

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS WELL LOG ELECTRIC LOGS FILE WATER SANDS LOCATION INS SUB. REPORT/abd.

DATE FILED **MAY 21, 1999**

LAND: FFE & PAIENED STATE LEASE NO. **ML-47659** PUBLIC LEASE NO. INDIAN

DRILLING APPROVED: **SEPTEMBER 7, 1999**

SUDDDED IN

COMPLETFD. PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR.

PRODUCING ZONES:

TOTAL DEPTH.

WELL ELEVATION:

DATE ABANDONED: **LA 12-12-2000**

FIFLD: **WILDCAT**

UNIT.

COUNTY: **CARBON**

WELL NO. **#1 WALTON STATE** API NO. **43-007-30569**

LOCATION **299 FSL** FT. FROM (N) (S) LINE. **200 FEL** FT. FROM (E) (W) LINE. **SE SE** 1/4 - 1/4 SEC. **32**

TWP.	RGF.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
14S	12E	32	ENERGY HUNTERS				



6 7'99















W. A. Brown
#1





Odyssey Corporation

46 South 2050 East
Layton, Utah 84040
Email: odyssey@utah-inter.net

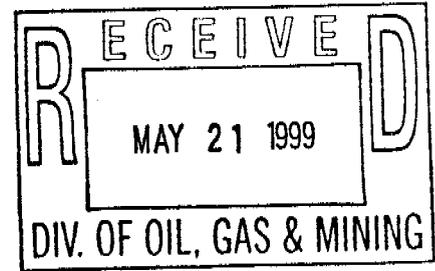
Tel. (801) 546-8297 (H)

(801) 777-5104 (W)

FAX (801) 775-2459

30 April 1999

Mr. John Baza
Utah Board of Oil, Gas and Mining
Suite 1210
1594 West North Temple
P.O. Box 145801
Salt Lake City, Utah 84114-5801



RE: Application for Permit to Drill the #1 Walton State
SESE 32 T 14S R 12 E, (SLM), Carbon, County, Utah.

Dear Mr. Baza,

Enclosed is an original and one copy of an "Application for Permit to Drill" the well described above. Attached to the APD is the following information:

- | | |
|---------------|---|
| Attachment #1 | Copy of survey plat of proposed well site. |
| Attachment #2 | Information regarding use of water at the site. |
| Attachment #3 | Schematic of B.O.P. |
| Attachment #4 | Portion of topographic map indicating proposed Well site. |
| Attachment #5 | Well prognosis and additional drilling information. |
| Attachment #6 | Typical road cross-section. |
| Attachment #7 | Well location map. |

Attachment #8

Evidence of bond sent to Federal Lands
and Forestry Division.

Attachment #9

Application for exception location

Please accept this letter as our request that all information regarding this drilling permit be kept confidential, if said information is eligible for such consideration. This request is made in accordance with State of Utah Oil and Gas rule #R649-2-11.

Thank you for your assistance. Please feel free to contact me if there is additional information needed.

Sincerely,



Dan Davis

President Odyssey Corp.
Geologist

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

5. Lease Designation and Serial Number:

ML- 47659

6. # Indian, Allottee or Tribe Name: SURFACE

STATE GRAZING LEASE

7. Unit Agreement Name:

8. Farm or Lease Name:

9. Well Number:

#1 WALTON STATE

10. Field and Pool, or Wildcat:

Wildcat

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

1A. Type of Work: DRILL DEEPEN

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

2. Name of Operator:

ENERGY HUNTERS

3. Address and Telephone Number:

46 SOLITA 2050 EAST LAGYON CANYON UTAH 84040

4. Location of Well (Footages)

SESE 22 T14SR12E 200 FSL 340 FSL 535 302 E

At Surface:

ALL

At Proposed Producing Zone: PARKER / MANNING CANYON

CONFIDENTIAL

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

13 MILES SE PRICE, UTAH

12. County:

Carbon

13. State:

UTAH

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

200'

16. Number of acres in lease:

640

17. Number of acres assigned to this well:

640

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):

15,000

19. Proposed Depth:

8200'

20. Rotary or cable tools:

ROTARY

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

GR 5604.4'

22. Approximate date work will start:

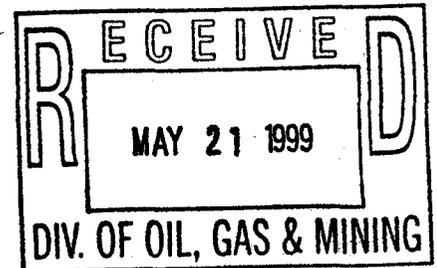
30 July 1999

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
	REFER TO ENCLASURE			

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

DRILL AND TEST PENNSYLVANIAN CLASTIC SECTION.



24.

Name & Signature:

John Samuel Davis

Title:

Pres. Adj. Insp. Loop

Date:

21 May 1999

(This space for State use only)

API Number Assigned:

43-007-30569

Approval:

Approved by the
Utah Division of
Oil, Gas and Mining

Date:

9/7/99

By:

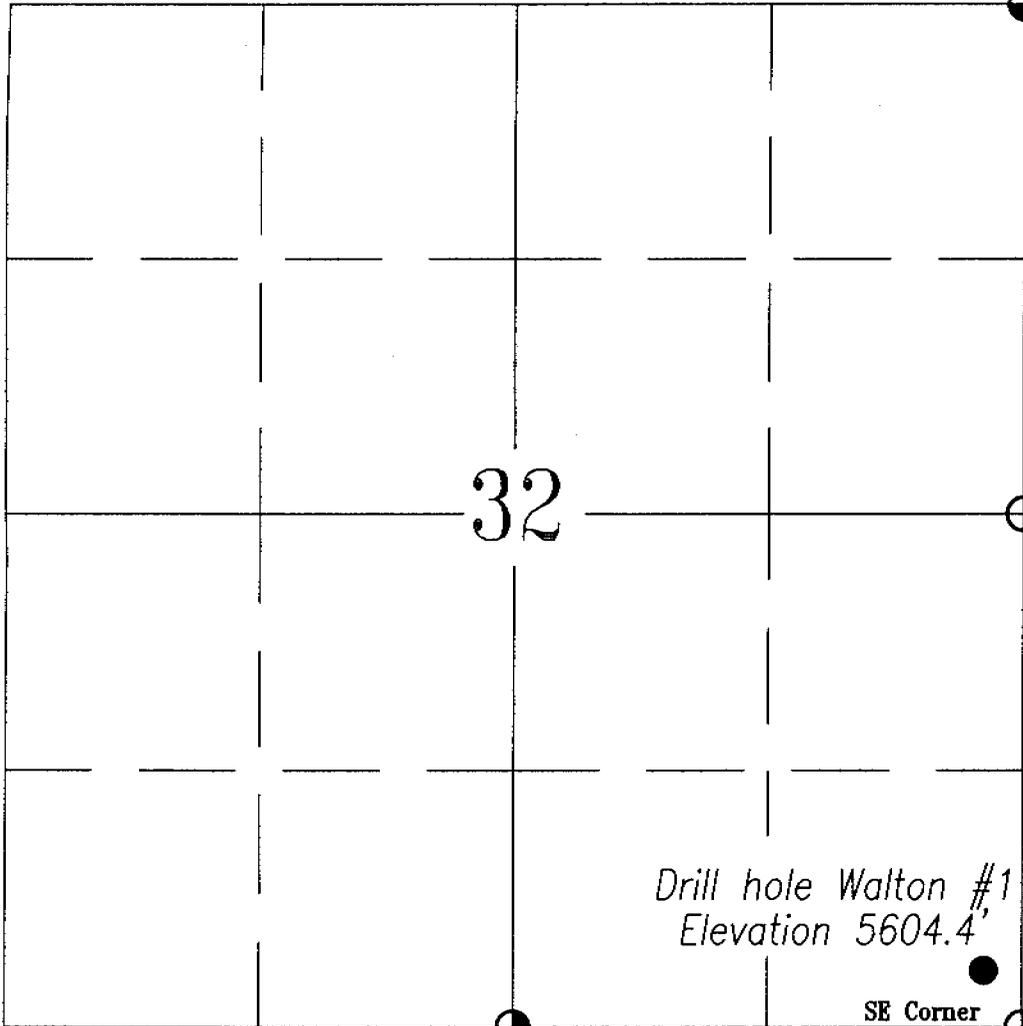
[Signature]

Range 12 East

S89°56'W - 5280.0' (Recorded)

Township 14 South

N00°03'W - 5280.0' (Recorded)



S89°08'W - 2611.0' (Recorded)

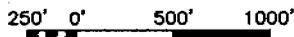
N89°29'W - 2756.2' (Recorded)

LEGEND:

- Drill Hole Location
- ⊕ Found Section Corner Monumented w/ Brass Cap unless indicated otherwise.
- Section Corner searched for but not found



SCALE:



Location

The Bearings Indicated are per the recorded plat obtained from the U.S. Land Office. The well location was determined using a Trimble 4400 GPS Unit.

Basis Of Elevation:

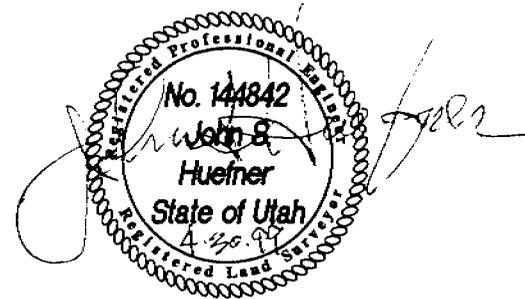
Basis of Elevation of 5644' as indicated in the NE Corner of Section 32, Township 14 South, Range 12 East, Salt Lake Base and Meridian, as shown on the Sunnyside Junction Quadrangle 7.5 Minute Series Map.

Description of Well Point

Proposed Drill Hole located in the SE 1/4 SE 1/4 of Section 32; 299.32' North and 200.32' West from the SE Corner of Section 32, T14S, R12E, Salt Lake Base & Meridian.

Surveyor's Certificate:

I, John S. Huefner, a Registered Licensed Land Surveyor, holding Certificate #144842, State of Utah, do hereby certify that the information on this drawing is a true and accurate survey of the land, and was conducted under my personal supervision, as shown hereon.



DRAWN BY: P. BOYLEN
CHECKED BY: L.W.J.
DATE: 2/10/99
SCALE: 1"=1000'
JOB NO. 450
DRAWING NO. A-1
SHEET 1 OF 4

Castle Valley

3266 South 125 West
Price, Utah 84501
(801) 637-9300
FAX (801) 637-2833

Sevless

Energy Investors
Well# Walton #1
Section 32, T14S, R12E, S.L.B.&M.
Carbon County, Utah

Odyssey Corporation

46 South 2050 East
Layton, Utah 84040
Email: odyssey@utah-inter.net

Tel. (801) 546-8297 (H)

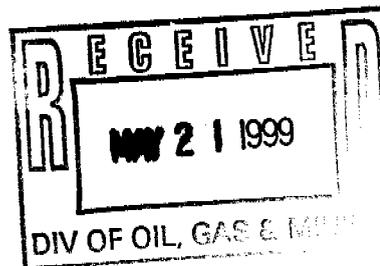
(801) 777-5104 (W)

FAX (801) 775-2459

Attachment #9

20 May 1999

Mr. John Baza
Utah Board of Oil, Gas and Mining
Suite 1210
1594 West North Temple
P.O. Box 145801
Salt Lake City, Utah 84114-5801



Re: Application for exception location for #1 Walton State wildcat well, as per State Regulation R649-3-3.

The #1 Walton State wildcat well location is currently surveyed at 200' FEL and 299 FSL, sese of 32 T14S R12E., Carbon County, Utah. This location does not meet State/Federal regulations in spacing from the section lines. We request that the present location be accepted for two reasons: (1) to optimize the structural and stratigraphic aspects of this play and (2) topographic limitations.

Figure 1 is a structure map on the Pennsylvanian Pakoon horizon. The well location is placed on the northeast flank to optimize projected porosity development within the Permian/Pennsylvanian coastal marine clastic wedge envisioned in our play concept. Several well logs from holes drilled in equivalent sections in this area (Farnham Dome and Grassy Trail Fields) suggest that the highest structural positions tend to be tight. Lower flanking wells tend to have better developed porosity. Examination of well cuttings also supports this concept.

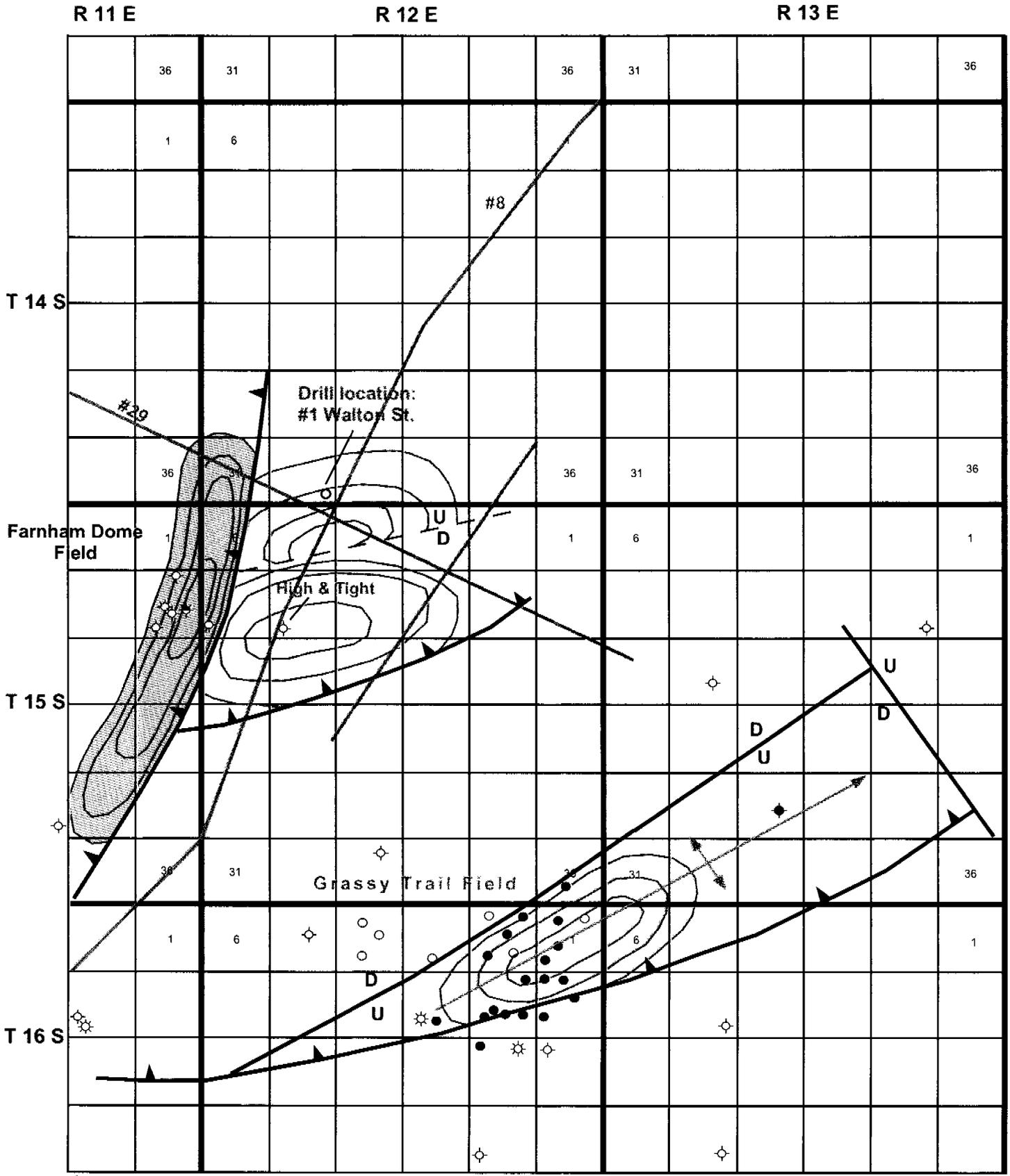
Moving the well farther to the west puts the drilling location in a dry stream drainage where topography is considerably steeper. This location would be difficult for rig moving equipment and preparing the well location. The steeper topography would also increase our drilling costs. Thank you for your consideration.

