

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **8-5-91**

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. **UTU-67845** INDIAN

DRILLING APPROVED: **8-15-91**

SPUDDED IN:  
COMPLETED: **9-11-91 LA** PUT TO PRODUCING:

INITIAL PRODUCTION:  
GRAVITY A.P.I.

GOR:  
PRODUCING ZONES:

TOTAL DEPTH:  
WELL ELEVATION:

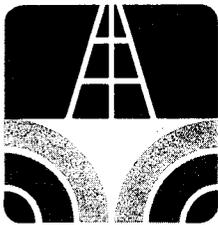
DATE ABANDONED: **LA'D PER BLM EFF 9-11-91**  
FIELD: **UNDESIGNATED**

UNIT:  
COUNTY: **DUCHESNE**

WELL NO. **FEDERAL #23-22** API NO. **43-013-31331**

LOCATION **1977' FSL** FT. FROM (N) (S) LINE. **2042' FWL** FT. FROM (E) (W) LINE. **NE SW** 1/4 - 1/4 SEC. **22**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
<b>8S</b>	<b>17E</b>	<b>22</b>	<b>GREENWOOD HOLDINGS, INC</b>				



Greenwood  
Holdings Inc.

5600 South Quebec Street  
Suite 150-C  
Englewood, Colorado 80111  
(303) 773-6703  
Facsimile: (303) 694-1154

RECEIVED

AUG 05 1991

DIVISION OF  
OIL GAS & MINING

August 4, 1991

Oil and Gas Supervisor  
State of Utah  
Division of Oil, Gas and Mining  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203

Subject; APD Federal 23-22  
NESW Sec. 22 T8S R17E  
Duchesne County, Utah

Dear Oil and Gas Supervisor,

Enclosed for your files are two (2) copies of Greenwood Holdings Inc.'s Application for Permit to Drill the Federal 23-22 at the above captioned location. The archaeological survey for this location is completed and has been mailed directly to your offices. A final access agreement has yet to be negotiated with the surface owner. A copy of the access agreement will be provided as soon as the appropriate documents have been signed. Also, any changes in the water source will be permitted, and a copy of the permit made available thru the drilling contractor.

Provided herewith are the following Exhibits:

- Application for Permit to Drill; Form 3160-3  
( including certification of bonding ),
- Ten Point Drilling Program,
- Multi-Point Surface Use and Operations Plan,
- Survey Plat, Rig Layout, Cut and Fill Diagram,
- Well Location Plat and Access Maps,
- Right-of-Way agreement with the surface owner.

The onsite inspection was performed April 4, 1991. Specific modifications recommended during the onsite appear on the exhibits and APD where appropriate. If there are any deficiencies or questions related to this application please do not hesitate to contact Jim Ryder or myself at the letterhead address and phone.

Three (3) copies of this information have been mailed to the BLM in Vernal.

Sincerely,

Steve M. Pillingham  
Greenwood Holdings Inc.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR  
 GREENWOOD HOLDINGS INC.

3. ADDRESS OF OPERATOR  
 5600 S. QUEBEC ST., SUITE 150-C, ENGLEWOOD, CO 80111

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface  
 At proposed prod. zone 1977' FSL, 2042' FWL, NE 1/4 SW 1/4 Sec. 22 T8S-R17E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 SEVEN (7) MILES SOUTHEAST OF MYTON, UTAH

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 1977'

16. NO. OF ACRES IN LEASE 1,480

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. 5280' ±

19. PROPOSED DEPTH 7,100' *WSTC*

20. ROTARY OR CABLE TOOLS ROTARY

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5,183' GL

22. APPROX. DATE WORK WILL START\* Oct. 15, 1991

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-67845

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME  
 NONE

8. FARM OR LEASE NAME

9. WELL NO.  
 FEDERAL 23-22

10. FIELD AND POOL, OR WILDCAT  
 UNNAMED/Wildcat *Undesignated*

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 SEC 22, T8S-R17E

12. COUNTY OR PARISH DUCHESNE

13. STATE UTAH

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8" J55	24#	300'	200 SX CIRC. TO SURFACE*
7 7/8"	5 1/2" K55	15.5#	0-6,900'	725 SX AS REQUIRED*

\* CEMENT VOLUMES MAY CHANGE DUE TO HOLE SIZE. CALCULATE FROM CALIPER LOG

**RECEIVED**  
 AUG 0 5 1991

DIVISION OF  
 OIL GAS & MINING

I hereby certify that Greenwood Holdings Inc. is authorized by the proper lease interest owners to conduct lease operations associated with this Application for Permit to Drill Federal Lease #UTU-67845. Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by Continental Casualty Co. Nationwide Bond #2666648, BLM Bond #WY2246. Greenwood Holdings Inc. will be responsible for compliance with all the terms and conditions of that portion of the lease associated with this Application.

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. SIGNER *Thomas B. Foster* TITLE Vice President DATE August 2, 1991

(This space for Federal or State office use)

PERMIT NO. 43-013-31331 APPROVAL DATE

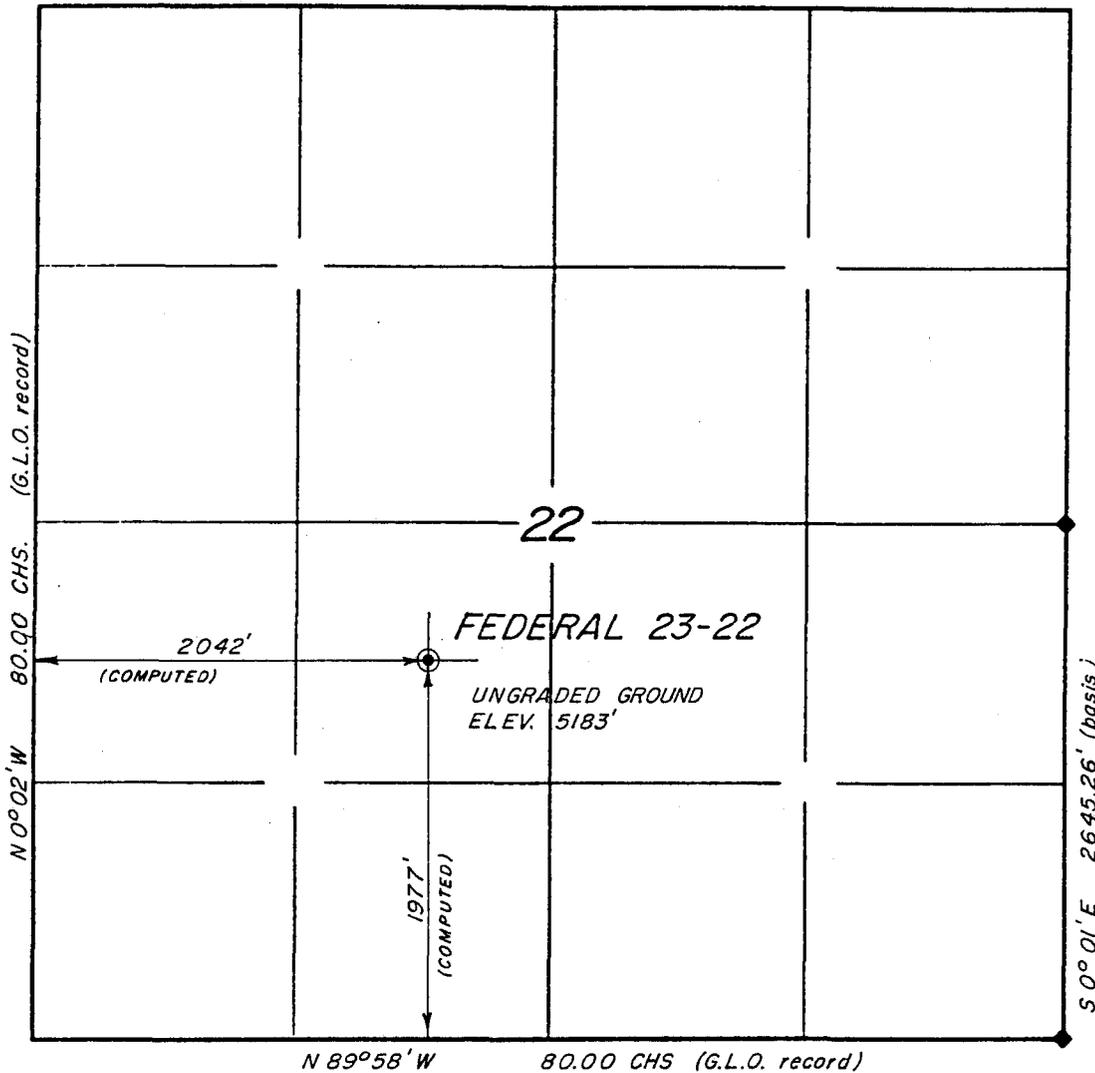
APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE: 8-15-91

BY: *M. Matthews* WELL SPACING: 665-3-0

\*See Instructions On Reverse Side

**GREENWOOD HOLDINGS, INC.  
WELL LOCATION PLAT  
FEDERAL 23-22**

LOCATED IN THE NE $\frac{1}{4}$  OF THE SW $\frac{1}{4}$  OF  
SECTION 22, T8S, R17E, S.L.B.&M.



SCALE: 1"=1000'

**LEGEND & NOTES**

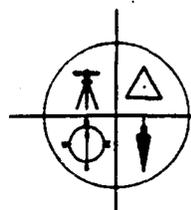
- ◆ Corner monuments found and used by this survey.

The General Land Office (G.L.O.) plat was used for reference and calculations, and the basis of bearings.

**SURVEYOR'S CERTIFICATE**

I hereby certify that this plat was prepared from field notes of an actual survey performed by me, during which the shown monuments were found or established.

*Jerry D. Allred*  
 \_\_\_\_\_  
 Jerry D. Allred, Registered Land Surveyor, Cert. No. 3817 (Utah)



**JERRY D. ALLRED & ASSOCIATES**  
 Surveying & Engineering Consultants

121 North Center Street  
 P.O. Drawer C  
 DUCHESNE, UTAH 84021  
 (801) 738-5352

23 April 1991

91-121-005

DRILLING PROGRAM

Company Greenwood Holdings Inc. Well No. Federal 23-22  
Location NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 22, T8S-R17E Lease No. UTU-67845  
Duchesne County, Utah.

Onsite Inspection Date: April 4, 1991

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), 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 to the field representative to insure compliance.

