

FQIPM 3160-3
(July 1992)

SUBMIT IN TRIPLICATE*

FORM APPROVED

OMB NO. 1004-0138

Expires: February 28, 1995

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No.

UTU76478

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK

DRILL DEEPEN

6. If Indian, Alutian or Tribe Name

NA

b. TYPE OF WELL OIL WELL () GAS WELL (X) OTHER () SINGLE ZONE () MULTIPLE ZONE ()

7. Unit Agreement Name

NA

2. Name of Operator

Sego Resources Corp.

8. FARM OR LEASE NAME, WELL NO.

Sego Resources Well #1

3. Address and Telephone Number

266 West 100 North Suite #1 Vernal, Utah 84078
Telephone (801) 789-7250

9. API Well No.

4. LOCATION OF WELL (Report location clearly and accordance with any State requirements.)

At Surface 1949' FNL 522' FWL, Sec. 23, T11S, R15E

10. Field And Pool, or Wildcat

Wildcat

At proposed prod zone

same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA

Sec. 23, T11S

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

20 miles south of Myton, Utah

12. COUNTY OR PARISH

Duchesne

13. STATE

Utah

16. DISTANCE FROM PROPOSED LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT. 522'
(Also nearest orig. unit line, if any)

16. NO. OF ACRES IN LEASE

1080

17. NO. OF ACRES ASSIGNED TO THIS WELL

80

18. DISTANCE FROM PROPOSED LOCATION

TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 2630'

19. PROPOSED DEPTH

6500'

20. ROTARY OR CABLE TOOLS

Rotary

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

Graded Level 6764'

22. APPROX. DATE WORK WILL START

1-Oct-97

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12-1/4"	8-5/8"	J-55	24#	650' (+/-)	Surface	155 SKS 50.50 Poz "C" + 85 SKS "G"
7 7/8"	5-1/2"	J-55	15.5#	6500' (+/-)	Production	345 SKS 50.50 POZ Class "G"

Sego Resources Corp. proposes to drill, test and complete the Sego Resources Well #1 as a vertical well in the Wasatch formation

Please reference the accompanying Drilling Program

BLM Right of Way is not required

Operations for this well will be conducted under a Statewide Bond.

There is no spacing in the area. Wells can be drilled anywhere within a 200 foot square around the center of a 40 acre block.

RECEIVED
SEP 15 1997

Please consider all submittals pertaining to this well "Company Confidential".

If additional information is required, please contact the undersigned at (801) 789-7250, FAX (801) 789-7261

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

24. SIGNED: Roger Alinger

Roger Alinger

TITLE: CEO

DATE:

16-Sep-97

(This space for Federal or State office use)

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO. NOTICE OF APPROVAL

APPROVAL DATE

Application approval does not warrant or certify that the applicant holds legal or equitable title in these rights in the subject lease which would entitle the applicant to conduct operations thereon.

CONDITIONS OF APPROVAL, IF ANY:

Approved by

Jerry Hough

ACTING Assistant Field Manager
Title Mineral Resources

Date OCT 1 1997

This is U.S. Section 105. It is the policy of the Department of the Interior to make it available to any interested agency of the United States, any law, without or fraudulent statements or representations as to any matter which is production.

44080-7117-427

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No. UTU76478

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK DRILL [X] DEEPEN []

6. If Indian, Allottee or Tribe Name NA

b. TYPE OF WELL OIL WELL () GAS WELL (X) OTHER () SINGLE ZONE () MULTIPLE ZONE ()

7. Unit Agreement Name NA

2. Name of Operator Sego Resources Corp.

8. FARM OR LEASE NAME, WELL NO. Sego Resources Well #1

3. Address and Telephone Number 266 West 100 North Suite #1 Vernal, Utah 84078 Telephone (801) 789-7250

9. API Well No.

4. LOCATION OF WELL (Report location clearly and accordance with any State requirements.) At Surface 1949' FNL 522' FWL, Sec. 23, T11S, R15E 593 159

10. Field And Pool, or Wildcat Wildcat

At proposed prod. zone same

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T11S

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE 20 miles south of Myton, Utah

12. COUNTY OR PARISH Duchesne 13. STATE Utah

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 522' (Also nearest drlg. unit line, if any)

16. NO. OF ACRES IN LEASE 1080

17. NO. OF ACRES ASSIGNED TO THIS WELL 80

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 2630'

19. PROPOSED DEPTH 6500'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) Graded Level 6764'

22. APPROX. DATE WORK WILL START 1-Oct-97

PROPOSED CASING AND CEMENTING PROGRAM

Table with 7 columns: SIZE OF HOLE, GRADE, SIZE OF CASING, WEIGHT PER FOOT, SETTING DEPTH, QUANTITY OF CEMENT. Includes rows for 12-1/4" and 7 7/8" casing sizes.

Sego Resources Corp. proposes to drill, test and complete the Sego Resources Well #1 as a vertical well in the Wasatch formation

Please reference the accompanying Drilling Program

BLM Right of Way is not required

Operations for this well will be conducted under a Statewide Bond.

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IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is

to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: Roger Alinger Roger Alinger TITLE: CEO DATE: 16-Sep-97

(This space for Federal or State office use)

PERMIT NO. 43-013-31946 APPROVAL DATE

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

CONDITIONS OF APPROVAL, IF ANY:

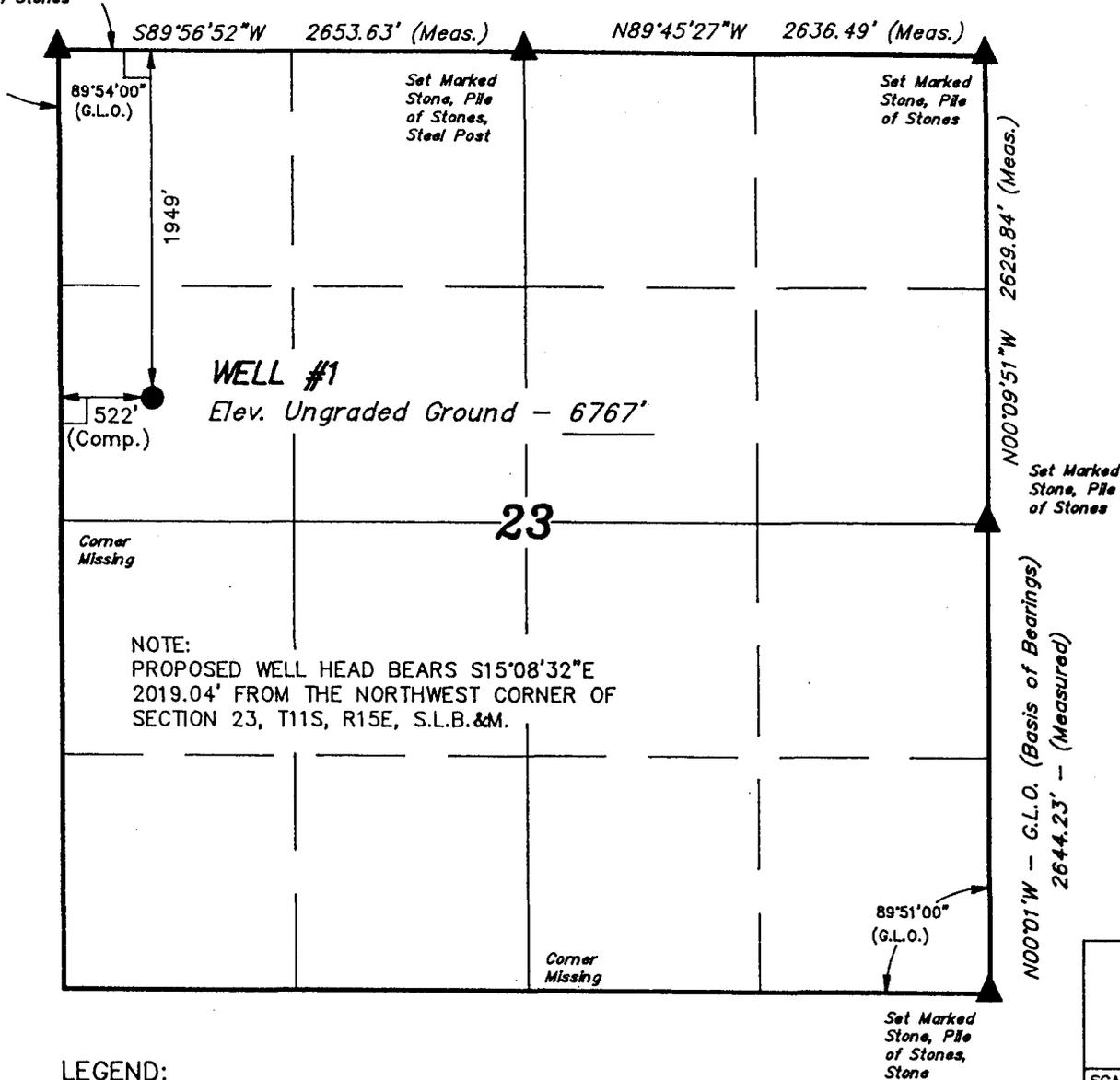
Approved by John R. Baye Title Associate Director Date 10/14/97

T11S, R15E, S.L.B.&M.

