

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS WELL LOG ELECTRIC LOGS **X** FILE WATER SANDS LOCATION INSPECTED SUB REPORT abd

DATE FILED **9-15-86**

LAND. FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. INDIAN **14-20-H62-3538**

DRILLING APPROVED **9-26-86**

SPUDDED IN

COMPLETED PUT TO PRODUCING:

INITIAL PRODUCTION

GRAVITY API

GOR

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION

DATE ABANDONED **1-21-87 LA'D**

FIELD **UNDESIGNATED**

UNIT

COUNTY: **DUCHESNE**

WELL NO. **SOWERS CANYON 8-27**

LOCATION **2200' FNL** FT. FROM (N) (S) LINE. **400' FEL** FT. FROM (E) (W) LINE. **APT #43-013-31179**

SE NE 1/4 - 1/4 SEC **27**

TWP RGE SEC OPERATOR

TWP RGE SEC OPERATOR

5S 5W 27 GAVILAN PETROLEUM INC.

GAVILAN PETROLEUM, INC.

P.O. Box 6107
Salt Lake City, Utah 84106

1997 South 1100 East
Salt Lake City, Utah 84106
(801) 484-0942

September 10, 1986

RECEIVED
SEP 15 1986

Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

**DIVISION OF
OIL, GAS & MINING**

Re: Application for Permit to Drill
Ute Tribal # 8-27
SENE - Sec. 27 - T5S R5W
Duchesne County, Utah

Gentlemen:

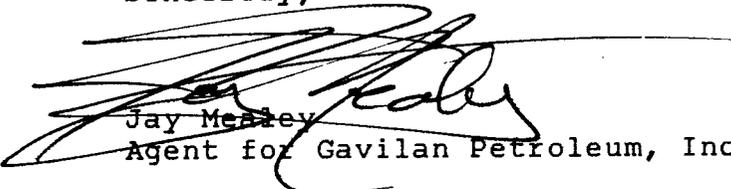
Attached please find two copies of the APD for the referenced well.

The 8-27 is located 2200' FNL & 400' FEL which is contrary to statewide spacing rules for oil wells regarding distance from the center of a quarter-quarter section. Drainage through Sowers Canyon runs immediately east of the location with a steep mountain and road immediately west of the location. In order to avoid the existing drainage this location must be placed at the above footages.

Gavilan therefore requests that the Division administratively grant an exception to the statewide rules for this well for topographic reasons.

Gavilan must drill, complete and have actual production on this well by November 22, 1986 so your immediate attention to this matter would be greatly appreciated. Should you have any questions regarding this matter please do not hesitate to contact the undersigned at 277-2337.

Sincerely,


Jay Menley
Agent for Gavilan Petroleum, Inc.

OPERATIONS OFFICE

1344 West Highway #40 / Vernal, Utah 84078 / (801) 789-4666

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

8

5. LEASE DESIGNATION AND SERIAL NO.
BIA 14-20-H62-3538

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
Ute Tribe

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Sowers Canyon

9. WELL NO.
8-27

10. FIELD AND POOL, OR WILDCAT
~~Wildcat~~ UNDESIGNATED

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
Sec. 27, T5S R5W

12. COUNTY OR PARISH | 13. STATE
Duchesne | Utah

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
Gavilan Petroleum, Inc.

3. ADDRESS OF OPERATOR
1680 West Highway 40, Suite 1230, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
2200' FNL & 400' FEL (SENE)
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
26.7 miles SW of Myton, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
400'

16. NO. OF ACRES IN LEASE
575.16

17. NO. OF ACRES ASSIGNED TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
NA

19. PROPOSED DEPTH
6000' *Green River*

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6533' NGL

22. APPROX. DATE WORK WILL START*
September 22, 1986

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10 1/4"	8 5/8"	K-55 24#	250'	To Surface
7 7/8"	5 1/2"	15.5#	TD	As required

Company Representative: Scott Seebe
1680 West Highway 40, Suite 1230
Vernal, Utah 84078
(801) 789-4666

RECEIVED
SEP 15 1986

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

DIVISION OF
OIL, GAS & MINING

DATE: 9-26-86
BY: John R. Bay
WELL SPACING: 302.1

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 [Signature] TITLE Agent for Gavilan Petroleum, Inc DATE 9-10-86
(This space for Federal or State office use)

PERMIT NO. 43-013-31179 APPROVAL DATE _____

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

*See Instructions On Reverse Side

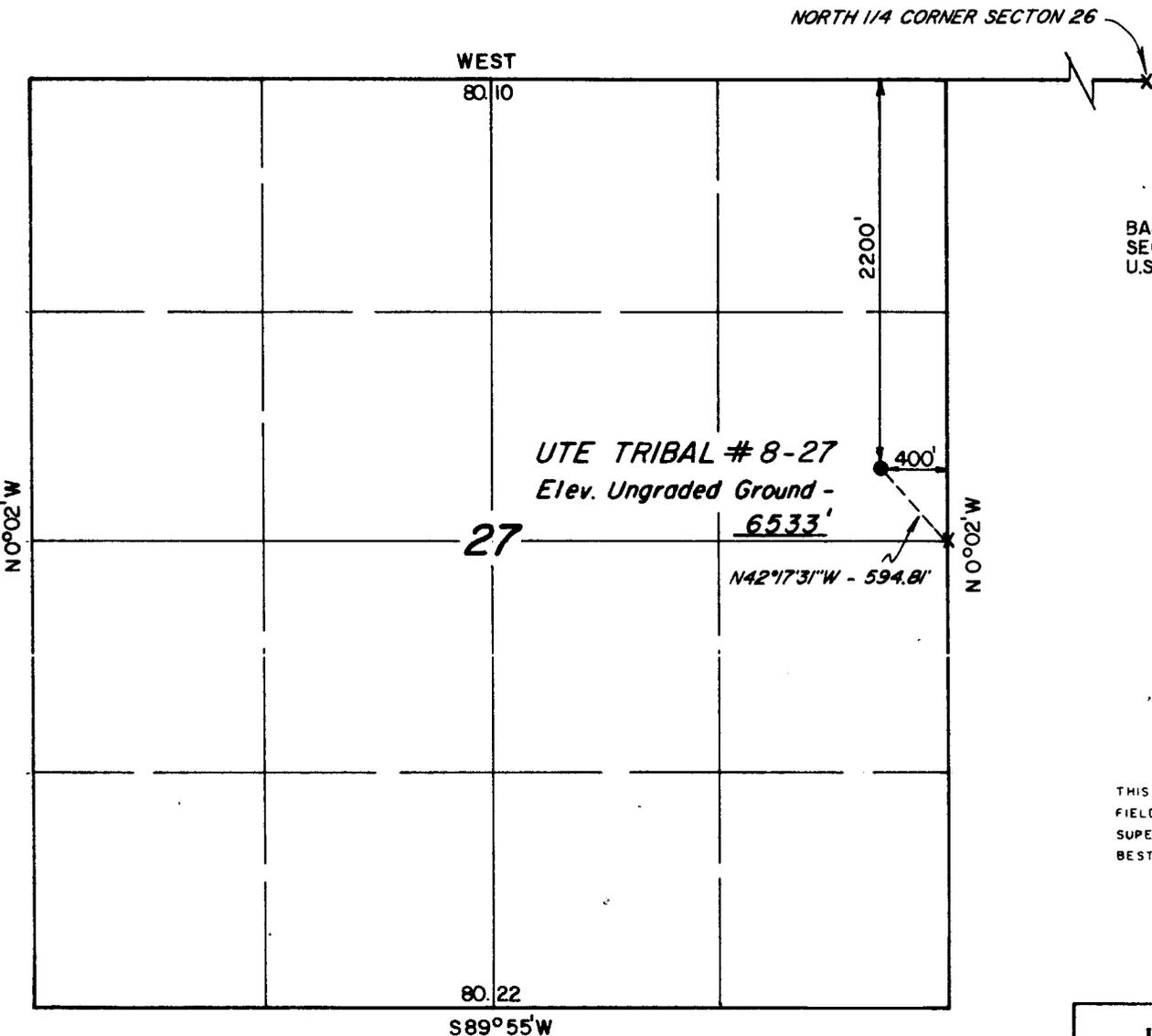
T 5 S , R 5 W , U.S.B. & M.