1. Surface Formation and Estimated Formation Tops:

<u>Formation</u>	<u>Depth</u>	<u>Datum (GR)</u>
Uinta	Surface	5183'
Green River	1850'	+3333'
Garden Gulch	4360'	+ 823'
Douglas Creek Marker	4820'	+ 363'
Castle Peak Lime	5990'	- 807'
Basal TGr Lime	6400	-1217'
Colton	6525	-1342'
TD	7100'	-1917'

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

	<u>Formation</u>	<u>Zone</u>
Expected oil zones:	Green River, Wasatch	4800' -6400', 6500' -6900'
Expected gas zones:	None	
Expected water zones:	None	
Expected mineral zones:	Oil Shale	Top @+3400'

All fresh water and prospectively valuable minerals (as described by BLM at onsite) 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: (Schematic Attached)

A 3000 WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the surface casing as described below:

A. Type: 11" Double Gate Hydraulic.

The Blow-Out Preventer will be equipped as follows:

1. One (1) blind ram (above).
2. One (1) pipe ram (below).
3. Kill line (2-inch minimum).

3. Pressure Control Equipment: (Continued)

4. One (1) kill line valve (2-inch minimum).
5. One (1) choke line valve.
6. Two (2) adjustable chokes.
7. Upper kelly cock valve with handle available.
8. Safety valve & subs to fit all drill strings in use.
9. 2-inch (minimum) choke line.
10. Pressure gauge on choke manifold.

B. Pressure Rating: 3,000 psi

C. Testing Procedure:

At a minimum, the BOP, choke manifold, and related equipment will be pressure tested to the approved working pressure of the BOP stack (if isolated from the surface casing by a test plug) or to 70% of the internal yield strength of the surface casing (if the BOP is not isolated from the casing by a test plug). Pressure will be maintained for a period of at least ten (10) minutes or until the requirements of the test are met, whichever is longer.

At a minimum, the above pressure test will be performed:

1. When the BOP is initially installed;
2. Whenever any seal subject to test pressure is broken;
3. Following related repairs; and
4. At thirty (30) day intervals.

In addition to the above, the pipe and blind rams will be activated each trip, but not more than once each day.

All BOP drills and tests will be recorded in the IADC driller's log.

D. Choke Manifold Equipment:

All choke lines will be straight lines unless turns use tee blocks or are targeted with running tees, and will be anchored to prevent whip and vibration.

E. Accumulator:

The accumulator will have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles which meet the manufacturer's specifications will be used as the backup to the required independent power source. The accumulator precharge pressure test will be conducted prior to connecting the closing unit to the BOP stack and at least once every six (6) months thereafter. The accumulator pressure will be corrected if the measured precharge

E. Accumulator: (Continued)

pressure is found to be above or below the maximum or minimum limits specified in Onshore Operating Order #2.

F. Miscellaneous Information:

The Blow-Out Preventer and related pressure control equipment will be installed, tested and maintained in compliance with the specifications in and requirements of Onshore Operating Order #2.

The choke manifold and BOP extension rods with hand wheels will be located outside the rig sub-structure. The hydraulic BOP closing unit will be located at least twenty-five (25) feet from the well head but readily accessible to the driller.

Exact locations and configurations of the hydraulic BOP closing unit will depend upon the particular rig contracted to drill this hole.

A flare line will be installed after the choke manifold, extending 100 feet (minimum) from the center of the drill hole to a separate flare pit.

4. The Proposed Casing and Cementing Program:

A. Casing Program:

<u>Hole Size</u>	<u>Csg Size</u>	<u>Wt/Ft</u>	<u>Grade</u>	<u>Threads</u>	<u>New/Used</u>	<u>Depth</u>
12-1/4"	8-5/8"	24#	J-55	STC	New	300'
7-7/8"	5-1/2"	15.5#	K-55	LTC	New/Used	TD

Casing string(s) will be pressure tested to 0.22 psi per foot, or 1500 psi (not to exceed 70% of the internal yield strength of the casing), whichever is greater, after cementing and prior to drilling out from under the casing shoe.

B. Cementing Program:

Surface Casing : Cement with approximately 200 sx Class "G" cement + additives, circulated to surface with 100% excess.

Production Casing : Lead with approximately 325 sx "Lite" cement with Cello-seal plus additives; tail with approximately 400 sx class "G" cement + additives. Volume will be calculated to extend 200' above the top of the Green River oil shale beds as identified on logs.

B. Cementing Program: (Continued)

Actual cement volumes to be required will be determined from the caliper log.

All waiting on cement (WOC) times will be adequate to achieve a minimum of 500 psi compressive strength at the casing shoe prior to drilling out.

5. Mud Program: (Visual Monitoring)

<u>Interval</u>	<u>Type</u>	<u>Weight</u>	<u>Viscosity</u>	<u>Fluid Loss</u>
0-300'	Water	-----	-----	-----
300-7100'	KCL Water	8.4	28	NC

Sufficient quantities of mud materials will be maintained or readily accessible for the purpose of assuring well control during the course of drilling operations.

No chromate additives will be used in the mud system on Federal lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

6. Evaluation Program:

<u>Logs</u>	:	DLL-GR-SP	7100'-Surface
		FDC-CNL	7100'-4200'
		Caliper log	7100'-2800'
<u>DST's</u>	:	None anticipated	
<u>Cores</u>	:	Wireline cores may be taken.	

The proposed evaluation program may change at the discretion of the wellsite geologist, with prior approval from the Authorized Officer, Bureau of Land Management.

Stimulation:

No stimulation or frac treatment has been formulated for this test at this time. The drill site, as approved, will be of sufficient size to accommodate all completion activities.

Whether the well is completed as a dry hole or as a producer, Well Completion and Recompletion Report and Log (Form 3160-4) will be submitted to the Book Cliffs Resource Area Office not later than thirty (30) days after the completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164.

Stimulation: (Continued)

Two (2) copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer, Book Cliffs Resources Area Office, Bureau of Land Management, 170 South 500 East, Vernal, Utah 84078, Phone: (801) 789-1362.

7. Abnormal Conditions:

No abnormal temperatures or pressures are anticipated. No H<sub>2</sub>S has been encountered in or known to exist from previous wells drilled to similar depths in the general area. Maximum anticipated bottom hole pressure equals approximately 2,988 psi (calculated at 0.433 psi/foot).

8. Anticipated Starting Dates and Notification of Operations:

A. Drilling Activity

Anticipated Commencement Date : Oct 15, 1991  
Drilling Days : Approximately 10 Days  
Completion Days : Approximately 15 Days

B. Notification of Operations

The Book Cliffs Resource Area Office, Bureau of Land Management will be notified at least twenty-four (24) hours PRIOR to the commencement of the following activities:

1. Spudding of the well. This oral report will be followed up with a Sundry Notice (Form 3160-5);
2. Initiating pressure tests of the blow-out preventer and related equipment;
3. Running casing and cementing of ALL casing strings.

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 suspended status without prior approval of the Authorized Officer. If operations are to be suspended, prior approval of the Authorized Officer will be obtained and notification given before resumption of operations.

In accordance with Onshore Operating Order #1, this well will be reported on MMS Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with

B. Notification of Operations (Continued)

the Royalty Management Program, Minerals Management Service, P. O. Box 17110, Denver, Colorado 80217.

Immediate Report: spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the provisions of NTL-3A or its current 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 Authorized Officer, and all conditions of this approved plan will be applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the Authorized Officer will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication no later than five (5) business days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of the Authorized Officer, produced water may be temporarily disposed of into the reserve pit for a period of up to ninety (90) days. During this 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 Authorized Officer.

Pursuant to NTL-4A, lessees and operators are authorized to vent/flare gas during initial well evaluation tests, not exceeding a period of thirty (30) days or the production of fifty (50) MMCF of gas, whichever occurs first. An application must be filed with the Authorized Officer, and approval received, for any venting/flaring of gas beyond the initial thirty (30) days or otherwise 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 Vernal District Office within thirty (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 fifteen (15) days after receipt of the first production notice.

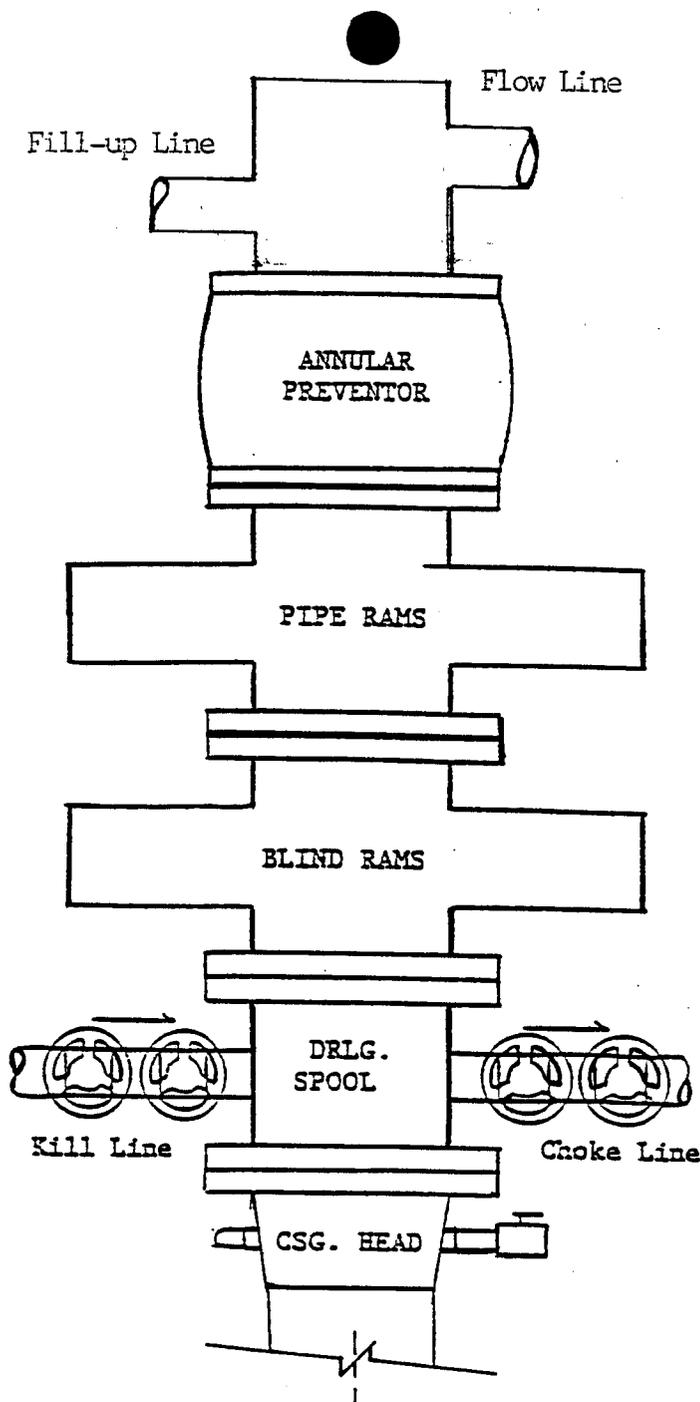
No well abandonment operations will be commenced without the prior approval of the Authorized Officer. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the Authorized Officer.