SEGO RESOURCES

Well Location, WELL #1, located as shown in the SW 1/4 NW 1/4 of Section 23, T11S, R15E, S.L.B.&M. Duchesne County, Utah.

Set Marked Stone, Pile of Stones



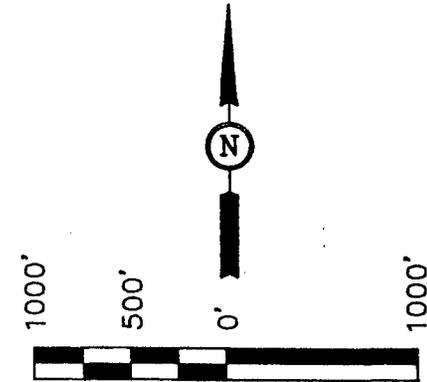
NOTE:
PROPOSED WELL HEAD BEARS S15°08'32"E
2019.04' FROM THE NORTHWEST CORNER OF
SECTION 23, T11S, R15E, S.L.B.&M.

LEGEND:

- └─┘ = 90° SYMBOL
- = PROPOSED WELL HEAD.
- ▲ = SECTION CORNERS LOCATED.

BASIS OF ELEVATION

SPOT ELEVATION AT THE NORTHEAST CORNER OF SECTION 29, T11S, R16E, S.L.B.&M. TAKEN FROM THE COWBOY BENCH, QUADRANGLE, UTAH, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6404 FEET.



SCALE 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.

REGISTERED LAND SURVEYOR
REGISTRATION NO. 181318
STATE OF UTAH
KAY

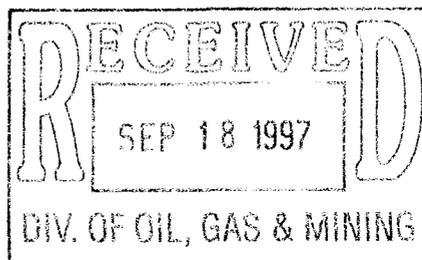
UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(801) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 08-04-97	DATE DRAWN: 08-11-97
PARTY G.S. J.W. D.R.B.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE SEGO RESOURCES	

SEGO RESOURCES

September 17, 1997

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



Dear Mr. Baza:

Enclosed are duplicate copies of four Applications for Permit to Drill recently filed with the Bureau of Land Management in Vernal.

Please contact me at the number shown below if anything else is needed.

Regards,

Roger L. Alinger

Roger L. Alinger

SEGO RESOURCES

September 16, 1997

U.S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

Attn: Mr. Ed Forsman

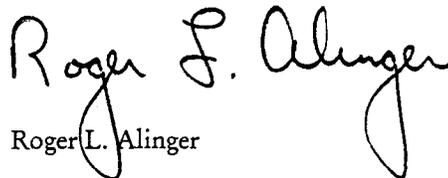
Re: Application for Permit to Drill (APD)
Federal Oil & Gas Lease UTU76478
Sego Resources Well #1
SW/4 NW/4 Sec. 23, T11S, R15E
Duchesne County, Utah

Dear Mr. Forsman:

Enclosed are one original and two copies of the above referenced APD plus supporting material.

Please contact me at (801) 789-7250 if additional information is needed.

Thank you,


Roger L. Alinger

SEGO RESOURCES CORP.

SEGO RESOURCES WELL #1
SW/NW SECTION 23, T11S, R15E
DUCHESNE COUNTY, UTAH

DRILLING PROGRAM

1. Estimated tops of important geologic markers:

Ground Level	6764.4' graded
Green River	Surface to 3620'
Wasatch	3620' to T.D.

2. Estimated depths of anticipated water, oil, gas or minerals:

<u>Mineral</u>	<u>Formation</u>	<u>Depth</u>
Natural gas	Wasatch	5749'

Fresh water Fresh water aquifers will be protected with surface casing set at 650'.
All potentially productive usable water, hydrocarbons, and other
mineral zones will be protected with casing and cement.

3. Proposed casing program:

8 5/8", J-55, 24.0# ST&C set at 650' KB (new)—centralizers will be used on the bottom 3 joints
5 1/2", J-55, 15.5# LT&C set at 6500' (TD) (new)—centralizers will be used across the pay zone

4. Minimum specifications for pressure control:

1. The BOP and related equipment will meet or exceed the requirements of a 2M-psi system as set forth in Onshore Order No. 2.
2. The BOP and related well control equipment will be pressure tested to rated pressure or 70% of internal yield of surface casing (2065 psi) when initially installed and whenever any seal subject to pressure test is broken.
3. Pipe and blind rams will be functioned each trip (max. once/day); annular preventers weekly.

5. Mud System: The following is meant as a guide only. Actual mud weights will be determined by hole conditions. Sufficient quantities of mud materials will be maintained or readily accessible for assuring well control.

<u>Interval</u>	<u>Mud Weight PPG</u>	<u>Viscosity SEC</u>	<u>Fluid Loss CC</u>	<u>Remarks</u>
0 – 650'	8.4 – 8.9	27 – 45	No control	Fresh water native mud w/high viscosity sweeps
650' – 3000'	8.4 – 8.9	27 – 45	No control	Fresh water native mud w/high viscosity sweeps
3000' - 6500'	8.4 – 8.9	35 – 45	10 – 12	PHPA polymer

6. Testing, Logging, and Coring Program

Cores-DST's: None anticipated at this time.

Surveys: Deviation surveys will be taken at 325' and TD of surface pipe (+/- 650'). Max. deviation of 2 deg. at casing point and no more than 1 deg. change between surveys. Deviation surveys to be taken at 500' intervals from surface casing to TD with a maximum deviation of 5 deg and no more than 1 deg between consecutive surveys.

Mud Logger: From 500' above the Wasatch to TD. Sample frequency to be determined later.

Logging:	AIT, GR	TD to surface casing shoe
	LDT, CNL, MSFL, Cal	TD to 3000'
	Dipole Sonic	To be determined
	Magnetic Resonance	To be determined

7. Cementing Program

Surface Pipe: Will be cemented with 155 sacks of 50:50 POZ "C" with 10% bentonite, plus additives (yield approximately 2.94 cu-ft per sack) followed by 85 sacks of Class "G" cement with additives (yield approx. 1.17 cu-ft per sack). Total quantity is 100% excess based on 8 5/8" casing in a 12 1/4" hole. In the event cement does not circulate to surface or fall back of the cement column occurs, a top out cement job will be done to bring cement back to surface.

Production String: Estimated volume is 345 sacks of 50:50 POZ "G" with 2.0% bentonite plus additives (yield is approximately 1.25 cu-ft per sack). Volume is based on 10% excess over quantity required for 2200 ft. of fill with 5 1/2" casing in a 7 7/8" hole. Actual volumes will be determined from the caliper log.

8. Abnormal Conditions/Expected BHP

No abnormal pressures are anticipated in the Tertiary Green River or Wasatch formations. As such, bottom hole pressures are expected to be less than 2900 PSI. There has been no indication of H2S in any wells drilled in the area.

9. Other Information

The Vernal District BLM office (801) 789-1362 is to be notified:

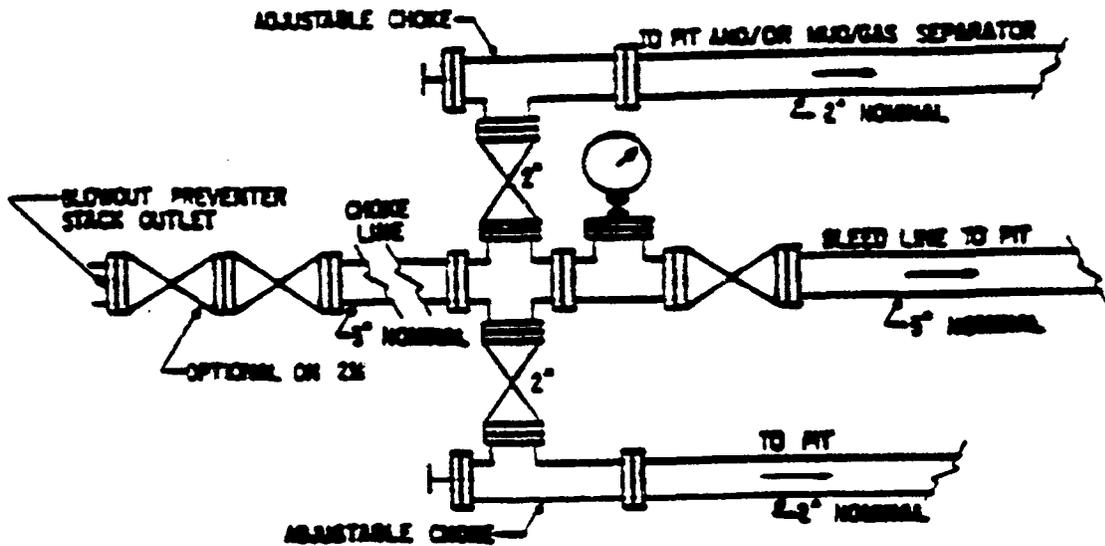
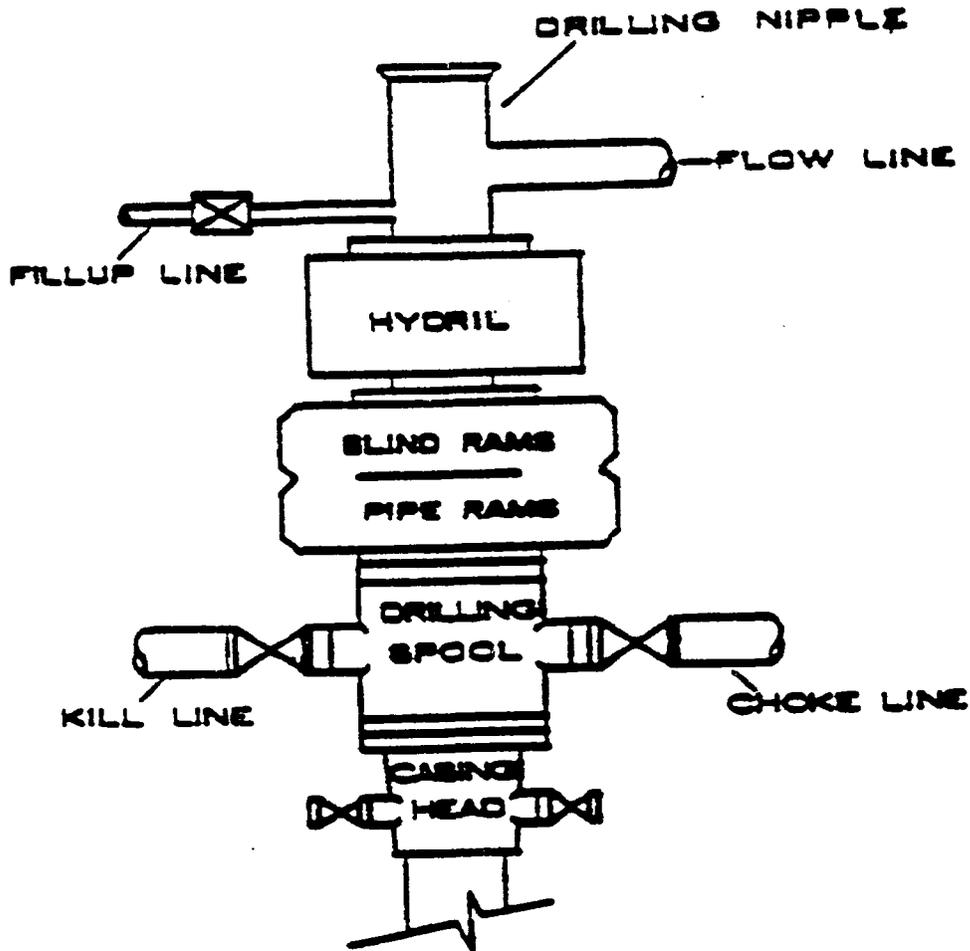
- 48 hours prior to construction of location and access roads
- prior to moving the drilling rig on location
- at least 24 hours prior to spudding the well
- at least 24 hours prior to running casing and cementing all casing strings
- 24 hours prior to initiating pressure tests on BOP equipment

Should it be necessary to make after hour's notification, one of the following individuals will be contacted:

- Ed Forsman (801) 789-7077
- Wayne Bankert (801) 789-4170
- Jerry Kenczka (801) 781-4410

2M SYSTEM

BOP STACK



Sego Resources Corp.

Well name:	Sego Resources Wells # 1 thru 4	
Operator:	Sego Resources	
String type:	<u>Production</u>	Project ID:
AFE No.:	All 6500' Wasatch wells	6500' Wasatch Well
Location:	Uinta Basin, Utah	

Design parameters:

Collapse

Mud weight: 9.00 ppg
 Design is based on evacuated pipe.

Minimum design factors:

Collapse

Design factor 1.125

Environment:

H2S considered? No
 Surface temperature: 60.00 °F
 Bottom hole temperature: 144 °F
 Temperature gradient: 1.30 °F/100ft
 Minimum section length: 150 ft

Burst:

Design factor 1.00

Burst

Max anticipated surface pressure 3,556 psi
 Internal gradient: 0.440 psi/ft
 Calculated BHP 6,416 psi

Tension:

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

Non-directional string.

Annular backup: 8.34

Tension is based on buoyed weight.

Neutral point: 5,615 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	6500	5.5	15.50	J-55	LT&C	6500	6500	4.825	203.8
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	3039	4040	1.33	3599	4810	1.34	87	217	2.49 J

Prepared by: Roger Alinger
 Sego Resources

Phone: (801) 789-7250
 FAX: (801) 789-7261

Date: Sept. 9, 1997
 Vernal, Utah

Remarks:

Collapse is based on a vertical depth of 6500 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
 Collapse strength is based on the Westcott, Dunlop & Kenier method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Casing2 designed by Lone Star Steel and Mauer Engineering, Inc.

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

Sego Resources Corp.

Well name:	Sego Resources Wells # 1 thru 4	
Operator:	Sego Resources	
String type:	Surface	650'
AFE No.:		Project ID: 6500' Wasatch Wells
Location:	Uinta Basin, Utah	

Design parameters:

Collapse

Mud weight: 9.00 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse

Design factor 1.125

Environment:

H2S considered? No
Surface temperature: 60.00 °F
Bottom hole temperature: 144 °F
Temperature gradient: 1.30 °F/100ft
Minimum section length: 150 ft

Burst:

Design factor 1.00

Burst

Max anticipated surface pressure 226 psi
Internal gradient: 0.439 psi/ft
Calculated BHP 304 psi

No backup mud specified.

Tension:

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

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 562 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft ³)
1	650	8.625	24.00	J-55	ST&C	650	650	7.972	31.3
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	304	1370	4.51	304	2950	9.71	13	244	18.08J

Prepared by: Roger Alinger
Sego Resources

Phone: (801) 789-7250
FAX: (801) 789-7261

Date: Sept. 5, 1997
Vernal, Utah

Remarks:

Collapse is based on a vertical depth of 650 ft, a mud weight of 9 ppg. The casing is considered to be evacuated for collapse purposes.
Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Casing2 designed by Lone Star Steel and Mauer Engineering, Inc.

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

SEGO RESOURCES CORP.
SEGO RESOURCES WELL #1
SW/NW SECTION 23, T11S, R15E
DUCHESNE COUNTY, UTAH

SURFACE USE PROGRAM

1. Existing Roads

See attached "topo A" and "topo B".

2. Planned access Roads

The Planned access road is less than 750 feet south of the Wrinkles Road connecting Sand Wash with Gate Canyon. The road will have a running surface of 18 feet and a maximum disturbed width of 30 feet. Because of the short length of road and flat terrain there will be no turnouts, gates, cattleguards, cuts, fills or grade concerns.

3. Location of Existing Wells

There are no known wells of any type within a one-mile radius of location.

4. Location of Existing and Proposed Facilities

There are no existing facilities on the site.

If the well is completed as a producer, a request for approval of subsequent operations will be made for production equipment and flowlines.

All permanent structures built or installed on the site will be painted Carlsbad Canyon (2.5Y 6/2).

5. Location and Type of Water Supply

Jim Nebeker Trucking will provide water from their water well in S34-T3S-R2W. The water permit number is 43-1721. Additional water may be obtained from private water rights in Nine-Mile Canyon. If this is done, a sundry notice will be sent to the BLM.

6. Source of Construction Materials

See attached *Location Layout*. All materials for construction will be obtained on-site.

7. Methods for Handling Waste Disposal

All drill cuttings will be contained and buried in the reserve pit shown on the *Location Layout*. The pit will be unlined unless it is determined during construction that leakage from the pit is likely. If it is determined a liner is necessary, it will be a 12 mil plastic/nylon material underlain by sufficient bedding to protect the liner from tearing. No trash or material that might puncture the liner will be disposed of in the pit.

All drilling fluids including salts and chemicals will be contained in the reserve pit. After completion of the well, drilling fluids will be either moved to the next location for use or left in the pit until sufficient evaporation has occurred to backfill the pit. If it appears the evaporation process will take longer than 6 months, the drilling fluid will be hauled to an approved disposal facility.

A portable toilet will be furnished for onsite personnel.

A trash basket will be provided on location for garbage and other waste material. At the end of drilling operations, the trash basket will be hauled to an approved disposal site. Trash will not be burned on location.

No hazardous materials in an amount greater than 10,000 pounds will be used, stored, produced, transported, or disposed of annually in association with the drilling, testing, or completing of the well. In addition extremely hazardous substances as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing, or completing of this well.

After first production, produced water will be confined to the reserve pit for a period not to exceed ninety days. During the ninety day period, in accordance with Onshore Order No. 7, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the Authorized Officers approval.

8. Ancillary Facilities

No camp facilities will be used for drilling personnel. Trailers for the toolpusher and drilling superintendent are anticipated.

9. Well Site Layout

See the attached *Location Layout* for the location of all equipment and *Cross Section* for the projected cut and fill necessary on the location.

The reserve pit will be fenced according to the following minimum standards:

- a. 39-inch net wire will be used with at least one strand of barbed wire on top of the net wire.
- b. The net wire will be no more than 2 inches above the ground. The barbed wire will be 3 inches above the net wire. Total height of the fence will be at least 42 inches.
- c. Corner posts will be cemented and/or braced in such a manner as to keep the fence tight at all times.
- d. Standard steel, wood, or pipe posts will be used between the corner braces. The maximum distance between any two posts will be no greater than 16 feet.
- e. All wire will be stretched, by using a stretching device, before it is attached to the corner posts.