PROJECT
GAVILAN PETROLEUM

Well location, *UTE TRIBAL*
 # 8 - 27, located as shown in
 the SE 1/4 NE 1/4 Section 27,
 T 5 S , R 5 W , U.S.B. & M. Duchesne
 County, Utah.

NOTE:

BASIS OF BEARINGS IS A LINE BETWEEN THE EAST 1/4 CORNER
 SECTION 27 & THE NORTH 1/4 CORNER SECTION 26, T 5 S , R 5 W ,
 U.S.B. & M. WHICH IS ASSUMED TO BEAR N 45° 01' 42" E - 3700.10'.



CERTIFICATE

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

Richard J. Randall
 REGISTERED LAND SURVEYOR
 REGISTRATION NO 2454
 STATE OF UTAH

UINTAH ENGINEERING & LAND SURVEYING
 P. O. BOX Q - 85 SOUTH - 200 EAST
 VERNAL, UTAH - 84078

SCALE	1" = 1000'	DATE	8/21/86
PARTY	LDT RK GS RP	REFERENCES	GLO Plat
WEATHER	Fair	FILE	GAVILAN

X = SECTION CORNERS LOCATED

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Gavilan Petroleum, Inc.

Ute Tribal 8-27

Indian # 14-20-H62-3538

SE 1/4 NE 1/4, Section 27, T5S R5W

Duchesne County, Utah

Indian Surface

THIRTEEN POINT SURFACE USE PROGRAM:

Multipoint Requirements to Accompany APD

1. Existing Roads:

See attached Topographic Map A

The proposed well is located 26.7 miles southwest of Myton, Utah. To reach the location proceed westerly from Myton along US 40 approximately 9.2 miles to the junction of US 40 and the Sowers Canyon Road; proceed southerly along this county road 17.5 miles to location.

2. Planned Access Road

See attached Topographic Map B

- A. Length - N/A. Access to well pad from existing road.
- B. Width - 30 foot right-of-way with 18 foot running surface maximum.
- C. Maximum Grade - 8%
- D. Turnouts - none
- E. Drainage Design - none
- F. No culverts or bridges will be built.
- G. Surfacing Material - Located on lease.
- H. No gates, cattleguards or fence cuts will be used.
- I. Access road surface ownership - County Road

All travel will be confined to existing access road right-of-way.

Access roads and surface disturbing activities will conform to standards outlined in the USGS Publication (1978) Surface Operating Standards for Oil and Gas Development.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, draining, graveling, crowning and capping the roadbed as necessary to provide a well constructed safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30' right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

3. Location of Existing Wells

An existing producing well (Gavilan Ute Tribal 3-26) is located in the NENW of Section 26, T5S R5W.

4. Location of Existing and/or Proposed Facilities

The On Well and Off Well information will be provided at a later date after the well is completed for production by a Sundry Notice.

If a tank battery is constructed on the lease, the battery or the well pad will be surrounded by a dike of sufficient capacity to contain 1.5 times the storage capacity of the battery. The integrity of the dike must be maintained.

Tank batteries location will be determined at a later date by Sundry Notice.

All permanent 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 Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with O.S.H.A. will be excluded.

The required paint color is Desert Brown (10YR 6/3).

5. Location and Type of Water Supply

All water for the proposed well will be obtained from a private source and transported by truck over the access

road described herein.

6. Sources of Construction Material

All construction material will be obtained from the location which is Indian Tribal land.

7. Methods of Handling Waste Disposal

See Location Layout Sheet.

A portable chemical toilet will be provided for human waste.

All trash will be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities. Burning of trash will not be allowed.

All reserve pits will be lined with a minimum 10 mil plastic liner. The pits will be lined to conserve water and protect the environment. The liner will be torn and perforated after the pit dries and before backfilling of reserve pit.

Pits will be constructed so as not to leak, break or allow discharge of liquids.

Produced waste water will be confined to a lined pit or storage tank for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the required time will be considered an incident of non-compliance.

8. Ancillary Facilities

Camp facilities or airstrips will not be required.

9. Well Site Layout

Please refer to the attached Location Layout Sheet.

All pits will be fenced with a wire mesh fence topped with at least one strand of barbed wire. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed. Pits will be fenced and maintained until clean-up.

The fence will be constructed as prescribed in the U.S.G.S. Publication (1978) Surface Operating Standards for Oil and Gas Development. Alternatives to the prescribed standards shall be submitted to the AO for approval.

Well site layout: The reserve pits will be located on the West side of the location between points 4,5,A,B.

The stockpiled topsoil will be stored on the South side of the location between points 2 & 3.

Access to the wellpad will be from the NW at point 7.

The blooie pit will be located between points 5 & 6 and separate from the reserve pit.

The existing drainage will be left intact.

10. Plans for Restoration of the Surface

A restoration plan will be provided upon completion.

The following are provisions that will be addressed in the restoration plan:

Immediately upon well completion, the location and surrounding area will be cleared of all debris, materials, trash and junk not required for production.