B. Notification of Operations (Continued)

A "Notice of Intention to Abandon" (Form 3160-5) will be filed with the Authorized Officer within fifteen (15) days following the granting of oral approval to plug and abandon.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3161.6. The following information will be permanently placed on the marker with a plate, cap, or beaded-on with a welding torch: "Fed" or "Ind", as applicable; Company Name, Corporation Well Name and Number, Location by Quarter/Quarter, Section, Township, Range, and Federal or Indian Lease Number.

A "Subsequent Report of Abandonment" (Form 3160-5) will be submitted within thirty (30) days following the actual plugging of the well bore. This report will indicate where plugs were placed and the current status of surface restoration operations. If surface restoration has not been completed at that time, a follow-up report on Form 3160-5 will be filed when all surface restoration work has been completed and the location is considered ready for final inspection. Final abandonment will not be approved until the surface reclamation work required by the approved Application for Permit to Drill has been completed to the satisfaction of the Authorized Officer or his representative, or the appropriate Surface Management Agency.



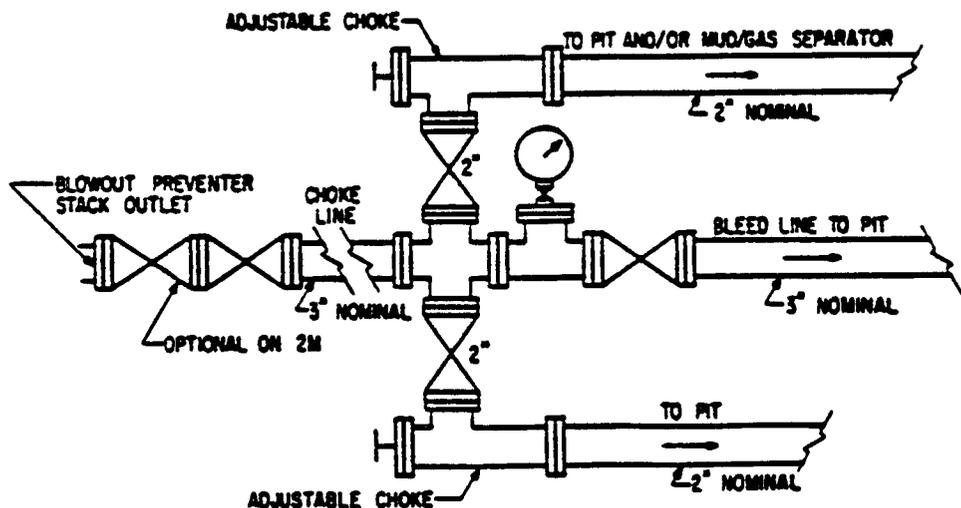
1. BOP Equipment will consist of a double gate, hydraulically operated preventor with pipe & blind rams or two single ram type preventors, one equipped w/ pipe rams, the other w/blind rams. BOP system will be consistent w/API RP 53.
2. BOP's will be well braced w/hand controls extended clear of substructure
3. Accumulator to provide closing pressure in excess of that required w/sufficient volume to operate all components.
4. All BOP equipment will be tested to 2500# for 15 minutes. The BOP's will be tested at the time of installation and every 30 days thereafter. BOP's will be mechanically checked daily.
5. Modification of hook-up or testing procedure will be approved in writing on tour reports by wellsite representative.

## BOP Schematic 3000# WP

Greenwood Holdings Inc

Federal 23-22  
NE SW 22 T8S R17E  
Duchesne Co, Utah

### Accumulator



Note: Right of way and road easement applications addressed on last page.

MULTI-POINT SURFACE USE AND OPERATIONS PLAN

Company: Greenwood Holdings, Inc. Well No. Federal 23-22  
Location: NE $\frac{1}{4}$ SW $\frac{1}{4}$  Section 22, T8S-R17E Lease No. UTU-67845  
Duchesne County, Utah

1. Existing Roads: Refer to Maps "C" & "D" (Shown in ORANGE)
  - A. The proposed well site is staked and four 200-foot reference stakes are present.
  - B. To reach the location from the town of Myton, Utah; proceed southwest 1.5 miles on Highway 40 to the "Pleasant Valley" sign. Turn left on State Highway 53 and go south approximately 2 miles to County Road 216.  
  
Follow County Road 216 (3.7 miles) to BLM sign.  
  
Continue on County Road 216 (0.7 miles) past the BLM sign to intersection on east side of road. Turn left (east) towards radio tower, proceed (3.0 miles) to gate.  
  
From gate, continue east around perimeter of field approx. 0.6 miles, after passing pond turn right and follow road west 600' to location.  
  
Lease road will be marked with signs.
  - C. Access roads - refer to Maps "C" & "D".
  - D. Access roads within a one-mile radius - refer to Map "C".
  - E. The existing gravel roads will be maintained in the same or better condition as existed prior to the commencement of operations and said maintenance will continue until final abandonment and reclamation of the well location.

2. Planned Access Roads: Refer to Map "D" (Shown in Yellow)

The access to the proposed well location will be entirely on existing roads.

- A. Width - maximum 30-foot overall right-of-way with an 18-foot road running surface, crowned & ditched.
- B. Construction standard - the access road will be constructed in accordance with Bureau of Land Management Roadway Guidelines established for oil and gas exploration and development activities as referenced in the BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Third Edition.

2. Planned Access Roads: (Continued)

Construction standard - the road will be constructed to meet the standards of the anticipated traffic flow and all-weather requirements. Construction will include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed and safe road.

Prior to construction/upgrading, the roadway shall be cleared of any snow cover and allowed to dry completely. Traveling off of the thirty (30) foot 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 the accumulation of debris in the drainage crossing nor shall the drainage be blocked by the roadbed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at a 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.

- C. Maximum grade - 4%.
- D. Turnouts - turnouts will be constructed along the access route as necessary or required to allow for the safe passage of traffic. None anticipated at this time.
- E. Drainage design - the access road will be crowned, ditched, and water turnouts installed as necessary to provide for proper drainage along the access road route. Borrow ditches and water turnouts will be constructed as described in the conditions of approval.
- F. Culverts, cuts and fills - None.
- G. Surface materials - any construction materials which may be required for surfacing of the access road will be purchased from a local contractor having a permitted source of materials in the area, if required by the Authorized Officer, Bureau of Land Management. Excess material taken from the access road may be used for minor construction.
- H. Gates, cattle guards or fence cuts - A cattle guard/gate may be required by the surface owner.
- I. Road maintenance - during both the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and will be maintained in accordance with the original construction standards. All drainage ditches and culverts will be kept clear and free-flowing, and will also be maintained in

2. Planned Access Roads: (Continued)

accordance with the original construction standards. The access road right-of-way will be kept free of trash during operations.

J. The proposed access road is flagged.

3. Location of Existing Wells Within a One-Mile Radius:

Please refer to Map "C".

- A. Water Wells - none known, an abd. water well is shown in W $\frac{1}{2}$ SE $\frac{1}{4}$  22.
- B. Abandoned Wells - Dry Hole SESW21 T4S R1W.
- C. Temporarily Abandoned Wells - none known.
- D. Disposal Wells - none known.
- E. Drilling Wells or Locations: SWNW 26, SWSW 23, T8S R17E
- F. Producing Wells - NESW, Section 21, T8S, R17E.
- G. Shut-in Wells - none known.
- H. Injection Wells - none known.
- I. Monitoring Wells - none known.

4. Location of Existing and/or Proposed Facilities Owned by Greenwood Holdings, Inc. Within a One-Mile Radius:

A. Existing - none.

- 1. Tank Batteries - none.
- 2. Production Facilities - none.
- 3. Oil Gathering Lines - none.
- 4. Gas Gathering Lines - none.

B. New Facilities Contemplated

- 1. All production facilities will be located on the disturbed portion of the well pad and at a minimum of twenty-five (25) feet from the toe of the back slope or toe of the fill slope.
- 2. The production facilities (consisting primarily of a christmas tree at the well head, dehydration unit, tank batteries, and emergency pit) will require an area approximately 300' X 135'. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via "Sundry Notice" (Form 3160-5) for approval of subsequent installation operations. The tank batteries will be placed between reference points 4 and 5 on the attached well layout plat.
- 3. Production facilities will be accommodated on the existing well pad. Construction materials required for installation of the facilities will be obtained from the site; any additional materials required will be purchased from a local supplier having a permitted (private) source of materials within the area.

B. New Facilities Contemplated (Continued)

The dike will be constructed completely around those production facilities which contain fluids (i.e. production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 150% of the capacity of the largest tank, and be independent of the back cut.

4. All permanent (on-site for six months or longer) above-the-ground structures constructed or installed including pumping units will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five (5) State Rocky Mountain Interagency Committee. All production facilities will be painted within six (6) months of installation.

Facilities required to comply with Occupational Health and Safety Act Rules and Regulations will be excluded from this painting requirement.

The standard paint color is Desert Brown, Munsell standard Color number (10YR 6/3).

5. If at any time the facilities located on public lands and authorized by the terms of the lease are no longer included in the lease (due to a contraction in the unit or other lease or unit boundary change), the Bureau of Land Management will process a change in authorization to the appropriate statute. The authorization will be subject to the appropriate rental or other financial obligation as determined by the Authorized Officer.

- C. The production (emergency) pit will be fenced with woven wire mesh topped with one (1) strand of barbed wire held in place with metal side posts and wooden corner "H" braces in order to protect livestock and wildlife. Please refer to Item #9E (page #'s 8&9) for additional information on the fencing specifications.

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

- E. Reclamation of disturbed areas no longer needed for operations will be accomplished by grading, leveling and seeding as recommended by the Bureau of Land Management (Refer to Item #10A2, page 10) for the appropriate seed mixture and rate of application.

5. Location and Type of Water Supply:

- A. Water to be used for drilling and production of this well will be hauled by truck from Pleasant Valley or from Jim Nebecker's pond. Alternately, a permit may be requested for use of live water as available in the pond located 300' northeast of the location.

5. Location and Type of Water Supply: (Continued)

Arrangements will be made with the proper authorities an alternate water source if used. All regulations and guidelines will be followed and no deviations will be made unless all concerned agencies are notified.

