

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPlicate
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 1094-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

| | | |
|---|--|--|
| 1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER | | 5. LEASE DESIGNATION AND SERIAL NO. UTU-64464 |
| 2. NAME OF OPERATOR WELLINGTON DRILLING | | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME |
| 3. ADDRESS OF OPERATOR P.O. Box 81002, Salt Lake City, UT 84108 | | 7. UNIT AGREEMENT NAME |
| 4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1825' FWL, 1882' FNL Section 34, T15S,R11E | | 8. FARM OR LEASE NAME Billie |
| 14. PERMIT NO. | | 9. WELL NO. 1 |
| 15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5599' ground | | 10. FIELD AND POOL, OR WILDCAT Wildcat |
| | | 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 34, T15S,R11E |
| | | 12. COUNTY OR PARISH Carbon |
| | | 13. STATE Utah |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

| | | | |
|---|---|--|--|
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) <input type="checkbox"/> | |
| (Other) CHANGE LOCATION <input checked="" type="checkbox"/> | | | |

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. 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.)*

Move Location 200' to the Northwest (NW) to comply with regulations concerning (2) Eagle nests located in cliffs of Ferron Sandstone southeast of original Location. Road access will be extended by 200' to the NW also. The drill pad will also be shifted 200' to the NW, and upon approval of the APD, the pad will be resurveyed for the dirt work.

This move has been coordinated with the Price BLM office to insure the acceptability of the new site with respect to the Eagle nests.

RECEIVED

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

DEC 23 1991

DIVISION OF
OIL GAS & MINING

DATE: _____
BY: _____

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

SIGNED Ronald Carlson TITLE Manager DATE 10/31/91

(This space for Federal or State office use)

Assistant District Manager
for Minerals

APPROVED BY /S/ WILLIAM C. STRINGER TITLE _____ DATE DEC 20 1991
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
 OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 WELLINGTON DRILLING

3. ADDRESS OF OPERATOR
 P.O. Box 81002 Salt Lake City, UT 84108

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface
 1980 FWL, 1980 FNL Section 34, T15S R11E
 At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 8.5 miles SE of Wellington, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE
 359.85

17. NO. OF ACRES ASSIGNED TO THIS WELL
 320

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 2.5 miles north of dry hole

19. PROPOSED DEPTH
 7600'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 5597' Ground

22. APPROX. DATE WORK WILL START*

5. LEASE DESIGNATION AND SERIAL NO.
 UTU-64464

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Billie

9. WELL NO.
 1

10. FIELD AND POOL, OR WILDCAT
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 34, T15S, R11E

12. COUNTY OR PARISH
 Carbon

13. STATE
 Utah

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 12 1/4" | 8-5/8" | 24# | 1250" | To Surface |
| 7-3/4" | 5 1/2" | 15.5# & 17# | 7600± | approx. 450 sx |

SEE ATTACHMENT "A"

RECEIVED

DEC 23 1991

DIVISION OF
OIL GAS & MINING

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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.

24. SIGNED Ronald Caslow TITLE Manager DATE 10/18/91

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE Assistant District Manager
/S/ WILLIAM C. STRINGER TITLE for Minerals DATE DEC 20 1991

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A
Dated 1/1/80

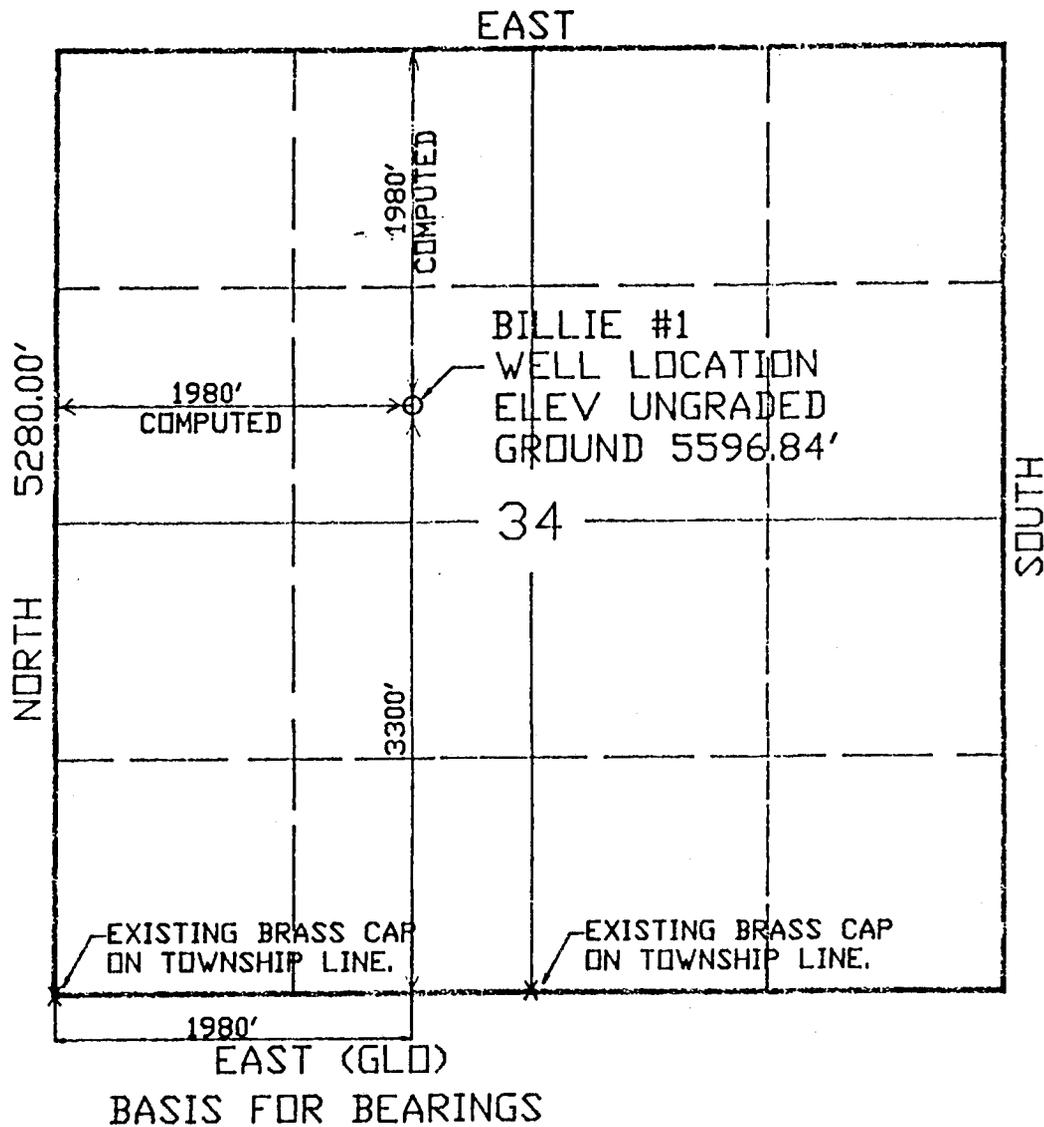
CONFIDENTIAL

*See Instructions On Reverse Side

SECTION 34, T15S, R21E, SLB&M

WELLINGTON DRILLING CO.

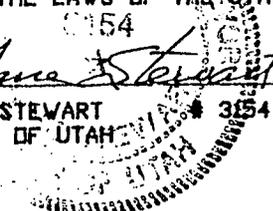
WELL LOCATION, BILLIE #1, LOCATED AS SHOWN IN THE SE 1/4 NW 1/4 OF SECTION 34, T15S, R21E, S.L.B.&M, CARBON COUNTY UTAH.



CERTIFICATE OF SURVEY

I, GENE STEWART, A REGISTERED LAND SURVEYOR, No 3154, STATE OF UTAH DO HEREBY CERTIFY THIS PLAT TO CORRECTLY REPRESENT A SURVEY, MADE BY ME AS PRESCRIBED BY THE LAWS OF THE STATE OF UTAH.

Gene Stewart
GENE STEWART
STATE OF UTAH



| | |
|--|--------------------------------------|
| TRI STATE LAND SURVEYING & CONSULTING 38 EAST 100 NORTH, VERNAL, UTAH 84078 (801) 781-2501 | |
| SCALE: 1" = 1000' | SURVEYED BY: GS, SS |
| DATE: 9/14/91 | WEATHER: PTLY CLOUDY-WARM |
| NOTES: USGS 7.5 QUAD MAP GLO PLAT | FILES: SE4NW4 S 34, T15S,R21E,SLM |

Wellington Drilling
Well No. 1
SENW Sec. 34, T.15S., R.11E.
Carbon County, Utah
Lease U-64464

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Be advised that Wellington Drilling is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by bond no. UT0860 (Principal-Wellington Drilling) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

This permit will be valid for a period of one year from the date of approval. A one-time, 90 day extension of this period may be granted. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to field representatives to insure compliance.

A. DRILLING PROGRAM

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2. Safe drilling and operating practices must be observed.

2. Daily drilling and completion progress reports shall be submitted to the District office on a weekly basis.

3. The BLM shall be kept apprised of all fluids entering or leaving the pit, through either weekly drilling reports or a final status report, submitted with the completion report. Either of which shall be submitted prior to reclamation of the pits.

4. No trivalent or hexavalent chromate additives shall be used in the mud system. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

5. BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded on the daily drilling report.

6. Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

7. When the completion program is determined, a sundry notice describing the completion shall be submitted to this office for approval.

8. Should the well become productive, the BLM, District Office must be notified no later than five business days after production begins. Notification shall be by letter or sundry notice, or orally to be followed by a letter or sundry notice.

9. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMcf following its completion, whichever comes first, without prior written approval of the Authorized Officer.

10. Surface casing shall be equipped with a centralizer on each of the bottom three joints, and shall be cemented to the surface.

11. Cement behind the production casing must be brought up to at least 500 feet above the top of the highest potentially productive horizon.

12. A detail of the proposed cement composition was not provided in the APD. If the cement is to contain additives other than or in excess of 1/4 lb/sack cellophane flake and/or 2% CaCl, a description of the cement composition is to be submitted to the BLM, Moab District Office for approval.

13. Although H₂S is not anticipated in hazardous concentrations in this well, it should be noted that a well approximately 6 miles from this site reported a strong H₂S smell from the Carmel Formation.

14. Mud densifiers adequate to control an appreciable pressure kick shall be available on location.

B. SURFACE USE PLAN

1. The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

2. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

3. A cultural resource clearance will be required before any construction begins. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

4. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried all areas not needed for production will be rehabilitated.

5. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed must be approved by the Area Manager in advance.

6. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

7. If the well is productive, cattle guards will be installed on the access road at fence crossings. The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

8. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the largest tank in the battery. All loading lines and valves will be placed inside the berm surrounding the tank battery.

9. All permanent (on-site for six (6) months or longer) structures constructed or installed (including oil well pumping units) shall be painted a flat, nonreflective, earth tone color to blend with the local environment, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities shall be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors shall be coordinated with the Price River Resource Area office prior to initiating painting.

10. All off-lease storage, off-lease measurement, or commingling (on-lease or off-lease) shall have prior written approval from the Assistant District Manager.

11. Pipeline construction activity is not authorized under this permit.

12. Copies of all water analysis required by the State of Utah in relation to surface discharge of produced water will be submitted to the Moab District Office, Bureau of Land Management.

13. Produced waste water will be confined to an unlined pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Assistant District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

14. If at any time the facilities located on public land authorized by the terms of the lease are no longer included in the lease (due to contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer (AO).