Before any dirt work to restore the location takes place the reserve pit must be completely dry and all cans, barrels, pipe, etc. will be removed. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed. The reserve pit will be reclaimed within 9 months from the date of well completion.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

Prior to reseeding, all disturbed areas, including the access road will be scarified and left a rough surface.

Seed will be broadcast or drilled at a time specified by the BIA. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage and the seed mixture will be proportionately larger (double the lbs. per acre).

An appropriate seed mixture will be determined by the BIA either as part of the Conditions of Approval of the APD or at the time restoration activities are scheduled to begin.

All seeding will be done from September 15th until the ground freezes.

At such time the well is plugged and abandoned the operator will submit a surface reclamation plan to the Surface Management Agency for prescribed seed mixtures and reseeding requirements.

If seeding is unsuccessful the lessee/operator may be required to make subsequent seedings.

Abandoned well sites, roads, or other disturbed areas will be restored to their near original condition. This procedure will include: (a) reestablishing irrigation systems where applicable, (b) reestablishing soil conditions in irrigated fields in such a way as to insure cultivation and harvesting of crops and, (c) insure revegetation of the disturbed areas to the specifications of the Ute Indian Tribe or the BIA at the time of abandonment.

The operator will submit a plan for controlling noxious weeds along rights-of-way for roads, pipelines, wells sites or other applicable facilities.

11. Surface Ownership

The surface of the location and access road is Indian - Ute Tribal owned.

12. Other Additional Information

A cultural resource clearance will be required before any construction begins on Federal and Indian lands.

If, during operations, any archeological or historical sites, or any object of antiquity are discovered, all operations which would affect such sites are to be suspended and the discovery reported promptly to the Surface Management Agency.

Operators employees, including subcontractors, will not gather firewood along roads constructed by operator. If woodcutting is required, a permit will be obtained from the Forestry Department of the BIA. All operators, subcontractors, vendors and their employees may not disturb saleable timber without a duly granted wood permit from

the BIA Forester.

All roads constructed by operators on the Uintah and Ouray Indian Reservation will have appropriate signs. Signs will be of neat and of sound construction and will state: (a) that the land is owned by the Ute Indian Tribe, (b) the name of the operator, (c) that firearms are prohibited to all non-Ute Tribal members, (d) that permits must be obtained from the BIA before cutting firewood or other timber products and (e) only authorized personnel permitted.

All well site locations on the Uintah and Ouray Indian Reservation will have an appropriate sign indicating the name of the operator, the lease serial number, the well name and number, and the survey description of the well.

The operator or his contractor will contact the BLM and BIA offices at (801)789-1362 or (801)722-2406 between 24 and 48 hours prior to construction activities. Contact Tim O'Brien - BLM.

The BLM and BIA offices shall be notified upon site completion prior to moving on the drilling rig.

13. Lessee's or Operators Representative and Certification

Representative

Doug Thamer
Scott Seeby
1680 West Highway #40
Vernal, Utah 84078
(801) 789-4666

All lease operations will be conducted in a manner that full compliance is made with all applicable laws, regulation, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his sub-contractors. A copy of these conditions will be furnished the field representative to insure compliance.

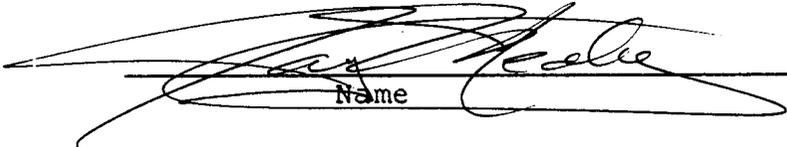
The dirt contractor will be provided with an approved copy of the Surface Use Plan from the APD.

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

CERTIFICATION:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are true and correct to the best of my knowledge; and, that the work associated with the operations proposed here will be performed by Gavilan Petroleum, Inc. and it's contractors and sub-contractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

9-11-86
Date


Name

Agent for Gavilan Petroleum, Inc.
Title

Onsite Date: 9-3-86

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL
WITHIN THE UINTAH AND OURAY RESERVATION

Company: Gavilan Petroleum, Inc.

Well No.: Ute Tribal #8-27

Location: SENE - Section 27 - T5S R5W

Lease No.: 14-20-H62-3538

Onsite Inspection Date: 9-3-86

All lease operations will be conducted in such a manner that full compliance is made with the applicable laws, regulations, Onshore Oil and Gas Order No.1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Tops:

Uinta Formation - Surface
Green River Formation - 2500'

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered:

Expected Oil Zones: Green River 4500'-6000'
Expected Gas Zones: Green River 4500'-6000'
Expected Water Zones: Uinta & Green River surface
to 4500'

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment:

10 inch 3000 psi hydraulic blowout preventer. Blowout preventer will be tested to 2000 psi and tested daily.

BOP systems will be consistent with API RP53. Pressure tests will be conducted before drilling out from under casing strings which have been set and cemented in place. Blowout preventer controls will be installed before drilling the surface casing plug and will remain in use until the well is completed or plugged and abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection will be recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs.

The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location during pressure testing.

4. Casing Program and Auxiliary Equipment:

<u>Hole Size</u>	<u>Size & Wt. of Casing</u>	<u>Depth</u>	<u>Cement</u>
10 1/4"	8 5/8" 24# K-55	250'	To Surface
7 7/8"	5 1/2" 15.5# J-55	TD	As required

Anticipated cement tops will be reported as to depth; not the expected number of sacks to be used. The District Office should be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

5. Mud Program and Circulating Medium:

Fresh water will be used to 4000'. From 4000' to TD KCl will be gradually added to 4.5% by TD. No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

6. Coring, Logging and Testing Program:

- a. Mud Logging Units from 1000'
- b. DLL-MSFL; CNL-CDL; CBL
- c. Sidewall Cores on zones of interest

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 not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions and core analysis, 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 gases) will be submitted when requested by the AO.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

Estimated Bottom Hole Pressure is 3000 psi. No abnormal conditions are expected.

8. Anticipated Starting Dates and Notifications of Operations:

Location Construction: September 22, 1986

Spud Date: Immediately after location construction

No location will be constructed or moved, no well will be plugged and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the AO within 48 hours after spudding. If spudding occurs on the weekend or holiday, the report will be submitted on the following workday. The oral report will be followed up with a Sundry Notice.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed, in triplicate, to the Vernal BLM District Office, 170 South 500 East, Vernal, Utah 84078.

Immediate Report: Spills, blowouts, fires, leaks, accidents or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO,

and all conditions of this approved plan are applicable

during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 days following the date on which the well is placed on production.