Regards,

A handwritten signature in cursive script, appearing to read "Dan Davis".

Dan Davis
Partner/Operations Geologist

Clark Valley Play



Geology: D. Davis

Structural contours on Pakoon Datum

Odyssey Corporation

46 South 2050 East

Layton, Utah 84040

Email: odyssey@utah-inter.net

Tel. (801) 546-8297 (H)

(801) 777-5104 (W)

FAX (801) 775-2459

Attachment #5 **Drilling Prognosis and Additional Information**

#1 Walton State
300' FEL 300' FSL
Section 32, Township 14 South, Range 12 East
Emery County, Utah

R649-3-4 Permitting of wells to be drilled, deepened, or plugged back.

2.1 Telephone numbers for additional information:

Dan Davis	(801) 777-5104	Office
Partner/Geologist/ Operations Manager	(801) 546-8297	Home
Bill Coulam	(801) 583-8345	Home
Partner/Land		
Ed Grey	(801) 292-7649	Office
Geophysicist/ Partner	(801) 292-8693	Home
	(801) 299-6475	Pager

2.2 Lease: State Lease

2.3 This gas/oil well will not be drilled closer than 1.5 miles of any leasing or production unit.

2.4 Survey Plat: See Attachment #1.

2.5 Water will be purchased from Price River Water Improvement District:
See Attachment #2

2.6 Drilling Program

2.61 The following geologic formations are expected to be penetrated by the well:

Formation/Unit	Measured Depth (ft)
Tununk Shale	Surface
Dakota Sandstone	200

Cedar Mountain	275
Morrison	600
Curtis	1100
Entrada	1275
Carmel	1700
Navajo	2050
Kayenta	2400
Wingate	2550
Chinle	2875
Moenkopi	3100
Sinbad	3625
Black Dragon	3725
Kaibab	4025
White Rim	4175
Pakoon	4775
Callville	5500
Doughnut	6000
Humbug	6500
Redwall	6850
Ouray	7500
Cambrian	7700
Ophir	8000
PreCambrian	8200

- 2.6.2 The Permian/Pennsylvanian clastic wedge is the primary gas/oil bearing objective containing clastic, and possible carbonate reservoirs lying between 4200 to 6000'. Secondary reservoirs may be present in the Moenkopi, Sinbad and Kaibab Formations lying between 3100' and 4175'. A casing program is found in Attachment #5.
- 2.6.3 A double gate 3000 psi BOPE will be used with a rotating head. This equipment will be tested to 2100 psi or 70% of the minimum internal yield pressure. All tests will be recorded in a Driller's Record book. Physical operation of the BOP will be checked on each trip. See Attachment #3 for schematic.
- 2.6.4 See Attachment #5
- 2.6.5 Mud program is detailed in Attachment #5.1
- 2.6.6 Up to four Drill Stem Tests (DST's) are proposed for this well depending upon the quality and quantity of the shows indicated from samples, drilling breaks and well logs. Anticipated tests will occur in the Moenkopi, Sinbad, Kaibab, and the Pakoon/Callville Formations.

Conventional coring will not be done. However, if shows are of sufficient quality and vertical distribution, then rotary sidewall cores may be taken. A well logging program is detailed in Attachment 5.1.2.

2.6.7 Bottom-hole pressures are expected to fall within normal pressure, gradient decline domains. No overpressure zones are expected. Historically, this area does not have H₂S problems, and none are anticipated. However, to mitigate the possibility of H₂S encountered in any of the Paleozoic carbonates, H₂S detectors and alarms will be included in the mud logging system equipment. Mud weight and density will be monitored constantly to maintain proper mud balance, and hole pressure, to mitigate any abnormal pressure anomalies should they occur.

2.6.8 None.

Odyssey Corporation

46 South 2050 East
Layton, Utah 84040
Email: odyssey@utah-inter.net

Tel. (801) 546-8297 (H)

(801) 777-5104 (W)

FAX (801) 775-2459

Attachment 5.1.2

Mud Logging System and Open Hole Logging Programs

Mudlogging Services

A full service, computer driven and automated mud logging system will be leased to monitor the mud system and lithologic sampling. This unit will be manned 24 hrs/day by one mudlogger and a well site geologist. The system monitors drill penetration rate, weight on bit, rotary speed, mud density, hole pressure, hydrocarbon shows, abnormal pressures and H₂S.

The mudlogging unit, mudlogger and well site geologist should be on-site and ready to log at the bottom of surface casing (2000'). Lithologic samples should be taken every 30' in non-objective formations. At the discretion of the well site geologist, and based on the occurrence of shows (oil in pits, fluorescence, cut, and drilling breaks), the sample rate will be increased to adequately describe the zone of interest.

Open Hole Logging Services

The Schlumberger Express logging tools will be employed to log the hole. The program will be as follows:

2000' to 8200' DLL/MSFL/BHC/GR: LDL/CNL/NGS/EPT/CAL

The taking of fluid samples will be determined on the basis of the testing program.

Mud Program for *WALTON* State #1

Depth (ft)	Mud Type
0-85	Water or gell and water
85-2000	Air, Mist, and aerated water
2000-8000	Gel, polyacrylamide polymer, with 5-10% Lcm, barite for weight. Adequate mud inventory will be maintained on location during drilling operations to handle any adverse conditions that may arise.
	Lost circulation may occur in the interval from 0' to 2000'

Attachment 5.1-2

Odyssey Corporation

46 South 2050 East

Layton, Utah 84040

Tel. (801) 546-8297

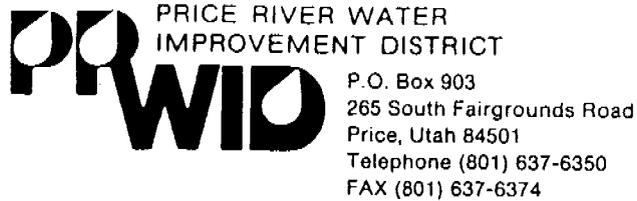
email: Odyssey@utah-inter.net

FAX (801) 777-2459

Attachment #2

Re: Use of water during drilling operations of #1 Walton State.

The Odyssey Corp/Energy Hunters of Utah, a limited partnership, has made arrangements with the Price River Water Improvement District (Tel.: (435) 637-6350 for water use. Water will be trucked by Jim Nebeker Trucking. Jim Nebeker has an account with the water improvement district.



January 12, 1999

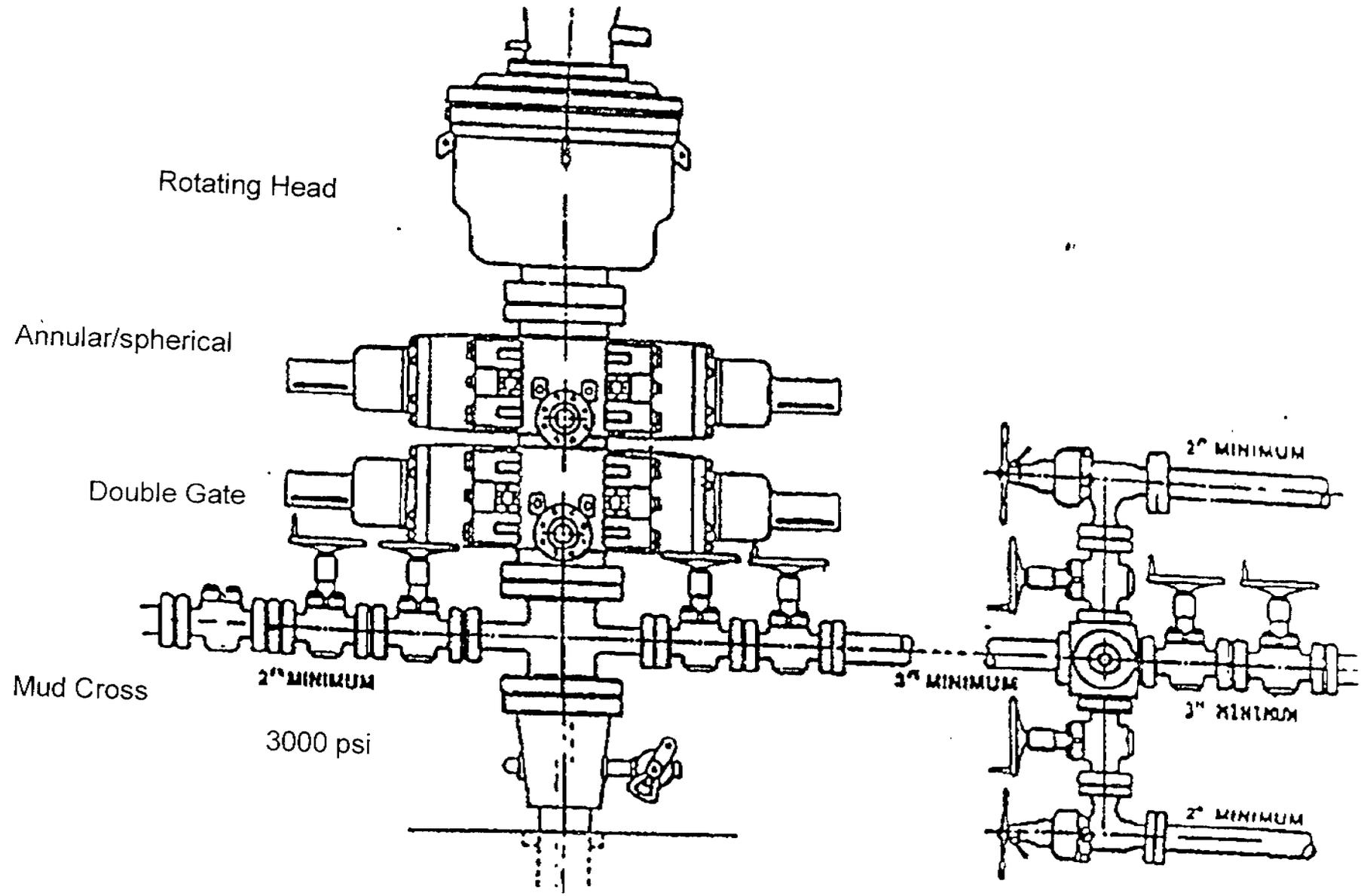
To Whom It May Concern:

This letter is to verify that Jim Nebeker Trucking has a account with the Price River Water Improvement District to receive water through the metering station located at Fairgrounds Road.

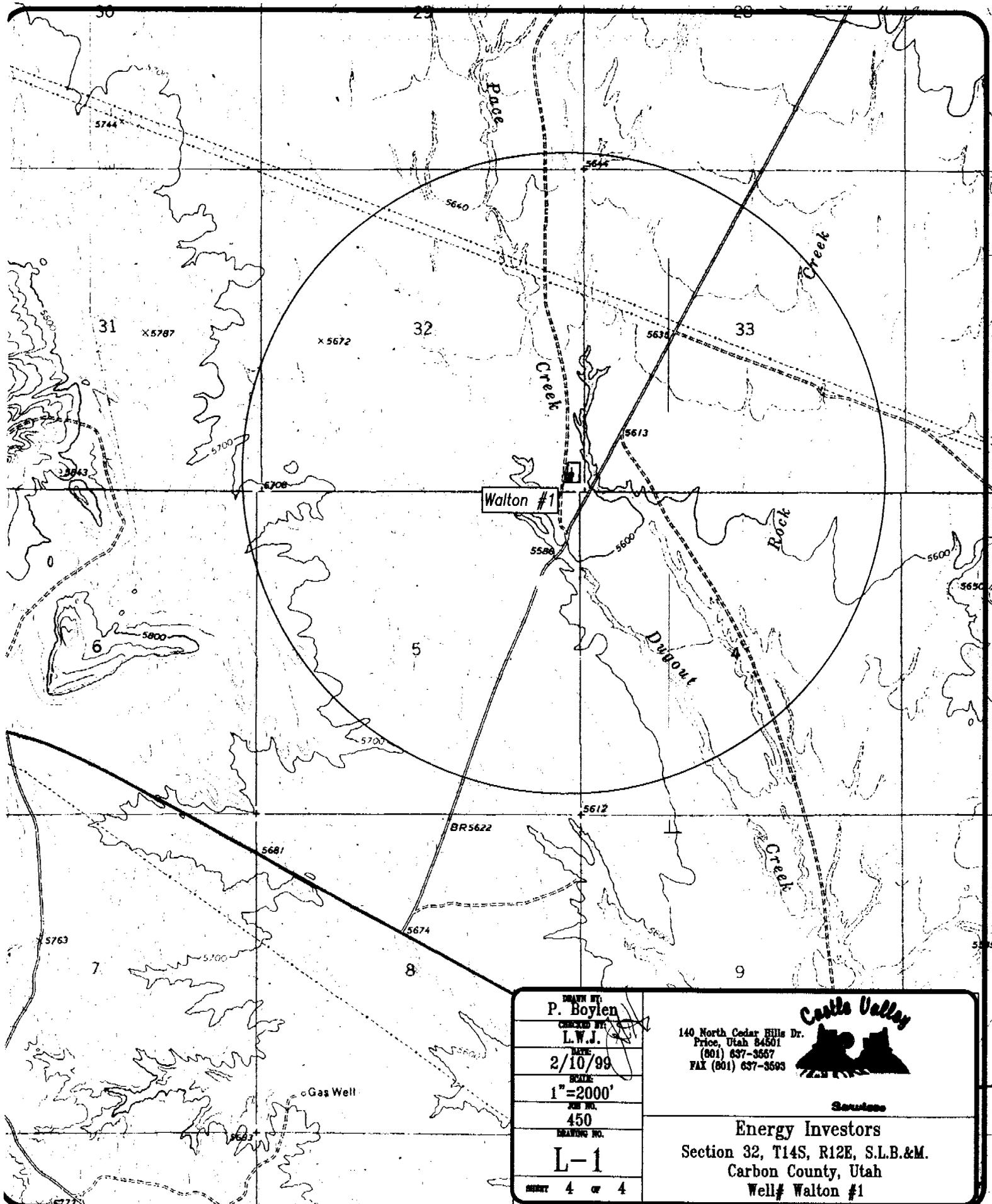
If you have any questions, please contact our office at (435)637-6350.