15. When the well is abandoned, the abandonment marker must be at least four feet above restored ground level and must be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

CONDITIONS OF APPROVAL

1. In order to protect raptor nesting activity, exploration, drilling and other development activity will be allowed only during the period from July 16 to January 31.
2. Allow no surface occupancy within the buffer zone identified for golden eagle nest territory 91-3.
3. The drill site is to be located so that production facilities will not be visible from the nesting cliff.
4. In order to protect raptor nesting activity, additional measures will be considered if this exploratory well proves to be productive.
5. The culvert will be removed and the existing stream channel restored in the event of a dry hole. The culvert will be removed and a cement low water crossing installed in the event of a producing well. The culvert will be removed within 60 days of the completion of the well.

C. REQUIRED NOTIFICATIONS AND APPROVALS

Required verbal notifications are summarized in Table 1, attached.

Spud- Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District office within twenty-four (24) hours after spudding (regardless of whether spud was made with a dry hole digger or big rig). If the spudding occurs on a weekend or holiday, the written report will be submitted on the following work day.

Undesirable Events/Immediate Reports- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed on production.

A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.

Well Completion Report- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and /or gas) will be submitted when requested by the Assistant District Manager.

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

Venting/Flaring of Gas- NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 Mmcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

NOTIFICATIONS

Notify Dean Nyffeler, Mike Kaminski or Don Stephens of the Price River Resource Area, at (801) 637-4584 for the following:

2 days prior to commencement of dirt work, construction or reclamation;

1 day prior to spudding;

50 feet prior to reaching surface casing depth;

3 hours prior to testing BOPE;

If the person at the above number cannot be reached, notify Fred Oneyear in the Moab District Office at (801) 259-6111 or at home (801) 259-5937. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

| | |
|-------------------------------------|------------------------|
| Dale Manchester, Petroleum Engineer | Office: (801) 259-6111 |
| | Home: (801) 259-6239 |

| | |
|--------------------------------|------------------------|
| Eric Jones, Petroleum Engineer | Office: (801) 259-6111 |
| | Home: (801) 259-2214 |

If unable to reach the above individuals, please call the following:

| | |
|--|------------------------|
| Lynn Jackson, Chief, Branch of Fluid Minerals | Office: (801) 259-6111 |
| | Home: (801) 259-7990 |

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

SUBMIT IN TRIPLICATE
(Other instructions on
verse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

| | |
|---|--|
| <p>1. <input type="checkbox"/> OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR WELLINGTON DRILLING</p> <p>3. ADDRESS OF OPERATOR 84108 P.O. Box 81002, Salt Lake City, UT</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1825' FWL, 1882' FNL Section 34, T15S, R11E</p> <p>14. PERMIT NO.</p> | <p>5. LEASE DESIGNATION AND SERIAL NO. UTU-64464</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME Billie</p> <p>9. WELL NO. 1</p> <p>10. FIELD AND POOL, OR WILDCAT Wildcat 001</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 34, T15S, R11E</p> <p>12. COUNTY OR PARISH Carbon 13. STATE Utah</p> |
| <p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5599' ground</p> | |

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

| | | | |
|---|---|---|--|
| NOTICE OF INTENTION TO: | | SUBSEQUENT REPORT OF: | |
| TEST WATER SHUT-OFF <input type="checkbox"/> | PULL OR ALTER CASING <input type="checkbox"/> | WATER SHUT-OFF <input type="checkbox"/> | REPAIRING WELL <input type="checkbox"/> |
| FRACTURE TREAT <input type="checkbox"/> | MULTIPLE COMPLETE <input type="checkbox"/> | FRACTURE TREATMENT <input type="checkbox"/> | ALTERING CASING <input type="checkbox"/> |
| SHOOT OR ACIDIZE <input type="checkbox"/> | ABANDON* <input type="checkbox"/> | SHOOTING OR ACIDIZING <input type="checkbox"/> | ABANDONMENT* <input type="checkbox"/> |
| REPAIR WELL <input type="checkbox"/> | CHANGE PLANS <input type="checkbox"/> | (Other) <input type="checkbox"/> | |
| (Other) <input checked="" type="checkbox"/> CHANGE LOCATION | <input checked="" type="checkbox"/> | (NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.) | |

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This move has been coordinated with the Price BLM office to insure the acceptability of the new site with respect to the Eagle nests.

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 12-31-91
BY: J. P. Matthews
Spacing - 615-3-2

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

SIGNED *Arnold C. Lane* TITLE Manager DATE 10/31/91

(This space for Federal or State office use)

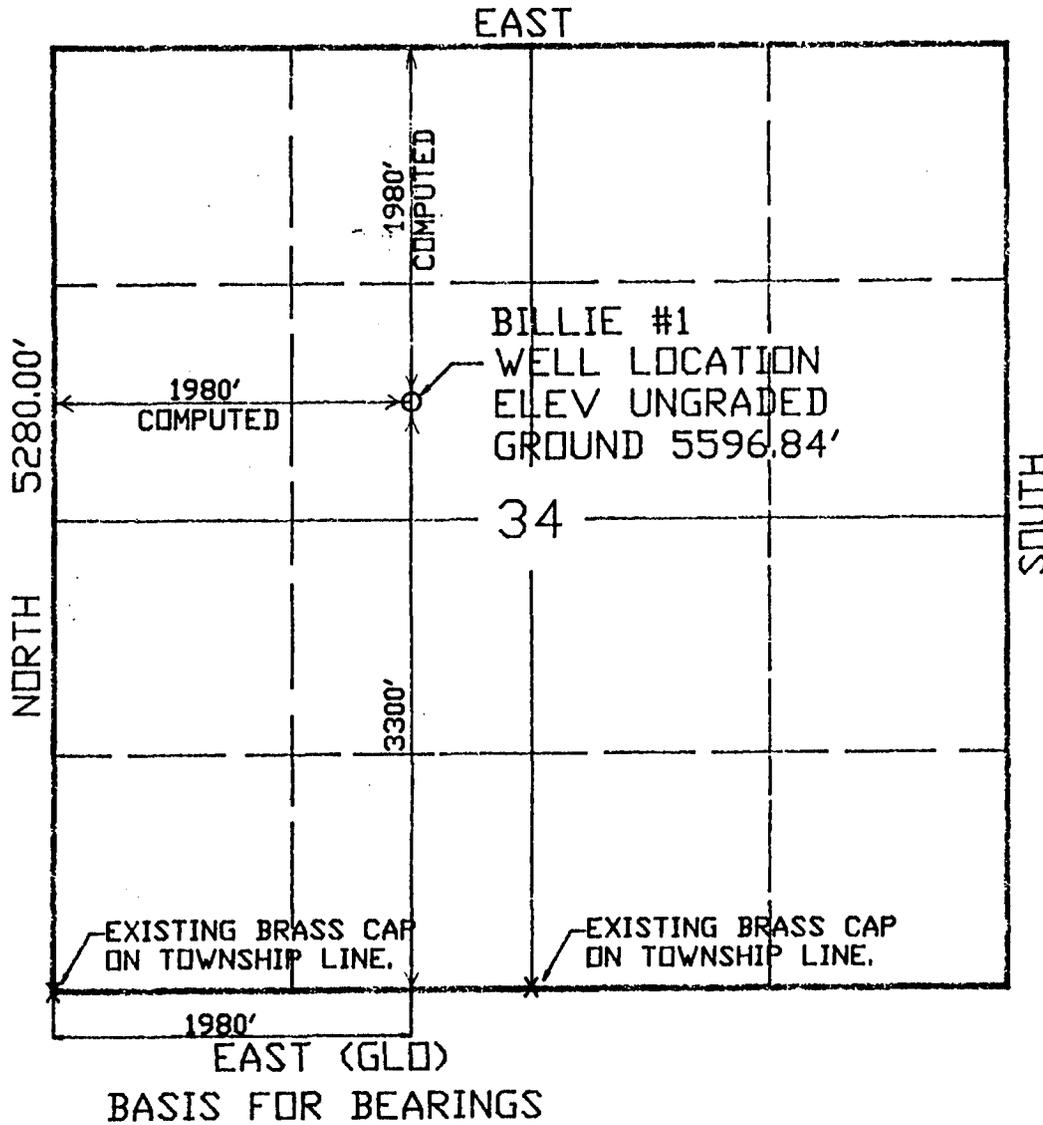
APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

SECTION 34, T15S, R21E, SLB&M

WELLINGTON DRILLING CO.

WELL LOCATION, BILLIE #1, LOCATED AS SHOWN
IN THE SE 1/4 NW 1/4 OF SECTION 34, T15S, R21E,
S.L.B.&M, CARBON COUNTY UTAH.



CERTIFICATE OF SURVEY

I, GENE STEWART, A REGISTERED LAND SURVEYOR,
No 3154, STATE OF UTAH DO HEREBY CERTIFY THIS
PLAT TO CORRECTLY REPRESENT A SURVEY MADE BY
ME AS PRESCRIBED BY THE LAWS OF THE STATE OF
UTAH.

Gene Stewart
GENE STEWART
STATE OF UTAH # 3154

TRI STATE LAND SURVEYING & CONSULTING
38 EAST 100 NORTH, VERNAL, UTAH 84078
(801) 781-2501

| | |
|--|-------------------------------------|
| SCALE 1" = 1000' | SURVEYED BY GS, SS |
| DATE 9/14/91 | WEATHER PTLY CLOUDY-WARM |
| NOTES USGS 7.5 QUAD MAP GLO PLAT | FILED SE4NW4 S 34, T15S,R21E,SLM |

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
DRILL DEEPEN PLUG BACK

b. TYPE OF WELL
OIL WELL GAS WELL OTHER
SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
WELLINGTON DRILLING

3. ADDRESS OF OPERATOR
P.O. Box 81002 Salt Lake City, UT 84108

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface
1980 FWL, 1980 FNL Section 34, T15S R11E
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
8.5 miles SE of Wellington, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
16. NO. OF ACRES IN LEASE
359.85

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
2.5 miles north of dry hole
19. PROPOSED DEPTH
7600'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
5597' Ground

5. LEASE DESIGNATION AND SERIAL NO.
UTU-64464
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME
Billie
9. WELL NO.
1
10. FIELD AND POOL, OR WILDCAT
Wildcat 001
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 34, T15S, R11E
12. COUNTY OR PARISH
Carbon
13. STATE
Utah

17. NO. OF ACRES ASSIGNED TO THIS WELL
320

20. ROTARY OR CABLE TOOLS
Rotary

22. APPROX. DATE WORK WILL START*

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|--------------------|
| 12 1/4" | 8-5/8" | 24# | 1250" | To Surface |
| 7-3/4" | 5 1/2" | 15.5# & 17# | 7600± | approx. 450 sx |

SEE ATTACHMENT "A"

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 12-31-91
BY: [Signature]
SPACING 615-3-2

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, 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.