Pursuant to the NTL-2B, with approval of the District Engineer, produced water may be temporarily disposed of into lined pits for a period of 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Pursuant to NTL-4A, lessees or operators are authorized to vent/flare gas during initial well evaluation tests not exceeding a period of 30 days or the production of 50 MMCF of gas, whichever occurs first. An application must be filed with the District Engineer and approval received, for any venting/flaring of gas beyond the 30 day authorized test period.

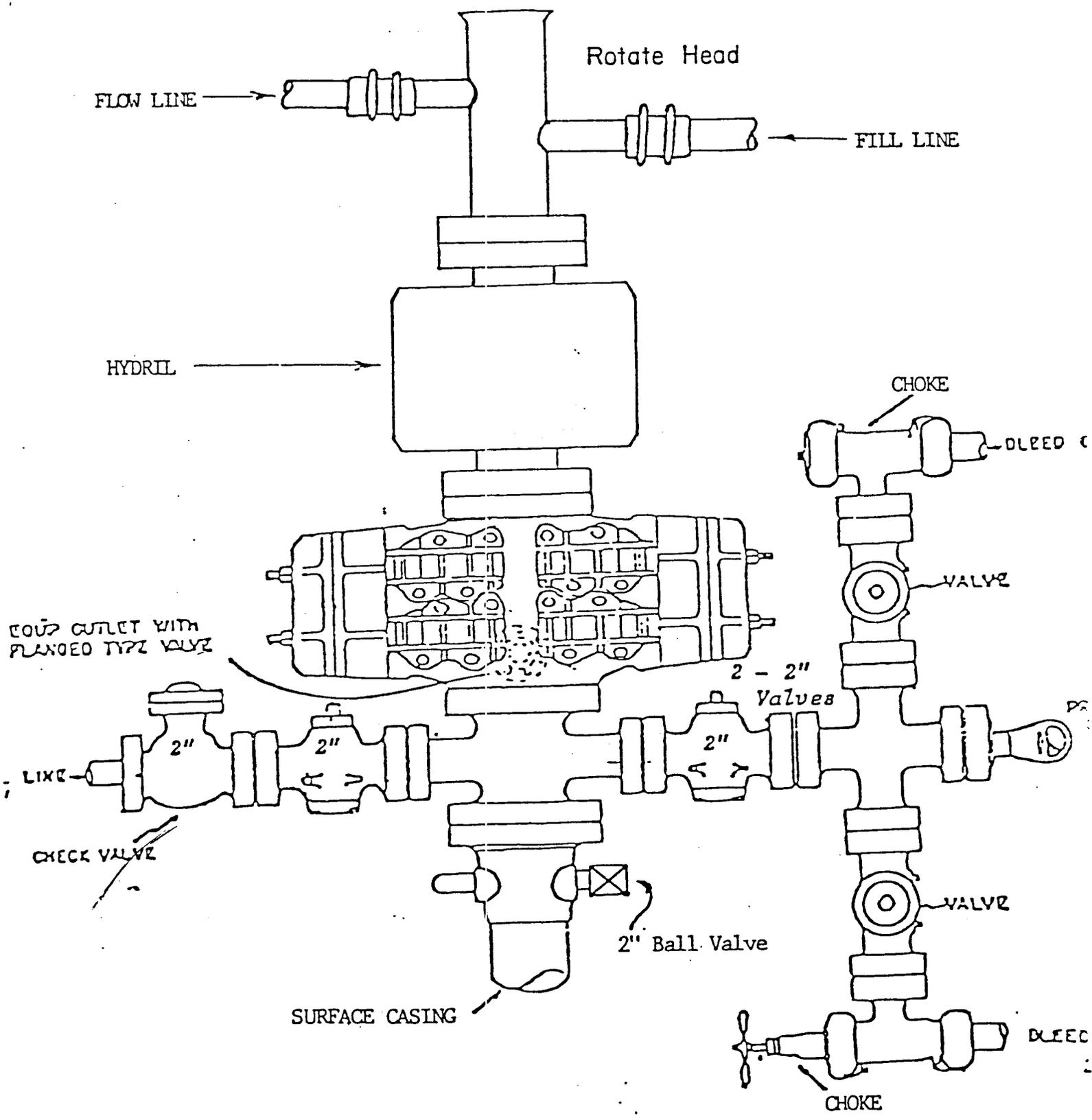
A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3 and 3162.7-4 shall be submitted to the appropriate District Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in 43 CFR 3162.7 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

A first production conference will be scheduled within 15 days after receipt first production notice.

No well abandonment operations will be commenced without prior approval of the AO. In case of newly drilled dry holes or failures, and in emergency situations, oral approvals will be obtained from the SO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. 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 AO or his representative, or the appropriate Surface Managing

Agency.

Pursuant to Onshore Oil and Gas Order No. 1, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with the applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.



NOTE: BLOWOUT PREVENTER HAS DOUBLE RAMS;
 ONE BLIND AND ONE PIPE RAM.