THE PRICE RIVER WATER IMPROVEMENT DISTRICT





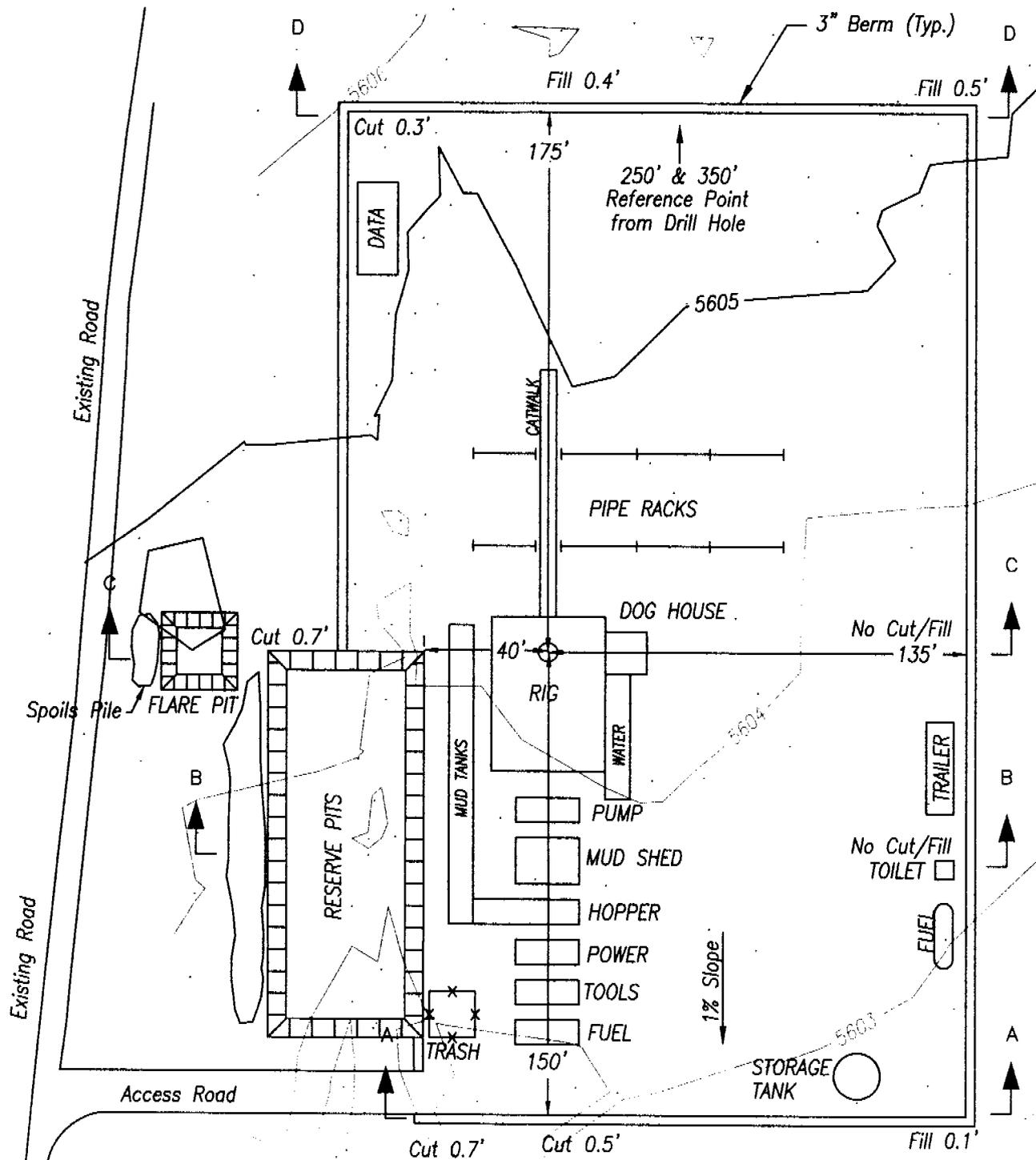
Attachment #3



Walton #1

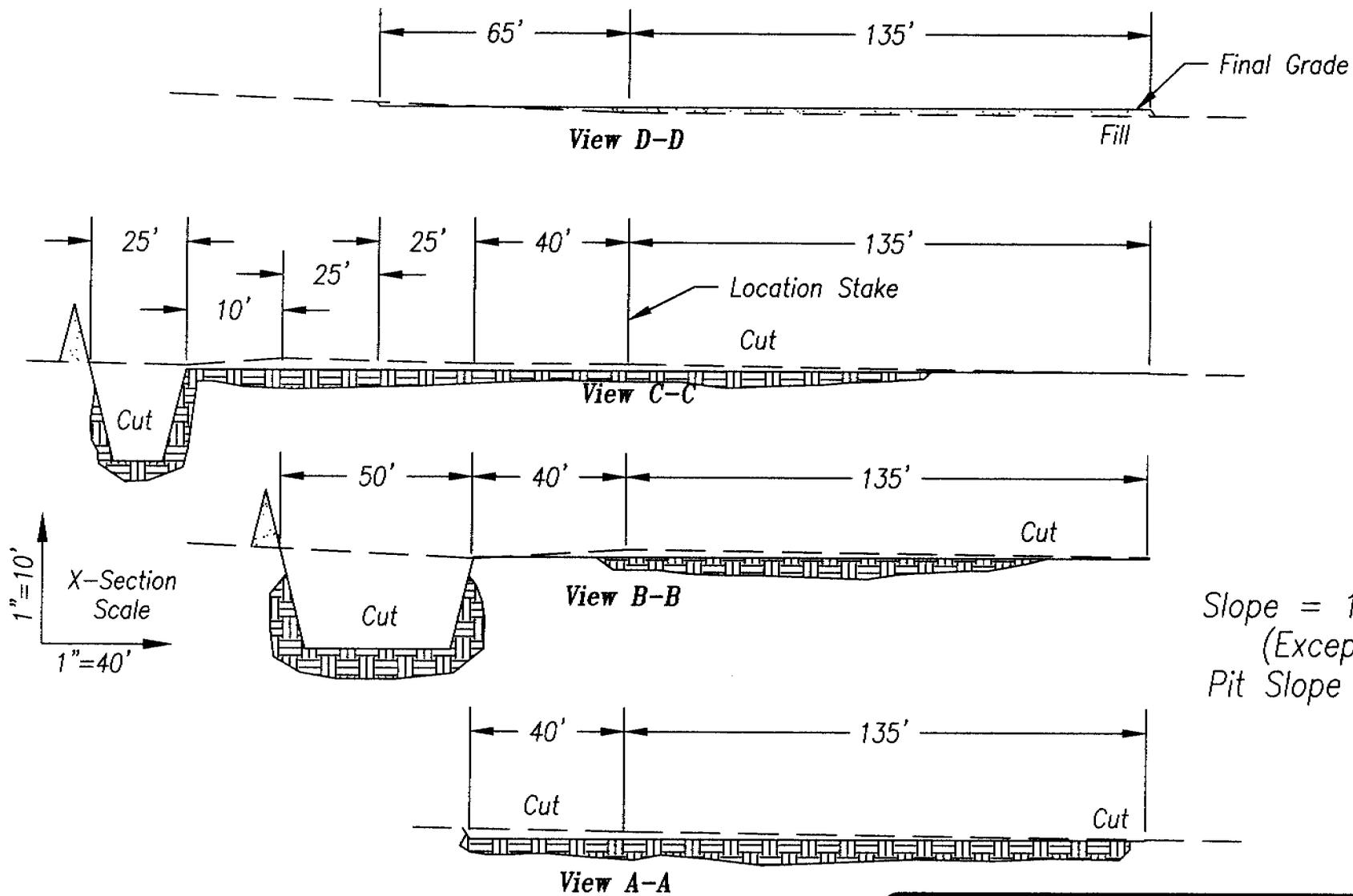
DRAWN BY P. Boylen	
CHECKED BY L.W.J.	
DATE 2/10/99	140 North Cedar Hills Dr. Price, Utah 84501 (801) 637-3567 FAX (801) 637-3593
SCALE 1"=2000'	Source
SHEET NO. 450	Energy Investors Section 32, T14S, R12E, S.L.B.&M. Carbon County, Utah Well# Walton #1
DRAWING NO. L-1	
SHEET 4 of 4	

Gas Well



Elevation Ungraded Ground at Location Stake = 5604.4'
 Elevation Graded Ground at Location Stake = 5603.9'

DRAWN BY: P. BOYLEN	
CHECKED BY: L.W.J.	
DATE: 2/12/99	
SCALE: 1"=50'	
JOB NO. 450	
DRAWING NO. A-2	3286 South 125 West Price, Utah 84601 (801) 837-9300 FAX (801) 837-2833
SHEET 2 OF 4	Sevens Energy Investors Location Layout Section 32, T14S, R12E, S.L.B.&M. Well: Walton #1



Slope = 1 1/2 : 1
 (Except Pit)
 Pit Slope = 2 : 1

APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 1500.0 Cu. Yds.
Remaining Location	= 3,575.6 Cu. Yds.
TOTAL CUT	= 5,075.6 Cu. Yds.
TOTAL FILL	= 140.18 Cu. Yds.

DRAWN BY: P. BOYLEN	
CHECKED BY: L.W.J.	
DATE: 2/12/99	
SCALE: As Shown	
JOB NO. 450	Services Energy Investors Typical Cross Sections Section 32, T14S, R12E, S.L.B.&M. Well# Walton #1
DRAWING NO. C-1	
SHEET 3 OF 4	

3266 South 125 West
 Price, Utah 84501
 (801) 637-9300
 FAX (801) 637-2833

J & J Consulting



SMITH SMITH BITS

RECOMMENDED DRILLING PROGRAM

Presented to: Jeff Johnson
Prepared by: Wes Munger

January 6, 1998

SMITH BITS

RECOMMENDED DRILLING PROGRAM

OPERATOR: J & J Consulting		CONTRACTOR / REG: WALTON				WELL NAME / NUMBER: State #1				PREPARED FOR: Jeff Johnson						
COUNTY: Carbon		STATE: Utah		FIELD: 32-T14S-R12E		LEADS: 32-T14S-R12E				DATE: January 6, 1999						
PREPARED BY: Wes Menger				PHONE: 303-623-8195				FIELD LOCATION: Vernal, Utah				FIELD REPRESENTATIVE: Rud Perry		PHONE: 435-789-3086		
RR No.	RR Size (in)	BIT Type	WDC Code	MO Out	Flg	Dig. Hrs	Comm. Drilling Hrs	ROP	WOB (lbs)	RPM	RR Cost	Trip Hrs	Drig Hrs/Day	Add'l Hrs (Cag, Log, DST...)	Days	Comments
1	12.25	FDSS+	118S	2000	1900	40	40	49.8	10016	180/120	\$8,750	2.0	20		2.1	
Set 9 5/8 in Casing																
2	7.875	F3H	537X	3260	1220	55	85	21.8	3540	70/60	\$5,330	3.2	20		8.0	
3	7.875	F3H	657X	4100	900	55	150	18.4	3540	70/60	\$5,330	4.4	20		8.9	
4	7.875	F4H	647X	5500	1400	80	200	23.3	3540	70/60	\$5,330	5.5	20		12.1	
5	7.875	F4SH	817X	6100	800	50	260	12.0	3540	70/60	\$5,330	6.1	20		14.8	
6	7.875	F5	627X	6700	600	60	320	10.0	3540	70/60	\$5,330	6.7	20		16.2	
7	7.875	F5	627X	7200	600	60	370	10.0	3540	70/60	\$5,330	7.2	20		21.0	
8	7.875	F5	627X	7700	500	50	420	10.0	3540	70/60	\$5,330	7.7	20		23.8	
9	7.875	F5	627X	8200	600	50	470	10.0	3540	70/60	\$5,330	8.2	20		25.6	

	Total Hours	Percent	Total Days
DRILLING TIME	470.0	73.59%	19.6
TRIPPING TIME	50.7	7.94%	2.1
CASING, LOG, DST TIME	24.0	3.76%	1.0
NON-DRILLING TIME	94.0	14.72%	3.9
TOTAL	638.7	100%	26.6

01/08/99 19:29 FAX 781 815
 J & J Consulting
 1015 UNIVERSITY BLVD DENVER COLO.

01/01 P.C.