- B. Water will be transported over existing roads via tank truck from the point of diversion to the proposed well location. No new construction will be required on/along the proposed water haul route. No off-lease/unit Federal lands will be crossed on/along the proposed water haul route.
- C. No water well will be drilled on this location.

6. Source of Construction Materials:

- A. Construction materials needed for surfacing of the well pad will be obtained from a local contractor having a permitted source (private) of materials in the area. Refer to Item #2F (page #2) regarding any construction materials which amy be required on the access road.
- B. No construction materials will be taken from Federal and/or Indian lands without prior approval from the appropriate Surface Management Agency.
- C. If production is established, any additional construction materials needed for surfacing the access road and installation of production facilities will be purchased from a local supplier having a permitted (private) source of materials in the area.
- D. No new access roads for construction materials will be required.

7. Methods of Handling Waste Materials:

- A. Cuttings - the cuttings will be deposited in the reserve pit.
- B. Drilling fluids - including salts and chemicals will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within ninety (90) days after termination of drilling and completion activities.

In the event adverse weather conditions prevent removal of the fluids from the reserve pit within this time period, an extension may be granted by the Authorized Officer upon receipt of a written request from Greenwood Holdings Inc.

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

7. Methods of Handling Waste Materials: (Continued)

- C. Produced Fluids - liquid hydrocarbons produced during completion operations will be placed in test tanks on the location. Produced waste water will be confined to a lined pit (reserve pit) or storage tank for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, in accordance with NTL-2B, an application for approval of a permanent disposal method and location, along with the required water analysis, shall be submitted for the Authorized Officer's approval. Failure to file an application within the time frame allowed will be considered an incidence of noncompliance.

Any spills of oil, gas, salt water or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

- D. Sewage - self-contained, chemical toilets will be provided for human waste disposal. Upon completion of operations, or as needed, the toilet holding tanks will be pumped as and the contents disposed of in the nearest, approved, sewage disposal facility.
- E. Garbage and other waste material - garbage, trash and other waste materials will be collected in a portable, self-contained and fully-enclosed trash cage during drilling and completion operations. Upon completion of operations (or as needed) the accumulated trash will be disposed of at an authorized sanitary landfill. No trash will be burned on location or placed in the reserve pit.
- F. Immediately after removal of the drilling rig, all debris and other waste materials not contained in the trash cage will be cleaned up and removed from the well location. No adverse materials will be left on the location. Any open pits will be fenced during the drilling operation and the fencing will be maintained until such time as the pits are back filled.

8. Ancillary Facilities: None anticipated.

9. Wellsite Layout:

- A. Exhibit "A" shows the drill site layout as staked. Cross sections have been drafted to visualize the planned cuts and fills across the location. A minimum of six (6) inches of topsoil will be stripped from the location (including areas of cut, fill, and/or subsoil storage) and stockpiled for future reclamation of the well site.
- B. Exhibit "A" is a diagram showing the rig layout. No permanent living facilities are planned. There will be one (1) trailer on location during drilling operations for the toolpusher.

9. Wellsite Layout: (Continued)

- C. A diagram showing the proposed production facility layout will be submitted to the Authorized Officer via Sundry Notice (Form 3169-5) for approval of subsequent operations (Refer to Item #4B, page #4, for additional information in this regard).
- D. If porous subsoil materials (gravel, scoria, sand, faulted rock structures, etc.) are encountered during reserve pit construction, an impervious liner will be installed in order to prevent drilling water loss through seepage. We do not anticipate the need for a pit liner at this time.
- E. Prior to the commencement of drilling operations, the reserve pit will be fenced "sheep tight" on three (3) sides according to the following minimum standards:
  - 1. 30-inch net wire shall be used with at least one (1) strand of barbed wire on top of the net wire (barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence).
  - 2. The net wire shall be no more than two (2) inches above the ground. The barbed wire shall be three (3) inches above the net wire. Total height of the fence shall be at least 42 inches.
  - 3. Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
  - 4. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any two (2) posts shall be no greater than sixteen (16) feet.
  - 5. All wire shall be stretched, by using a stretching device, before it is attached to the corner posts.
- F. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed.

10. Plans for Reclamation of the Surface:

A. Production

- 1. Immediately upon well completion, the well location and surrounding area(s) will be cleared of all debris, materials, trash and junk not required for production.
- 2. Upon well completion, any hydrocarbons on the pit shall be removed in accordance with 43 CFR 3162.7-1.
- 3. A 12 mil plastic or nylon reinforced pit liner is used, it shall

A. Production (Continued)

3. be torn and perforated before back filling of the reserve pit.
4. Before any dirt work to restore the location takes place, the reserve pit will be completely dry and all cans, barrels, pipe, etc. will be removed. Other waste and spoil materials will be disposed of immediately upon completion of drilling and workover activities.
5. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed within ninety (90) days from the date of well completion, weather permitting.
6. For production, the fill slopes will be reduced from a 1.5:1 slope to a 3:1 slope and the cut slopes will be reduced from a 1.5:1 slope to a 3:1 slope by pushing the fill material back up into the cut.
7. If necessary a diversion ditch will be constructed above the southwest side of the location (after reclamation of the reserve pit area) and will be designed to divert runoff around the producing well location.
8. Upon completion of back filling, leveling and recontouring, the stockpiled topsoil will be evenly spread over the reclaimed area(s). Prior to reseeding, all disturbed surfaces (including the access road and location) will be scarified and left with a rough surface. No depressions will be left that would trap water and form ponds. All disturbed surfaces (including the access road and well pad areas) will be reseeded. Seed will be broadcast or drilled as recommended. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The appropriate seed mixture and restoration season will be determined by the BLM either as part of the Conditions of Approval of the APD or according to a surface reclamation plan submitted to and approved by the Surface Management Agency prior to restoration.

1. At such time as the well is physically plugged and abandoned, Greenwood Holdings, Inc. will submit a "Subsequent Report of Abandonment" to the Authorized Officer for approval. At that time, the Bureau of Land Management will formulate the appropriate surface rehabilitation requirements and attach them as the conditions of approval for final abandonment.

B. Dry Hole/Abandoned Location

11. Surface Ownership:

The well site and proposed access road are situated on surface estate which is owned by the following:

Ethan L. Nelson and Nelson  
Brad L. Nelson and JoAnn Nelson  
Bureau of Land Management  
170 South 500 East  
Vernal, Utah 84078  
Phone: (801) 789-1362

An access agreement with the owners of certain surface rights affected by this permit will be negotiated with the owners and a copy provided to the BLM prior to commencement of any surface disturbance or drilling. Other Right-of-Way will be requested as an amendment to the BLM Grant Numbered U-65150 issued for the Federal 1-26.

12. Other Information:

- A. The proposed well is located in the southern central portion of the Uinta Basin near the boundary between Duchesne and Uintah Counties seven miles south of Myton, Utah. The area is interlaced with numerous shallow gulches and arroyos ranging from a few feet to as much as 130' in depth and separated by flat crested ridges formed in sandstone, cobblerock, conglomerate, and shale deposits. Along with this badland type topography are broad areas of gravel covered terraces and buttes which support local dry land farming.

The majority of the small drainage are of a non-perennial nature with normal flow limited to the early spring run-off and rare heavy thunderstorms or rain storms. Normal annual precipitation is only eight inches.

The oils of this semi-arid area are of the Uinta Formation and Wasatch Formation, (the Fluvial Sandstone and Mudstone) from the Eocene Epoch. Visible geologic structure consists of light brownish-gray clays to sandy soils with poor gravels and shales and outcrops of rock (sandstone, mudstone, conglomerate, and shale).

Due to the low precipitation, climatic conditions, and the marginal types of soils, the vegetation that is found in the area is common of the semi-arid region we are located in and in the lower elevations of

the Uinta Basin. It consists of, as primary flora; sagebrush, rabbitbrush, some grasses, and cacti. Willow, Cottonwood and low scrub brush are found long the lower areas close to drainage and streams.

12. Other Information: (Continued)

The animals of the area consist predominately of mule deer, coyotes, rabbits, varieties of small ground squirrels and other types of rodents, and various reptiles common to the area. The birds of the area are raptors, finches, ground sparrows, magpies, crows and jays.

- B. Surface Use Activities: The primary surface use is for grazing and irrigated hayfields.
- C. Proximity of Water, Occupied Dwellings, Archaeological, Historical or Cultural Sites:
1. The closest source of permanent water is the Duchesne River, approximately 8 miles north of the proposed location. A pond has been constructed northeast of the location for use in irrigation water supply.
  2. The closest occupied dwellings are located in the town of Myton, approximately 8.0 miles to the northwest.
  3. Greenwood Holdings Inc. will be responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites or for collecting artifacts. If historic or archaeological materials are uncovered, Greenwood Holdings Inc. will suspend all operations that might further disturb such materials and immediately contact the Authorized Officer.

Within five (5) working days the Authorized Officer will inform Greenwood Holdings Inc. as to:

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

If Greenwood Holdings Inc. wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, Greenwood Holdings Inc. will be responsible for mitigation costs.

12. Other Information: (Continued)

3. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that the required mitigation has been completed, Greenwood Holdings Inc. will then be allowed to resume construction.

D. Additional Stipulations for Operations on Lands Administered by the Bureau of Land Management:

1. Greenwood Holdings Inc. will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the Bureau of Land Management, or the Uintah County Extension Office. On lands administered by the Bureau of Land Management, it is required that a "Pesticide Use Proposal" shall be submitted, and approval obtained, prior to the application of herbicides or other pesticides or possible hazardous chemicals for the control of noxious weeds.
2. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on federal lands after conclusion of drilling operations or at any other time without the proper authorization from the Bureau of Land Management. However, If BLM authorization is obtained, it is only a temporary measure to allow Greenwood Holdings, Inc. the time to make arrangements for permanent storage at a commercial facility.
3. Greenwood Holdings Inc. shall contact the Bureau of Land Management between 24 and 48 hours prior to commencement of construction activities on the access road and/or well location: (801) 789-1362.
4. The Bureau of Land Management shall be notified upon site completion and prior to moving drilling tools onto the location.
5. If necessary, Greenwood Holdings Inc. will construct a silt catchment dam according to the BLM guidelines described in Exhibit "F". Construction will follow such guidelines as best as is reasonably possible, using the available construction materials. All proper Agencies will be notified, and regulations followed, in the planning and implementation of the construction.