24. SIGNED Ed Gray 3640101 TITLE Manager DATE

PERMIT NO. 43-007-30149 APPROVAL DATE

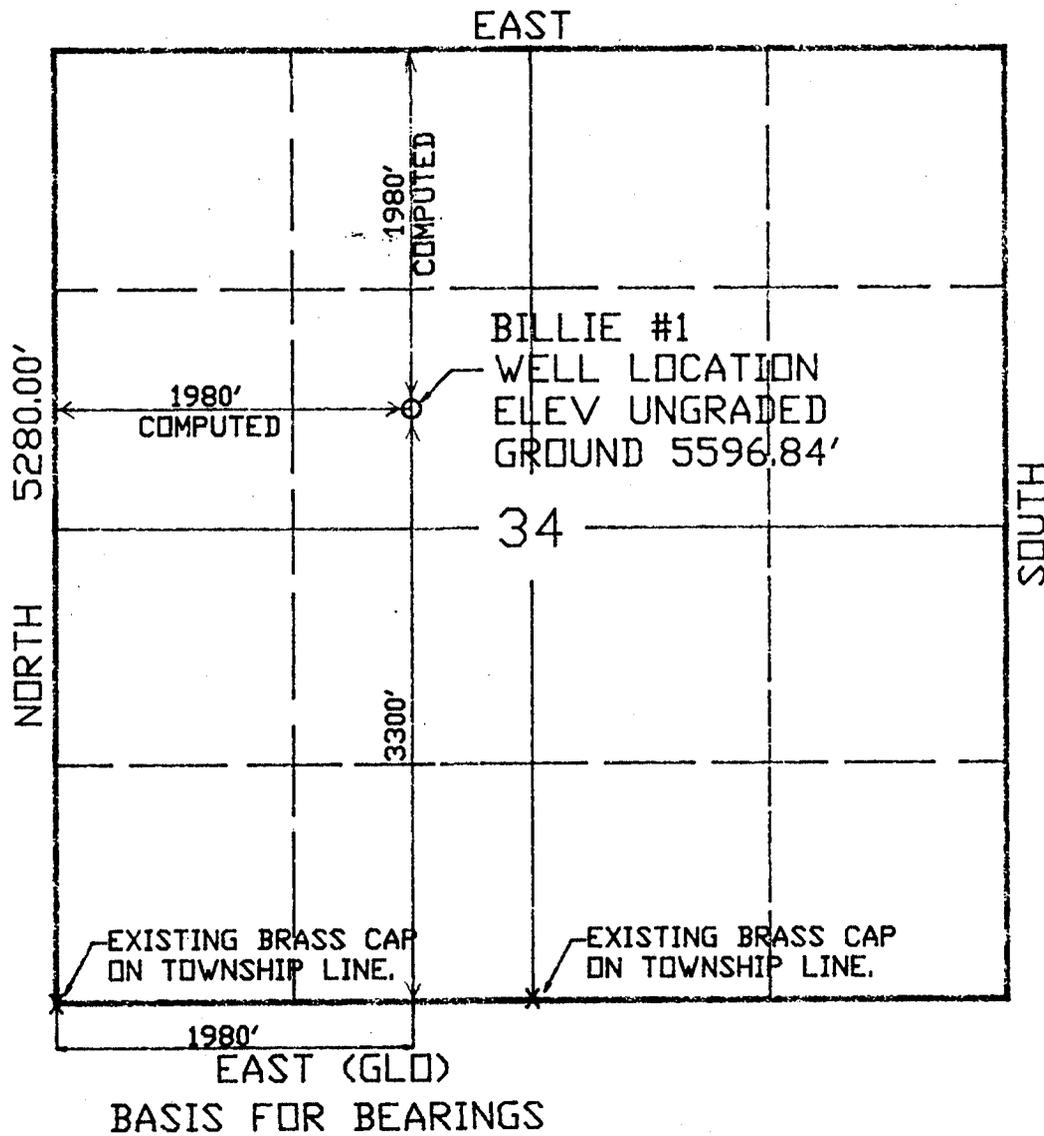
APPROVED BY CONDITIONS OF APPROVAL, IF ANY: TITLE DATE

*See Instructions On Reverse Side

SECTION 34, T15S, R21E, SLB&M

WELLINGTON DRILLING CO.

WELL LOCATION, BILLIE #1, LOCATED AS SHOWN
IN THE SE 1/4 NW 1/4 OF SECTION 34, T15S, R21E,
S.L.B.&M., CARBON COUNTY UTAH.

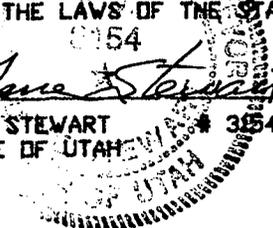


CERTIFICATE OF SURVEY

I, GENE STEWART, A REGISTERED LAND SURVEYOR,
No 3154, STATE OF UTAH DO HEREBY CERTIFY THIS
PLAT TO CORRECTLY REPRESENT A SURVEY MADE BY
ME AS PRESCRIBED BY THE LAWS OF THE STATE OF
UTAH.

Gene Stewart

GENE STEWART
STATE OF UTAH # 3154



| | |
|--|-------------------------------------|
| TRI STATE LAND SURVEYING & CONSULTING 38 EAST 100 NORTH, VERNAL, UTAH 84078 (801) 781-2501 | |
| SCALE: 1" = 1000' | SURVEYED BY: GS, SS |
| DATE: 9/14/91 | WEATHER: PTLY CLOUDY-WARM |
| NOTES: USGS 7.5 QUAD MAP GLO PLAT | FILE: SE4NW4 S 34, T15S,R21E,SLM |

ATTACHMENT "A"

WELLINGTON DRILLING
FEDERAL BILLIE #1
SE NW SEC. 34, T. 15 S., R. 11 E.,
CARBON COUNTY, UTAH

1. Estimated Tops of Important Geologic Markers:

| | |
|------------------|---------|
| Ferron Sandstone | surface |
| Dakota | 500' |
| Curtis | 1715' |
| Entrada | 1845' |
| Carmel | 2452' |
| Navajo | 2734' |
| Kayenta | 3248' |
| Wingate | 3387' |
| Chinle | 3777' |
| Shinarump | 4012' |
| Moenkopi | 4058' |
| Sinbad | 4662' |
| Kaibab | 5125' |
| White Rim | 5258' |
| Wolfcamp | 5930' |
| Pennsylvanian | 6255' |
| Manning Canyon | 6890' |

2. The Estimated Depths at Which Anticipated Water, Oil or other Mineral Bearing Formations are Expected to be encountered:

| | | |
|-------|----------------|-------|
| Water | | none |
| Oil | Sinbad | 4662' |
| | Kaibab | 5125' |
| | White Rim | 5258' |
| Gas | Dakota | 500' |
| | Navajo | 2734' |
| | Manning Canyon | 6890' |

3. Minimum Specifications for Pressure Control Equipment:

A. Casinghead Equipment:

| | |
|-----------------|--|
| Lowermost Head: | 10-3/4" LT&C X 10" 3000 PSI |
| Tubinghead: | 10" 3000 PSI X 6" 3000 PSI |
| Adapter & Tree: | 6" 3000 PSI x 2-1/2" 3000 PSI |
| Valves: | 1 - 2-1/2" 3000 PSI & 2 - 2" 3000 PSI |

B. Blowout Preventers:

Refer to attached drawing "BOP Requirements".

C. Testing:

Stack will be tested to 2000 PSI prior to drilling under surface and prior to drilling into the Manning Canyon Formation. Operational checks will be made periodically.

4. Proposed Casing Program:

| <u>String</u> | <u>Size/Weight/Grade</u> | <u>Condition</u> | <u>Depth Interval</u> |
|---------------|--------------------------|------------------|-----------------------|
| Surface | 8 5/8" 24# J | New | 0-1250' |
| Production | 5 1/2" 15.5# K-55 | New | 0-7000' |
| | 5 1/2" 17# K-55 | New | 7000'-TD |

5. Drilling Mud Program:

A. Low solids non-dispersed mud 8.4 - 8.9 PPG weight, 32 - 36 viscosity with no water loss control will be utilized to 1250' .

B. From 1250' to TD a low solids non-dispersed mud 8.7 - 9.0 PPG weight, 34 - 45 viscosity with water loss maintained at 10 cc or less will be utilized. In this interval mud weight and viscosity will be maintained at minimum levels compatible with hole conditions.

6. Testing, Coring and Logging Programs:

A. Drill Stem Tests.

Dakota, Navajo, Sinbad, Kaibab, White Rim, and Manning Canyon if warranted.

B. Cores.

None planned.

C. Logs.

Dual Induction Laterolog, Compensated Neutron-Formation Density and Borehole compensated sonic 1250' to TD. Gamma Ray will be run from surface to TD.

7. Bottom Hole pressures expected:

4800 PSI maximum.

8. Other Miscellaneous facts pertinent to this permit:

It is anticipated that drilling operations will commence as soon after the APD is approved as the drilling rig becomes available (2-4 weeks). Our intent is to drill this well as rapidly as possible. All testing will be done after TD is reached if warranted. If the well starts to make oil during drilling operations through the mud system, then a test will be run on the prospective zone making the oil.

Multi-Point Surface Use and Operations Plan

1. Existing Roads: Refer to Maps "A" & "B" (shown in GREEN)
 - A. The proposed wellsite is located in the SE1/4 NW1/4 Sec. 34 T15S, R11E, SLB&M.
To reach the wellsite proceed South from Wellington Utah, on the paved road running south from the center of town for approximately 5.3 miles. Turn left onto an existing jeep trail and proceed approximately 2.8 miles following flags to location.
 - B. As described above there are existing roads to location.
 - C. Access roads- refer to attached maps
 - D. The existing jeep trail will be upgraded in accordance with Bureau of Land Management Rooding Guidelines established for oil and gas exploration and development activities as referenced in the BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition.

2. Planned Access Roads: Refer to Map "B" (shown in red)
 - A. Approximately 2.8 miles of existing jeep trail will be upgraded to reach the proposed Billie #1 well location.
 - B. Width will be 24 foot overall right-of-way with 18 foot running surface, crowned&ditched. Traveling off of the 24 foot right-of-way will not be allowed.
 - C. Maximum grade will be 4%.
 - D. Turnouts- turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None are anticipated at this time.
 - E. Drainage design- The access road will be crowned, ditched and have water turnouts installed as necessary to allow proper drainage.
 - F. Culverts- a 24"x35" culvert will be used at the drainage crossing in the NW1/4 SE1/4 Section 33. (see map) Culvert size was determined by the drainage area of approximately 320 acres and the average annual rainfall of 8 inches.

2. Planned Access Roads: Continued

G. Surface materials- surfacing material will be native dirt unless otherwise required.

H. Gates and cattleguards- a sixteen foot cattleguard will be installed where the jeep trail leaves the paved road in the SW1/4 SW1/4 Section 32.
(see map)

3. Location of existing wells within a one mile radius:

- A. Water wells - none
- B. Abandoned wells - none
- C. Temporarily abandoned wells - none
- D. Disposal wells - none
- E. Drilling wells - none
- F. Producing wells - none
- G. Shutin wells - none
- H. Injection wells - none
- I. Monitoring wells - none

4. Location of existing and/or proposed facilities owned by Wellington Drilling within a one mile radius:

A. Existing

- 1. Tank batteries - none
- 2. Production facilities - none
- 3. Oil gathering lines - none
- 4. Gas gathering lines - none

B. New facilities contemplated

- 1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty five feet from the toe of the backslope or the toe of the fillslope.
- 2. The production facilities will require an area of approximately 300'x135'. A diagram showing the proposed production facility layout will be submitted to the authorized officer via sundry notice for approval of subsequent innstallation operations.

4. Location of existing and/or proposed facilities: continued

B. New facilities contemplated

3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the production facilities will be obtained from the site, any additional materials required will be purchased from a local supplier having a permitted (private) source of materials.

A dike will be constructed completely around those production facilities that contain fluids (i.e. production tanks, produced water tanks and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of the largest tank and be independent of the back cut.

4. All permanent (on site for six months or longer) above-the ground structures constructed or installed will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Interagency Committee. All Production facilities will be painted within six months of installation. Facilities required to comply with Occupational Health and Safety Rules and regulations will be excluded from this painting requirement.

C. The production pit will be fenced with woven wire mesh topped with one strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife.

D. During drilling and subsequent operations, all equipment and vehicles will be confined to the access road right-of-way and any additional areas as specified in the approved application for permit to drill.

E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management.