The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean up.

10. Plan for Restoration of Surface

a. *Producing Location*

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

Immediately upon well completion, any hydrocarbons on the pit will be removed in accordance with 43 CFR 3162.7-1.

If a plastic nylon liner is used, it will be torn and perforated before backfilling the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 120 days from the date of well completion, weather permitting. Before any dirt work begins on the pit, all fluids will be removed.

b) *Dry Hole/Abandoned Location*

At such time as the well is plugged and abandoned, Segro will submit a subsequent report of abandonment and the B.L.M. will attach the appropriate surface rehabilitation conditions of approval.

11. Surface Ownership

Access Road: BLM Land
Location: BLM Land

12. Other Additional Information

- a. Segro Resources is 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 during construction, Segro will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Grand River Institute has previously submitted a *Summary Report of Inspection for Cultural Resources* to the BLM. There was no finding of cultural resources.
- b. Segro Resources will control noxious weeds along the rights-of-way for roads, pipelines, well sites, and other applicable facilities. On BLM administered land a Pesticide Use Proposal will be submitted, and approval obtained, before application of herbicides or other pesticides.
- c. Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal Lands after the conclusion of drilling operations or at any other time without BLM authorization.

- d. Item 9. in the Drilling Program has notification requirements that will be met.
- e. A complete copy of the approved APD, if applicable, will be on location during the construction of location and during drilling activities.

13. Lessee's or Operators Representative and Certification

Representative

Name: Roger L. Alinger

Address: P.O. Box 1066, 266 West 100 North #1, Vernal, Utah 84078

Telephone No. (801) 789-7250

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 Sego Resources and 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.

9/16/97
Date

Roger Alinger
Roger Alinger
Area Manager

Onsite Date: September 8, 1997

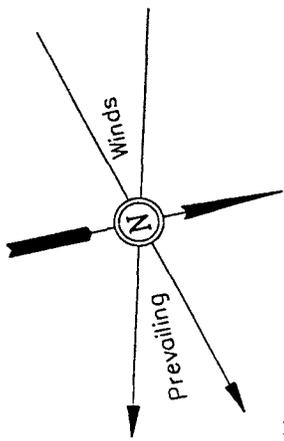
Participants on Joint Inspection

- | | |
|-------------------|-------------------------------------|
| • Byron Tolman | BLM |
| • Ron Trogstad | BLM |
| • Jean Sinclear | BLM |
| • Steve Strong | BLM |
| • Jim Justice | J-West Oilfield Service |
| • Henry Pehacek | J-West Oilfield Service |
| • Robert Kay | Uintah Engineering & Land Surveying |
| • Logan MacMillan | Sego Resources |
| • Roger Alinger | Sego Resources |

SEGO RESOURCES

LOCATION LAYOUT FOR

WELL #1
SECTION 23, T11S, R15E, S.L.B.&M.
1949' FNL 522' FWL



Proposed Access Road

Sta. 3+10

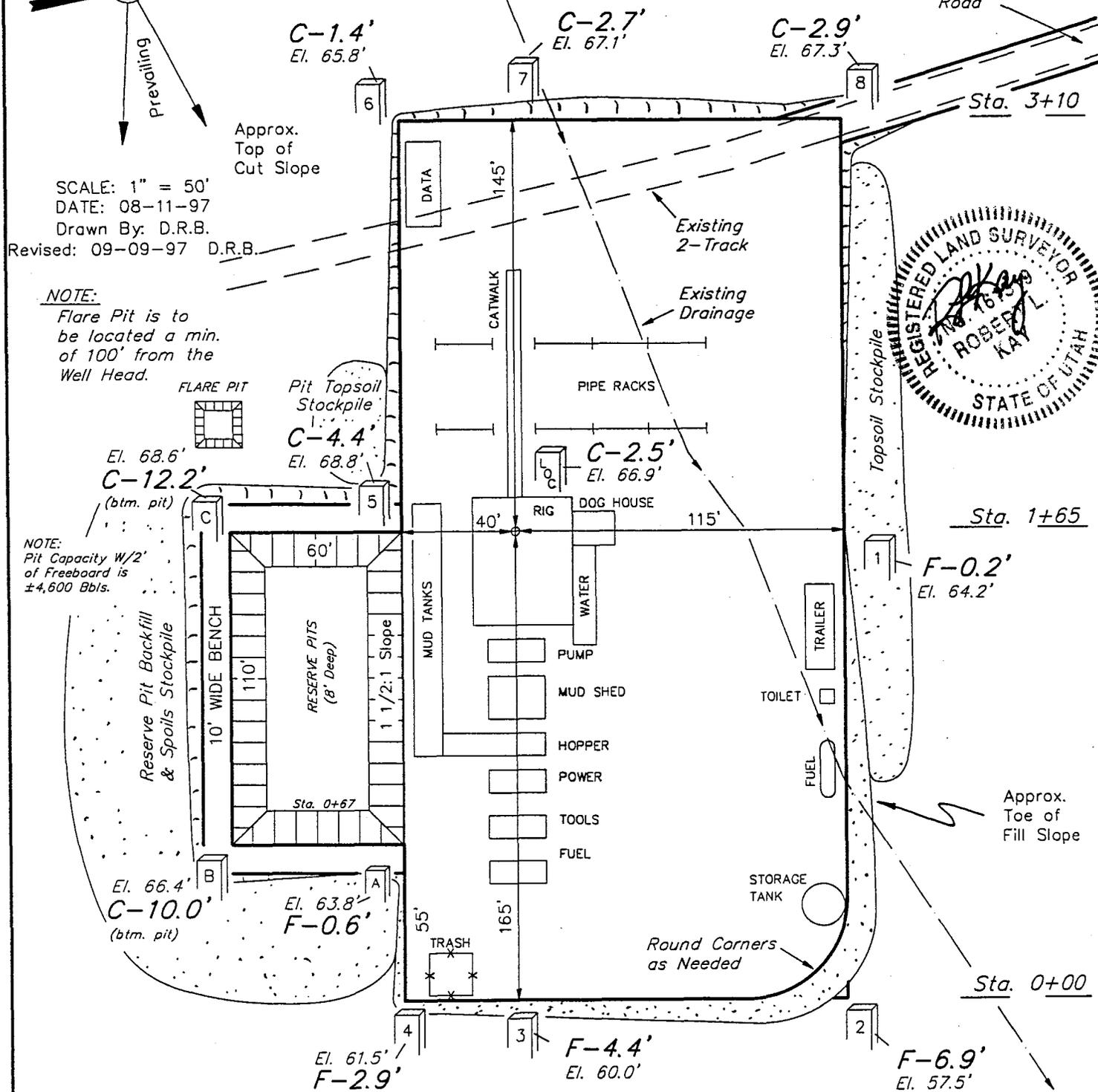
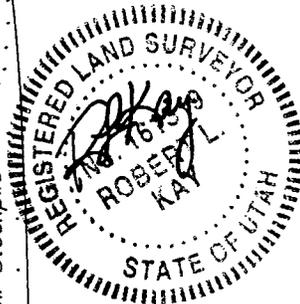
Sta. 1+65

Sta. 0+00

SCALE: 1" = 50'
DATE: 08-11-97
Drawn By: D.R.B.
Revised: 09-09-97 D.R.B.

NOTE:
Flare Pit is to be located a min. of 100' from the Well Head.

NOTE:
Pit Capacity W/2' of Freeboard is ±4,600 Bbls.



Elev. Ungraded Ground at Location Stake = 6766.9'
Elev. Graded Ground at Location Stake = 6764.4'

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East • Vernal, Utah 84078 • (801) 789-1017