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

Representative

Greenwood Holdings Inc. (303) 773-6703 Office (8:00AM-5:00PM)  
Jim Ryder, Operations Manager (303) 973-6675 Home

Certification:

Greenwood Holdings Inc. (303) 773-6703 Office (8:00AM-5:00PM)  
Tom Foster (303) 690-5061 Home  
Greenwood Holdings Inc. (303) 773-6703 (8:00AM-5:00PM)  
5600 S. Quebec Street  
Suite 150-C  
Englewood, CO. 80111

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Greenwood Holdings Inc. will be fully responsible for the actions of their subcontractors. A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Greenwood Holdings, Inc., its contractors and subcontractors 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.

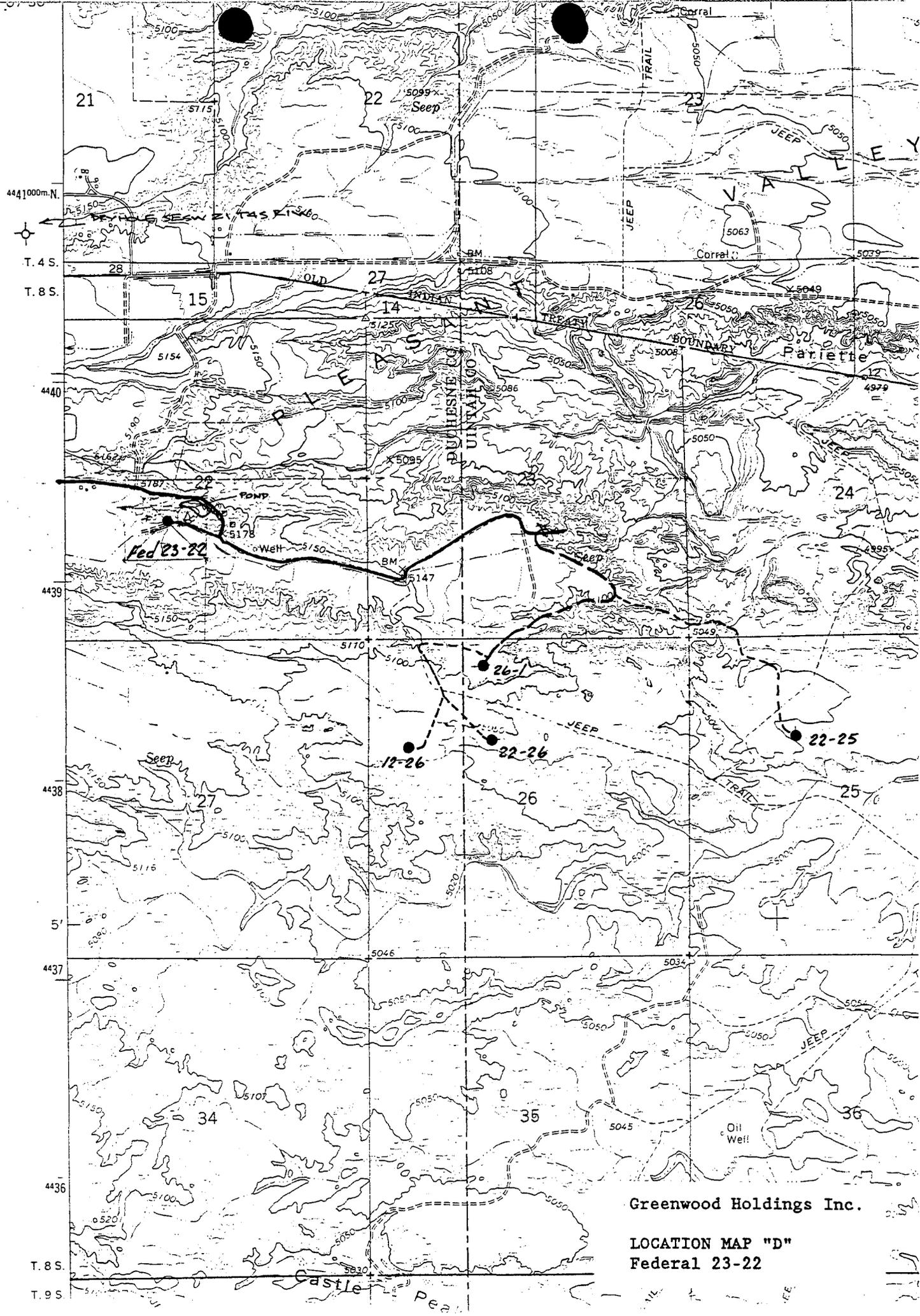
August 2, 1991  
Date



Authorized Agent  
Thomas B. Foster, Vice President

Right-of-Way across BLM lands affected by this plan will be secured prior to commencement of surface activity. Agreements currently in effect are the "Road Easement and Right of Way Agreement" by and between Greenwood Holdings Inc. and the surface rights owners named in the "Agreement" specified for the Federal 26-1 located in the NE<sup>1</sup>/<sub>4</sub> NW<sup>1</sup>/<sub>4</sub> Section 26 Township 8 South, Range 17 East, and the Right-of-Way Grant/Temporary Use Permit number U-65150 provided by the BLM for the Federal 26-1.



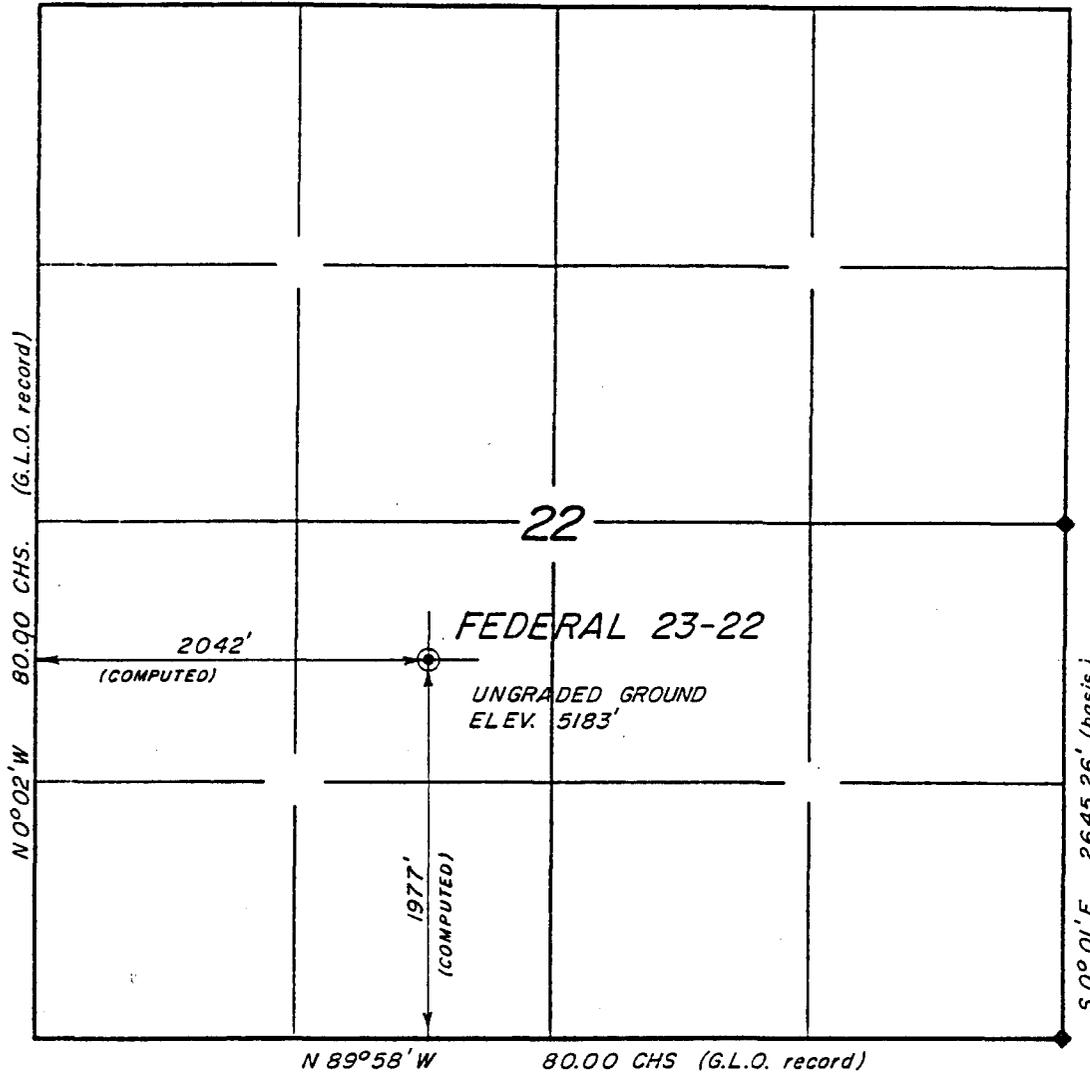


Greenwood Holdings Inc.

LOCATION MAP "D"  
Federal 23-22

**GREENWOOD HOLDINGS, INC.  
WELL LOCATION PLAT  
FEDERAL 23-22**

LOCATED IN THE NE  $\frac{1}{4}$  OF THE SW  $\frac{1}{4}$  OF  
SECTION 22, T8S, R17E, S.L.B.&M.



**LEGEND & NOTES**

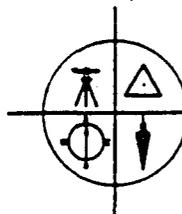
- ◆ Corner monuments found and used by this survey.

The General Land Office (G.L.O.) plat was used for reference and calculations, and the basis of bearings.

**SURVEYOR'S CERTIFICATE**

I hereby certify that this plat was prepared from field notes of an actual survey performed by me, during which the shown monuments were found or established.