5. Location and Type of Water Supply:

- A. Fresh water will be purchased from the Price River Water District and will be hauled from the city of Wellington Utah.
- B. Water will be transported over existing roads via tank truck from Wellington to the proposed Billie #1 well location. No new construction will be required on or along the water haul route.
- C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Any construction materials needed will be obtained from a local contractor having a permitted (private) source of materials in the area.
- B. No construction materials will be taken from federal lands without prior approval from the appropriate surface management agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be from a local supplier having a permitted (private) source of materials in the area.
- D. No new roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve/bloolie pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve/bloolie pit. upon termination of drilling and completion operations the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the authorized officer upon receipt of a written request from Wellington Drilling Co.

The reserve pit will be constructed so as not to leak, break or allow discharge.

7. Methods of Handling Waste Materials: continued

- C. Produced Fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on location. Produced waste water will be confined to a lined pit or storage tank for a period not to exceed ninety days after initial production. During the ninety day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the authorized officers approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance. Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.
- D. Sewage - self contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped and the contents thereof disposed of in the nearest approved sewage disposal facility.
- E. Garbage and other waste materials - garbage and other waste materials will be collected in a portable, self-contained and fully enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary land fill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from location. No adverse materials will be left on location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are backfilled.
- G. The reserve and/or production pit will be constructed on the existing location and will not be located in natural drainages where a flood hazard exists or surface runoff will destroy or damage the pit walls. All pits will be constructed so as not to leak, break or allow the discharge of liquids therefrom.

8. Ancillary Facilities:

None anticipated.

9. Wellsite Layout:

- A. The cut sheet shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across location. an average minimum of six inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site. Refer to the cut sheet for the location of the topsoil stockpile.
- B. Figure #1 is a diagram showing the rig layout. No permanent living facilities are planned. There will be one trailer on location during drilling operations for the toolpusher.
- C. A diagram showing the proposed production facility layout will be submitted to the authorized officer via Sundry notice for approval of subsequent operations.
- D. The reserve pit will not be lined.

A flare/blooiie pit will be constructed adjacent to the location, downwind of and seperate from the reserve pit, and at a minimum of thirty feet from the reserve pit fence and one hundred feet from the rig substructure.

- E. Prior to the commencement of drilling operations the reserve pit will be fenced "sheep tight" on three sides according to the following standards:
 - 1. 30-inch net wire shall be used with at least one strand of barbed wire on top of the net wire.
 - 2. The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches above the net wire. Total height of the fence shall be at least fortytwo inches.
 - 3. Corner posts shall be braced in such a manner to keep fence tight at all times.
 - 4. Standard steel, wood or pipe post shall be used between the corner braces. Maximum distance between any two posts shall be no greater than sixteen feet.

9. Wellsite layout: continued

E. Prior to the commencement of drilling operations the reserve pit will be fenced "sheep tight" on three sides according to the following minimum standards.

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

The fourth side of the reserve pit will be fenced immediately upon removal of the drilling rig and the fencing will be maintained until the pit is backfilled.

F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the surface:

A. Production

1. Immediately upon well completion, the well location and surrounding areas will be cleared of all debris, materials, trash and junk not required for production.
2. Immediately upon well completion, any hydrocarbons on the pit will be removed in accordance with 43 CFR 3162.7-1.
3. If plastic or nylon reinforced pit liner is used, it shall be torn and perforated before backfilling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
5. The reserve pit and that portion of the location and access road not needed for production will be reclaimed within ninety days from the date of completion, weather permitting.

10. Plan for Reclamation of the Surface: continued

A. Production - continued

6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 4:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 4:1 slope by pushing the fill material back up into the cut.
7. Upon completion of backfilling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area. Prior to reseeding, all disturbed surfaces will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces will be reseeded with a seed mixture recommended by the Bureau of Land Management.

Seed will be drilled on the contour to an approximate depth of one-half inch. All seeding will be conducted after September 15 and prior to ground frost. If seeding is unsuccessful Wellington Drilling may be required to make subsequent seedings.

B. Dry Hole/Abandoned Location

1. On lands administered by the Bureau of Land Management, abandoned well sites, roads or other disturbed areas will be restored to near their original condition. This procedure will include:
 - (a) Re-establishing irrigation systems where applicable,
 - (b) re-establishing soil conditions in irrigated fields in such a way as to ensure cultivation and harvesting of crops
 - (c) ensuring revegetation of the disturbed areas to the specifications of the Bureau of Land Management at the time of abandonment.

10. Plans for Reclamation of the Surface:

B. Dry Hole/Abandoned Location - continued

2. All disturbed surfaces will be recontoured to the approximate natural contours and reseeded according to the specifications contained in item #10A7. Reclamation of the well pad and access road will be performed as soon as practical after final abandonment. Reseeding operations will be performed in the fall following completion of reclamation operations as per item #10A7.

11. Surface Ownership:

The wellsite and proposed access road are situated on surface lands administered by the Bureau of Land Management.

12. Other Information:

- A. General Description of the Project Area: The Proposed drill site is located in an area of Northeastern Utah between the Price river and Mounds Reef on the East and Poison Spring Bench on the West. This area is classified as a "High Plains Steppe" (cold Desert) and is characterized by gently to moderately undulating uplands dissected dendritically by numerous patterned ephemeral drainages of the Price River. Generally, local flora consists of native grasses such as salt grass needle and thread grass, Indian ricegrass, and woody species such as shadscale, horsebrush, black sagebrush, fringe sagebrush, big sagebrush, rabbitbrush and greasewood along the dry drainages. Local fauna consists of muledeer, antelope, coyotes, rabbits, raptors and various smaller vertebrate and invertebrate animals.

There are no known threatened or endangered species that will be affected by implementation of operations at the proposed Billie #1 well location.

- B. Surface Use Activities: The primary surface use is for grazing.
- C. Proximity of water, occupied dwellings, Archaeological, historical or cultural sites:
 1. The closest source of permanent water is the Price River located approximately one mile to the East.

12. Other Information:

- C. Proximity of water, occupied dwellings, archaeological, historical or cultural sites.
1. The closest source of permanent water is the Price River located approximately one mile to the East.
 2. The closest occupied dwellings are some farm dwellings located by Miller Creek approximately 2.3 miles Northwest.
 3. A cultural resource clearance will be conducted prior to any construction activities on the proposed Billie #1 well location. If during operations any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 1906) are discovered all operations which would affect such sites are to be suspended and the discovery reported promptly to the Bureau of Land Management. Wellington Drilling will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts.

If historic or archaeological materials are uncovered, Wellington Drilling Co. will suspend all operations that might further disturb such materials and immediately contact the authorized officer.

Within five working days the authorized officer will inform Wellington Drilling Co. as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and
- a time frame for the authorized officer to complete an expedited review under 36 CFR 800.11 to confirm, through the state historic preservation officer, that the findings of the authorized officer are correct and that mitigation is appropriate.

12. Other Information:

C. Proximity of water, occupied dwellings, archaeological, historical or cultural sites: continued

3. If Wellington Drilling Co. wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the authorized officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise Wellington Drilling Co. will be responsible for mitigation costs.

The authorized officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the authorized officer that the required mitigation has been completed, Wellington Drilling Co. will be permitted to resume operations.

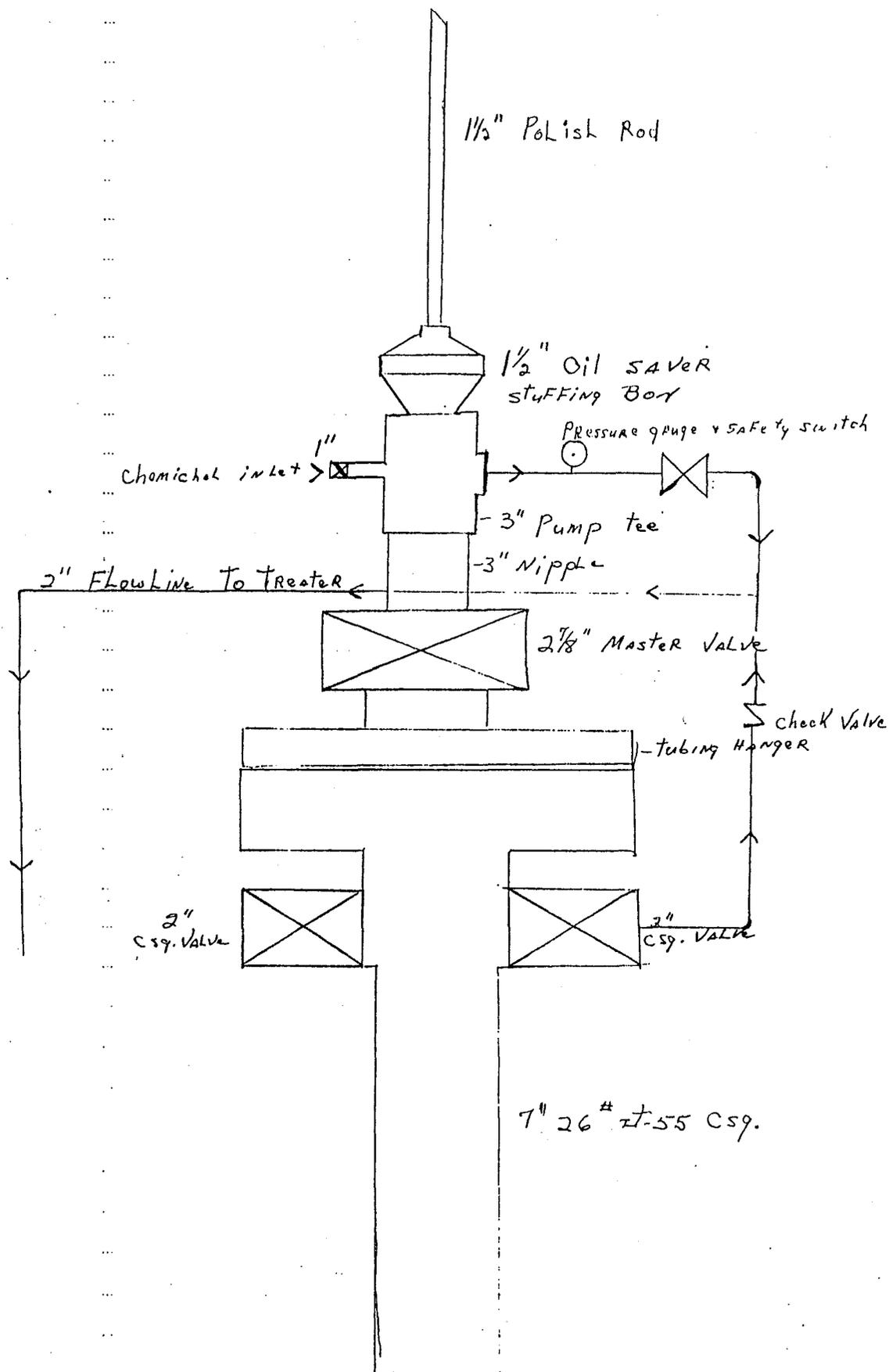
D. Wellington Drilling Co. will control noxious weeds along rights-of-ways for roads, pipelines, well sites or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management or the county extension office.

E. Drilling equipment will not be stacked or stored on federal lands after the conclusion of drilling operations or at any other time without BLM authorization.

13. Lessee's or Operator's Representative and Certification:

Representative*

* Contact for any additional information which may be required for approval of this application for permit to drill.



