
<td>24.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True PENSE BRS. DRILLING</td>
<td>Contractor</td>
<td>9</td>
<td>120.00</td>
<td></td>
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</tr>
<tr>
<td>True NELCO CONTRACTORS, INC.</td>
<td>Contractor</td>
<td>4</td>
<td>5.00</td>
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<td></td>
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<tr>
<td>True HALLIBURTON</td>
<td>Contractor</td>
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<td>4.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True QUIK TEST</td>
<td>Contractor</td>
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<td>3.00</td>
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STOP Cards Submitted

<table>
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<tr>
<th>Company</th>
<th>No. Rpts</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
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<td></td>
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</tr>
</tbody>
</table>

www.peetona.com
Daily Operations
ConocoPhillips
TEلونIS 20-901

Operations at Report Time
DRILLING 11IN HOLE @ 205FT

Last 24hr Summary
MOVE ON AND RIG UP, SPUD WELL @ 2045HRS, SET CONDUCTOR, DRILLING 11IN HOLE

Remarks
NO HSE INCIDENTS REPORTED LAST 24HRS.

Time Log

<table>
<thead>
<tr>
<th>Time</th>
<th>Phase</th>
<th>Op Code</th>
<th>Op Sub-Code</th>
<th>Time Dur (hrs)</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>19:00</td>
<td>MOVE</td>
<td>RUD</td>
<td>P</td>
<td>1:75 MIRU</td>
<td>MOVE ON RIG UP, PREP TO SPUD,</td>
</tr>
<tr>
<td>20:45</td>
<td>DRILL</td>
<td>DRLG</td>
<td>P</td>
<td>0.75 MIRU</td>
<td>SPUD @ 2045HRS 10.07.05, DRILL AND SET 16.5FT OF 12 3/4IN CONDUCTOR,</td>
</tr>
<tr>
<td>21:30</td>
<td>RUD</td>
<td></td>
<td></td>
<td>0.50 MIRU</td>
<td>N/U TO DRILL 11IN SURFACE HOLE,</td>
</tr>
<tr>
<td>22:00</td>
<td>DRILL</td>
<td>DRLG</td>
<td>P</td>
<td>2.00 MIRU</td>
<td>DRILL 11IN HOLE TO 205FT,</td>
</tr>
</tbody>
</table>

Mud Data

<table>
<thead>
<tr>
<th>Type</th>
<th>Temp Bottom-hole (°F)</th>
<th>Depth (RKB)</th>
<th>Density (lb/gal)</th>
<th>Funnel Viscosity (s@15)</th>
<th>PV Override (cp)</th>
<th>YP Override (lb/100ft³)</th>
<th>Filter Cake (32&quot;)</th>
<th>pH</th>
<th>PF (mL/mL)</th>
<th>MF (mL/mL)</th>
<th>Sand (%)</th>
<th>Low Gravity Solids (%)</th>
<th>High Gravity Solids (%)</th>
<th>Gel 10 sec (lb/100ft³)</th>
<th>Gel 10 min (lb/100ft³)</th>
<th>Gel 30 min (lb/100ft³)</th>
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<th>Oil Water Ratio</th>
</tr>
</thead>
</table>

Support Vessels

<table>
<thead>
<tr>
<th>Type</th>
<th>Vessel Name</th>
<th>Note</th>
<th>Time</th>
<th>Time</th>
</tr>
</thead>
</table>

WEATHER

| Temperature - High (°F) | Temperature - Low (°F) | Visibility (miles) | Ceiling (ft) | Wind Speed (knots) | Wind Direction (°) | Current Speed (knots) | Current Direction (°) | Wave Height (ft) | Wave Direction (°) | Wave Period (s) | Swell Height (ft) | Heave (ft) | Pitch (°) | Roll (°) | Vessel Offset (ft) | Vessel Heading (°) |

| Rise Tension (kips) |

Daily Contacts

<table>
<thead>
<tr>
<th>SHIRLEY LLOYD</th>
<th>Drilling Supv</th>
</tr>
</thead>
</table>

Head Count (POB)

<table>
<thead>
<tr>
<th>Company/Job Title</th>
<th>Type</th>
<th>Count</th>
<th>OT (hrs)</th>
<th>Reg (hrs)</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>True CONOCOPHILLIPS CO</td>
<td>Operator</td>
<td>2</td>
<td>24.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True PENSE BRS. DRILLING</td>
<td>Contractor</td>
<td>9</td>
<td>120.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>True NELCO CONTRACTORS, INC.</td>
<td>Contractor</td>
<td>4</td>
<td>5.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