Disc 1

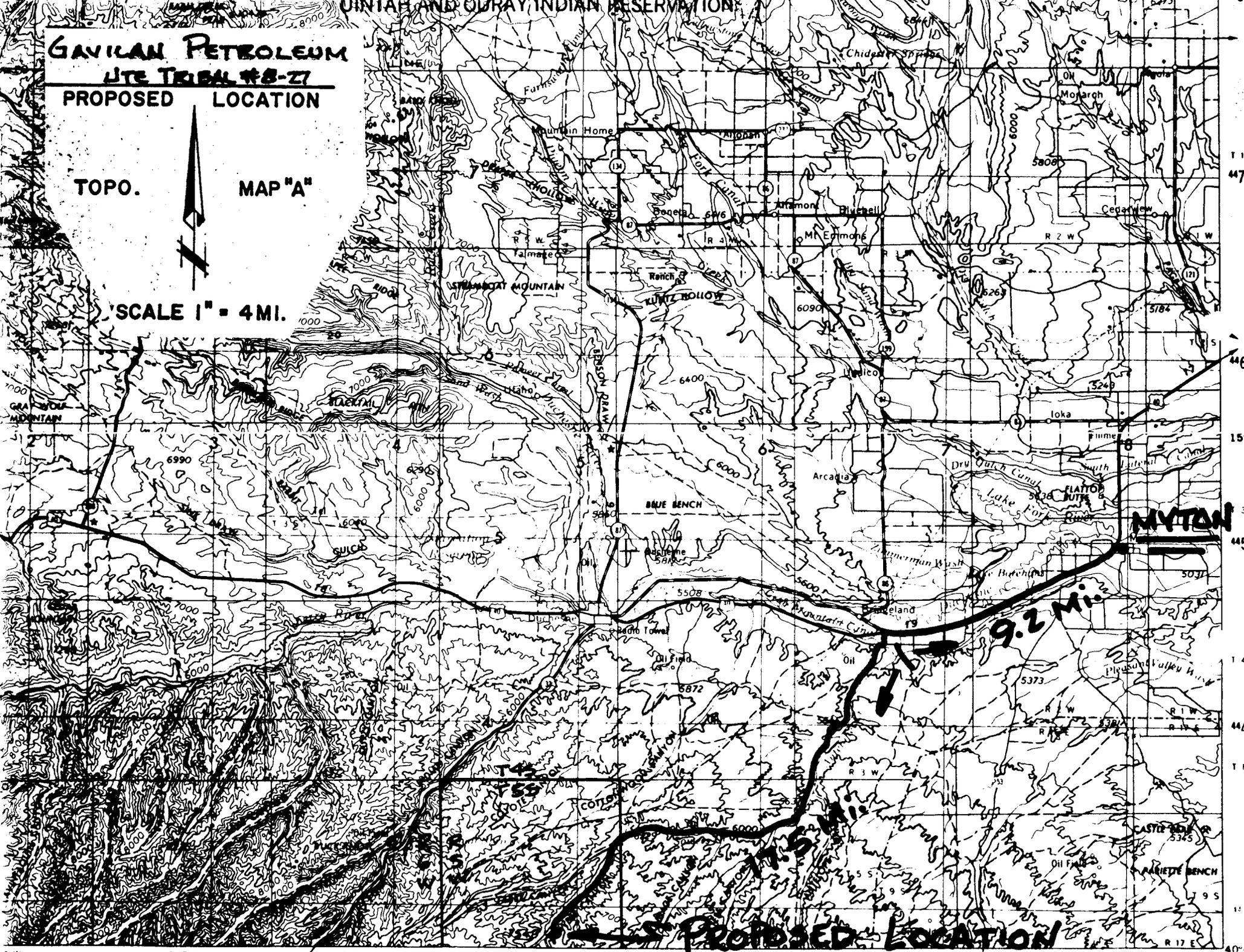
UINTAH AND OURAY INDIAN RESERVATION

GAVILAN PETROLEUM
UTE TRIBAL #8-27
PROPOSED LOCATION

TOPO. MAP "A"



SCALE 1" = 4 MI.