SMITH BITS

DRILLING COST ANALYSIS

OPERATOR: J & J Consulting				CONTACTOR / RIG: <i>WALTER</i>				WELL NAME / NUMBER: State #1				PREPARED FOR: Jeff Johnson						
COUNTY: Carbon				STATE: Utah				FIELD: 32-T14S-R12E				DATE: January 6, 1999						
PREPARED BY: Wes Munger				PHONE: 303-623-8195				FIELD LOCATION: Vernal, Utah				FIELD REPRESENTATIVE: Bud Perry						
								Interval Drilling Cost				Accumulative Drilling Cost						
Sh. No.	Bit Size	Bit Type	WD Ovl	Fig	Delg. Hts.	EDP	Chmn. Delg Hts	Oper. Rate	Bit	Drig	Trip	Total	Per Ft.	Bit	Drig	Trip	Total	Per Ft.
1	12.25	FDSS+	20.00	1960	40	19.0	40	\$275	\$3,750	\$72,200	\$550	\$20,600	\$18.48	\$5,750	\$13,200	\$650	\$20,500	\$16.45
2	7.875	F3H	3200	1200	55	21.8	95	\$275	\$5,380	\$18,650	\$800	\$24,380	\$28.38	\$12,060	\$31,350	\$1,480	\$44,880	\$14.21
3	7.875	F3H	4100	900	55	16.4	150	\$275	\$5,330	\$18,350	\$1,125	\$24,608	\$27.34	\$17,430	\$49,500	\$2,668	\$88,468	\$17.11
4	7.875	F4H	5500	1400	60	23.3	210	\$275	\$5,330	\$18,600	\$1,513	\$26,843	\$18.03	\$22,740	\$89,300	\$4,070	\$96,110	\$17.58
6	7.875	F4SH	8100	600	50	12.0	280	\$275	\$5,330	\$18,500	\$1,878	\$23,508	\$30.88	\$28,070	\$85,800	\$5,748	\$118,618	\$18.74
8	7.875	F5	6700	600	60	10.0	320	\$275	\$5,330	\$18,800	\$1,843	\$28,973	\$44.86	\$35,400	\$105,880	\$7,598	\$148,500	\$22.01
7	7.875	F5	7200	900	50	10.0	370	\$275	\$5,330	\$18,500	\$1,980	\$23,810	\$47.82	\$38,780	\$122,100	\$9,570	\$178,400	\$23.88
8	7.875	F5	7700	500	50	10.0	420	\$275	\$5,330	\$18,500	\$2,118	\$26,948	\$47.94	\$44,060	\$138,680	\$11,888	\$194,348	\$25.77
9	7.875	F5	8200	500	50	10.0	470	\$275	\$5,330	\$18,500	\$2,255	\$24,065	\$48.17	\$49,380	\$155,100	\$13,943	\$218,433	\$26.77

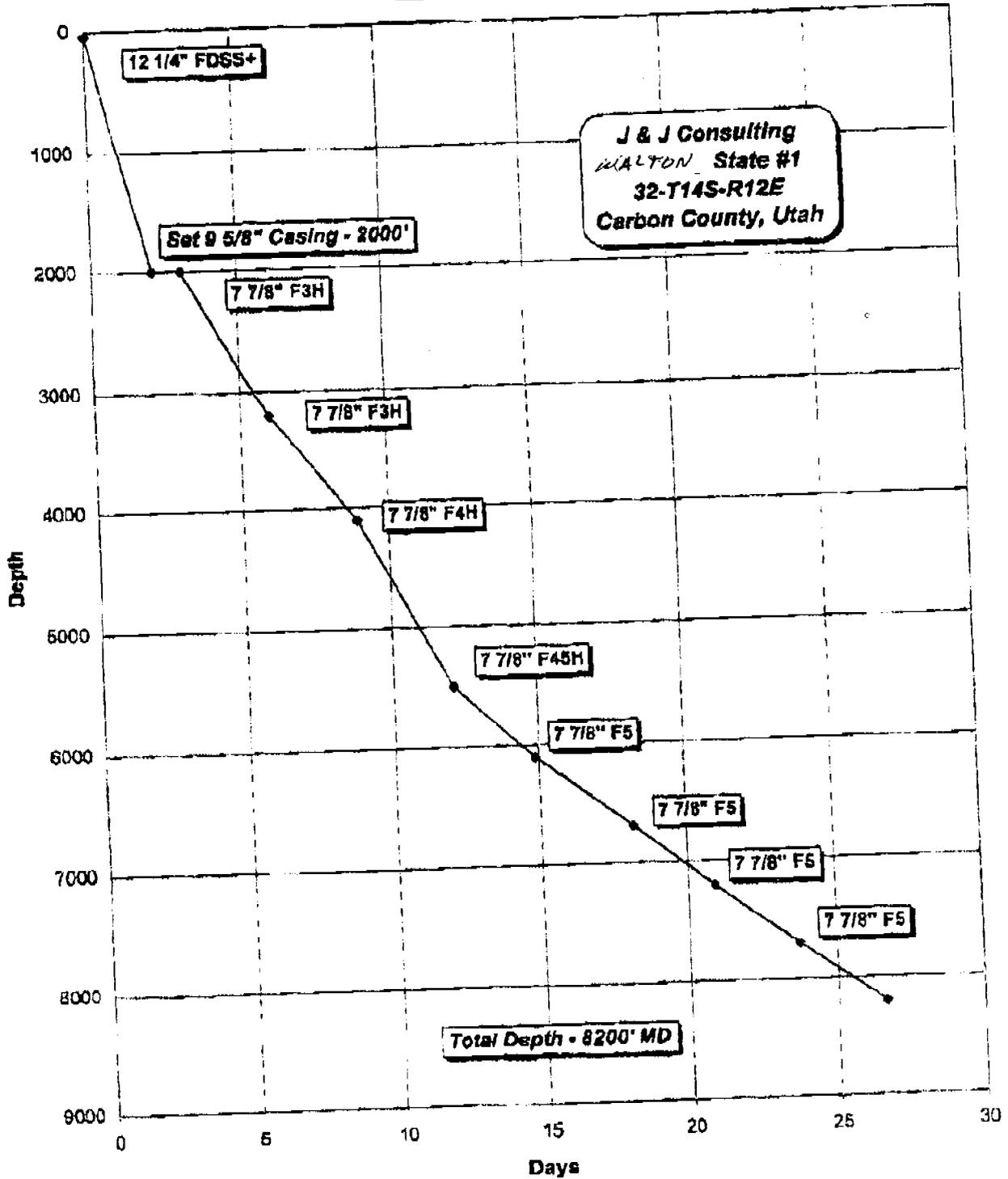
COST SUMMARY		
	Total Cost	Percent
DRILLING COST	\$155,100	39.74%
TRIPPING COST	\$13,943	3.57%
CASING, LOG, DST TIME COST	\$6,600	1.69%
BIT COST	\$214,663	54.99%
TOTAL	\$390,306	100%