SEGO RESOURCES

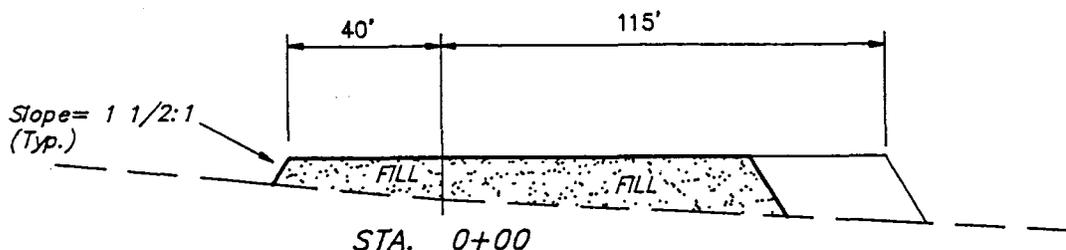
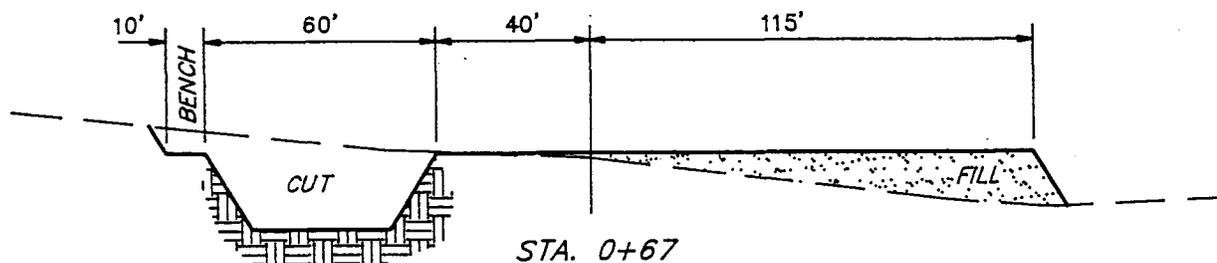
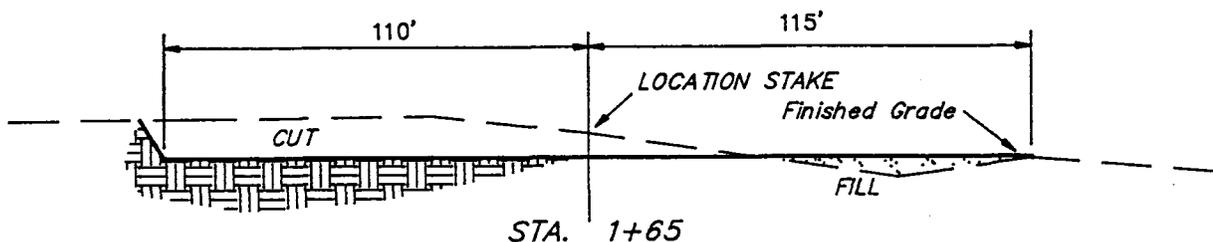
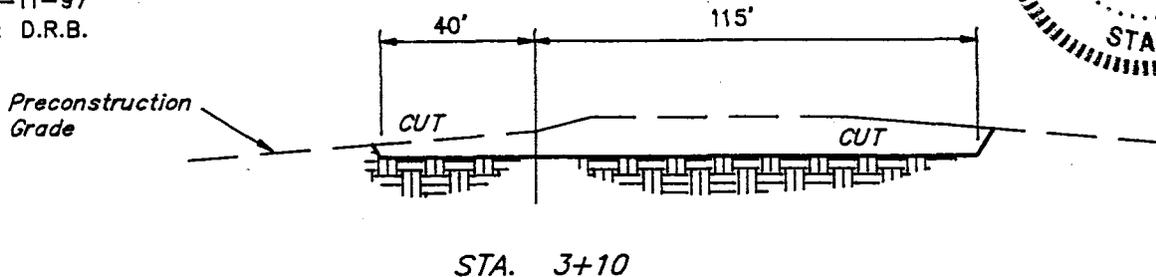
TYPICAL CROSS SECTIONS FOR

WELL #1
SECTION 23, T11S, R15E, S.L.B.&M.
1949' FNL 522' FWL



1" = 20'
X-Section
Scale
1" = 50'

DATE: 08-11-97
Drawn By: D.R.B.

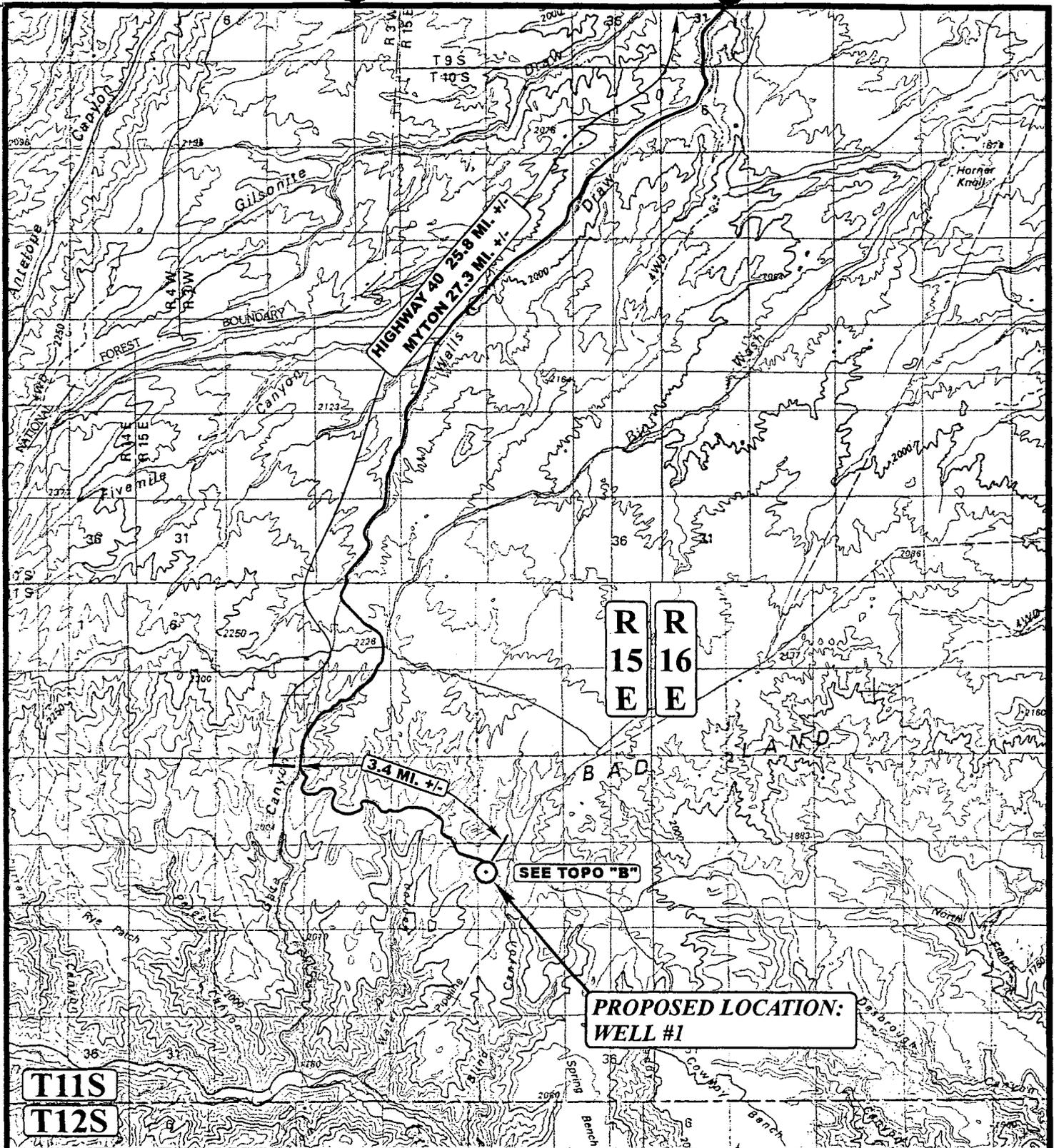


APPROXIMATE YARDAGES

(6") Topsoil Stripping	=	1,010 Cu. Yds.
Remaining Location	=	3,880 Cu. Yds.
TOTAL CUT	=	4,890 CU.YDS.
FILL	=	3,020 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	=	1,710 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	=	1,710 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	=	0 Cu. Yds.

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85 So. 200 East • Vernal, Utah 84078 • (801) 788-1017



T11S
T12S

R15E
R16E

LEGEND:

○ PROPOSED LOCATION



SEGO RESOURCES

WELL #1
SECTION 23, T11S, R15E, S.L.B.&M.
1949' FNL 522' FWL

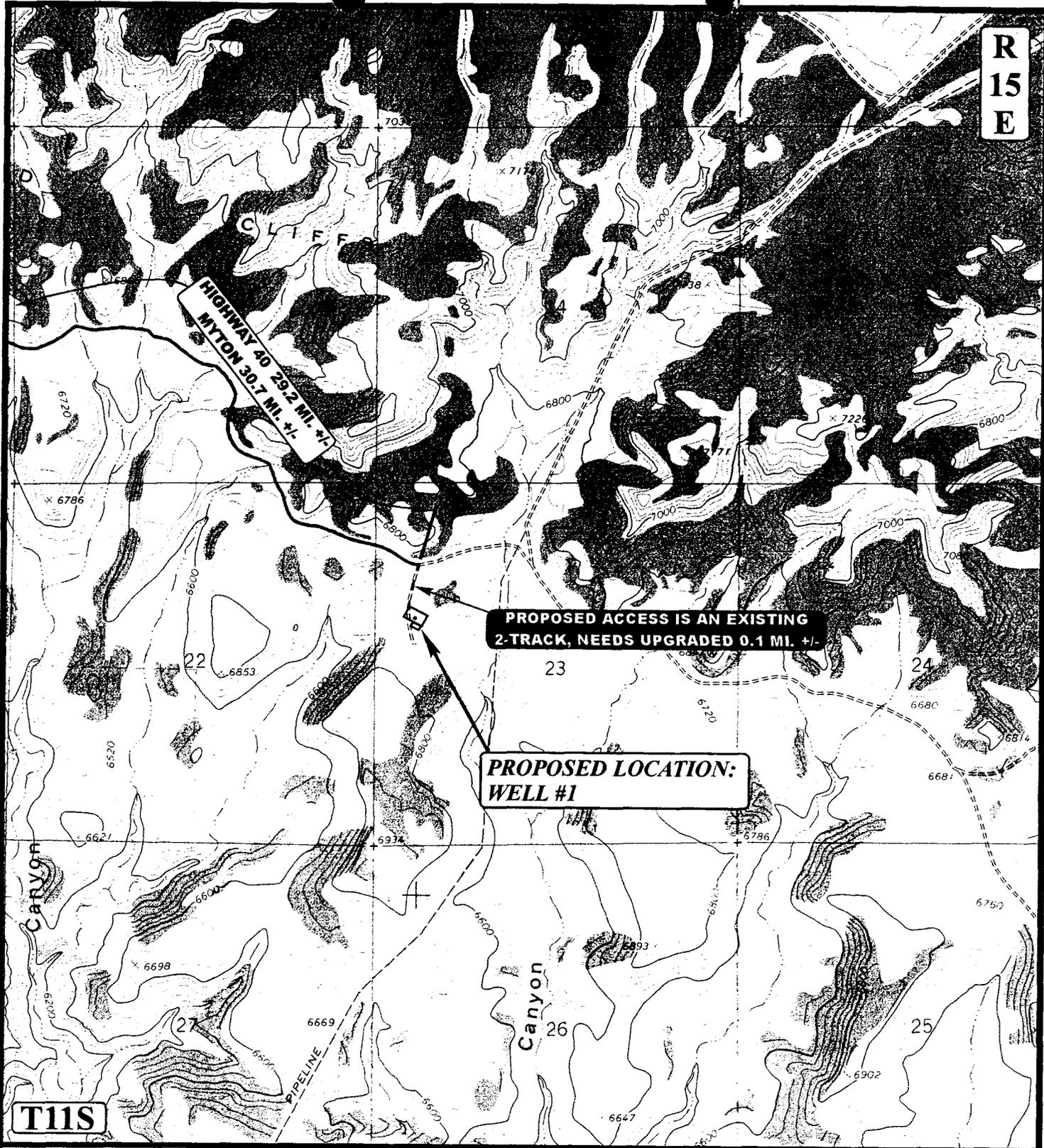


Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(801) 789-1017 * FAX (801) 789-1813
Email: uels@easlink.com

TOPOGRAPHIC 8 7 97
MAP MONTH DAY YEAR
SCALE: 1 : 100,000 DRAWN BY: D.COX REVISED: 00-00-00



R
15
E



T11S

LEGEND:

- PROPOSED ACCESS ROAD
- EXISTING ROAD



SEGO RESOURCES

WELL #1
SECTION 23, T11S, R15E, S.L.B.&M.
1949' FNL 522' FWL



Utah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (801) 789-1017 * FAX (801) 789-1813
 Email: uels@easilink.com

TOPOGRAPHIC	8	7	97	B
MAP	MONTH	DAY	YEAR	
SCALE: 1" = 2000'		DRAWN BY: D.COX		REVISED: 00-00-00
				TOPO

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 09/18/97

API NO. ASSIGNED: 43-013-31946

WELL NAME: SEGO RESOURCES #1
 OPERATOR: SEGO RESOURCES CORP. (N6095)

PROPOSED LOCATION:
 SWNW 23 - T11S - R15E
 SURFACE: 1949-FNL-0522-FWL
 BOTTOM: 1949-FNL-0522-FWL
 DUCHESNE COUNTY
 WILDCAT FIELD (001)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED
 LEASE NUMBER: UTU - 76478

PROPOSED PRODUCING FORMATION: WSTC

RECEIVED AND/OR REVIEWED:

Plat

Bond: Federal State Fee
 (Number 25,000 BLANKET SURF)

Potash (Y/N)

Oil shale (Y/N)

Water permit
 (Number 43-1921)

RDCC Review (Y/N)
 (Date: _____)

LOCATION AND SITING:

R649-2-3. Unit: _____

R649-3-2. General.

R649-3-3. Exception.

Drilling Unit.
 Board Cause no: _____
 Date: _____

COMMENTS: _____

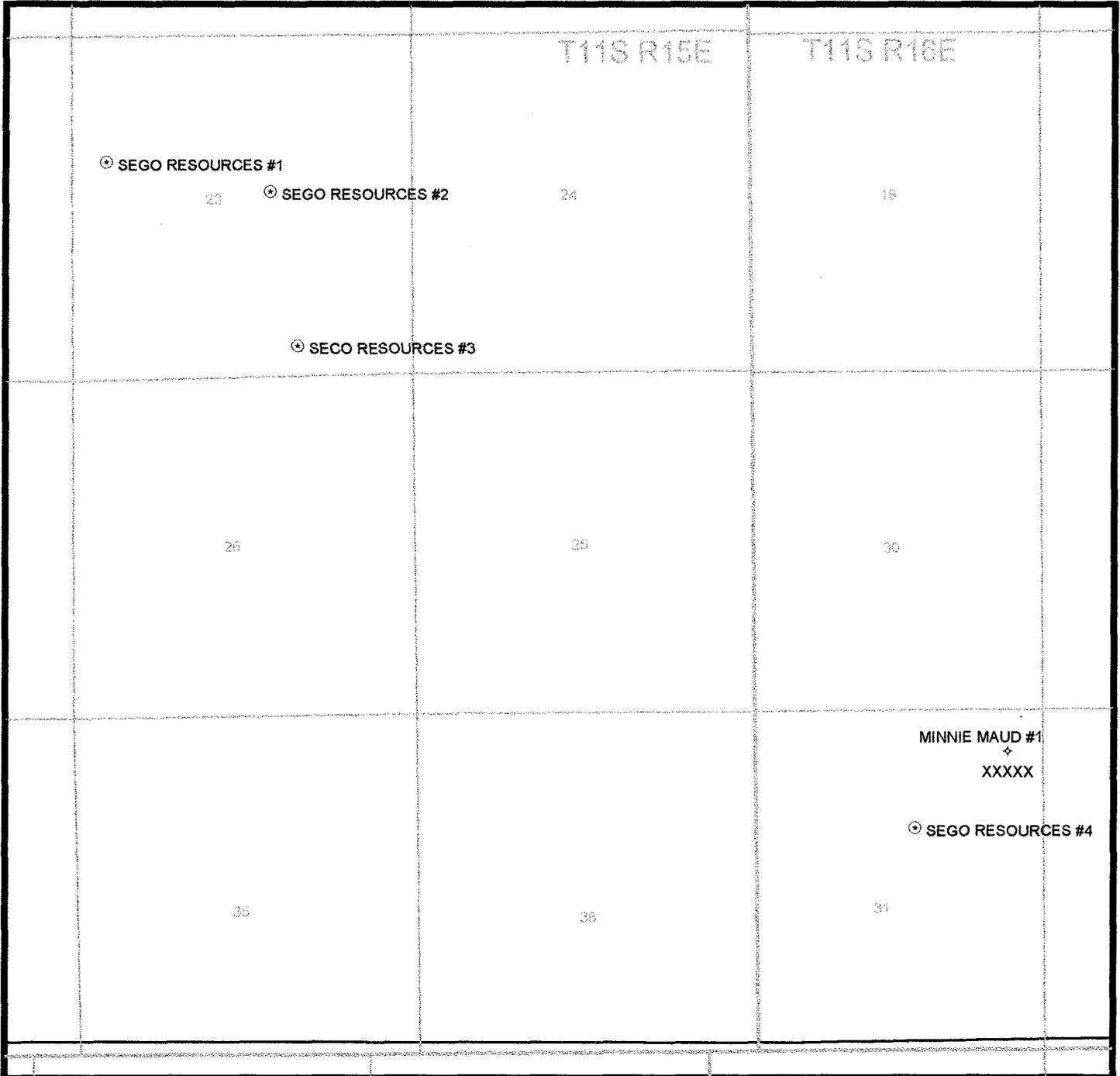
STIPULATIONS: _____

OPERATOR: SEGO RESOURCES (N) 6095

FIELD: WILDCAT (001)

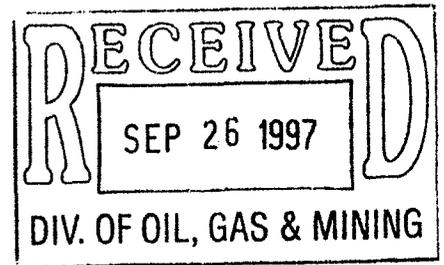
SEC, TWP, RNG: 23, T11S, R15E, & 31, T11S, R16E

COUNTY: DUCHESNE UAC: R649-3-2 & 649-3-3



PREPARED:
DATE: 22-SEP-97

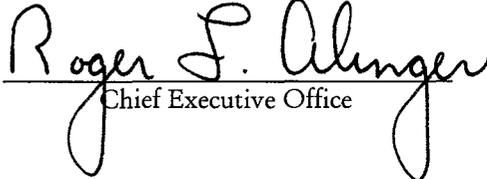
SEGO RESOURCES



September 24, 1997

SELF-CERTIFICATION STATEMENT

Please be advised that Sego Resources Corp. is the operator of Sego Resources Well No. 1; SW/4, NW/4, Section 23, Township 11 South, Range 15 East; Lease UTU 76478, Duchesne County, Utah; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond coverage is provided by American Casualty Company under their Bond Number 158577991.


Chief Executive Office



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

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

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

October 14, 1997

Sego Resources Corporation
266 West 100 North, Suite #1
Vernal, Utah 84078

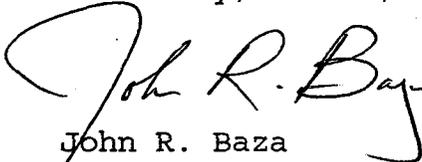
Re: Sego Resources #1 Well, 1949' FNL, 522' FWL, SW NW,
Sec. 23, T. 11 S., R. 15 E., Duchesne County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-013-31946.