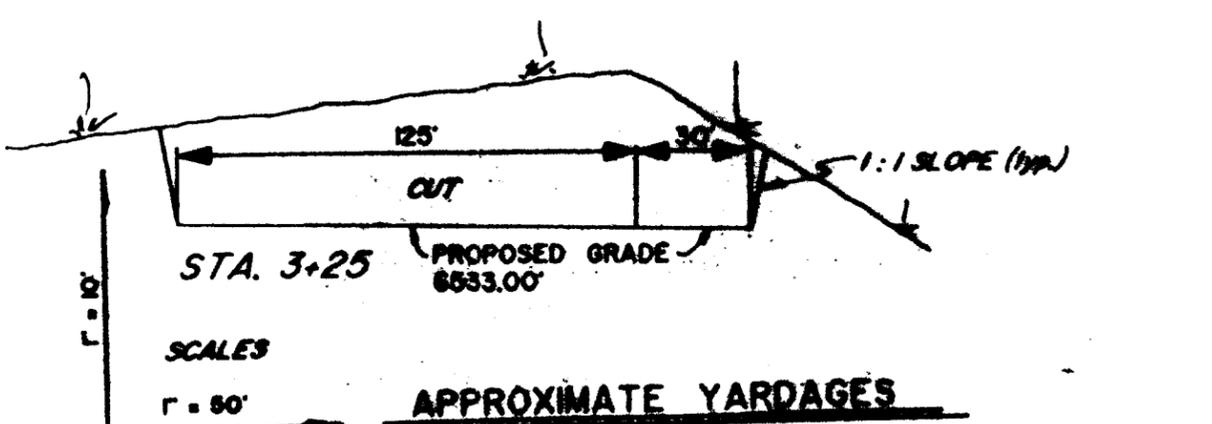
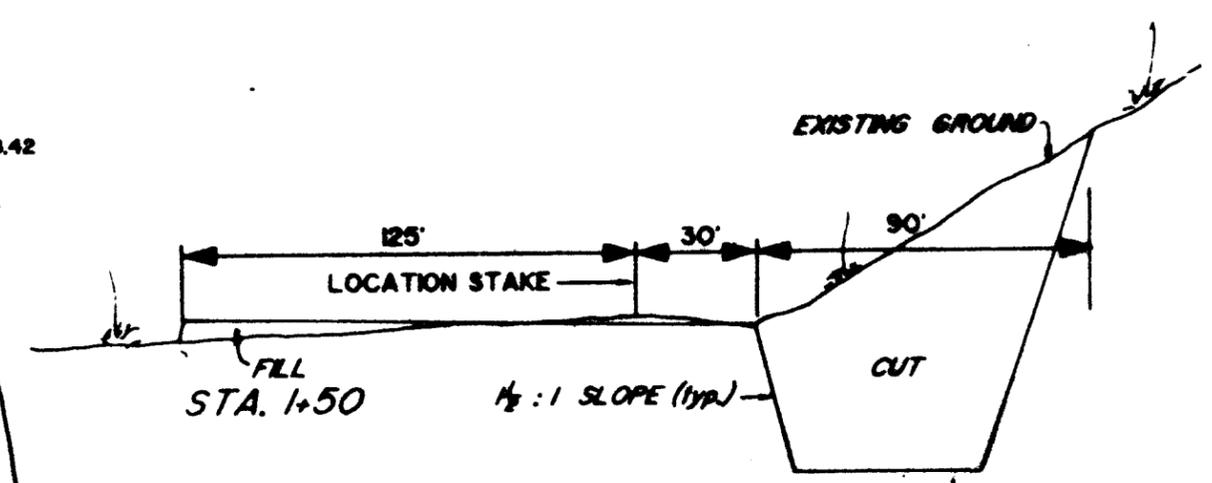
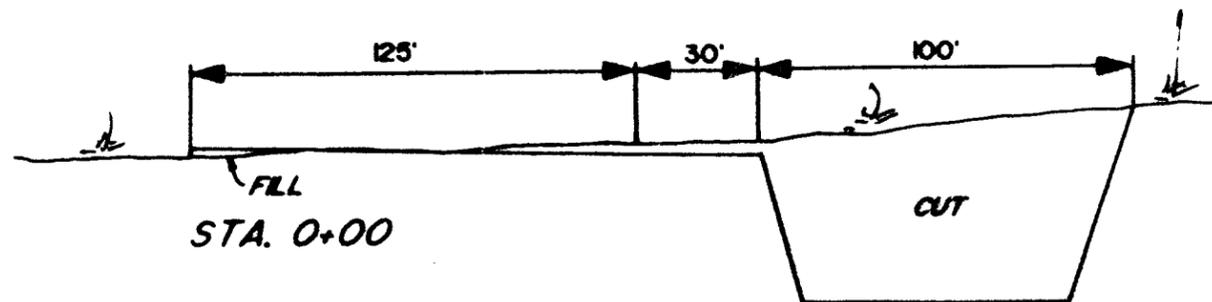
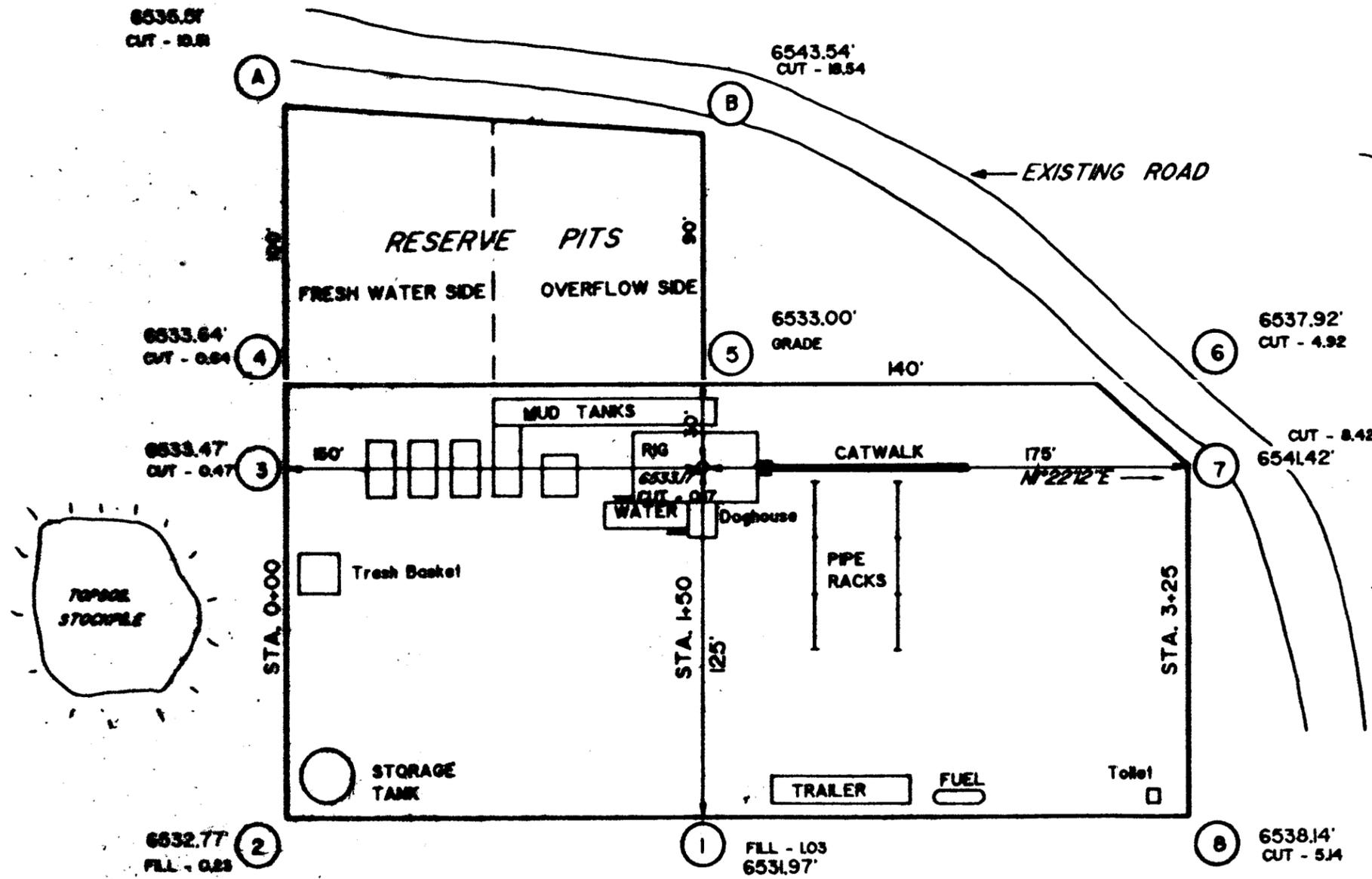


9.2 Mi.

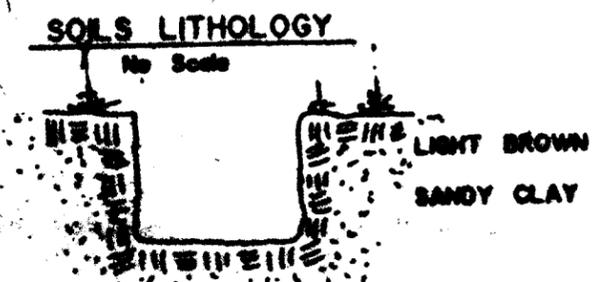
PROPOSED LOCATION

GAVLAN PETROLEUM

UTE TRIBAL #8-27



SCALE: 1" = 50'
DATE: 8/22/86



APPROXIMATE YARDAGES

CUBIC YARDS CUT	2050
CUBIC YARDS FILL	320

GAVILAN PETROLEUM
UTE TRIBAL #8-27
PROPOSED LOCATION

TOPO.

MAP "B"