01/08/99 19:29 FAX 781-715
 JAN. 6.1999 2:15PM SMITH INTERNATIONAL DENVER COLO.
 J & J Consulting
 NO.991 P.3
 04

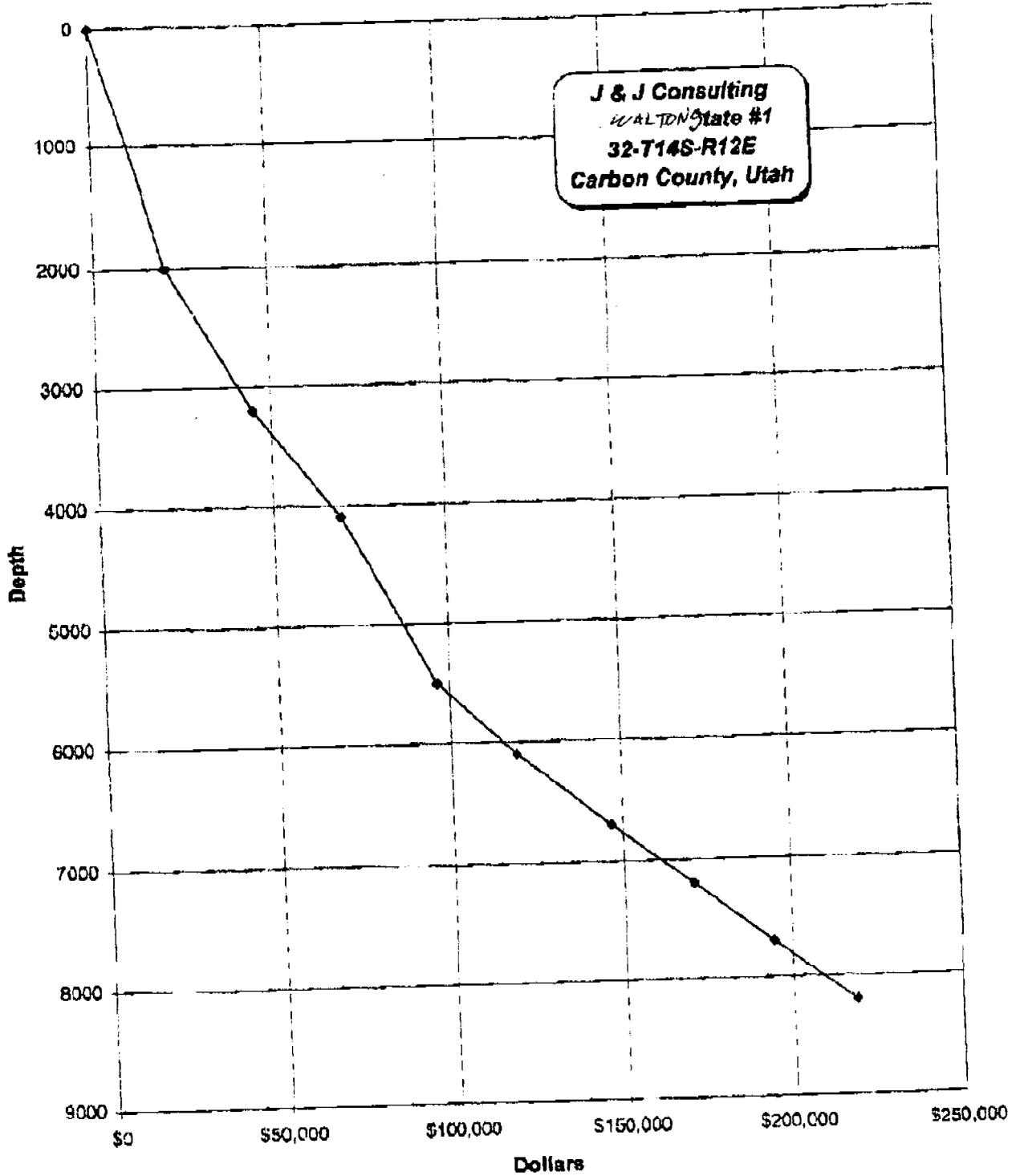
SMITH BITS

DAYS VS. DEPTH



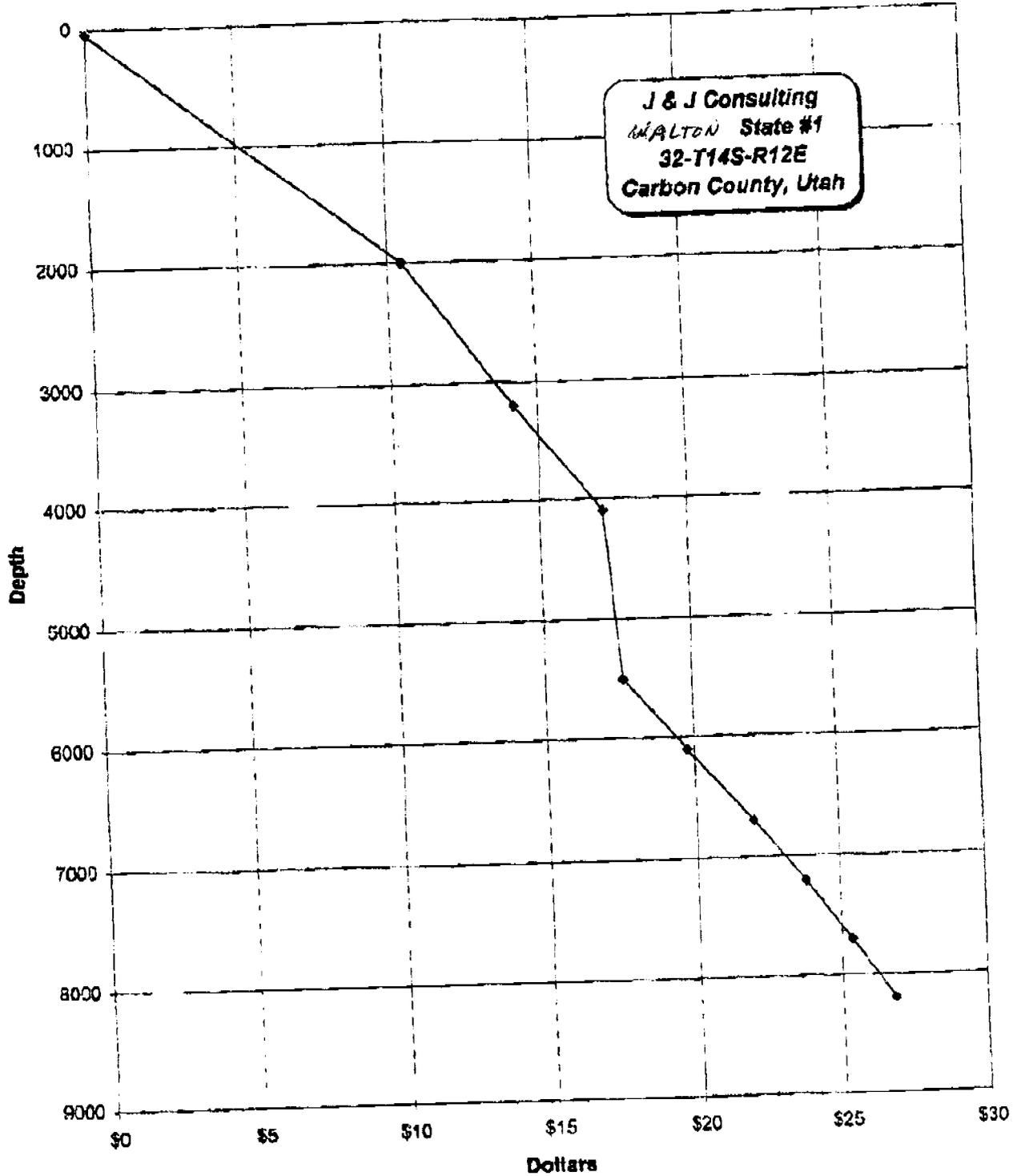
SMITH BITS

CUMMULATIVE TOTAL COST



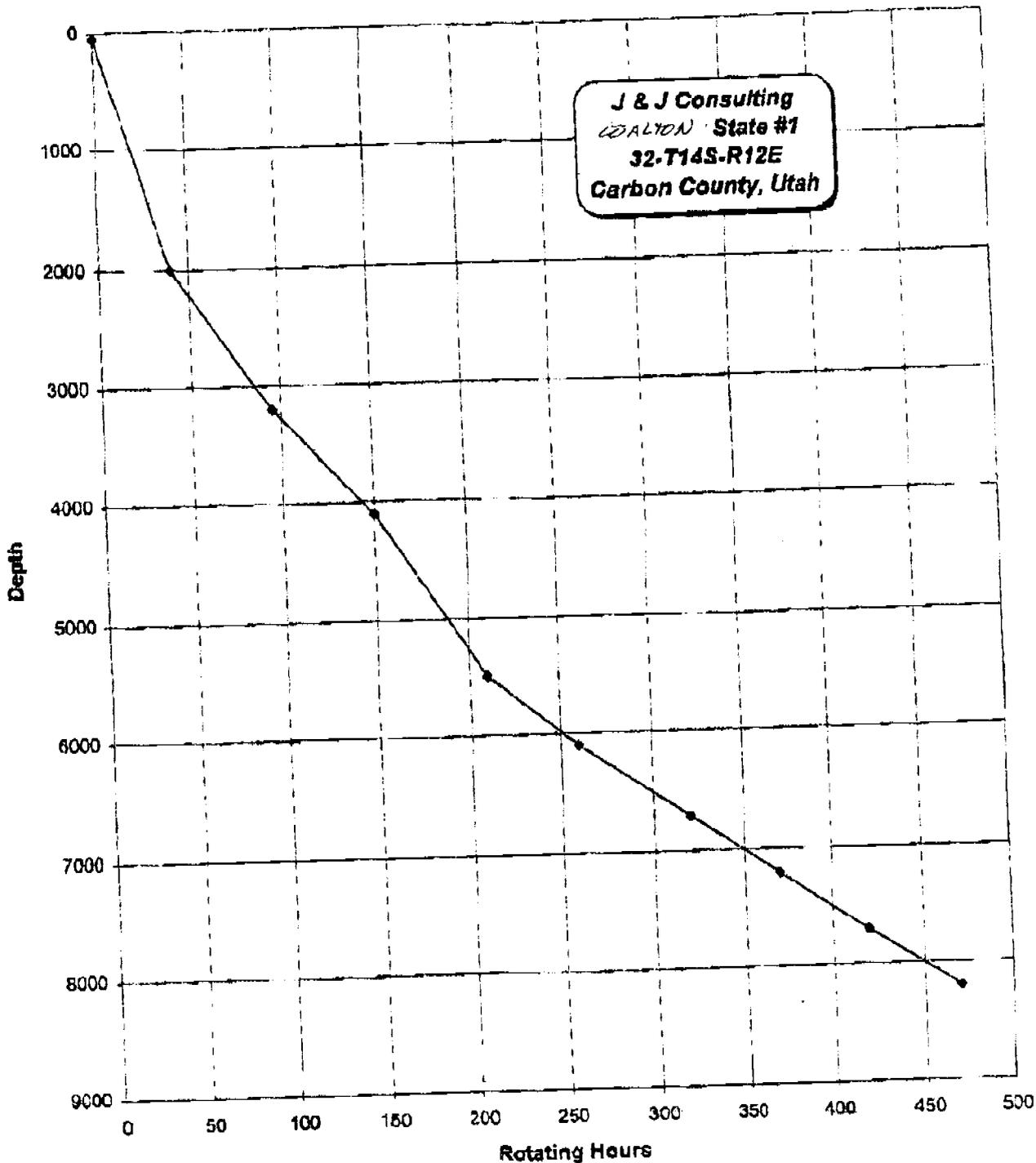
SMITH BITS

CUMMULATIVE COST PER FOOT



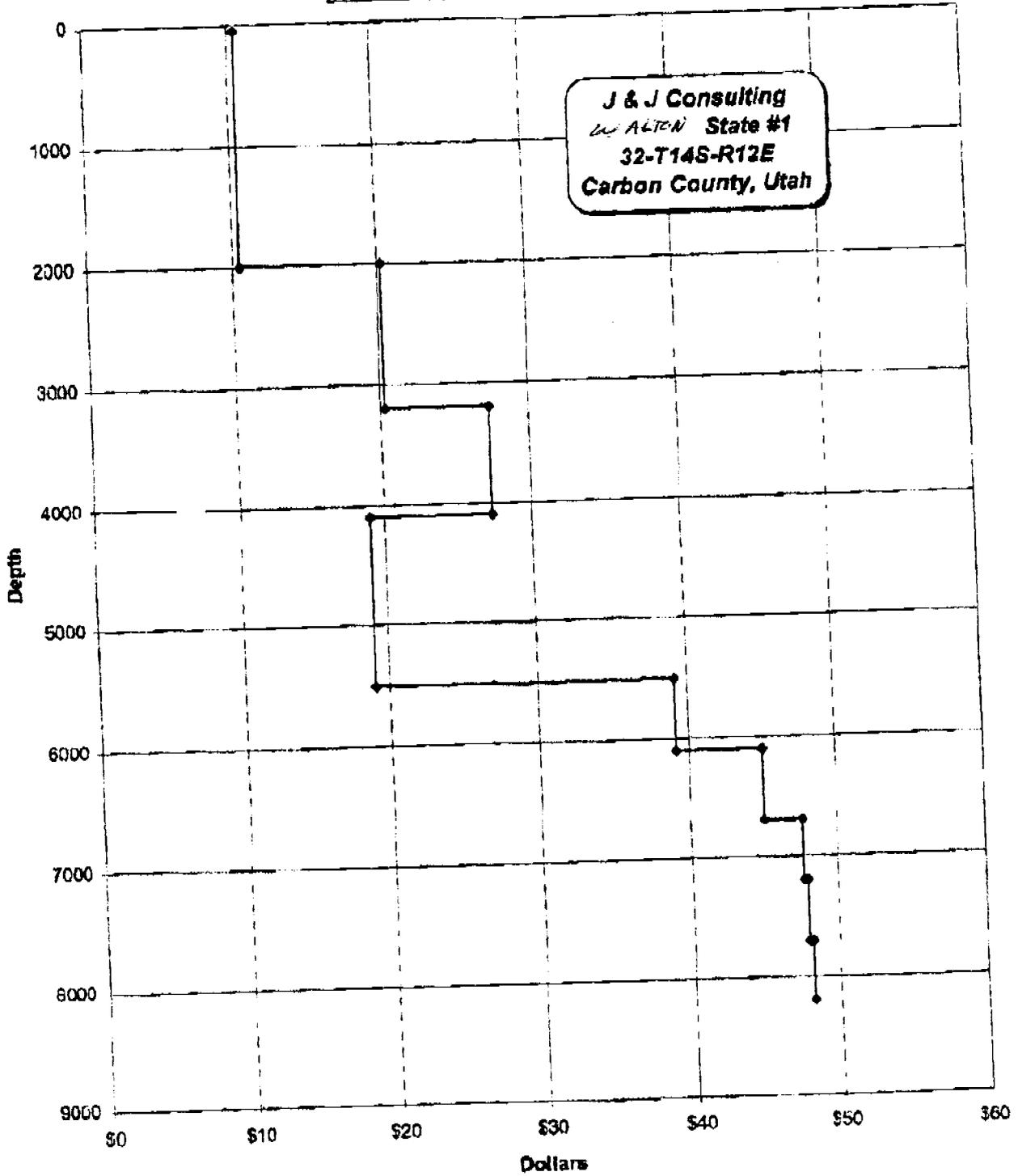
SMITH BITS

ROTATING HOURS vs. DEPTH



SMITH BITS

INTERVAL COST PER FOOT



Attachment #5

#1 Walton State											
Proposed Casing and Cement Program											
Hole size (In.)	Casing size (in)	Weight (lbs)	Grade	Depth (ft)	Interval (ft)	length (ft)	Thread	Collapse (psi)	Burst (psi)	Tensile (lbs)	Cement Qty (sacks)
18	14	20	J-55	85	surf to 85'	85	-	-	-	-	0.15, 15.8 100-150, Class G or Ready Mix
12 1/4	8 5/8	24	J-55	2000	0 to 2000	2000	ST4C	1370	2950	234,000	500 CaCl ₂ with 1/4 # /sk cello flakes 5K Class G w/ 2%
7 7/8	4 1/2	11.6	N-80	8200	0 to 8200	8200	ST4C	6350	7780	223,000	1100 sks 50/50 PO ₄ 2% gel to 10% salt to btm shoe of surface csg minimum.

All casing will be new or inspected ** Jeff Johnson M. (435) 790-7122*

H. (11) 781-2202.

** Data Per J.J. 9-2-99*

*600K 1.43 8443
5K 14.1 124
500-2.21 124
5K 1 gal 124
5K lead*

Attachment #8

Evidence of bond sent to Federal Lands
and Forestry Division.

Please accept this letter as our request that all information regarding this drilling permit be kept confidential, if said information is eligible for such consideration. This request is made in accordance with State of Utah Oil and Gas rule #R649-2-11.

Thank you for your assistance. Please feel free to contact me if there is additional information needed.

Sincerely,



Dan Davis

President Odyssey Corp.
Geologist

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/21/1999

API NO. ASSIGNED: 43-007-30569

WELL NAME: 1 WALTON STATE
 OPERATOR: ENERGY HUNTERS (N5065)
 CONTACT: Dan Davis (801)777-0469

PROPOSED LOCATION:
 SESE 32 - T14S - R12E
 SURFACE: 0299-FSL-0200-FEL
 BOTTOM: 0299-FSL-0200-FEL
 CARBON COUNTY
 WILDCAT FIELD (001)

INSPECT LOCATN BY: / /		
TECH REVIEW	Initials	Date
Engineering	RDM	9-2-99 *
Geology		
Surface		

LEASE TYPE: STA
 LEASE NUMBER: ML-47659
 SURFACE OWNER: State

PROPOSED FORMATION: PENN

RECEIVED AND/OR REVIEWED:

Plat

Bond: Fed[] Ind[] Sta Fee[]
 (No. \$20,000 Cash)

Potash (Y/N)

Oil Shale (Y/N) *190-5(B)

Water Permit
 (No. PPWID)

RDCC Review (Y/N)
 (Date: DoGm Ltr. 6-2-99 / Comments due 6-18-99)

Fee Surf Agreement (Y/N)

LOCATION AND SITING:

R649-2-3. Unit

R649-3-2. General

R649-3-3. Exception

Drilling Unit
 Board Cause No: _____
 Date: _____

R649-3-11. Directional Drill

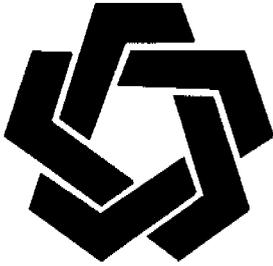
COMMENTS: Need Presite. (Conducted 6-7-99)

Need add'l info. "Ex. Log" (Rec'd 6-2-99)

* Brad - their surface casing cement doesn't go to surface - If there is FW possible here bet. 0- ≈ 1,100' - you may want the

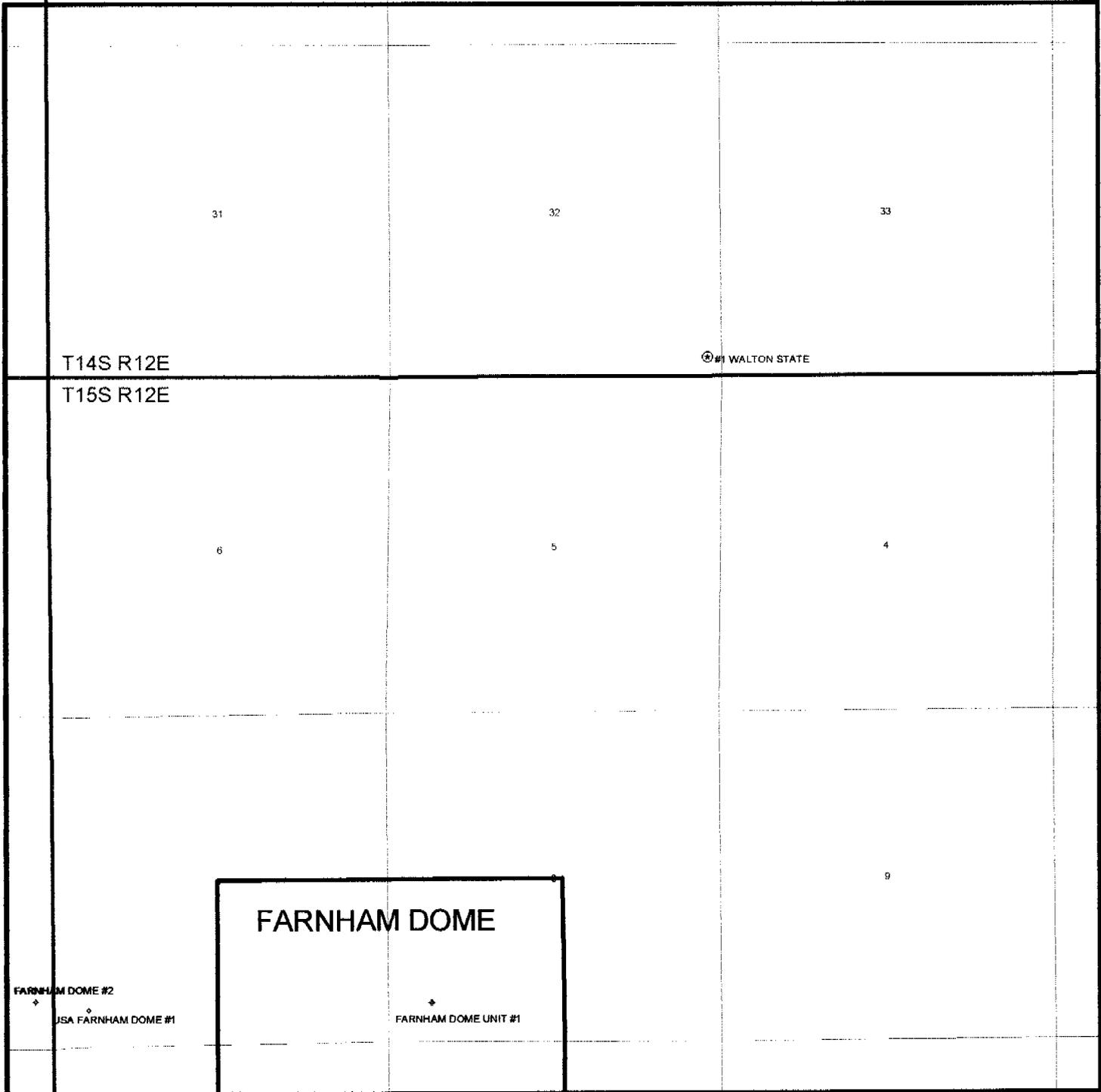
STIPULATIONS: surface casing cemented to surface. See Fig. attached
Also, MTH noted same issue on S.O.B.