BOP REQUIREMENTS

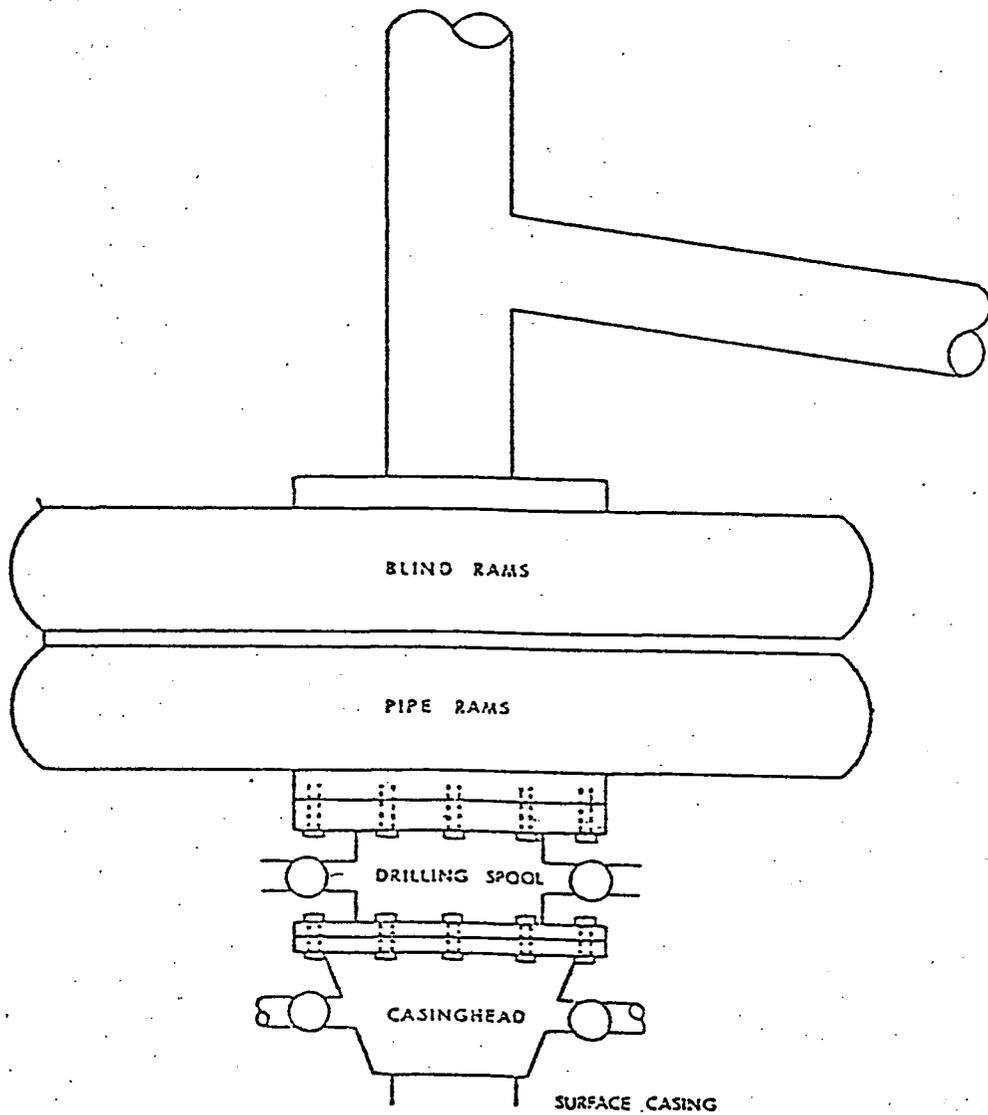
MINIMUM REQUIREMENTS

Casinghead - Operator choice with consideration of depth & pressure

Drilling Spool - 10" - 3000# top & bottom with 2 - 2" - 3000 psi outlets w/2 - 2" 2000 psi valves

Blowout Preventor - 10" - 3000 psi w.p. double gate hyd. operated w/2 remote stations & handwheels

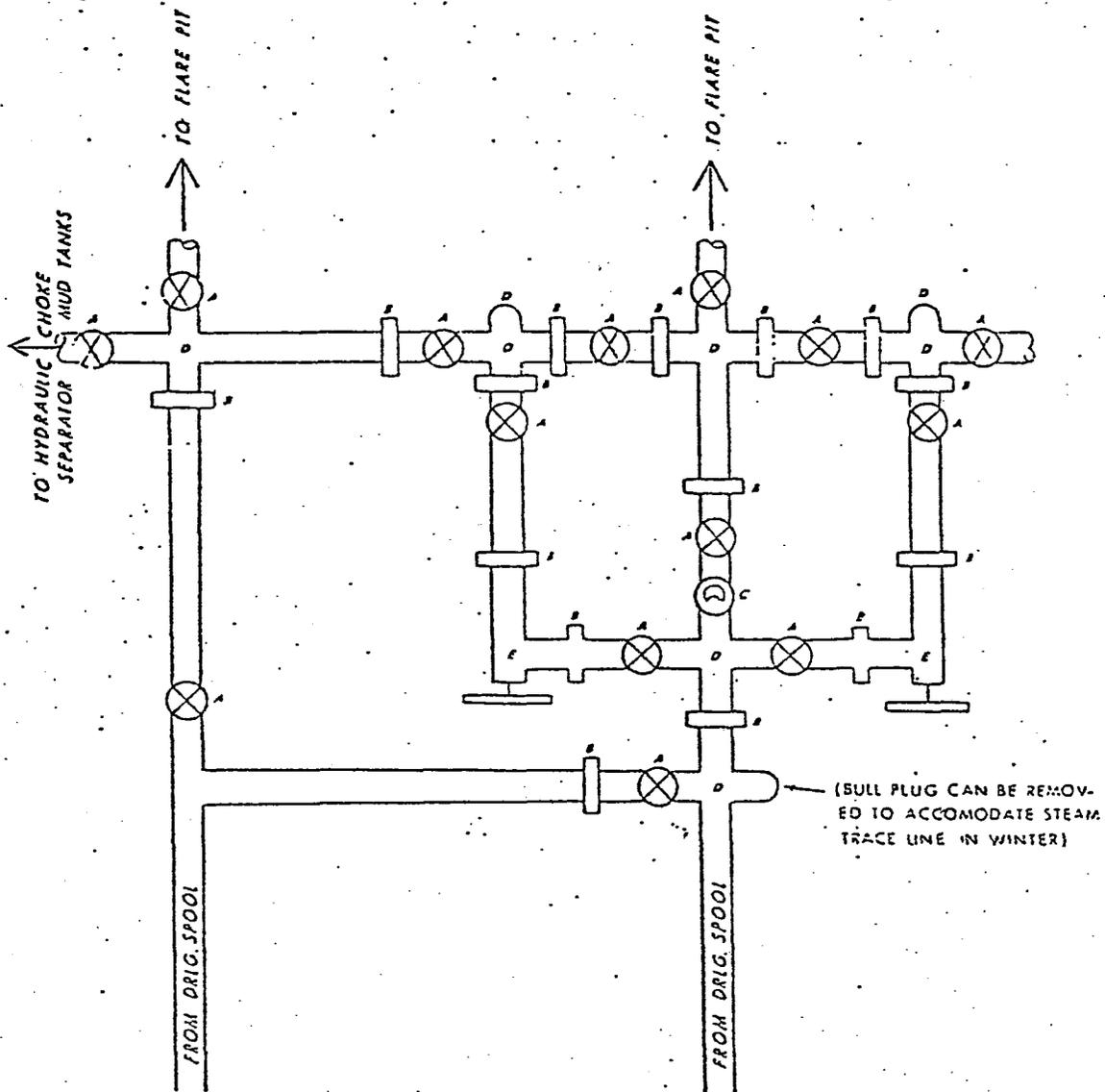
Blind rams will be on top



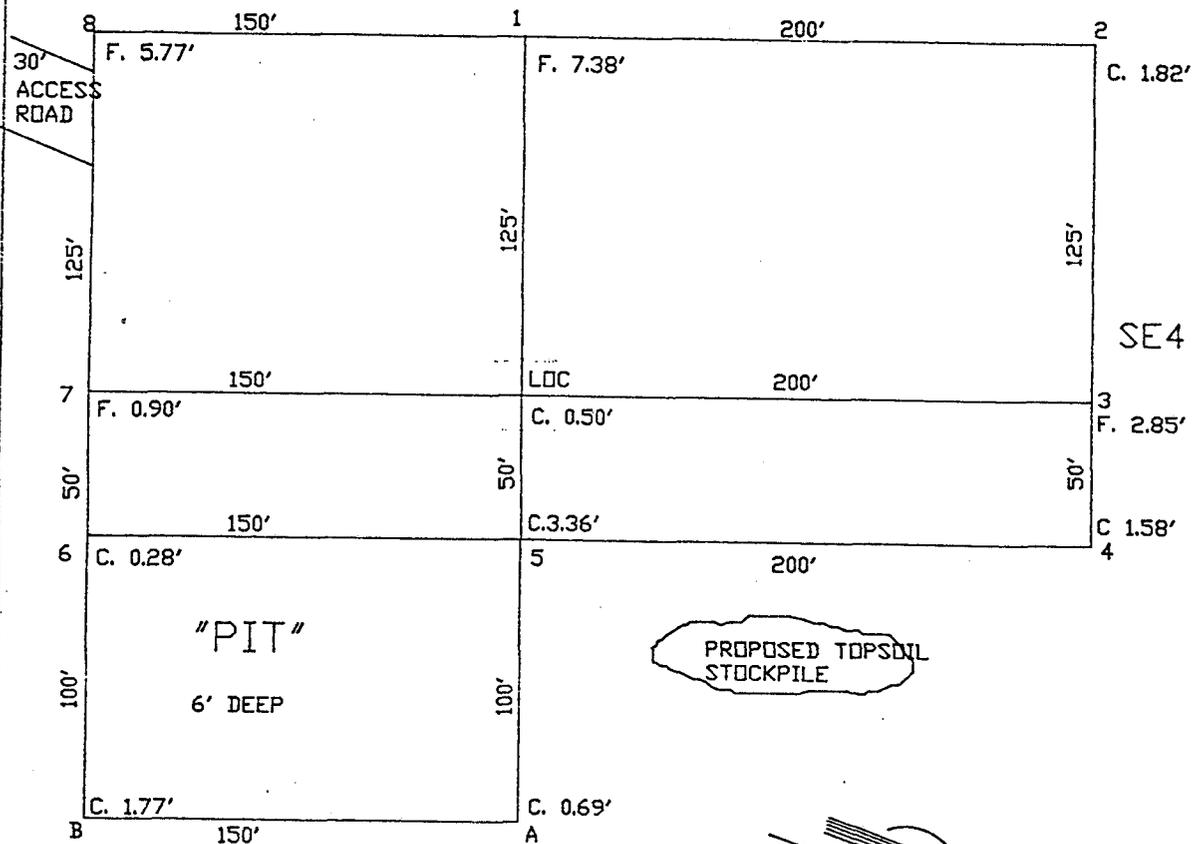
STANDARD CHOKE
MANIFOLD DESIGN

MINIMUM REQUIREMENT

- 14 A VALVES 2"-3000 PSI WP
- 15 B UNIONS 3000 PSI WECO
- 1 C GAGE 5000 PSI CAMERON
- 3/8 D BULL PLUGS & CROSSES 5000 PSI
- E CHOKES 3000 PSI 1" SEAT
- LINES & NIPPLES - 3000 PSI WP



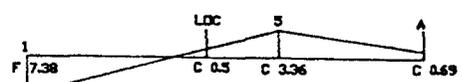
PROPOSED
LOCATION LAYOUT
WELLINGTON DRILLING CO.
FOR
BILLIE #1 LOCATED IN
SE4 NW4 SECTION 34, T15S, R21E, SLB&M



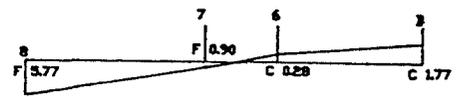
CROSS SECTIONS



STA 2-3-4
INTERVAL 200'
FILL 1,530 CU YDS



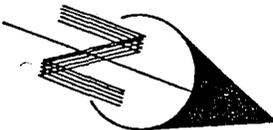
STA 1-LDC-5
INTERVAL 150'
FILL 2,083 CU YDS
CUT 4,180 CU YDS