STOP Cards Submitted

<table>
<thead>
<tr>
<th>Company</th>
<th>No. Rpts</th>
<th>Comment</th>
</tr>
</thead>
</table>

www.peloton.com Page 1/1 Report Printed: 10/13/2005
**ENTITY ACTION FORM**

**Operator:** ConocoPhillips  
**Operator Account Number:** N 2335

**Address:** 6825 South 5300 West  
**City:** Price  
**State:** UT  
**Zip:** 84501  
**Phone Number:** (435) 613-9777

---

### Well 1

<table>
<thead>
<tr>
<th>API Number</th>
<th>Well Name</th>
<th>QQ</th>
<th>Sec</th>
<th>Twp</th>
<th>Rng</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>4300731030</td>
<td>Telonis 19-900</td>
<td>NESE</td>
<td>19</td>
<td>14S</td>
<td>09E</td>
<td>CARBON</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Current Entity Number</th>
<th>New Entity Number</th>
<th>Spud Date</th>
<th>Entity Assignment Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>99999</td>
<td>11256</td>
<td>9/28/2005</td>
<td>10/30/05</td>
</tr>
</tbody>
</table>

**Comments:** New single well spud inside PA & inside of the Unit Boundary.  

---

### Well 2

<table>
<thead>
<tr>
<th>API Number</th>
<th>Well Name</th>
<th>QQ</th>
<th>Sec</th>
<th>Twp</th>
<th>Rng</th>
<th>County</th>
</tr>
</thead>
<tbody>
<tr>
<td>4300731031</td>
<td>Telonis 20-901</td>
<td>NWSE</td>
<td>20</td>
<td>14S</td>
<td>09E</td>
<td>CARBON</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Current Entity Number</th>
<th>New Entity Number</th>
<th>Spud Date</th>
<th>Entity Assignment Effective Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>99999</td>
<td>11256</td>
<td>10/7/2005</td>
<td>10/30/05</td>
</tr>
</tbody>
</table>

**Comments:** New single well spud inside PA & inside of the Unit Boundary.

---

### Well 3

<table>
<thead>
<tr>
<th>API Number</th>
<th>Well Name</th>
<th>QQ</th>
<th>Sec</th>
<th>Twp</th>
<th>Rng</th>
<th>County</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Action Code</th>
<th>Current Entity Number</th>
<th>New Entity Number</th>
<th>Spud Date</th>
<th>Entity Assignment Effective Date</th>
</tr>
</thead>
</table>

**Comments:**

**ACTION CODES:**

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

---

**Signature**  
Lynnette Allred  
**Name (Please Print)**

**Date:** 10/14/2005  
**Title:** Sr. Operations Assistant
**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

**1. TYPE OF WELL:** [ ] OIL WELL [ ] GAS WELL [ ] DRY [ ] OTHER

**2. TYPE OF WORK:** [ ] NEW WELL [ ] HORIZ. [ ] DEEPEN. [ ] RE-ENTRY [ ] DIFF. RESVR. [ ] OTHER

**3. NAME OF OPERATOR:** ConocoPhillips Company

**4. ADDRESS OF OPERATOR:** P.O. Box 851

**5. LOCATION OF WELL (FOOTAGES):**
- AT SURFACE: 1530' FSL & 1924' FEL
- AT TOP PRODUCING INTERVAL REPORTED BELOW: 1530' FSL & 1924' FEL

**6. IF INDIAN, ALLOTTEE OR TRIBE NAME:** Tetonis 20-901

**7. UNIT or CA AGREEMENT NAME:** Drunks Wash

**8. LEASE DESIGNATION AND SERIAL NUMBER:** UTU-67921X

**9. API NUMBER:** 4300731031

**10. FIELD AND POOL, OR WILDCAT:** Drunks Wash

**11. COUNTY:** Carbon

**12. STATE:** Utah

**13. DATE SPUDED:** 10/7/2005
**14. DATE T.D. REACHED:** 10/9/2005
**15. DATE COMPLETED:** 11/19/2005

**16. TOTAL DEPTH:**
- MD: 3,180
- TVD: 3,180

**17. TYPE ELECTRIC AND OTHER MECHANICAL LOGS:**
- Dual Induction Guard Log
- Gamma Ray, Comp Density
- Comp Nuclear Gamma Ray
- Cement Bond Log.