- * ① Extend depth of 14" casing to 200 ft and cement to surface, or in alternative; cement 8 5/8" casing to surface.
- ② STATEMENT OF BASIS



Division of Oil, Gas & Mining

OPERATOR: ENERGY HUNTERS (N5065)
FIELD: WILDCAT (001)
SEC. 32, TWP 14S, RNG 12E
COUNTY: CARBON NO SPACING NO UNIT



PREPARED
DATE: 26-MAY-1999

Odyssey Corporation

46 South 2050 East
Layton, Utah 84040
Email: odyssey@utah-inter.net

Tel. (801) 546-8297 (E)

~~(801) 777-5104 (W)~~

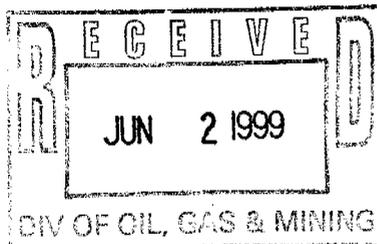
FAX (801) 775-2459

(801) 777-0469 (W)

Attachment #9

20 May 1999

Mr. John Baza
Utah Board of Oil, Gas and Mining
Suite 1210
1594 West North Temple
P.O. Box 145801
Salt Lake City, Utah 84114-5801



Re: Application for exception location for #1 Walton State wildcat well, as per State Regulation R649-3-3.

The #1 Walton State wildcat well location is currently surveyed at 200' FEL and 299 FSL, sese of 32 T14S R12E., Carbon County, Utah. This location does not meet State/Federal regulations in spacing from the section lines. We request that the present location be accepted for two reasons: (1) to optimize the structural and stratigraphic aspects of this play, and (2) topographic limitations. All partners (Odyssey and Energy Hunters) who have leases within a 460' radius of this location concur with the exception location of the drill site.

Figure 1 is a structure map on the Pennsylvanian Pakoon horizon. The well location is placed on the northeast flank to optimize projected porosity development within the Permian/Pennsylvanian coastal marine clastic wedge envisioned in our play concept. Several well logs from holes drilled in equivalent sections in this area (Farnham Dome and Grassy Trail Fields) suggest that the highest structural positions tend to be tight. Lower flanking wells tend to have better developed porosity. Examination of well cuttings also supports this concept.

Moving the well farther to the west puts the drilling location in a dry stream drainage where topography is considerably steeper. This location would be difficult for rig moving equipment and preparing the well location. The steeper topography would also increase our drilling costs. Thank you for your consideration.

Regards,


Dan Davis
Partner/Operations Geologist

FAX 801-775-2459

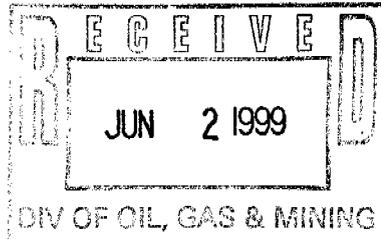
OO-ALC/LART

Fax

To: Leisha Cordova From: DAN DAUIE
Fax: 359-3940 Pages: 2
Phone: 777-0469 Date: 2 JUNE 99
Re: EXCEPTION LOCATION CC:

Urgent For Review Please Comment Please Reply Please Recycle

• Comments:

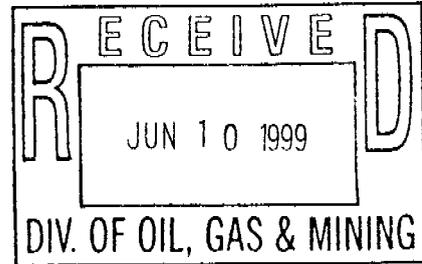




State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
John Kimball
Division Director

Southeastern Region
475 West Price River Drive, Suite C
Price, Utah 84501-2860
801-636-0260
801-637-7361 (Fax)



Onsite Inspections
7-8 June, 1999

River Gas

4-280 **We request that this well not be drilled until June 30** due to an active Golden Eagle nest (99_107) ½ mile from the proposed drill location. Based on the data collected at the nest during the 1999 raptor survey, the eaglets at this nest will have fledged by June 30th. The other 3 nests within ½ mile of the drill site have not been active within the last 3 years and are not of concern for construction of this well.

8-356 No additional wildlife concerns.

8-357 No additional wildlife concerns.

33-273 This site is within the critical big game winter range.
No other wildlife concerns.

33-274 This site is within the critical big game winter range.
No other wildlife concerns.

28-320 This site is within the critical big game winter range.
No other wildlife concerns.

28-321 This site is within the critical big game winter range.
This well was moved ~175' north to preserve a sagebrush meadow.

Energy Hunters/Energy Investors LLC

SESE Sec 32 T14S R12E No wildlife concerns

C: Don Hamilton - River Gas Corp
Chris Kierst - DOGM

ON-SITE PREDRILL EVALUATION

Division of Oil, Gas and Mining

OPERATOR: Energy Investors inc.

WELL NAME & NUMBER: Walton State #1

API NUMBER: 43-007-30569

LEASE: State of Utah Trust Lands FIELD/UNIT: Wildcat (001)

LOCATION: 1/4, 1/4 SESE Sec: 32 TWP: 14 S RNG: 12 E 299 FSL 200 FEL

LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.

GPS COORD (UTM): x = 535302 E; y = 4378559 N

SURFACE OWNER: School and Institutional Trust Lands Administration

PARTICIPANTS

Mike Hebertson (DOGM) Steve Lund (Wasatch Resources) Ed Gray
(Energy Investors Inc) Chris Colt (DWR)

REGIONAL/LOCAL SETTING & TOPOGRAPHY

Western margin of Colorado Plateau/~8 miles south of the Book Cliffs and 12 miles South of the Roan Cliffs. Location is on valley fill which is Quaternary in age. Shallow arroyos (1-20' deep) incise the alluvium, all of which gently slopes to the south and east. Location is on ground which is essentially flat. The major topographic feature in the area is Dugout Creek which lies .125 miles south and Pace Creek which lies 500' to the west.

SURFACE USE PLAN

CURRENT SURFACE USE: Wildlife, and occasionally pasture land. Grazing Rights belong to Wellington Cattle Grazing Company.

PROPOSED SURFACE DISTURBANCE: 260' X 325' pad and 50 feet of approach road. Spoil and topsoil stockpiles and reserve pit backfill pile will be stored in the berm around the pad. At present the access road is the low spot in this area and will act as a channel to bring water onto the pad.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: None

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: These will follow Existing roadways.

SOURCE OF CONSTRUCTION MATERIAL: Native material will be used in the gravel approach road and location. Any additional material will be acquired from a commercial source.

ANCILLARY FACILITIES: None

WASTE MANAGEMENT PLAN:

Portable toilets; garbage cans on location will be emptied into centralized dumpsters which will be emptied into an approved landfill. Drill cuttings will be buried insitu and the reserve pit will be dried after use and backfilled. Water produced during testing and completion will be stored in a the reserve pit and evaporated on site.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: Pace Creek is less than 500' west of this location and water was running in both Pace and Dugout Creek

FLORA/FAUNA: Sagebrush, Greasewood, shadscale, rabbit brush cactus, birds, coyotes, rodents, occasionally deer, antelope reptiles.

SOIL TYPE AND CHARACTERISTICS: Mostly clay and sand in a moderately-permeable soil on Quaternary slope wash covering the Blue Gate Shale Member of the Cretaceous age Mancos Shale.

SURFACE FORMATION & CHARACTERISTICS: Quaternary alluvium covering Blue Gate Shale. Light brown, brown, gray, or buff; slope wash is unconsolidated, thin to thick bedded with sediments ranging from clay to sand.

EROSION/SEDIMENTATION/STABILITY: Stable ground with no significant undercutting or erosion by water. Drainage is limited to washes and gullies most of which are active only during cloudbursts and periods of rapid snow melt, deposition may occur during the wane of these episodes.

PALEONTOLOGICAL POTENTIAL: none observed, no report filed

RESERVE PIT

CHARACTERISTICS: 50' X 100' X 10' lined with a synthetic liner

LINER REQUIREMENTS (Site Ranking Form attached): See Attached

SURFACE RESTORATION/RECLAMATION PLAN

As stipulated by the surface use agreement

SURFACE AGREEMENT: Not executed as of the date of this writing.

CULTURAL RESOURCES/ARCHAEOLOGY: none observed no report filed

OTHER OBSERVATIONS/COMMENTS

At the time of the presite evaluation the company representative had not been able to clear the arch and paleo survey. There was also a suggestion that the road be moved to come in from the west from the main county road as it was a better and shorter route. When it was pointed out that the change would require a Right-of-Way from the BLM the suggestion was dropped. It was also suggested that the 85' of 14"

casing might not be adequate to get below the level of the running water in Dugout Creek less than a 1/4 mile away. The location is laid out in such a way that the wind will be blowing smoke and fumes from the rig and reserve pit back on the people working on the rig and it was decided that the whole pad will be rotated 180 degrees and that the shoulders of the approach road will be pulled into the center of the road in order to establish a ditch and crown for drainage on the road. A survey of several trees nearby made by Chris Colt of wildlife showed that there were no raptor problems to be considered. School and Institutional Trust Lands was invited to attend and on Thursday June 3, 1999, contacted me and declined the offer. Ed Bonner indicated that they were swamped with office work.

ATTACHMENTS:

10-12 photos were taken of this site.

K. Michael Hebertson
DOGM REPRESENTATIVES

June 7, 1999, 2:30 PM
DATE/TIME

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

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>15</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>10</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	15	<u> </u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u> </u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	15	
TDS >10000 or Oil Base	20	
Mud Fluid containing high levels of hazardous constituents		<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u> </u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>5</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u> </u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u> </u>
 Final Score		 <u>45</u>

**DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS**

Operator Name: Energy Hunters

Name & Number: Walton State #1

API Number: 43 - 007 - 30569

Location: 1/4, 1/4 SESE Sec. 32 T. 14 S R. 12 E County: Carbon

Geology/Ground Water:

Standing water is found ~ 1/4 mile away in Dugout Creek and Pace Creek. The thin slope wash is moderately permeable. The proposed 85' of surface casing will not be adequate to cover the possible active water table represented by Dugout Creek just to the south of the location. A search of the wells drilled in this township shows that 150-200' of surface casing is more standard for this area. Water Rights data shows that there are 3 points of diversion within a mile of the proposed site. All are for stock watering and are surface diversion points. They are owned by the BLM and do not appear to be active.

Reviewer: K. Michael Hebertson

Date: June 7, 1999

Surface:

All of the appropriate State agencies and landowners were notified, however School and Institutional Trust Lands Administration chose not to attend. At the time of the presite evaluation the company representative had not been able to clear the arch and paleo survey. There was also a suggestion that the road be moved to come in from the west from the main county road as it was a better and shorter route. When it was pointed out that the change would require a Right-of-Way from the BLM the suggestion was dropped. It was also suggested that the 85' of 14" casing might not be adequate to get below the level of the running water in Dugout Creek less than a 1/4 mile away. The location is laid out in such a way that the wind will be blowing smoke and fumes from the rig and reserve pit back on the people working on the rig and it was decided that the whole pad will be rotated 180 degrees. A survey of several trees nearby made by Chris Colt of wildlife showed that there were no raptor problems to be considered.

Reviewer: K. Michael Hebertson

Date: 28-July-1997

Conditions of Approval/Application for Permit to Drill:

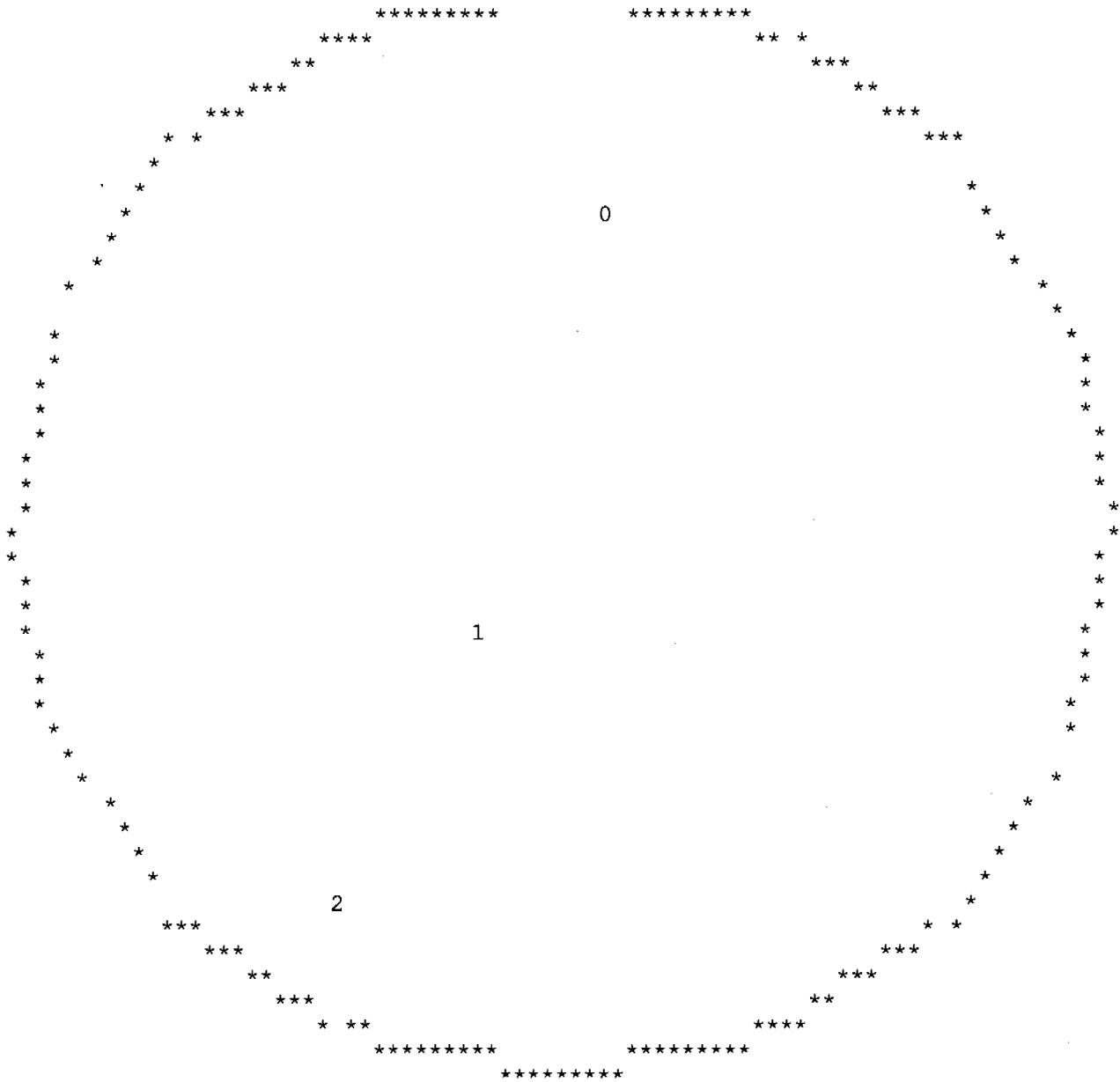
1. A berm will be placed around the outside edge of pad to prevent runoff from leaving the pad.
2. A synthetic pit liner will be used for the reserve pit, and the flare pit if the flare pit is to have fluid in it.
3. The location will be rotated 180 degrees from the proposed layout.