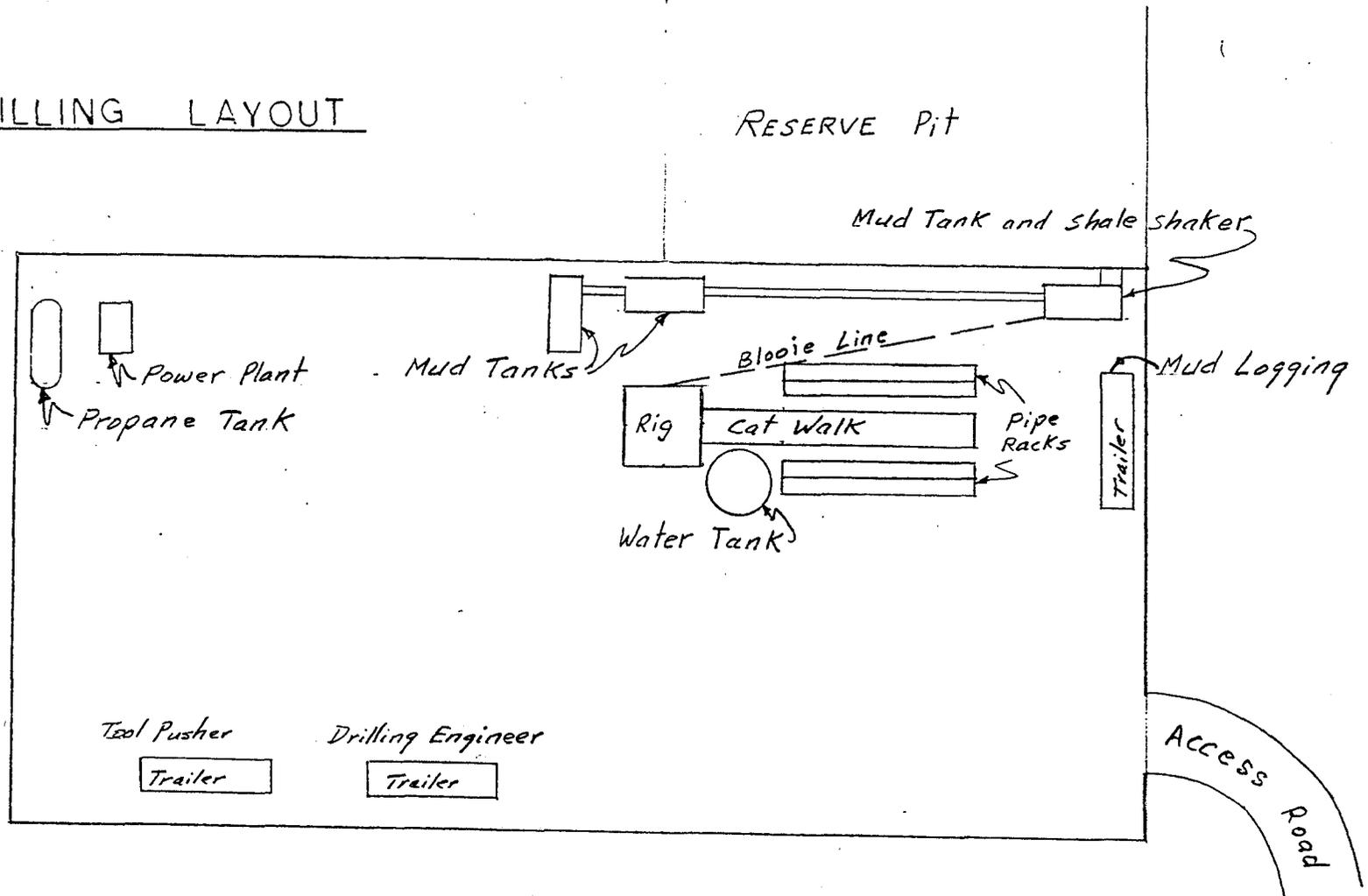
STA 6-7-8

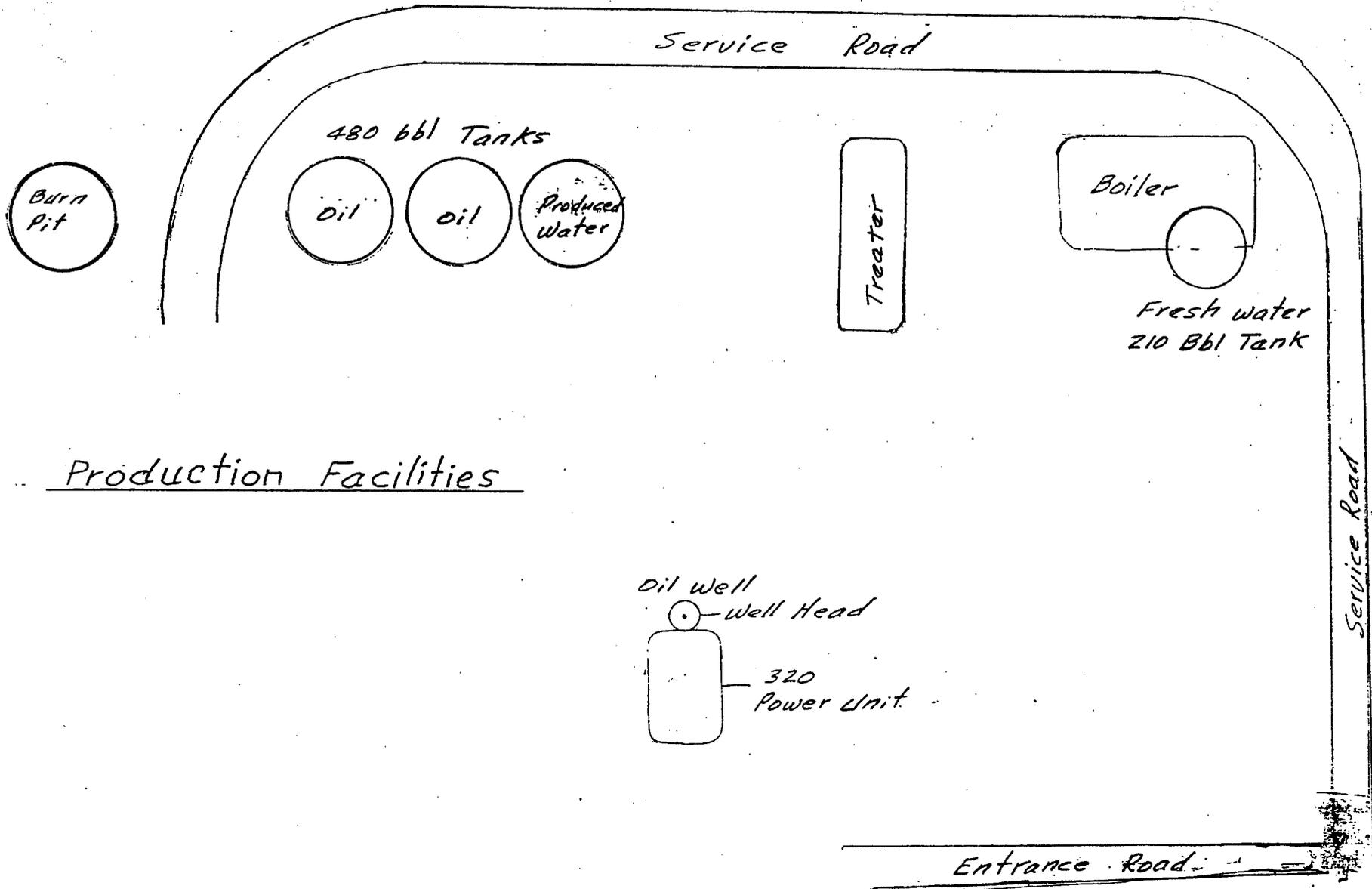
PROPOSED CUT & FILL:

TOTAL VOLUME CUT & FILL
CUT = 4,180 CU YDS
FILL = 3,613 CU YDS
TOP SOIL = 567 CU YDS



DRILLING LAYOUT





Service Road

480 bbl Tanks

Burn Pit

oil

oil

Produced Water

Treater

Boiler

Fresh water
210 Bbl Tank

Production Facilities

Oil Well
Well Head



320
Power Unit

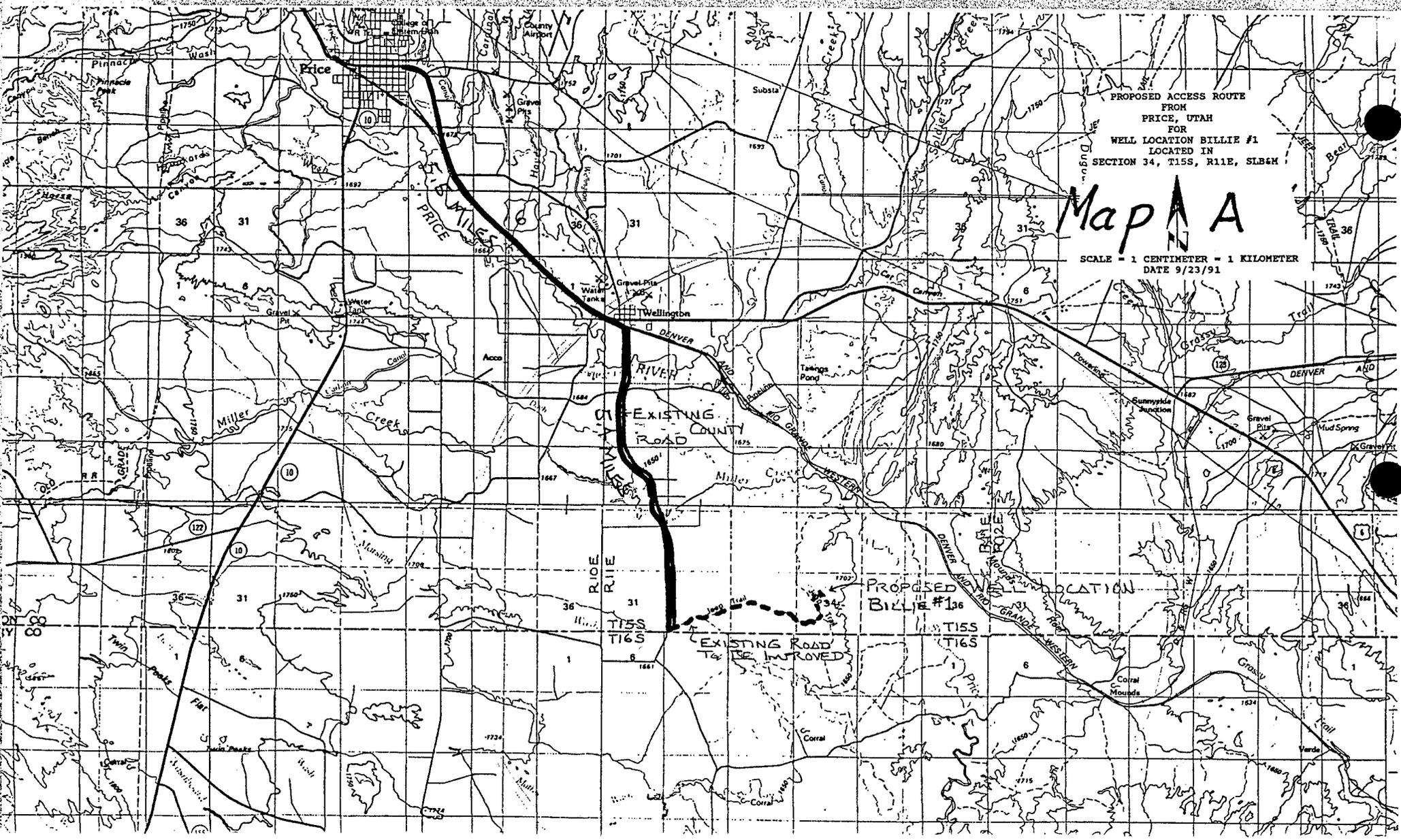
Service Road

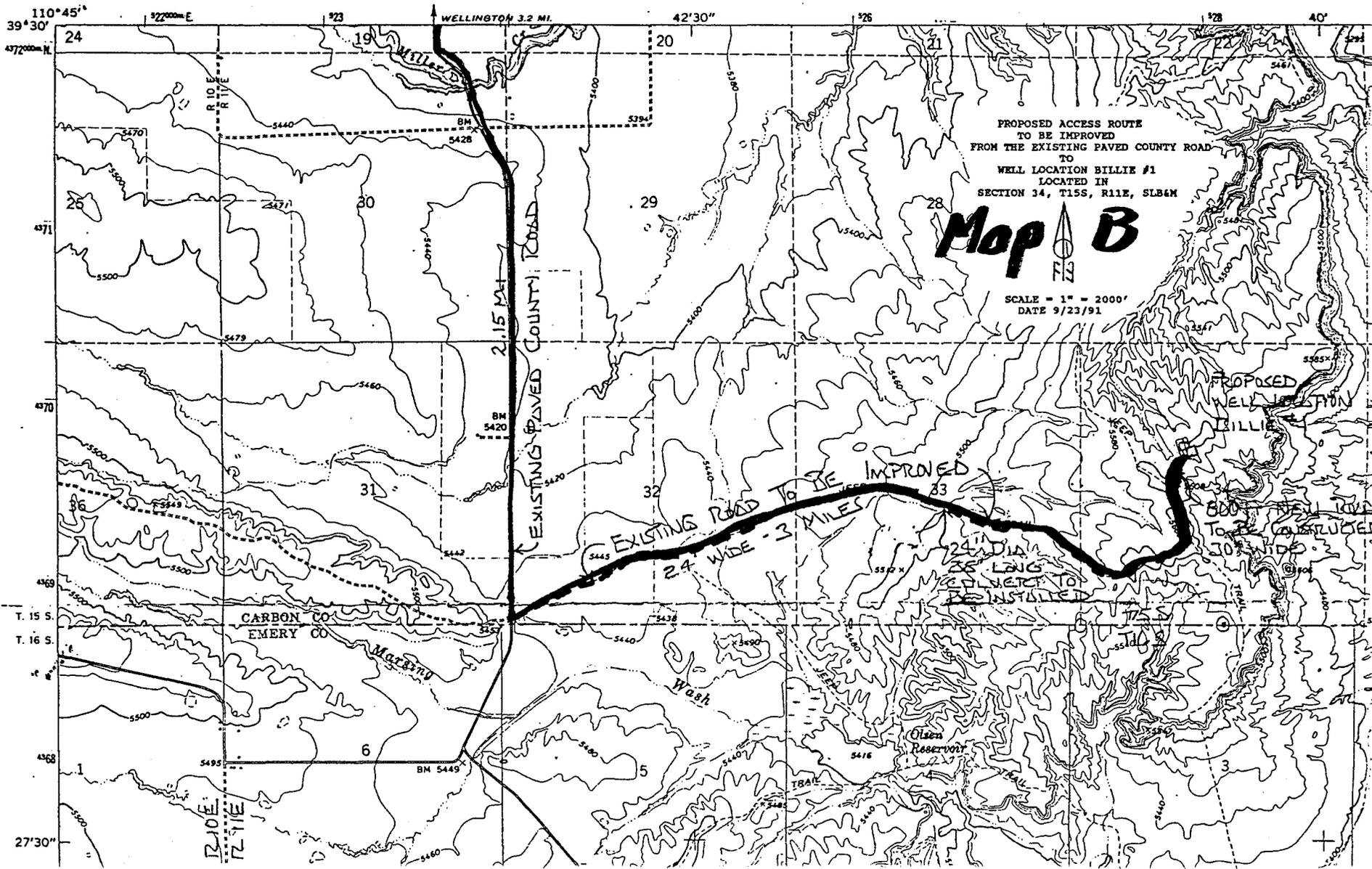
Entrance Road

PROPOSED ACCESS ROUTE
FROM
PRICE, UTAH
FOR
WELL LOCATION BILLIE #1
LOCATED IN
SECTION 34, T15S, R11E, SLB&M

Map A

SCALE = 1 CENTIMETER = 1 KILOMETER
DATE 9/23/91





PROPOSED ACCESS ROUTE
TO BE IMPROVED
FROM THE EXISTING PAVED COUNTY ROAD
TO
WELL LOCATION BILLIE #1
LOCATED IN
SECTION 34, T15S, R11E, SLB&M

Map B

SCALE = 1" = 2000'
DATE 9/23/91

PROPOSED WELL LOCATION
BILLIE #1
800 FT. WELL LOG
TO BE CONSTRUCTED
30" WIDE

24' DIA. LONG
PULVERT TO
BE INSTALLED

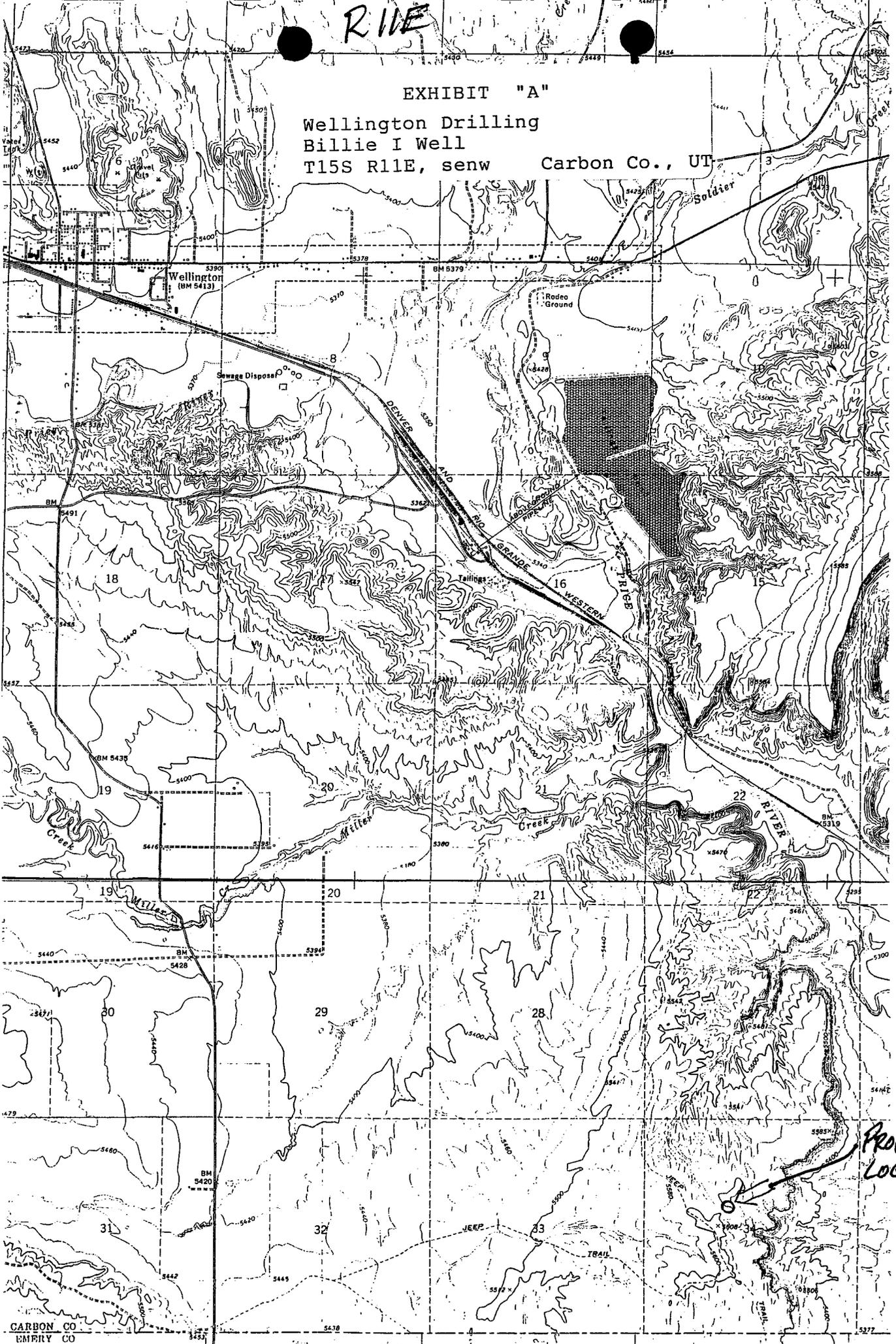
CARBON CO
EMERY CO

Olson
Reservoir

R 11E

EXHIBIT "A"

Wellington Drilling
Billie I Well
T15S R11E, senw Carbon Co., UT



T
15
S

PROPOSED
LOCATION

OPERATOR Wellington Drilling - 7195 DATE 10-30-91

WELL NAME Belle #1

SEC GENW 34 T 155 R 11E COUNTY Carbon

43-007-30149
API NUMBER

Leasehold (1)
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD GLBm

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other producing well within above T, R and Sec.
water permit - water will be purchased from
Price Rules water

APPROVAL LETTER:

SPACING:

R615-2-3

N/A
UNIT

R615-3-2

N/A
CAUSE NO. & DATE

R615-3-3

STIPULATIONS:



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

December 31, 1991

Wellington Drilling
P.O. Box 81002
Salt Lake City, Utah 84108

Gentlemen:

Re: Billie #1 Well, 1980 feet from the north line, 1980 feet from the west line, SE 1/4 NW 1/4, Section 34, Township 15 South, Range 11 East, Carbon County, Utah

Pursuant to Utah Admin. R. 615-3-2 and Utah Admin. R. 615-3-4, approval to drill the referenced well is hereby granted.

In addition, the following specific actions are necessary to fully comply with this approval:

1. Compliance with the requirements of Utah Admin. R. 615-1 et seq., Oil and Gas General Rules.
2. Notification within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.
6. Compliance with the requirements of Utah Admin. R. 615-3-20, Gas Flaring or Venting, if the well is completed for production.

Page 2
Wellington Drilling
Billie #1 Well
December 31, 1991

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801)538-6159.

This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-007-30149.

Sincerely,



R.J. Fifth
Associate Director, Oil and Gas

ldc
Enclosures
cc: Bureau of Land Management
J.L. Thompson
WO11

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: WELLINGTON DRILLING 43-007-30149

WELL NAME: BILLIE # 1

Section 34 Township 15S Range 11E County CARBON

Drilling Contractor OLSEN DRILLING

Rig # ??

SPUDDED: Date 12-27-91

Time

How ROTARY

Drilling will commence 12-27-91

Reported by ED GRAY

Telephone # 364-0101

Date 12-30-91 SIGNED FRM



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Timothy H. Provan
Division Director

1596 West North Temple
Salt Lake City, Utah 84116-3195
801-538-4700
801-538-4709 Fax

February 7, 1992

out through Fifth
RECEIVED
FEB 14 1992
DIVISION OF
OIL GAS & MINING

Dr. Dianne Nielson, Director
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180

*43-007-30149
153 11E #34*

Dear Dianne:

I am responding to three wildcat well applications for permits to drill (APD). These APDs have come to us for comment through the Resource Development Coordinating Committee. While we realize that your agency is not the lead agency on these APDs, we wanted your agency to be aware of the issues associated with them. The Division of Wildlife Resources (DWR) has some concerns with these actions and their potential impacts on wildlife and wildlife habitats. Impacts for each of these wells are both short term and long term in nature and both types of impacts must be addressed in reviewing these applications. The appropriate actions reducing or mitigating for these impacts must be considered. The following are our concerns, comments and suggestions regarding each individual APD.