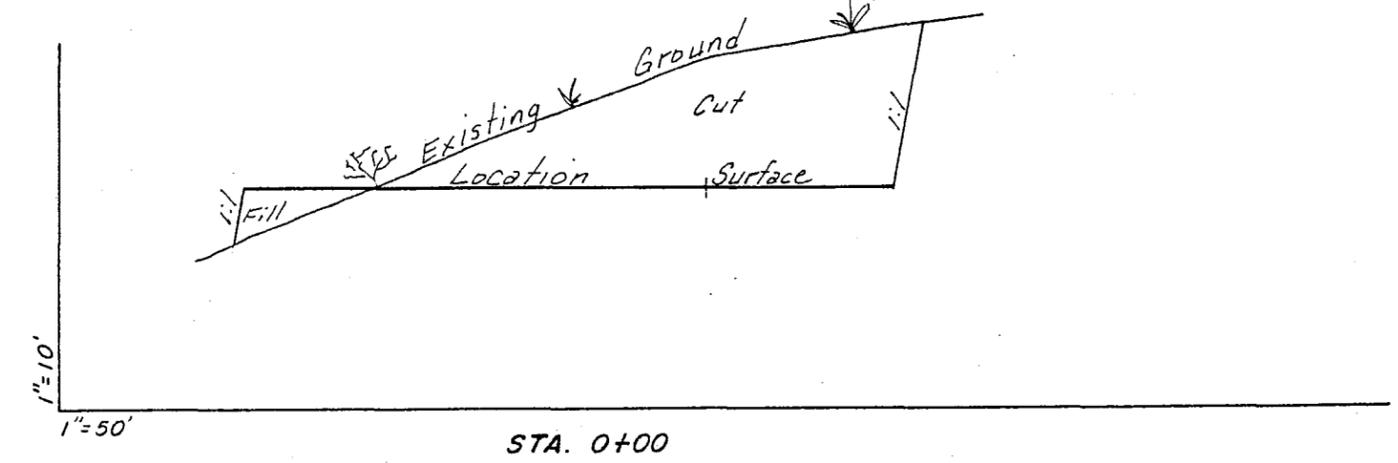
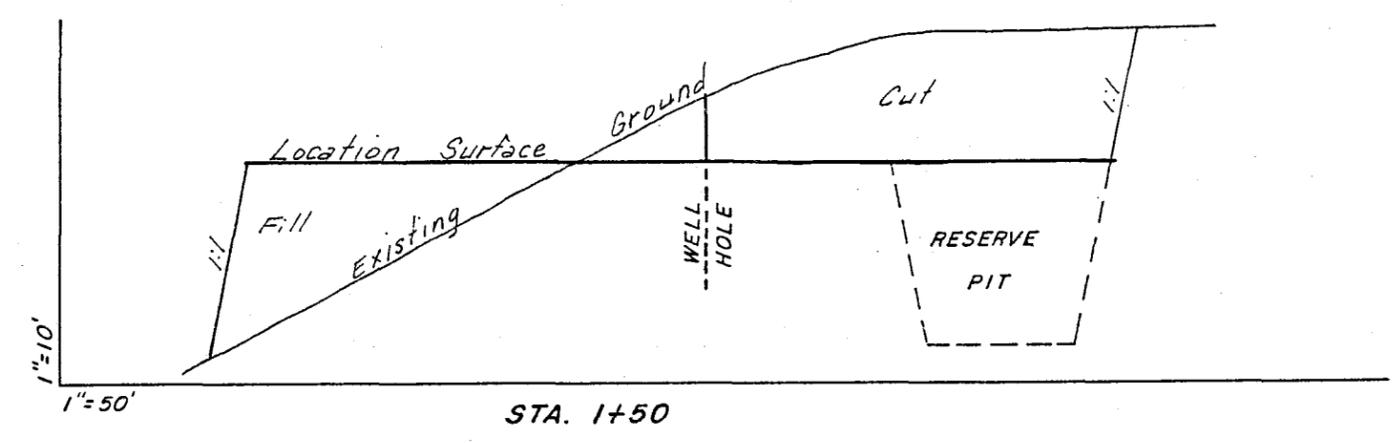
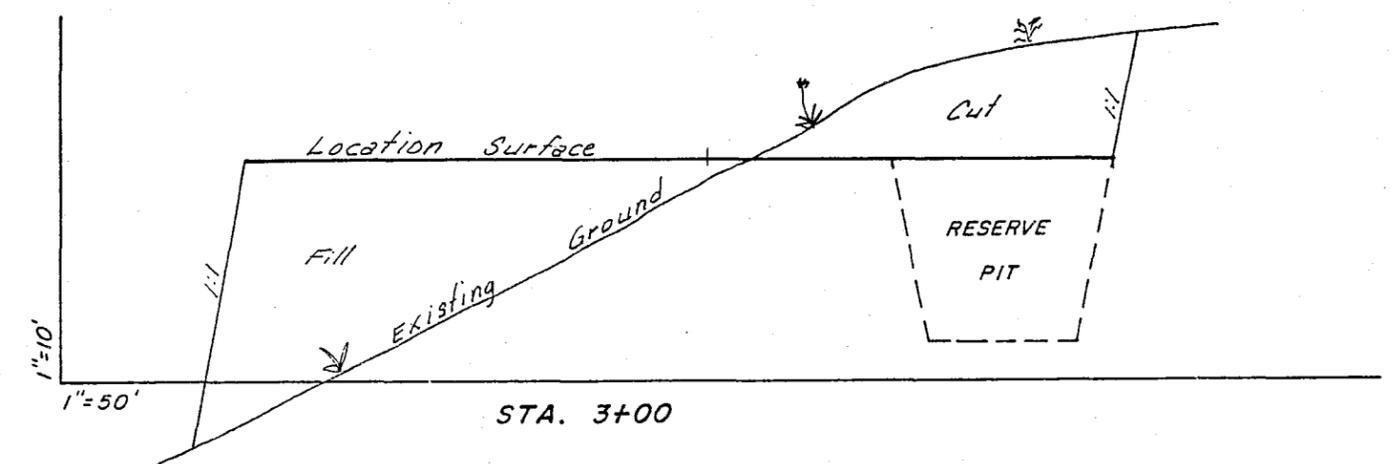
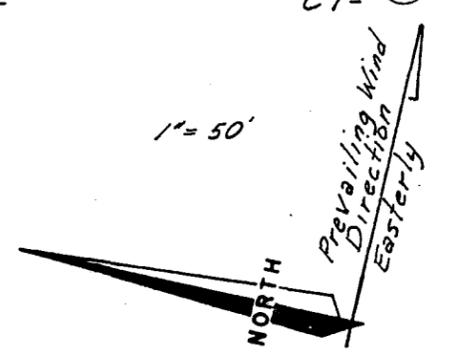
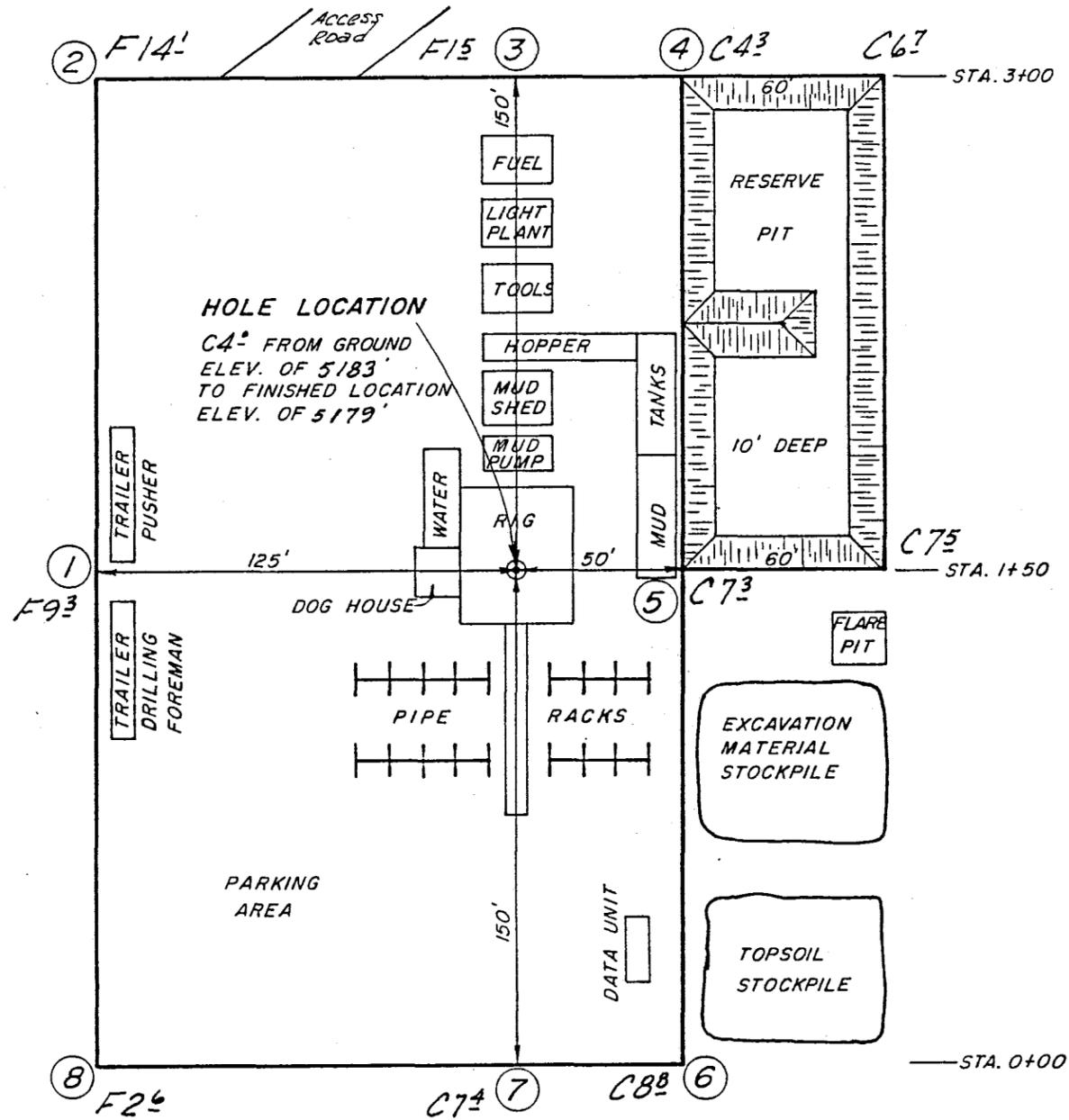
*Jerry D. Allred*  
 \_\_\_\_\_  
 Jerry D. Allred, Registered Land Surveyor, Cert. No. 3817 (Utah)