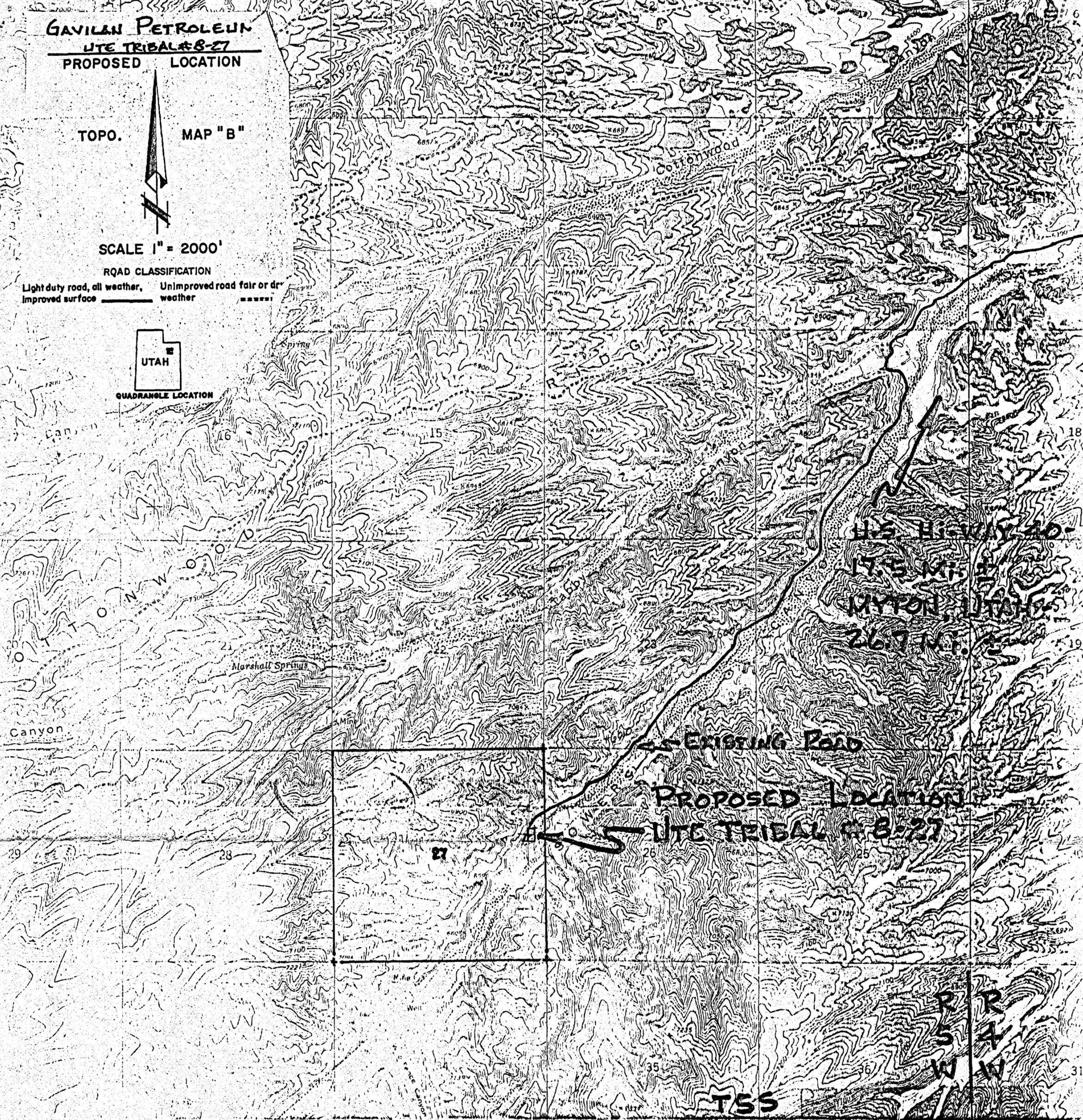
SCALE 1" = 2000'

ROAD CLASSIFICATION

Light duty road, all weather, Improved surface  Unimproved road fair or dry weather 



QUADRANGLE LOCATION



U.S. Highway 20
17.5 Miles
NORTH
26.9 Miles

EXISTING ROAD
PROPOSED LOCATION
UTE TRIBAL #8-27

TSS

092919

OPERATOR Devlon Petroleum Inc DATE 9-16-86
WELL NAME Sowers Canyon 8027
SEC SE NE 27 T 55 R 5W COUNTY DeWitt

43-013-31179
API NUMBER

Indian
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other wells within 920'

Need water permit

Exemption requested

APPROVAL LETTER:

SPACING:

203

UNIT

302

CAUSE NO. & DATE

302.1

STIPULATIONS:

1- Water

GAVILAN PETROLEUM, INC.

P.O. Box 6107
Salt Lake City, Utah 84106

1997 South 1100 East
Salt Lake City, Utah 84106
(801) 484-0942

September 18, 1986

RECEIVED
SEP 22 1986

Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180

**DIVISION OF
OIL, GAS & MINING**

Attn: Arlene Solis

Re: Application for Permit to Drill
Ute Triabl # 8-27
Exception Location
Duchesne County, Utah

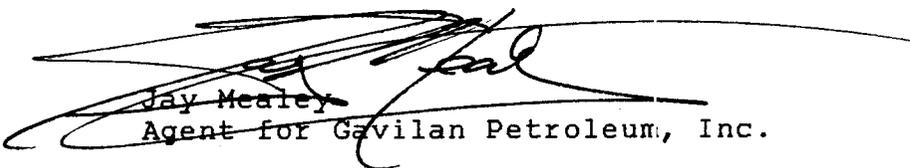
Dear Arlene:

Pursuant to our recent telephone conversation, please be advised that Gavilan owns a 77.5% working interest in Section 26 of Township 5 South Range 5 West which is the section directly east of the requested exception location.

Gavilan earned Section 26 through a farmout from Burton/Hawks, Inc., Marathon Oil Co., Meridian Oil Inc., Horizon Oil & Gas Co., Enterprise Gas Company, and R. Downs Poindexter with those parties owning the remaining interest in that section.

Should you have any questions regarding this matter please do not hesitate to contact the undersigned at 277-2337.

Sincerely,


Jay Mealey
Agent for Gavilan Petroleum, Inc.

*Implied
operatorship*



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

September 26, 1986

Gavilan Petroleum, Inc.
1680 West Highway 40, Suite 1230
Vernal, Utah 84078

Gentlemen:

Re: Well Name: Sowers Canyon 8-27 - SE NE Sec. 27, T. 5S, R. 5W
2200' FNL, 400' FEL - Duchesne County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302.1, Oil and Gas Conservation General Rules, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

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

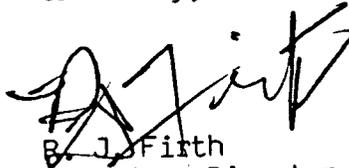
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2
Gavilan Petroleum, Inc.
Well Name: Sowers Canyon 8-27
September 26, 1986

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable State and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. 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 43-013-31179.