Black Bull Federal 3-31 well, Federal Lease U-49692, San Juan County, Sec. 36, T38S, R25E

This area is high priority deer winter range. The activities associated with this well would likely displace deer from the area. Such a displacement would force deer into lower quality habitats and place additional stress on the population during a time of high stress. This occurrence would have a negative effect on the population. It is DWR's recommendation that no activity occur during the winter period of December 1 to April 15. Such a restriction would minimize stress to the population.

There are several important water sources near the proposed drill site. Such water sources in a desert environment attract a variety of wildlife species. The APD indicates that water will be drawn from a well north of the drill site. All natural streams, seeps, and springs must be maintained. DWR emphasizes that water quality and quantity must be maintained at levels adequate for use by wildlife species. Any decrease in water quantity or quality must be mitigated.

Dr. Dianne Nielson, Director
February 7, 1992
Page 2

If this well goes to production, long-term loss of habitat must be mitigated. Mitigation should be on-site, in-kind mitigation on a one-for-one basis. DWR must be consulted when determining mitigation measures.

EXXON

Flat Iron Mesa No. 1 well, Federal Lease UTU-50409, San Juan County, Sec. 26, T28S, R22E

This site is also high priority and critical deer winter range. The same concerns and suggestions apply to this site as were outlined in the Black Bull APD, i.e. winter restriction from December 1 to April 15 and mitigation for long-term loss of habitat.

Water concerns associated with this site are even more critical. Potential bighorn sheep habitat associated with the canyon rims of Kane Springs Canyon and Hatch Wash are located within 1.5 miles of the proposed site. Any reduction of water quantity or quality carries significant negative impacts to the bighorn population. Water is often the limiting factor for populations in this area. Any such reduction in quantity or quality of water must be mitigated.

DWR has been contacted concerning Exxon's proposed seismic work which would also occur in the Flat Iron Mesa area. DWR outlined winter restrictions of December 1 to April 15 for the seismic work. While seismic work is not associated with the long-term effects of drilling, short-term impacts are significant. Any disturbance to wintering deer on critical winter ranges has possible negative effects.

Exxon Wellington Duly
43-007-30149
Billie No. 1 well, Federal Lease UTU-64464, Carbon County, Sec. 34, T15S, R11E

DWR is concerned with the location of the proposed drill site. There are two golden eagle nests located on the escarpment southeast of the proposed site. The drill site would fall within the 0.5 mile buffer zone required by the DWR, Bureau of Land Management (BLM) and the U.S. Fish and Wildlife Service (USFWS). This presents a number of concerns. Any surface disturbance within the buffer zone could cause the eagles to abandon the nest sites.

To avoid any possible conflicts, DWR suggests that the drill site be moved to the north or west a sufficient distance so that the site no longer falls within the 0.5 mile buffer zone. By moving the site out of the buffer zone, potential conflicts would be eliminated. If such a move is not possible, DWR suggests that

Dr. Dianne Nielson, Director
February 7, 1992
Page 3

guidelines outlined during the on-site inspection be followed. These are that the proposed site be moved far enough to the northwest that the site would fall within a depression in the landscape. This would remove the well from the direct line of sight of the nest. Even though it still is within the buffer zone, this site may be acceptable if restrictions during the critical nesting period were followed. These restrictions would include no activity from February 1 to July 15. However, the operator would assume any risk that resulted in the loss of eggs or young.

If this well goes to production, additional restrictions dealing with access for maintenance, monitoring, and production facilities will have to be addressed. If production occurs, DWR would have to be consulted to insure that negative long-term effects of production would be mitigated. The best alternative is for the site to be removed from the buffer zone so that these conflicts would not exist.

The following comments are general in nature and would apply to all of the previous APDs . The presence of reserve pits at well sites presents several hazards to wildlife. Reserve pit contents should be tested and monitored through the period of drilling, production, and post-drilling reclamation. Testing to analyze heavy metal content, salt concentration and properties, and hydrocarbon content. If tests reveal values above acceptable standards for heavy metals, salts, or hydrocarbons, the pit contents must be removed and hauled to an acceptable landfill. In addition, any spills of oil or other substances on the location must be immediately cleaned up. Testing of reserve pit material and immediate spill clean up will prevent contamination of ground water, seeps, and springs. Such contamination could result in loss of individuals or populations of wildlife. The Bureau of Land Management (BLM) established guidelines for testing reserve pit contents in EA# UT-068-91-76 (Columbia 28-1).

There are other potential problems associated with the reserve pit. We recommend that the pit be completely fenced to prevent wildlife species, such as deer, from becoming trapped or injured in the pit. The scarcity of water in the area could shift wildlife species to use the reserve pit as a water source. The potential exists for bird species to become contaminated with petroleum products. This is especially true for waterfowl species. Causing the death of a migratory bird species would be a violation of the Federal Migratory Bird Treaty Act. Death of any peregrine falcon, which also forage in the area, would violate the Endangered Species Act. The reserve pit must be covered with a net to prevent bird species from landing in the reserve pit.

Dr. Dianne Nielson, Director
February 7, 1992
Page 4

Impacts of the proposed drilling on raptor species is an issue that must be addressed. Many species of raptors inhabit this area. The decline of many of these species makes any negative impact to their populations significant. The cliffs and canyons located within 1.5 miles of the Flat Iron Mesa site are potential peregrine habitat. The ferruginous hawk has recently been listed as a Category 2 species by the U.S. Fish and Wildlife Service. This species inhabits pinyon and juniper woodlands characteristic of the proposed drill sites. We have already outlined the conflicts with golden eagles at the Billie No. 1 well site. Other raptors in the area could include prairie falcons, red-tailed hawks, American kestrel, several species of owls, and wintering bald eagles.

The presence of threatened and endangered raptor species, as well as raptors with declining populations, will require that a raptor survey of the proposed sites be conducted prior to any activity associated with drilling if such surveys have not already been conducted. Of particular concern is the Flat Iron Mesa site. Surveys should be done for both the well and seismic work in this area. Nest sites and foraging areas should be included. All potential raptor species must be included in the surveys. By federal law, peregrine falcons require a one mile buffer zone. Other raptors require a 0.5 mile buffer zone. The survey must be extensive enough to include these areas. If raptor nests are found, seasonal restriction of activity during the period from 2/1 to 8/31, depending on the species, would be required to prevent disturbance during nesting and courtship.

Finally, long-term impacts to water sources, habitat, and wildlife behavior patterns must be mitigated. Mitigation measures would be site specific but could include seasonal restrictions, water developments, appropriate reclamation of sites, and habitat developments or acquisition. DWR must be consulted as mitigation measures are developed.

We appreciate the opportunity to comment on these actions. We would like the opportunity to respond to any further actions associated with these APDs. If you have any comments or concerns regarding our response, contact Ken Phippen, Regional Habitat Manager (637-3310).

Sincerely,


Timothy H. Provan
Director

STATE ACTIONS

Mail to:
RDCC Coordinator
116 State Capitol
Salt Lake City, Utah 84114

-
1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:
(assigned by State Clearinghouse)
-
3. APPROXIMATE DATE PROJECT WILL START:
Upon approval
-
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:
(to be sent out by agency in block 1)
Southeastern Utah Association of Governments
-
5. TYPE OF ACTION: Lease Permit License Land Acquisition
 Land Sale Land Exchange Other _____
-
6. TITLE OF PROPOSED ACTION:
Application for Permit to Drill
-
7. Wellington Drilling proposes to drill the Billie #1 well (wildcat) on federal lease UTU-64464, Carbon County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this action and must issue approval before operations commence.
-
8. LAND AFFECTED (site location map required) (indicate county)
SE/4 NW/4, Section 34, Township 15 South, Range 11 East, Carbon County, Utah
-
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?
-
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
See Attachment
-
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:
-
12. FOR FURTHER INFORMATION, CONTACT: Frank R. Matthews
PHONE: 538-5340
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:

DATE: 12/30/91 Petroleum Engineer

WOI187

42007-30149

ENTITY ACTION FORM - FORM 6

OPERATOR WELLINGTON DRILLING
ADDRESS P.O. Box 81002
Salt Lake City, UT 84108

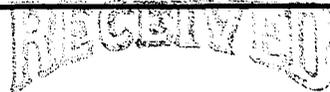
OPERATOR ACCT. NO. N 7195

| ACTION CODE | CURRENT ENTITY NO. | NEW ENTITY NO. | API NUMBER | WELL NAME | WELL LOCATION | | | | | SPUD DATE | EFFECTIVE DATE |
|--|--------------------|----------------|-------------|-----------|---------------|----|-----|-----|--------|-----------|----------------|
| | | | | | QQ | SC | TP | RG | COUNTY | | |
| A | 99999 | 11340 | 43-00730149 | BILLIE #1 | senw | 34 | 15S | 11E | Carbon | 12/27/91 | |
| WELL 1 COMMENTS: Drilled 46' and set conductor pipe (13 3/8 inch) into black slate (18'). Waiting on Fish and Wildlife Service of BLM to determine if Eagles nests near the drillsite are going to be used this spring. Drill rig might disturb eagles from nesting??? | | | | | | | | | | | |
| WELL 2 COMMENTS: Entity added 2-21-92 <i>JER</i> | | | | | | | | | | | |
| WELL 3 COMMENTS: | | | | | | | | | | | |
| WELL 4 COMMENTS: | | | | | | | | | | | |
| WELL 5 COMMENTS: | | | | | | | | | | | |

ACTION CODES (See instructions on back of form)

- 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)

NOTE: Use COMMENT section to explain why each Action Code was selected.



FEB 19 1992

DIVISION OF
OIL GAS & MINING

Ronald Coulman
Signature
Manager
Title
2/12/92
Date

Phone No. (801) 364-0101



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

December 6, 1993

TO: Utah Oil and Gas Well Operators
FROM: Don T. Staley^{DT5} - Administrative Manager, Oil and Gas
RE: Annual Status Report

This is a reminder that Utah Admin. R. 649-8-10 states that well operators shall submit annual status reports for

- (1) all drilling wells on which drilling operations have been suspended for more than 30 consecutive days as of December 31, and
- (2) for all wells that have been shut in or temporarily abandoned for more than 30 consecutive days as of December 31.

The purpose for these reports is to update the division's files for only those wells that will be inactive for long periods of time. Please do not submit reports for wells that will be returned to production within the next 90 days.

Please submit a brief status report for each well using Form 9, Sundry Notices and Reports on Wells (enclosed). Each report should include

- complete well identification (API number, location, etc.);
- the words "Annual Status Report;"
- the well's status;
- a brief explanation of why the well is inactive;
- a brief summary of any future plans for the well.

All annual status reports should be submitted no later than March 1, 1994.

If you have questions regarding this matter, please feel free to call.

Enclosure



STATE OF UTAH
 DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number: _____

6. If Indian, Allottee or Tribe Name: _____

7. Unit Agreement Name: _____

8. Well Name and Number: _____

9. API Well Number: _____

10. Field and Pool, or Wildcat: _____

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: _____

3. Address and Telephone Number: _____

4. Location of Well
 Footages: _____ County: _____
 QQ, Sec., T., R., M.: _____ State: _____

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

NOTICE OF INTENT
 (Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandonment | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recompletion |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Fracture Treat | <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"/> Abandonment * | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Casing Repair | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Shoot or Acidize |
| <input type="checkbox"/> Conversion to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Date of work completion _____

Report results of **Multiple Completions** and **Recompletions** to different reservoirs on WELL COMPLETION OR RECOMPLETION 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.)

13.

Name & Signature: _____ Title: _____ Date: _____

(This space for State use only)