**JERRY D. ALLRED & ASSOCIATES**  
 Surveying & Engineering Consultants

121 North Center Street  
 P.O. Drawer C  
 DUCHESNE, UTAH 84021  
 (801) 738-5352

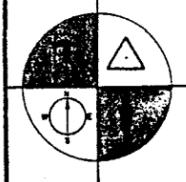
GREENWOOD HOLDINGS, INC.  
WELL LAYOUT PLAT  
FEDERAL 23-22



APPROXIMATE QUANTITIES

CUT: 9300 yd<sup>3</sup>  
FILL: 6100 yd<sup>3</sup>

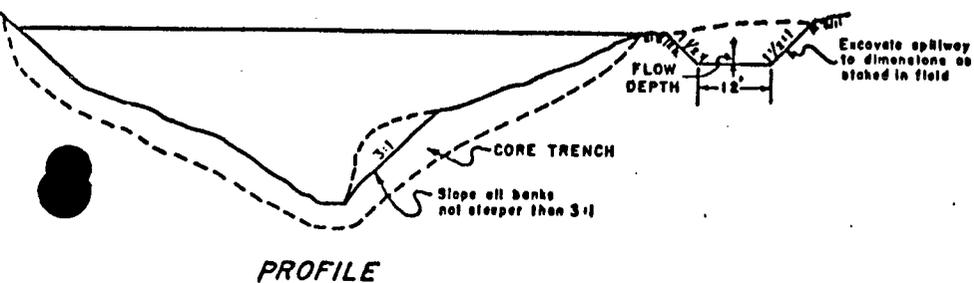
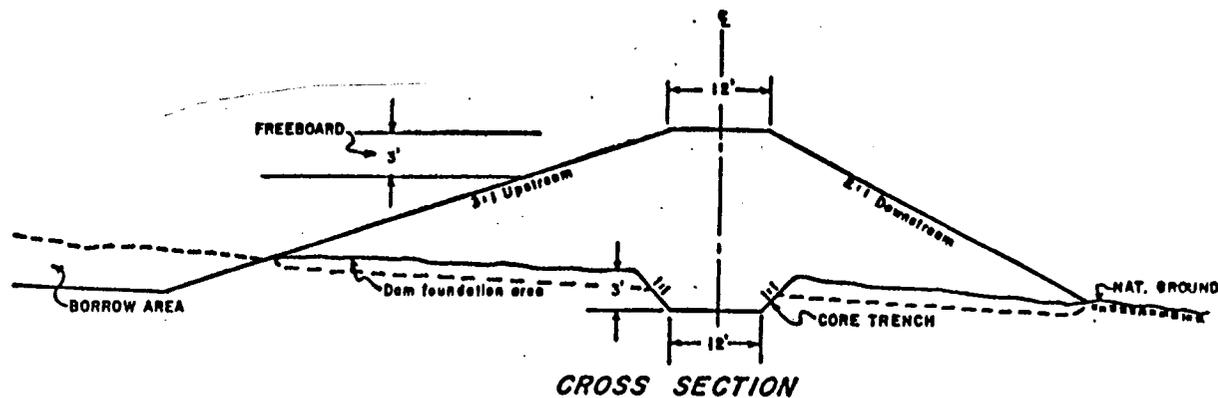
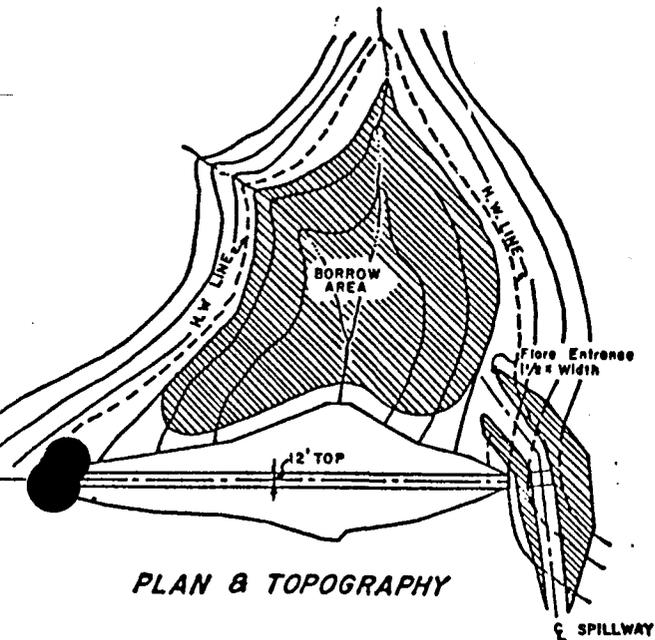
23 April '91 91-121-005



**JERRY D. ALLRED & ASSOCIATES**  
Surveying & Engineering Consultants  
121 North Center Street  
P.O. Drawer C  
DUCHESNE, UTAH 84021  
(801) 738-5352

MINIMUM STANDARDS FOR DAMS  
IMPOUNDING UNDER 10 AC. FT.

- I. Site Location and Design
  - A. Authorized BLM personnel must approve site location, fill material, foundation material, spillway size and location.
  - B. Dam layout and location shall be with surveying instruments by qualified personnel.
- II. Borrow Areas
  - A. Borrow material shall be taken from within the reservoir basin below the high water line whenever possible.
  - B. Vegetation, debris, and topsoil shall be removed to a depth of 12" below natural ground line and deposited as directed.
  - C. Vegetation, debris, and topsoil shall be stockpiled to be used as cover for borrow areas above the high water line as directed.
  - D. Vegetation, debris and topsoil moved below the dam shall be contoured, smoothed and blended into natural ground lines away from fill areas and outside the wash bottom.
  - E. Borrow areas shall be smoothed, contoured and blended into natural ground lines.
- III. Core Trench and Dam Foundation
  - A. A core trench shall be constructed 12' wide along the full length of the dam center line to a minimum depth of 3' or bedrock.
  - B. Sides of the core trench shall not be steeper than 1:1 slopes.
  - C. Soft or unstable material encountered in the core trench or dam foundation shall be removed and will not be used as fill.
- IV. Dam and Core Fill
  - A. Fill shall be homogeneous material, preferably of highly impervious, compactable soils (such as high clay content soils free of organic material, sand or rock).
  - B. Lifts of fill shall not exceed 6" when compacted.
  - C. Fill shall be built up at a consistent rate the full length of the dam.
  - D. Lifts shall be compacted by at least one pass of the crawler tractor over the entire width of the lift.
  - E. Fill shall be smoothed, maintaining specified slopes.
- V. Spillway
  - A. Spillway shall be constructed through natural material.
  - B. Spillway shall be constructed to divert overflow away from fill areas or natural material that is an integral part of the dam.
  - C. Incorporate in-place rock or hauled-in rock in spillway and at discharge point below spillway to prevent "down cutting" and "blowout" holes, when possible.



**MINIMUM STANDARDS FOR DAMS  
IMPOUNDING UNDER 10 AC. FT.**

1. BLM PERSONNEL MUST APPROVE SITE LOCATION, FILL MATERIAL, FOUNDATION MATERIAL, SPILLWAY SIZE AND LOCATION.
2. DAM LAYOUT & LOCATION MUST BE WITH SURVEYING INSTRUMENTS BY QUALIFIED SURVEYOR,
3. MAX. WATER DEPTH AGAINST THE DAM WILL BE 10' WHEN CONSTRUCTED WITH A CRAWLER TRACTOR.
4. SOIL WILL BE PLACED IN NOT MORE THAN 6" LIFTS AND EACH LIFT COMPACTED WITH A CRAWLER TRACTOR.
5. SPILLWAY MUST BE THROUGH NATURAL MATERIAL.
6. A CORE TRENCH WILL BE CONSTRUCTED 3' DEEP OR TO BED ROCK.
7. BORROW MATERIAL WILL BE TAKEN FROM WITHIN THE RESERVOIR BASIN BELOW THE HIGH WATER MARK WHENEVER POSSIBLE.

U. S. DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT	
<b>RETENTION DAM TYPICAL PLAN &amp; SECTION</b>	
DESIGNED _____	RECOMM. _____
DRAWN _____	RECOMM. _____
CHECKED _____	APPROVED _____
SCALE NOT TO SCALE	
DATE _____	SHEET 1 OF 1
DRAWING NO. _____	

Exhibit "E"

Minimum Standards for Dams  
Impounding Under 10 Acre Ft.

RECEIVED

MAR 28 1991

Ass'd.....

ROAD EASEMENT AND  
RIGHT OF WAY AGREEMENT

This Agreement is made and entered into this 25th day of March, 1991, by and between, Ethan L. Nelson and Louise M. Nelson, husband and wife, and Brad L. Nelson and JoAnn H. Nelson, husband and wife, of P. O. Box 638, Roosevelt, Utah 84066, hereinafter collectively referred to as "Grantor", and Greenwood Holdings Inc., of 5600 South Quebec Street, Suite 150-C, Englewood, Colorado 80111, hereinafter referred to as "Operator".

WHEREAS, Grantor owns the surface of the land located in the N $\frac{1}{4}$ SW $\frac{1}{4}$ , SE $\frac{1}{4}$ SW $\frac{1}{4}$  and S $\frac{1}{4}$ SE $\frac{1}{4}$  of Section 22 and the S $\frac{1}{4}$ SW $\frac{1}{4}$  of Section 23 and Grantor owns an agricultural permit issued by the United States Department of Interior covering certain lands located in the S $\frac{1}{4}$  of Section 23, all in Township 8 South, Range 17 East, SLM, Uintah and Duchesne Counties, Utah, hereinafter referred to as "Grantor's Lands"; and

WHEREAS, Operator desires access across the Grantor's Lands in order to drill wells, on lands other than the Grantor's Lands, for the purposes of exploring for oil and gas, and to operate and produce the wells if production is established.

NOW, THEREFORE, In consideration of the premises and the mutual covenants and obligations contained herein, Grantor and Operator agree as follows:

1. Grantor hereby grants and conveys unto Operator, its agents, successors and assigns, the right to use the existing road which crosses the Grantor's Lands from the west line of Section 22 into the southeast quarter of Section 23, Township 8 South, Range 17 East. Operator shall maintain the existing road and shall repair any damage caused by Operator's use thereof.

2. Grantor hereby grants and conveys unto Operator, its agents, successors and assigns, a right of way to construct and maintain a road across Grantor's Lands. Said road shall commence at the existing road in Section 23 and run south into Section 26 and is more fully described on Exhibit "A" attached hereto. This right of way is limited to that portion of the road that crosses the Grantor's Lands.

3. Grantor hereby acknowledges receipt of the sum of one thousand two hundred and no/100 dollars (\$1,200.00) cash in hand paid, which sum is consideration for this agreement, the renewal privileges herein granted, the rental for the first one year term hereof and settlement of damages caused to Grantor's Lands and Grantor's growing crops within the boundaries of the right of way described in Paragraph 2 hereof.

4. The term of this agreement shall be for a period of one year from the date hereof, with the right and privilege granted hereby to the Operator, its successors and assigns, to extend and continue this agreement from year to year thereafter, so long as the same is needed or desired by the Operator for its oil and gas operations, provided that Operator shall pay to the Grantor annually on or before the anniversary date hereof, the sum of one hundred and no/100 dollars (\$100.00). No change in the ownership of the Grantor's Lands shall be binding upon the Operator until it has been furnished with the original instrument of conveyance or transfer, or certified copy thereof, at least thirty (30) days in advance of the rental date.