UTAH DIVISION OF WATER RIGHTS
WATER RIGHT POINT OF DIVERSION PLOT CREATED FRI, JUN
PLOT SHOWS LOCATION OF 3 POINTS OF DIV

PLOT OF AN AREA WITH A RADIUS OF 5280 FEET
N 299 FEET, E 200 FEET OF THE SE CORNER,
SECTION 32 TOWNSHIP 14S RANGE 12E SL BASE

PLOT SCALE IS APPROXIMATELY 1 INCH = 2000 FE

N O R T H



UTAH DIVISION OF WATER RIGHTS
NWPLAT POINT OF DIVERSION LOCATION PRO

MAP CHAR	WATER RIGHT	QUANTITY CFS	AND/OR AC-FT	SOURCE DESCRIPTION or WELL INFO DIAMETER	DEPTH	YEAR LOG	POIN NORTH
0	91 4519	.0000	.00	Unnamed Trib. to Dugout Creek			
				WATER USE(S): STOCKWATERING OTHER USA Bureau of Land Management (Moab Dist P.O. Box 970)			
1	91 4668	.0000	.00	Dugout Creek			
				WATER USE(S): STOCKWATERING OTHER USA Bureau of Land Management (Moab Dist P.O. Box 970)			
2	91 2603	.0000	.00	Stream			
				WATER USE(S): USA Bureau of Land Management 2370 South 2300 West			

Well name: **899 Energy Hunters Walton ST #1**
 Operator: **Energy Hunters**
 String type: **Surface** Project ID: **43-007-30569**
 Location: **Carbon Co.**

Design parameters:

Collapse

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

Burst

Max anticipated surface pressure: -10 psi
 Internal gradient: 0.442 psi/ft
 Calculated BHP: 873 psi
 No backup mud specified.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 1,748 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 103 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 220 ft

Cement top: 991 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 6,300 ft
 Next mud weight: 8.400 ppg
 Next setting BHP: 2,749 psi
 Fracture mud wt: 19.250 ppg
 Fracture depth: 6,300 ft
 Injection pressure: 6,300 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	2000	8.625	24.00	J-55	ST&C	2000	2000	7.972	96.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	873	1370	1.57	873	2950	3.38	42	244	5.82 J

Prepared by: RJK
 Utah Dept. of Natural Resources

Phone:
 FAX:

Date: September 2, 1999
 Salt Lake City, Utah

ENGINEERING STIPULATIONS: NONE → unless FW present, bet 0 - 1100ft. Then inc. cement on surface.
 Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 2000 ft, a mud weight of 8.4 ppg The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

Well name:	899 Energy Hunters Walton ST #1		
Operator:	Energy Hunters	Project ID:	43-007-30569
String type:	Production		
Location:	Carbon Co.		

Design parameters:

Collapse

Mud weight: 9.000 ppg
 Design is based on evacuated pipe.

Burst

Max anticipated surface pressure: 0 psi
 Internal gradient: 0.468 psi/ft
 Calculated BHP: 3,834 psi

 No backup mud specified.

Minimum design factors:

Collapse:

Design factor: 1.125

Burst:

Design factor: 1.00

Tension:

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

Tension is based on buoyed weight.
 Neutral point: 7,097 ft

Environment:

H2S considered? No
 Surface temperature: 75 °F
 Bottom hole temperature: 190 °F
 Temperature gradient: 1.40 °F/100ft
 Minimum section length: 1,500 ft

Cement top: 2,373 ft

Non-directional string.

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8200	4.5	11.60	N-80	LT&C	8200	8200	3.875	190.1
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3834	6350	1.66	3834	7780	2.03	82	223	2.71 J

Prepared by: RJK
 Utah Dept. of Natural Resources

Phone:
 FAX:

Date: September 2, 1999
 Salt Lake City, Utah

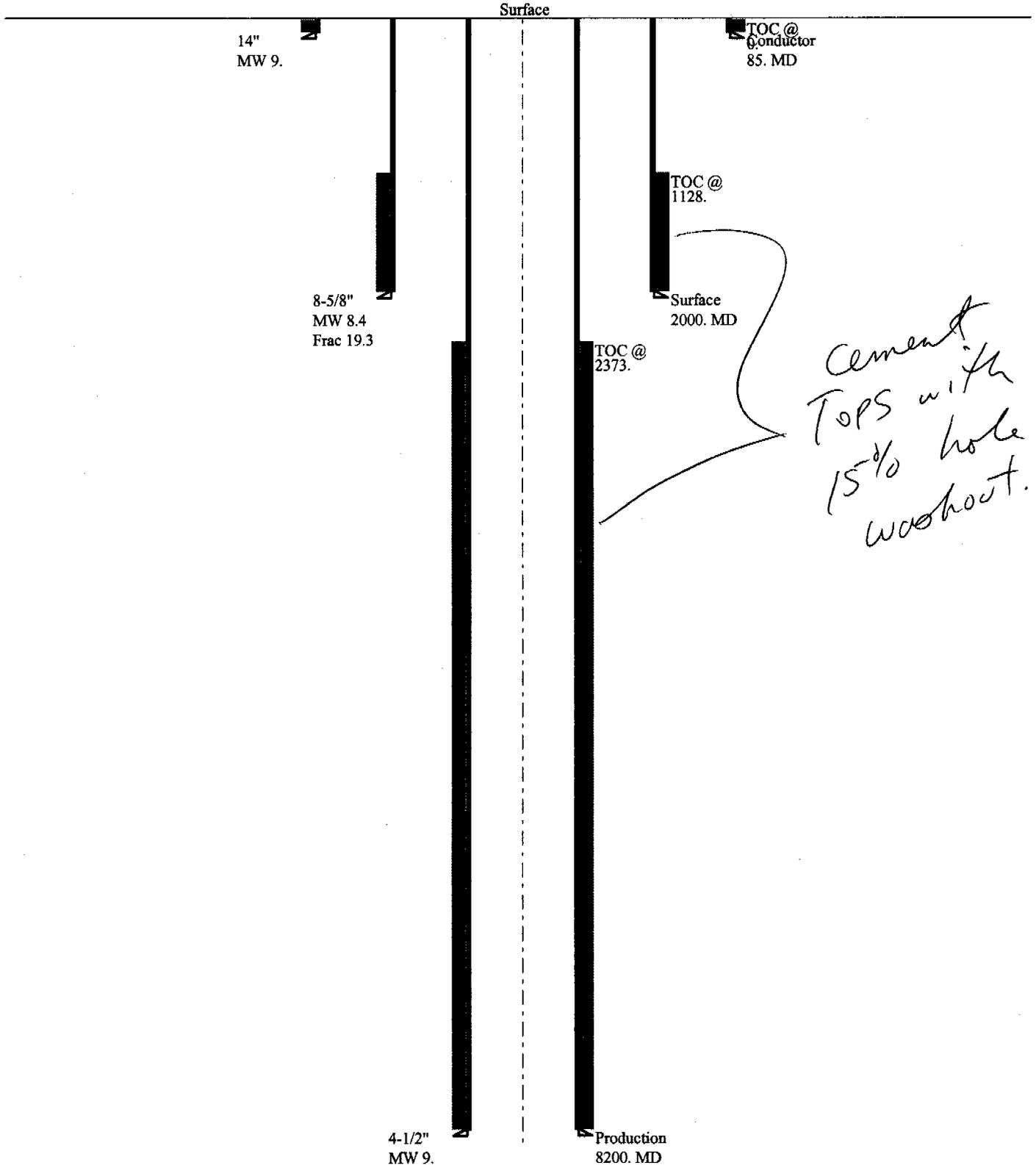
ENGINEERING STIPULATIONS: NONE

Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.
 Collapse is based on a vertical depth of 8200 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
 Burst strength is not adjusted for tension.

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

899 Energy Hunters Walton #1

Casing Schematic

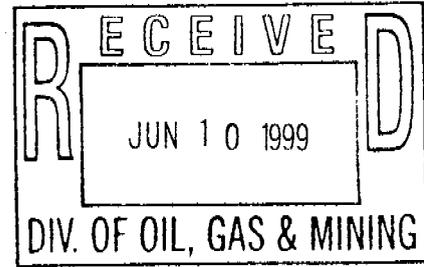




State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF WILDLIFE RESOURCES

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
John Kimball
Division Director

Southeastern Region
475 West Price River Drive, Suite C
Price, Utah 84501-2860
801-636-0260
801-637-7361 (Fax)



Onsite Inspections
7-8 June, 1999

River Gas

4-280 **We request that this well not be drilled until June 30** due to an active Golden Eagle nest (99_107) ½ mile from the proposed drill location. Based on the data collected at the nest during the 1999 raptor survey, the eaglets at this nest will have fledged by June 30th. The other 3 nests within ½ mile of the drill site have not been active within the last 3 years and are not of concern for construction of this well.

8-356 No additional wildlife concerns.

8-357 No additional wildlife concerns.

33-273 This site is within the critical big game winter range.
No other wildlife concerns.

33-274 This site is within the critical big game winter range.
No other wildlife concerns.

28-320 This site is within the critical big game winter range.
No other wildlife concerns.

28-321 This site is within the critical big game winter range.
This well was moved ~175' north to preserve a sagebrush meadow.

Energy Hunters/Energy Investors LLC
SESE Sec 32 T14S R12E No wildlife concerns

43-001-30569

C: Don Hamilton - River Gas Corp
Chris Kierst - DOGM

Well Data

WELL SEARCH

WELL DATA

WELL HISTORY

WELL ACTIVITY

WELL NAME 1 WALTON STATE

API NUMBER 4300730569

LEASE TYPE 3

LEASE NUMBER

OPERATOR NAME ENERGY HUNTERS

OPERATOR ACCOUNT N5065

WELL TYPE

WELL STATUS NEW

FIELD NAME WILDCAT

FIELD NUMBER 1

ELEVATION 5604 GR

ALT ADDRESS #

COUNTY CARBON

CONFIDENTIAL FLAG C

Q. S. T. R. M. SESE 32 14.0 S 12.0 E S

SURF LOCATION

CONFIDENTIAL DATE

TOTAL CUMULATIVE OIL 0

COORDS SURF N 4378559.00

LA / PA DATE MM / DD / YYYY

TOTAL CUMULATIVE GAS 0

COORDS SURF E 535302.00

DIRECTIONAL

TOTAL CUMULATIVE WATER 0

COORDS BHL N 0

INDIAN TRIBE

CB-METHANE FLAG

BOND NUMBER

COORDS BHL E 0

MULTI-LEG COUNT 0

SURF OWNER TYPE 3

BOND TYPE 3

FIELD TYPE FLAG W

WILDCAT TAX FLAG

C.A. NUMBER

COMMENTS

Create New Rec

Save

Cancel

To History

To Activity





State of Utah

School and Institutional
TRUST LANDS ADMINISTRATION

Michael O. Leavitt
Governor

David T. Terry
Director

675 East 500 South, Suite 500
Salt Lake City, Utah 84102-2818
801-538-5100
801-355-0922 (Fax)
<http://www.trustlands.com>

July 20, 1999

Mr. Edward Gray
Energy Hunters, Inc./
Energy Investors, LLC
PO Box 829
Bountiful, Utah 84011

RE: your request for archaeo survey waiver for Walton #1 drill site

Dear Mr. Gray:

Thank you for your letter of June 25, 1999 regarding the subject matter. I appreciate your submitting the map and photos with that letter. Unfortunately, the photos do not bear out your statement that "this area has been disturbed to the point of our not needing this archaeology study." Just the opposite, the photos show the proposed drill site is covered with mature native vegetation, with no noticeable difference between the pad site and the surrounding landscape. The road shown in the photos has disturbed only a small fraction of the overall area. And, as I mentioned in our brief meeting in this agency's public room prior to the date of your letter, this area is known to contain significant archaeological sites.

Thus, I am not able to fulfill your request to waive the requirement for an archaeological survey for the subject drill site. I am enclosing a list of professional archaeological consultants permitted to conduct compliance-related archaeological investigations in the state of Utah. You'll notice that a number of the permittees on the list have been "crossed off" by myself (including my own entry); these are government or government-related entities that as a matter of policy (theirs, not mine) do not work for the private sector.

Thank you anyway for your efforts in this matter and thanks again for your letter and attached materials. If I may be of further assistance in this matter then please contact me via my direct phone line at the School and Institutional Trust Lands Administration at (801) 538-5168.

Sincerely,

Kenneth L. Wintch
Staff Archaeologist

Attachment

cc: Gill Hunt, DOGM ✓

Ed Bonner, SITLA Minerals Specialist

RDCC Agenda

June 22, 1999

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UT990610-120 Trust Lands Administration/Washington
County: Bloomington South Commercial Property -

B. Federal

10. UT990601-060 DOI/BLM/Grand County: Notice of Intent for Plan Amendment - Proposal for plan amendment for the Moab Field Office Grand RMP. Federal Register Notice dated 5/27/99, page 28833. Comments due 6/18/99.
11. UT990601-070 USDA/Forest Service: Dixie National Forest - Pine Valley Special Use Environmental Analysis - construction of a new water storage tank. Comments due 6/23/99.
12. UT990602-010 USDA/Forest Service: Dixie National Forest - Mountain Meadows Gravesite Memorial - Special Use Environmental Analysis. Comments due 6/23/99.
13. UT990506-080 USDA/Forest Service: Dixie National Forest - Noxious Weed Forest Plan - Amendment; scoping. Comments due 7/5/99.
14. UT980727-010 DOE: Supplement to the Draft Surplus Plutonium Disposition Environmental Impact Statement(web address - <http://www.doe-md.com>). Comments due 6/21/99.
15. UT981211-030 DOI/BLM: Onshore and Gas Leasing and Operations - proposed rule; notice of extension of public comment period. Federal Register Notice dated 6/1/99, page 29256. Comments due 7/12/99.