Sincerely,



B. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Bureau of Indian Affairs
Branch of Fluid Minerals
D. R. Nielson
8159T

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

102717

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
Gavilan Petroleum, Inc. 43 012-31179

3. ADDRESS OF OPERATOR
1680 West Highway 40, Suite 1230, Vernal, Utah 84078

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
At surface
2200' FNL & 400' FEL (SENE)
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
26.7 miles SW of Myton, Utah

15. DISTANCE FROM PROPOSED*
LOCATION TO NEAREST
PROPERTY OR LEASE LINE, FT.
(Also to nearest drlg. unit line, if any) 400'

16. NO. OF ACRES IN LEASE
575.16

17. NO. OF ACRES ASSIGNED
TO THIS WELL
40

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT. NA

19. PROPOSED DEPTH
6000'

20. ROTARY OR CABLE TOOLS
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
6533' NGL

22. APPROX. DATE WORK WILL START*
September 22, 1986

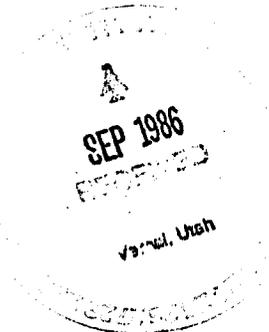
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
10 1/2"	8 5/8"	K-55 24#	250'	To Surface
7 7/8"	5 1/2"	15.5#	TD	As required

Company Representative: Scott Seebe
1680 West Highway 40, Suite 1230
Vernal, Utah 84078
(801) 789-4666

RECEIVED
OCT 24 1986

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 [Signature] TITLE Agent for Gavilan Petroleum, Inc DATE 9-10-86

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY [Signature] TITLE DISTRICT MANAGER DATE 10/21/86

CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

*See Instructions On Reverse Side

43 012-31179
September 22, 1986

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company Gavilan Petroleum, Inc. Well No. 8-27

Location Sec. 27 T5S R5W Lease No. 14-20-H62-3538

DRILLING PROGRAM

1. Water Zones

Report all fresh water zones encountered to Wayne Svejnoha of this office. Copies of State of Utah forms will be acceptable.

2. Pressure Control Equipment

BOP and choke manifold systems will be consistent with API RP 53.

3. Casing Program and Auxiliary Equipment

Ensure that the surface casing setting depth protects fresh water in the Uinta Formation. Depth to aquifer is +250' (GR). (May need to extend length of surface string.)

The cementing program for the 5-1/2" casing will isolate and protect any fresh water or commercial mineral zones.

4. Mud Program and Circulating Medium

No chromate additives will be used in the drilling fluid without prior approval from the BLM, Vernal District Office, Branch of Fluid Minerals.

5. Coring, Logging and Testing Program

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

6. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the A0.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"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.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

In the event after-hour approvals are necessary, please contact one of the following individuals:

Craig M. Hansen
Assistant District Manager
for Minerals

(801) 247-2318

Gerald E. Kenczka
Petroleum Engineer

(801) 781-1190

R. Allen McKee
Petroleum Engineer

(801) 781-1368

Revised October 1, 1985

Date NOS Received 08/25/86

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator Gavilan Petroleum Inc.
Well Name & Number Sowers Canyon No. 8-27
Lease Number 14-20-H62-3538
Location SE 1/4 NE 1/4 Sec. 27 T. 5 S. R. 5 W.
Surface Ownership Ute Tribe

THIRTEEN POINT SURFACE USE PROGRAM

If rocks are present in the reserve pit, sufficient bedding will be placed under the liner to prevent punctures.

memorandum

DATE: SEP 30 1986

REPLY TO
ATTN OF: Superintendent, Uintah and Ouray Agency

SUBJECT: Gavalin Petroleum Sowers Canyon; Lease No. 14-20-H62-3538,
located in Section 27, SE1/4NE1/4, T5S, R5W

TO: District Manager, Bureau of Land Management



We (concur with or, recommend) approval of the Application for Permit to Drill subject well.

Based on available information on September 17, 1986, we have cleared the proposed location in the following areas of environmental impact.

YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	Listed threatened or endangered species.
YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>	Critical wildlife habitat.
YES <input type="checkbox"/>	NO <input checked="" type="checkbox"/>	Archaeological or cultural resources.
YES <input type="checkbox"/>	NO <input type="checkbox"/>	Air quality aspects (to be used only if project is in or adjacent to a Class I area of attainment).
YES <input type="checkbox"/>	NO <input type="checkbox"/>	Other (if necessary)

REMARKS: Archaeological clearance will be forwarded upon receipt. Issue conditional APD until archaeological clearance is complete.

The necessary surface protection and rehabilitation requirements are as per approved APD.

RECEIVED
JAN 12 1987DIVISION OF
OIL, GAS & MINING3162.35
U-820
14-20-H62-3538

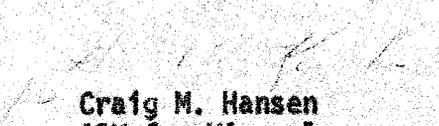
January 2, 1987

Gavilan Petroleum, Inc.
1680 West Highway 40, Suite 1230
Vernal, Utah 84078RE: Rescind Application for Permit to Drill
Well No. Sowers Canyon 8-27
Section 27, T5S, R5W
Duchesne County, Utah
Lease No. 14-20-H62-3538

The Application for Permit to Drill the referenced well was approved on October 21, 1986. Since that date, no known activity has transpired at the approved location. The records of the Bureau of Indian Affairs indicate that the referenced lease is beyond the primary term and production was not established. Therefore, the rights granted have expired by their own terms on November 22, 1986. In view of the foregoing, this office is rescinding the approval of the referenced application.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,


Craig M. Hansen
ADM for Minerals

mh

bcc: State Div. O G & M
well file
U-922/943
BIA



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Dickens

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

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

January 21, 1987

Gavilan Petroleum, Inc.
1680 West Highway 40
Suite #1230
Vernal, Utah 84078

Gentlemen:

RE: Well No. Sowers Canyon #8-27, Sec.27, T.5S, R.5W,
Duchesne County, Utah, API NO. 43-013-31179

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

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

Sincerely,

John R. Baza
John R. Baza
Petroleum Engineer

sb
cc: BLM-Vernal
D. R. Nielson
R. J. Firth
Well file
0327T-42

870127
V

GAVILAN PETROLEUM, INC.

P.O. Box 6107
Salt Lake City, Utah 84106

020916

2180 South 1300 East
Salt Lake City, Utah 84106
(801) 484-0942

February 4, 1987

Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

RECEIVED
FEB 06 1987

DIVISION OF
OIL, GAS & MINING

Re: 3162.35, U-820, 14-20-H62-3538
Reply to Rescinded Application

43-013-31179

Well No. Sowers Canyon 8-27, Sec. 27, T5S-5W, Duchesne County, Utah
Lease No. 14-20-H62-3538

Well No. Tabby Canyon 8-22, Sec. 22, T5S-5W, Duchesne County, Utah
Lease No. 14-20-H62-3536

Gentlemen:

As required, this letter is to confirm that No surface disturbance has been made to the above referenced drill sites.

Gavilan Petroleum, Inc. intends to acquire the above leases from the Ute Indian Tribe. Drilling operations to commence in the Spring of 1987.

Sincerely,



Scott J. Seeby
Operations Manager

SS: jr

cc: State of Utah Natural Resources
Oil, Gas and Mining