5. In the event Operator drills any wells other than the well located in the NE $\frac{1}{4}$ NW $\frac{1}{4}$  of Section 26, Township 8 South, Range 17 East and Operator uses the above existing road and/or right of way for access to said additional wells, then Operator agrees to pay Grantor one hundred and no/100 dollars (\$100.00) prior to

commencing each additional well.

6. All gates on Grantor's Lands shall be kept closed and locked when not in use by the Operator unless written or verbal permission to the contrary is obtained from Grantor.

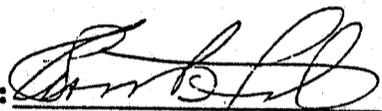
7. Upon termination of this agreement, Operator shall, within a reasonable period of time, restore the surface of the Grantor's Lands, which was disturbed by building the road described in paragraph 2 herein, as close as reasonably possible to its original condition.

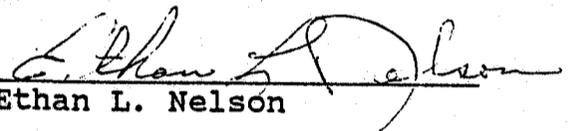
8. Operator shall have the right to terminate and cancel this agreement at any time by furnishing written notice of termination to Grantor.

9. This agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the date first written above.

Greenwood Holdings Inc.

By:   
Thomas B. Foster  
Vice President

  
Ethan L. Nelson

\_\_\_\_\_  
Louise M. Nelson

  
Brad L. Nelson

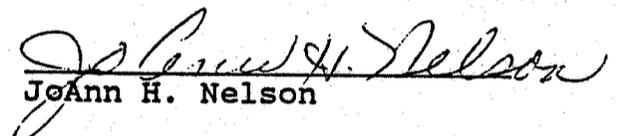
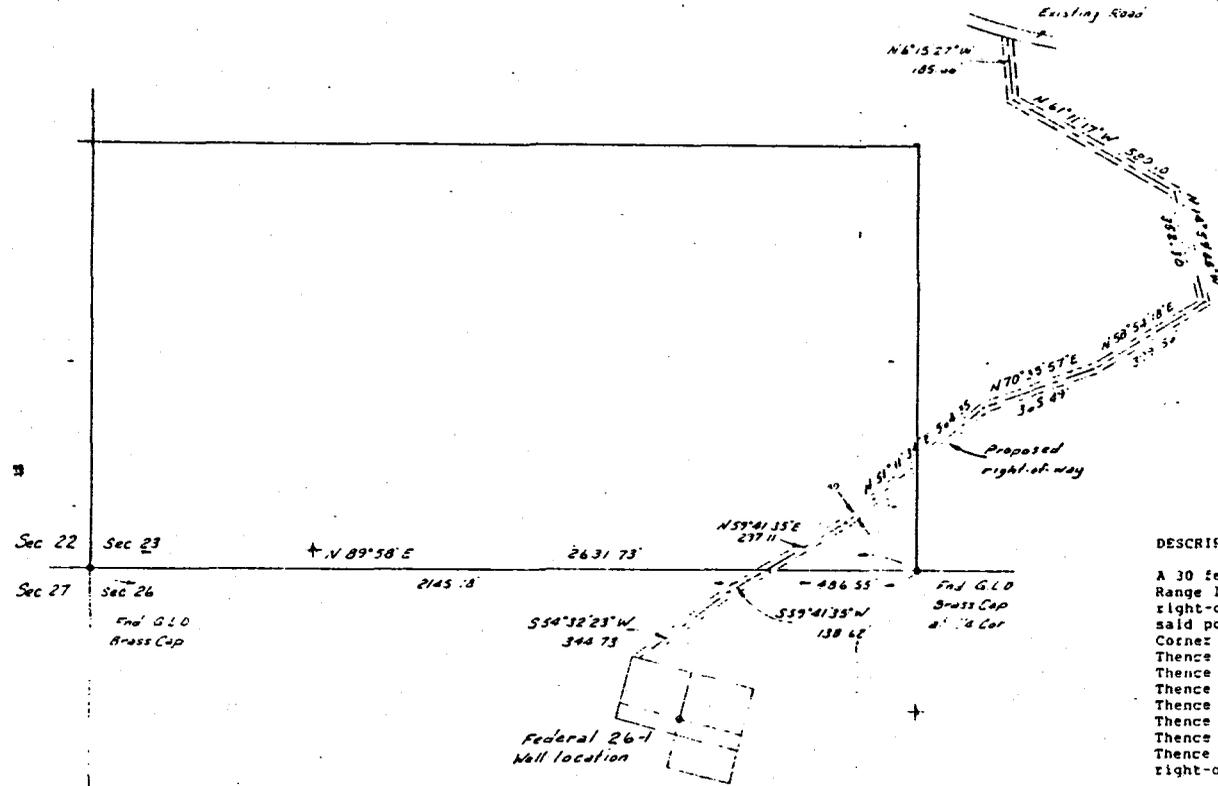
  
JoAnn H. Nelson

EXHIBIT "A"



RIGHT-OF-WAY SURVEY PLAT FOR  
GREENWOOD HOLDINGS, INC.  
FEDERAL 26-1

SECTIONS 23 AND 26, TOWNSHIP 8 SOUTH, RANGE 17 EAST  
SALT LAKE BASE AND MERIDIAN

DESCRIPTION OF RIGHT-OF-WAY IN SECTION 23

A 30 feet wide right-of-way over part of Section 23, Township 8 South, Range 17 East of the Salt Lake Base and Meridian, the centerline of said right-of-way beginning at a point on the South line of said Section, said point being North 89°58' East 2145.18 feet from the Southwest Corner of said Section;  
Thence North 59°41'35" East 297.11 feet;  
Thence North 51°11'34" East 564.35 feet;  
Thence North 70°35'57" East 365.49 feet;  
Thence North 58°54'18" East 399.56 feet;  
Thence North 14°59'45" West 352.30 feet;  
Thence North 61°11'17" West 580.10 feet;  
Thence North 6°15'27" West 185.66 feet to an existing road, said right-of-way being 2744.57 feet in length and containing 1.89 acres.

DESCRIPTION OF RIGHT-OF-WAY IN SECTION 26

A 30 feet wide right-of-way over part of Section 26, Township 8 South, Range 17 East of the Salt Lake Base and Meridian, the centerline of said right-of-way beginning at a point on the North line of said Section, said point being North 89°58' East 2145.18 feet from the Northwest Corner of said Section;  
Thence South 59°41'35" West 138.62 feet;  
Thence South 54°32'23" West 344.73 feet to the Federal 26-1 well location, said right-of-way being 483.35 feet in length and containing 0.33 acres.

SURVEYOR'S CERTIFICATE

This is to certify that I have surveyed the right-of-ways shown on this plat, and that the monuments indicated were found or set during said survey, and that this plat accurately represents said survey to the best of my knowledge.

*Jerry D. Allred*  
Jerry D. Allred, Registered Land  
Surveyor, Cert. No. 3817 (Utah)



**JERRY D. ALLRED & ASSOCIATES**  
Surveying & Engineering Consultants  
121 North Center Street  
P.O. Drawer C  
Duchesne, Utah 84021  
(801) 738-5352

OPERATOR Brimford Holdings Inc N-0745 DATE 8-13-91

WELL NAME Federal 013-020

SEC NESW 20 T 85 R 17E COUNTY Duchess

43-013-31331  
API NUMBER

Federal (1)  
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD SLBM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No producing well within the 20  
water permit

APPROVAL LETTER:

SPACING:  R615-2-3 N/A  R615-3-2  
UNIT

N/A  R615-3-3  
CAUSE NO. & DATE

STIPULATIONS:

1- Needs water permit



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

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

August 15, 1991

Greenwood Holdings, Inc.  
5600 S. Quebec Street, Suite 150-C  
Englewood, Colorado 80111

Gentlemen:

Re: Federal #23-22 Well, 1977 feet from the South line, 2042 feet from the West line, NE SW, Section 22, Township 8 South, Range 17 East, Duchesne County, Utah

Approval to drill the referenced well is hereby granted in accordance with Utah Admin. R.615-3-2, subject to the following stipulation:

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 Utah Code Ann. Section 73-3, Appropriation.

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

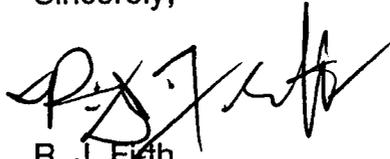
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of Entity Action Form 6, within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During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

Page 2  
Greenwood Holdings, Inc.  
Federal #23-22  
August 15, 1991

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801) 538-6159.
7. 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 43-013-31331.

Sincerely,



R. J. Fifth  
Associate Director, Oil & Gas

tas  
Enclosures  
cc: Bureau of Land Management  
J. L. Thompson  
we14/1-21

3162.35  
UT08438

September 3, 1991

Greenwood Holdings, Inc.  
Attn: Steve Fillingham  
5600 S. Quebec St., Suite 150C  
Englewood, CO 80111

Re: Return Application for Permit to Drill  
Well No. Federal 23-22  
Section 22, T8S, R17E  
Duchesne ~~Utah~~ <sup>Utah</sup> County, Utah  
Lease No. U-67845

Dear Mr. Fillingham:

43-013-21231

The referenced application was received on August 6, 1991.

As per your telephone conversation with Ralph Brown of this office on August 25, 1991, you requested the on-site and Application for Permit to Drill be cancelled. In view of the foregoing, this office is returning the referenced application without prejudice. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

If you have any questions, please contact Margie Herrmann of this office at (801) 789-1362.

Sincerely,



Howard B. Cleavinger II  
Assistant District Manager  
for Minerals

Div OG+M  
bcc: Well File  
Central File  
Reading File  
RA  
MHerrmann:DJ:0402h:09/003/91

RECEIVED

SEP 05 1991

DIVISION OF  
OIL GAS & MINING

9/3  
W  
F  
9-3-9



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangarter  
Governor

Dee C. Hansen  
Executive Director

Dianne R. Nielson, Ph.D.  
Division Director

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

September 11, 1991

Steve Fillingham  
Greenwood Holdings, Inc.  
5600 South Quebec Street, Suite 150C  
Englewood, Colorado 80111

Re: Well No. Federal #23-22, Sec. 22, T. 8S, R. 17E, Duchesne County, Utah  
API No. 43-013-31331

In response to Bureau of Land Management action and your request for cancellation of the Application for Permit to Drill, 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 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 of Oil, Gas and Mining immediately.

Sincerely,

Don Staley  
Administrative Supervisor  
Oil and Gas

DME/lde

cc: Bureau of Land Management - Vernal  
R.J. Firth  
Well file

WOI230