Sincerely,


John R. Baza
Associate Director

lwp

Enclosures

cc: Duchesne County Assessor
Bureau of Land Management, Vernal District Office

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. Lease Designation and Serial No.
UTU76478

APPLICATION FOR PERMIT TO DRILL OR DEEPEN		6. If Indian, Allottee or Tribe Name NA	
1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/>		7. Unit Agreement Name NA	
b. TYPE OF WELL OIL WELL () GAS WELL (X) OTHER () SINGLE ZONE () MULTIPLE ZONE ()		8. FARM OR LEASE NAME, WELL NO. Sego Resources Well #1	
2. Name of Operator Sego Resources Corp.		9. API Well No.	
3. Address and Telephone Number 266 West 100 North Suite #1 Vernal, Utah 84078 Telephone (801) 789-7250		10. Field And Pool, or Wildcat Wildcat	
4. LOCATION OF WELL (Report location clearly and accordance with any State requirements.) At Surface 1949' FNL 522' FWL, Sec. 23, T11S, R15E		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 23, T11S	
At proposed prod. zone same		12. COUNTY OR PARISH Duchesne	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* 20 miles south of Myton, Utah		13. STATE Utah	
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. 522' (Also nearest drlg. unit line, if any)		16. NO. OF ACRES IN LEASE 1080	
17. NO. OF ACRES ASSIGNED TO THIS WELL 80		18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. 2630'	
19. PROPOSED DEPTH 6500'		20. ROTARY OR CABLE TOOLS Rotary	
21. ELEVATIONS (Show whether DF, RT, GR, etc.) Graded Level 6764'		22. APPROX. DATE WORK WILL START 1-Oct-97	

23. PROPOSED CASING AND CEMENTING PROGRAM						
SIZE OF HOLE	GRADE, SIZE OF CASING		WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT	
12-1/4"	8-5/8"	J-55	24#	650' (+/-)	Surface	155 SKS 50:50 Poz "C" + 85 SKS "G"
7 7/8"	5-1/2"	J-55	15.5#	6500' (+/-)	Production	345 SKS 50:50 POZ Class "G"

Sego Resources Corp. proposes to drill, test and complete the Sego Resources Well #1 as a vertical well in the Wasatch formation
Please reference the accompanying Drilling Program
BLM Right of Way is not required
Operations for this well will be conducted under a Statewide Bond.
There is no spacing in the area. Wells can be drilled anywhere within a 200 foot square around the center of a 40 acre block.

RECEIVED
SEP 15 1997

Please consider all submittals pertaining to this well "Company Confidential".
If additional information is required, please contact the undersigned at (801) 789-7250, FAX (801) 789-7261
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED: Roger Alinger Roger Alinger TITLE: CEO DATE: 16-Sep-97

(This space for Federal or State office use)

CONDITIONS OF APPROVAL ATTACHED

PERMIT NO. _____ APPROVAL DATE _____

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

CONDITIONS OF APPROVAL, IF ANY:

Approved by [Signature]

ACTING Assistant Field Manager
Mineral Resources
OCT 1 1997

RECEIVED
OCT 1 1997
DIV. OF OIL, GAS & MINING

DOG M
U4080-710-427

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: Sego Resources Corporation

Well Name & Number: Sego Resources Well #1

API Number: 43-013-31946

Lease Number: U -76478

Location: SWNW Sec. 23 T. 11S R. 15E

NOTIFICATION REQUIREMENTS

- | | | |
|---------------------------------|---|---|
| Location Construction | - | at least forty-eight (48) hours prior to construction of location and access roads. |
| Location Completion | - | prior to moving on the drilling rig. |
| Spud Notice | - | at least twenty-four (24) hours prior to spudding the well. |
| Casing String and Cementing | - | at least twenty-four (24) hours prior to running casing and cementing all casing strings. |
| BOP and Related Equipment Tests | - | at least twenty-four (24) hours prior to initiating pressure tests. |
| First Production Notice | - | within five (5) business days after new well begins, or production resumes after well has been off production for more than ninety (90) days. |

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

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

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 Orders, 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.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

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

Report ALL water shows and water-bearing sands to Tim Ingwell of this office **prior to setting the next casing string or requesting plugging orders**. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable 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.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **2M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

In addition, to the cementing proposal for the surface casing, a minimum of 200 ft. of Class G neat cement shall be placed from 200 ft. to surface in the 8 5/8 in. X 12 1/4 in annulus.

As a minimum, the usable water resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water, identified at 4,794 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

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.

5. Coring, Logging and Testing Program

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

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to the top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

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, 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 AO.

6. Notifications of Operations

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.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

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.

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.

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 five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

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 thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 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.

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

7. Other Information

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

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

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 on initial 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 Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 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."

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).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

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

Ed Forsman Petroleum Engineer	(801) 789-7077
Wayne P. Bankert Petroleum Engineer	(801) 789-4170
Jerry Kenczka Petroleum Engineer	(801) 789-1190
BLM FAX Machine	(801) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids.

SURFACE USE PROGRAM
Conditions of Approval (COAs)

-Access roads and surface disturbing activities will conform to standards outlined in the Bureau of Land Management and Forest Service publication: Surface Operating Standards for Oil and Gas Exploration and Development, (1989).

-The road shall be constructed/upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Construction/upgrading shall include ditching, draining, and crowning (2 to 3%). Graveling or capping the roadbed will be required as necessary to provide a well constructed safe road. Prior to construction/upgrading, the proposed road surface or existing road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30 foot right-of-way will not be allowed. Should mud holes develop, they shall be filled in to prevent detours. 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. When snow is removed from the road during the winter months, the snow shall be pushed outside of the burrow ditches and the turn outs shall be kept clear so that when the snow melts the water will be channeled away from the road.

-If the well becomes a producing well the following stipulations will apply:

1. If a condensate tank is installed, it will be a low profile tank.
2. The location topsoil pile will be broadcast seeded with the following seed mix:

Winterfat	Ceratoides lanata	6 lbs/acre
Needle and Tread	Stipa comata	8 lbs/acre
Shadscale	Atriplex confertifolia	6 lbs/acre
Blue grama	Bouteloua gracilis	4 lbs/acre
3. The reserve pit will be filled, recontoured, topsoil respread, and then seeded with the same seed mix stipulated above. If the seed is drilled on the reserve pit, the poundage can be cut in half. All seed shall be pure live seed.

DIVISION OF OIL, GAS AND MINING

CONFIDENTIAL

SPUDDING INFORMATION

Name of Company: SEGO RESOURCES CORP.

Well Name: SEGO RESOURCES 1

Api No. 43-013-31946

Section: 23 Township: 11S Range: 15E County: DUCHESNE

Drilling Contractor: MULLIN DRL

Rig # 1

SPUDDED:

Date: 10/24/97

Time: _____

How: DRY HOLE

Drilling will commence: _____

Reported by: KEN ALLEN

Telephone NO.: 1-801-722-5081

Date: 10/28/97 Signed: C. DANIELS

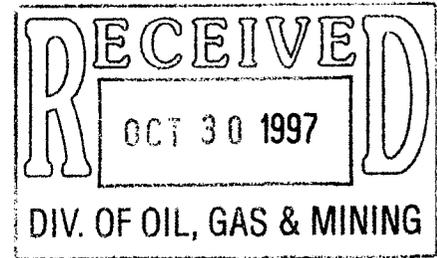
✓

Engineering
Wellsite Supervision
Lease Operating

COCHRANE RESOURCES, INC.

P.O. Box 1656
Roosevelt, Utah 84066
Phone (801) 722-5081

October 28, 1997



CONFIDENTIAL

State of Utah
Division of Oil, Gas, & Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Dear Sir:

Sego Resources Corp
Well No 1
SW NW Sec 23, T 11 S, R 15 E
Lease No U-76478
Duchesne County, Utah

CONFIDENTIAL

43-013-31946

Well was spudded 12:30 PM, Friday October 24, 1997 with Bill Martin Jr Drilling. An 11" hole was drilled to 667' and 8 5/8" 24 # csg was run to 657' and cemented to surface.

Yours truly,

Ken Allen
Agent

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

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:
 OIL GAS OTHER:

2. Name of Operator
 Sego Resources Corp.

3. Address and Telephone Number
 P.O. Box 1066, 266 W. 100 N. Ste. #1, Vernal, Utah 84078
 Telephone (435) 789-7250 Fax (435) 789-7261

FORM APPROVED
 Budget Bureau No. 1004-0135
 Expires March 31, 1993

5. Lease Designation and Serial No.
 UTU76478

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

7. If Unit or CA, Agreement Designation
 N/A

8. Well Name and No.
 Sego Resources Well #1

9. API Well No.
 43-013-31946

10. Field and Pool, or Exploratory Area
 Wildcat

11. County of Parish, State
 Duchesne, Utah

CONFIDENTIAL

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other: Request for extension
	<input checked="" type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

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

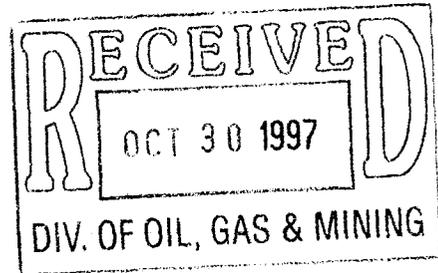
Hole size for the surface casing was changed from 12 1/4" to 11". It was cemented on 10/27/97 with 60 sacks of 50:50 POZ "C" followed by 240 sacks of Class "G". There were full returns throughout the job.