**18. CASING AND LINER RECORD:**

<table>
<thead>
<tr>
<th>HOE SIZE</th>
<th>SIZE/GRADE</th>
<th>WEIGHT (#/ft.)</th>
<th>TOP (MD)</th>
<th>BOTTOM (MD)</th>
<th>STAGE CEMENTER DEPTH</th>
<th>CEMENT TYPE &amp; NO. OF SACKS</th>
<th>SLURRY VOLUME (BBL)</th>
<th>CEMENT TOP **</th>
<th>AMOUNT PULLED</th>
</tr>
</thead>
<tbody>
<tr>
<td>15</td>
<td>12-3/8</td>
<td>Conductor</td>
<td>0</td>
<td>17</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>8-5/8</td>
<td>J-55</td>
<td>24#</td>
<td>0</td>
<td>420</td>
<td>Type V</td>
<td>180</td>
<td>23</td>
<td>surface CIR</td>
</tr>
<tr>
<td>7-7/8</td>
<td>5-1/2</td>
<td>N-80</td>
<td>17#</td>
<td>0</td>
<td>3,174</td>
<td>50/50</td>
<td>275</td>
<td>97</td>
<td>surface CIR</td>
</tr>
<tr>
<td>2-3/8</td>
<td>3,054</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**19. PRODUCING INTERVALS:**

- Ferron Coal & Sar: 2,777 - 2,982

**20. PRODUCING INTERVALS:**

<table>
<thead>
<tr>
<th>FORMATION NAME</th>
<th>TOP (MD)</th>
<th>BOTTOM (MD)</th>
<th>TOP (TVD)</th>
<th>BOTTOM (TVD)</th>
<th>INTERVAL (Top/Bot - MD)</th>
<th>SIZE</th>
<th>NO. HOLES</th>
<th>PERFORATION STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A) Ferron Coal &amp; Sar</td>
<td>2,777</td>
<td>2,982</td>
<td>2,777</td>
<td>2,982</td>
<td>2,777 - 2,982</td>
<td>.42</td>
<td>376</td>
<td>Open Squeezed</td>
</tr>
<tr>
<td>(B)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(C)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(D)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**21. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.:**

- Sandpack of 445,742 lbs, 4908 BBLS of gel pad.

**22. TUBING RECORD:**

<table>
<thead>
<tr>
<th>SIZE</th>
<th>DEPTH SET (MD)</th>
<th>PACKER SET (MD)</th>
<th>SIZE</th>
<th>DEPTH SET (MD)</th>
<th>PACKER SET (MD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-3/8</td>
<td>3,054</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**23. OTHER:**

<table>
<thead>
<tr>
<th>DEPTH INTERVAL</th>
<th>AMOUNT AND TYPE OF MATERIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2777' - 2982'</td>
<td>Sandpack of 445,742 lbs, 4908 BBLS of gel pad.</td>
</tr>
</tbody>
</table>

**24. ENCLOSED ATTACHMENTS:**

- Electrical/Mechanical Logs
- Geological Report
- DST Report
- Directional Survey
- Core Analysis
- Other

**25. RECEIVED:**

JAN 1 0 2006

DIV. OF OIL, GAS & MINING
31. INITIAL PRODUCTION INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 12/29/2005  
TEST DATE: 12/30/2005  
HOURS TESTED: 24  
TEST PRODUCTION RATES:  
OIL - BBL: 0  
GAS - MCF: 68  
WATER - BBL: 0  
PROD METHOD: pumping  

CHOKE SIZE: TGB: 55  
CGS: PRESS: 20  
API GRAVITY: 0.00  
BTU - GAS: 0  
GAS/OIL RATIO: 0  
24 HR PRODUCTION RATES:  
OIL - BBL: 0  
GAS - MCF: 0  
WATER - BBL: 0  
INTERVAL STATUS: on-line  

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

Sold  

33. SUMMARY OF POROUS ZONES (Include Aquifers):
Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.  

<table>
<thead>
<tr>
<th>Formation</th>
<th>Top (MD)</th>
<th>Bottom (MD)</th>
<th>Descriptions, Contents, etc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Gate/Ferron</td>
<td>2,741</td>
<td>2,953</td>
<td>Coals and sandstones 2776'-2916'</td>
</tr>
</tbody>
</table>

34. FORMATION (Log) MARKERS:  

<table>
<thead>
<tr>
<th>Name</th>
<th>Top (Measured Depth)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,953</td>
</tr>
</tbody>
</table>

35. ADDITIONAL REMARKS (include plugging procedure)  

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

NAME (PLEASE PRINT): James Weaver  
TITLE: Uinta - Rockies Superintendent  
SIGNATURE: [Signature]  
DATE: 1/5/2006  

This report must be submitted within 30 days of  
• completing or plugging a new well  
• drilling horizontal laterals from an existing well bore  
• recompleting to a different producing formation  
• reentering a previously plugged and abandoned well  
• significantly deepening an existing well bore below the previous bottom-hole depth  
• drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests  

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.  
** ITEM 24: Cement Top - Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).  

Send to: Utah Division of Oil, Gas and Mining  
Phone: 801-538-5340  
1594 West North Temple, Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
Fax: 801-359-3940  

(5/2000)