II. Short Turnaround

**Please note! Due to the short turnaround
Please comment directly to the Agency with a copy to
GOPB.**

State

16. UT990604-010 DOGM/Carbon County: Application for Permit Drill - proposal to drill a wildcat well the #1 Walton State Well on state lease ML-47659 (Sec. 32, T14S, R12E).

RDCC Agenda

June 22, 1999

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Comments due 6/18/99.

17. UT990607-060 Division of Oil, Gas and Mining/Uintah County: Application for Permit to Drill - proposal to drill a wildcat well on the Ranken Energy DWR 5-28 (Sec. 28, T12S, R23E). Comments due 6/22/99.

III. Stream Alterations**Please note! Due to the short turnaround****Please comment directly to the Agency with a copy to GOPB.**

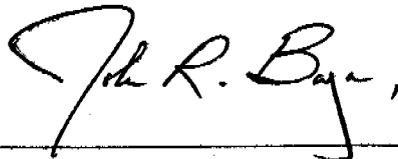
18. UT990603-070 Division of Water Rights/Utah County: American Fork River (No. 99-55-08SA) - stabilize bank (Sec. 13, 24, T5S, R1E). Comments due 6/21/99.
19. UT990603-080 Division of Water Rights/Summit County: McDonald Draw (No. 99-35-38SA) - housing development (Sec. 12, T2S, R3E). Comments due 6/21/99.
20. UT990603-090 Division of Water Rights/Dutch Draw (No. 99-35-37SA) - housing development (Sec. 2, T2S, R3E). Comments due 6/21/99.
21. UT990607-010 Division of Water Rights/Box Elder County: Box Elder Creek (No. 99-25-16SA) - install pipe (Sec. 14, T9N, R2W). Comments due 6/24/99.
22. UT990607-020 Division of Water Rights/Cache County: Blacksmith Fork River (No. 99-25-17SA) - stabilize bank (Sec. 34, T11N, R1E). Comments due 6/24/99.
23. UT990607-030 Division of Water Rights/Duchesne County: Dry Gulch Creek (No. 99-43-07SA) - replacement of existing culvert (Sec. 28, T2S, R1W). Comments due 6/24/99.
24. UT990607-040 Division of Water Rights/Washington County: Halfway Wash (No. 99-81-12SA) - construction of pedestrian bridge (Sec. 14, T42S, R16W). Comments due 6/24/99.
25. UT990607-050 Division of Water Rights/Salt Lake County: Trimble Creek (No. 99-57-22SA) - housing development (Sec. 2, T3S, R1W). Comments due 6/24/99.

STATE ACTIONS

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

-
1. ADMINISTERING STATE AGENCY
OIL, GAS AND MINING
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, Utah 84114-5801
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 AOG
-
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. DESCRIPTION:
Energy Hunters proposes to drill the #1 Walton State well (wildcat) on state lease ML-47659, Carbon County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The Division of Oil, Gas and Mining is the primary administrative agency in this action and must issue approval before operations commence.
-
8. LAND AFFECTED (site location map required) (indicate county)
SE/4, SE/4, Section 32, Township 14 South, Range 12 East, Carbon County, Utah
-
9. HAS THE LOCAL GOVERNMENT(s) BEEN CONTACTED?
No
-
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:
Degree of impact is based on the discovery of oil or gas in commercial quantities.
-
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE,
IF APPLICABLE:
-
12. FOR FURTHER INFORMATION, CONTACT:
13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL:

John R. Baza
PHONE: 538-5334

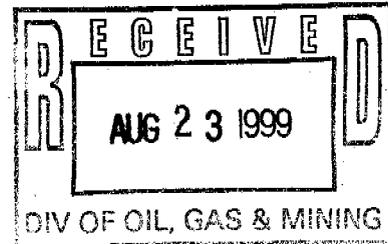


Associate Director

DATE: June 2, 1999

August 19, 1999

Mr. Ed Gray
Energy Investors Company
1799 South 580 West
Woods Cross, Utah 84087



Re: Cultural Resources Survey of Drill Pad and Access Corridor in the Clark Valley Area
of Carbon County, Utah.

Dear Mr. Gray:

As per your request ARCON has conducted a cultural resources inventory of the drill pad and access corridor on State and BLM lands in the Pace Creek area of Clark Valley east of Wellington, Carbon County, Utah.

No cultural resource sites were identified during the survey, and ARCON has completed the required records searches along with the field inventory and has recommended in the report that a cultural resources clearance be granted to Energy Investors for this project.

Two copies of the report are attached for your use, and copies are being forwarded to the appropriate government regulatory agencies as per your request. An invoice for this work is enclosed. Please contact me if any concerns arise during the processing of the report that may need my attention, or if you should have any additional cultural resources evaluation needs.

Sincerely,

A handwritten signature in black ink, appearing to read "V. Garth Norman".

V. Garth Norman
Director

Enclosure

CC: James Dykmann, Utah State Historic Preservation Office
Kenneth Wintch, Division of State Trust Lands
Blaine Miller, BLM Price District Office

U.S. I For BLM Use Only
Department of the Interior I BLM Report ID No.
Bureau of Land Management I
Utah State Office I Report Acceptable Yes ___ No ___
I Mitigation Acceptable Yes ___ No ___

Summary Report of Inspection I Comments: _____
for Cultural Resources I _____

-
- I
1. Report Title: Energy Investors Well Walton #1 Corridor Survey
 2. Development Company: Energy Investors Company
 3. Report Date: 8-19-99
 4. BLM Antiquities Permit No. 98-Ut-576532. SHPO Project No. U-94-AK-003b
 5. Responsible Institution: ARCON. County: Box Elder
 6. Fieldwork Location: NE 1/4 of Section 5, Township 15 South, Range 12 East
 7. Resource Area: Price River
 8. Description of Examination Procedures: The survey was conducted by the archaeologist walking two parallel transects 15 meters apart centered on the existing dirt road corridor from the Rock Creek road that runs north to the drill pad in State land.
 9. Linear Miles Surveyed: 0.2 10. Inventory Type: I
Legally Definable Acres Surveyed: None
 11. Description of Findings: No sites 12. Number Sites Found: 0
or isolated finds of significance
identified (See attached report.) 13. Collection: N
 14. Actual/Potential National Register Properties Affected: None
 15. Literature Search, Location/date: SHPO, 8-17-99; Price Area Office, 8-17-99 Miller request;
State Geological Resource Paleontology , 8-17-99.
 16. Conclusions/Recommendations: Cultural Resources clearance recommended. (See attached report).
 17. Signature W. Scott Norman



August 19, 1999

Subject: Cultural Resources Survey of Walton No. 1 Drill Pad and Access Corridor for Energy Investors in the Wellington Area of Carbon County, Utah

Project: Energy Investors Oil & Gas 1999 Exploration Well # Walton #1 (EIC-99-1) by ARCON

Permit: Utah Antiquities Project No. U-99-AK-0448bs
Federal Antiquities Permit No. 98-UT-57632

Author: V. Garth Norman

Mailing: James Dykmann, Utah State Historic Preservation Office
Kenneth Wintch, Division of State Trust Lands and Forestry
Blaine Miller, BLM Price District Office

ABSTRACT

A cultural resources survey was conducted by ARCON of a drill pad on State Trust land and an access corridor across BLM land for a proposed drilling operation in the Pace Creek area of Clark Valley east of Wellington, Carbon County, Utah. No cultural resources were encountered during the survey and no National Register or other known cultural resources or paleontological resources are known to be in or near the study area that will be affected by this project. ARCON recommends a cultural resources clearance be granted to Energy Investors for this project.

INTRODUCTION

On 17 August 1999, V. Garth Norman of ARCON conducted a cultural resource evaluation of a proposed drilling operation as requested by Mr. Ed Gray of Energy Investors on State land, and an access corridor on an existing two track field road across BLM land. The project area is located in the Pace Creek area of Clark Valley eight miles east of Wellington in Carbon County, Utah. The survey was authorized by the Utah State Historic Preservation Office, Antiquities Section, and the Utah Trust Lands Administration, and the BLM Price District Office. The survey area location is as follows:

State Land Pad & Access	SE 1/4 of Section 32, Township 14 South, Range 12 East
BLM Land Access	NE 1/4 of Section 5, Township 15 South, Range 12 East

The survey for the drill pad covered four acres, and the access route covered a 300 meter long by 30 meter wide corridor. (See map.)

ENVIRONMENT

The study area is within the Mancos Shale Lowland Subdivision of the Colorado Plateau Physiographic Province (Stokes 1977), at an elevation of 5600 feet asl. Geological formation in the area is Mancos Shale from the Cretaceous era (Hintze 1980). The adjacent Pace Creek drainage is a deep cut of about 4 meters that reveals its particular area is a deep erosional deposit zone as

The survey area is in the Lower Sonoran life zone. Predominant vegetation consists of a rather extensive low sage and rabbit brush, with scattered patches of prickly pear cactus. The only other vegetation is mustard weed on otherwise barren sandy loam soil. Cotton wood and other riverine community vegetation is found in the nearby Pace Creek drainage just outside the survey area.

PREVIOUS RESEARCH

A review of the State Historic Preservation files shows no known National Register or other cultural resource sites in the general survey area. One prior seismic corridor archaeological survey cuts across the access corridor that did not identify any cultural resources sites in the general area.

A paleontological records search with Martha Haden at the State Geological Resources office was conducted. While fossils do exist in Cretaceous shale, the deep alluvial erosion deposition in this study area precludes the possibility of encountering fossil deposits from this project construction.

SURVEY METHOD

The survey was completed by the archaeologist walking two transects on either side of the access routes to clear a thirty meter wide corridor, and by walking parallel and zigzag transects across the previously staked drill pad and surrounding area, including the adjacent bank of Pace Creek.

SURVEY RESULTS

No cultural resource sites nor significant isolated finds were observed during the survey. Observable human activity in the area is limited to ranching and/or recreational activity. Isolated broken bottles of white and brown glass, a pop can, cut wood, and a shotgun shell casing were noted.

RECOMMENDATIONS

ARCON recommends that Energy Investors be granted a cultural resources clearance for this project with the following recommended stipulations:

1. That all construction activity be confined to the areas surveyed.
2. That construction personnel refrain from collecting or otherwise disturbing any cultural materials that might be encountered during development.
3. That construction activities cease and a qualified archaeologist be notified immediately if unrecorded cultural materials are encountered during construction development.

REFERENCES

Cook, Clayton

1981 Archaeological Reconnaissance of Thirty Seven Miles of Seismic Lines in the Wellington Area. Utah Archaeological Research Corporation, Sept 1981.

Hintze, Lehi F.

1980 Geological Map of Utah. Utah Geological and Mineral Survey. Salt Lake City.

Stokes, William Lee

1977 Subdivision of the Major Physiographic Provinces in Utah. Utah Geology 4 (1). Utah Geological and Mineral Survey. Salt Lake City.



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

Michael O. Leavitt
Governor
Kathleen Clarke
Executive Director
Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

September 7, 1999

Energy Hunters
46 South 2050 East
Layton, Utah 84040

Re: #1 Walton State Well, 299' FSL, 200' FEL, SE SE, Sec. 32, T. 14 S., R. 12 E., 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.

Appropriate information has been submitted to DOGM by the operator and administrative approval of the requested exception location is hereby 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 43-007-30569.

Sincerely,

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

John R. Baza
Associate Director

lwp

Enclosures

cc: Carbon County Assessor
Bureau of Land Management, Moab District Office

Operator: Energy Hunters

Well Name & Number: #1 Walton State

API Number: 43-007-30569

Lease: State Surface Owner: State

Location: SE SE Sec. 32 T. 14 S. R. 12 E.

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R649-1 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

Notify the Division 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

Division contacts (please leave a voice mail message if person is not available to take the call):

- . Dan Jarvis at (801) 538-5338
- . Robert Krueger at (801) 538-5274 (plugging)
- . Carol Daniels at (801) 538-5284 (spud)

3. Reporting Requirements

All required reports, forms and submittals shall 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. Extend depth of 14" casing to 200' and cement to surface, or in alternative; cement 8⁵/₈" casing to surface.

Odyssey Corporation

46 South 2050 East
Layton, Utah 84040
Email: odyssey@utah-inter.net

Tel. (801) 546-8297 (H)

(801) 777-0469 (W)

FAX (801) 775-6233

1 November 2000

Mr. John Baza
Utah Board of Oil, Gas and Mining
Suite 1210
1594 West North Temple
P.O. Box 145801
Salt Lake City, Utah 84114-5801

RE: Application to extend Permit period for one year to drill the #1 Walton St.
SESE 32 T 14 S R 12 E, SLB & M, Carbon, County, Utah.

Dear Mr. Baza,

Due to various funding problems last year associated with drilling our proposed well, (#1 Walton St.), we were not able to drill the well in the original permitting period.

A new partnership is being formed and funding will be available in the first and second quarter of 2001. Therefore, we request a one year extension for permit to drill the #1 Walton St. Thank you for your consideration.

Regards,



J. Dan Davis
Odyssey Corp.

RECEIVED
NOV 1 2000
DIVISION OF
OIL, GAS AND MINING



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

December 12, 2000

J. Dan Davis
Energy Hunters
c/o Odyssey Corporation
46 South 2050 East
Layton, Utah 84040

RE: 1 Walton State (APD), SESE Sec. 32, T14S, R12E - Carbon County, Utah
API No. 43-007-30569

Dear Mr. Davis:

In response to your letter dated November 1, 2000 (copy enclosed), please be advised that the Division of Oil, Gas and Mining ("the Division") is unable to approve your request for a one year extension to the above referenced Application for Permit to Drill ("APD"), therefore approval to drill the well is hereby rescinded, effective immediately.

Mr. Ed Bonner with the School and Institutional Trust Lands Administration ("SITLA") informs us that the cash bond in the amount of (\$20,000) for the referenced well was released September 14, 1999. In addition, state mineral lease ML-47659 is currently leased to Ronald Coulam Trust Agreement.

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

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

Sincerely,

Lisha Cordova
Eng. Technician

Enclosure

cc: Well File
John Baza, Associate Director, Oil & Gas
Ed Bonner, SITLA