14 I hereby certify that the foregoing is true and correct.
 Signed: R. J. Alinger Title: CEO Date: October 29, 1997

(This space for Federal or State office use)
 Approved by _____ Title _____ Date _____
 Conditions of approval (if any): _____

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

*See Instructions On Reverse Side



SEGO RESOURCES

October 29, 1997

U.S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

Attn: Mr. Ed Forsman

Re: Sundry Notice
API # 43-013-31946
Federal Oil & Gas Lease UTU76478
Sego Resources Well #1
SW/4 NW/4 Sec. 23, T11S, R15E
Duchesne County, Utah

Dear Mr. Forsman:

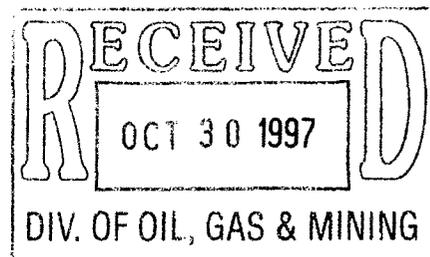
Attached is a sundry notice confirming the change in plans on the Sego Resources Well # 1 where we drilled an 11" hole rather than a 12 1/4" hole for surface casing. Also, the tail cement was a full column of class "G" cement with 30% excess. Full returns were obtained throughout the job.

Please contact me at (435) 789-7250 if additional information is needed.

Thank you,

Roger L. Alinger
Roger L. Alinger

Cc: Jim Thompson w/attachment



DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL GAS OTHER:

2. Name of Operator

Sego Resources Corp.

3. Address and Telephone Number

P.O. Box 1066, 266 W. 100 N. Ste. #1, Vernal, Utah 84078

Telephone (435) 789-7250 Fax (435) 789-7261

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1949' FNL 522' FWL, Sec. 23, T11S, R15E

5. Lease Designation and Serial No.

UTU76478

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Sego Resources Well #1

9. API Well No.

43-013-31946

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

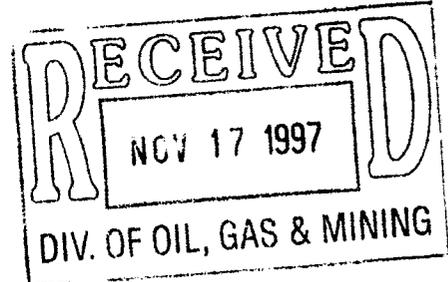
- Abandonment
- Recompletion
- Plugging Back
- Casing Repair
- Altering Casing
- Other: Request for extension
- Change of Plans
- New Construction
- Non-Routine Fracturing
- Water Shut-Off
- Conversion to Injection
- Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

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

On November 11, 1997 a camp was set up on location to house 2 four man drilling crews. The camp and associated facilities are entirely contained within the existing drilling pad.

All waste liquids are being pumped into a holding tank for disposal in an approved facility. The plan is to keep the facility at this location for the duration of drilling the 4 approved wells in sections 23 and 31.



If additional information is needed, please contact the undersigned at (817) 877-7952, FAX (817) 877-7942

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

Name/Signature: Roger L. Alinger

Roger L. Alinger

Title: CEO Date: November 14, 1997

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

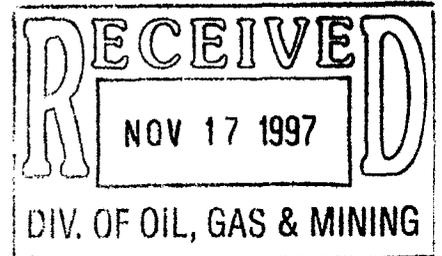
Conditions of approval (if any):

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

SEGO RESOURCES

November 14, 1997

U.S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078



Attn: Mr. Byron Tolman

Re: Sundry Notice
API # 43-013-31946
Federal Oil & Gas Lease UTU76478
Sego Resources Well #1
SW/4 NW/4 Sec. 23, T11S, R15E
Duchesne County, Utah

Dear Mr. Tolman:

Attached is a sundry notice confirming the installation of a camp at the Sego Resources Well #1 location. We plan to keep the camp at this location for the drilling of the remaining 3 approved locations.

Please contact me at (435) 789-7250 if additional information is needed.

Respectfully,

Roger F. Alinger
Roger L. Alinger

Cc: Jim Thompson w/attachment

Jim —
Should I be
sending these to
someone other
than you? *RA*

SEGO RESOURCES



December 22, 1997

U.S. Department of the Interior
Bureau of Land Management
Vernal District Office
170 South 500 East
Vernal, Utah 84078

Attn: Mr. Ed Forsman

Re: Progress Report # 4
Federal Oil & Gas Lease UTU76478
API # 43-013-31946
Sego Resources Well #1
SW/4 NW/4 Sec. 23, T11S, R15E
Duchesne County, Utah

Dear Mr. Forsman:

Enclosed are daily drilling reports for days 31-39 on the subject well. The Wasatch formation had gas present but the sand quality was not adequate for a completion. We do plan to look at a couple of Green River zones.

Please contact me at (435) 789-7250 if additional information is needed.

Thank you,


Roger L. Alinger

Cc: DOGM

SEGO RESOURCES CORP.

Daily Drilling Report

Location: Sego Resources Well #1 Report for 7:00 A.M.: 11/6/97
 Drilling Contractor: Molen Rig #: 1 Day: 1
 Depth: 1704 Operations at 7:00 A.M. Drilling Formation: Green River
 Drilled From: 677 to 1704 Feet 1027 Hours 17.5
 Cored From: _____ to _____ Feet _____ Hours _____
 Reamed From: _____ to _____ Feet _____ Hours _____
 Weight 35-40 Rotary RPM: 95-100
 Pump Pressure: 800 SPM: 44 Length: 16" Liner Size: 6"
 Mud Weight: water Visc: _____ W.L. _____ pH: _____ Chlorides: _____
 Dev. Surveys/Depth: 718--1/2 deg., 1249--1 1/2 deg., 1704--missrun
 Bit No. 1 Size: 7 7/8" Type: 22C Footage 1027 Hours: 17.5 Rate: 58.7 Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____

Additives: _____

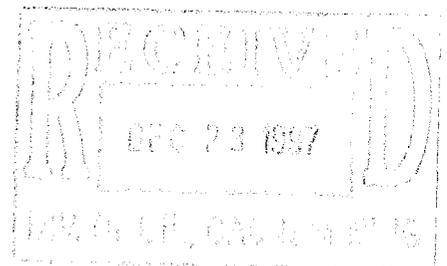
Chronological Report: Recovered junk with magnet, drilled 8 5/8" casing and shoe, drill Green River formation

Time	Hours:		Hours:
Rig Service		Logging (including rig up and rig down)	
Drilling	17.5	Handle testing tools	
Reaming		Testing	
Trips for fish	2.0	Rig up to run casing	
Surveys	1.5	Running casing	
Circulate for _____		Circulate casing	
Mix Mud		Cementing	
Coring		W.O. Cement and/or head up	
Clean out to Bottom		Move and rig up	
Drill Cement & shoe	3.0	Dig rathole and mousehole	

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
 Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: Sego Resources Well #1 Report for 7:00 A.M.: 11/7/97
 Drilling Contractor: Molen Rig #: 1 Day: 2
 Depth: 2619 Operations at 7:00 A.M. W/O Parts Formation: Green River
 Drilled From: 1704 to 2619 Feet 915 Hours 16 Rate: 57.2
 Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Weight 35-40 Rotary RPM: 95-100
 Pump Pressure: 800 SPM: 44 Length: 16" Liner Siz 6"
 Mud Weight: water Visc: _____ W.L. _____ pH: _____ Chlorides: _____
 Dev. Surveys/Depth: 1734'--2.75 deg., 2288'--3 deg.
 Bit No. 1 Size: 7 7/8" Type: 22C Footage 1942 Hours: 33.5 Rate: 58.0 Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Additives: lime and sawdust

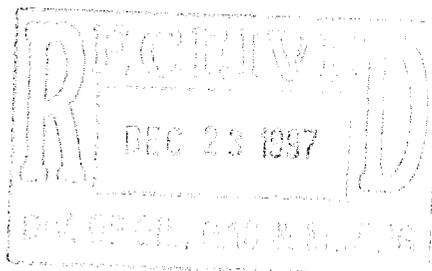
Chronological Report: BLM requested flare lines and handles on BOP's be installed. Cluth out of drawworks--w/o parts

Time	Hours:		Hours:
Rig Service	0.5	Logging (including rig up and rig down)	_____
Drilling	16.0	Handle testing tools	_____
Reaming	_____	Testing	_____
Trips for fish	_____	Rig up to run casing	_____
Surveys	1.0	Running casing	_____
Circulate for _____	_____	Circulate casing	_____
Mix Mud	_____	Cementing	_____
Coring	_____	W.O. Cement and/or head up	_____
Run flare lines	1.0	Move and rig up	_____
Broke down	5.5	Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
 Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: Sego Resources Well #1 Report for 7:00 A.M.: 11/8/97
 Drilling Contractor: Molen Rig #: 1 Day: 3
 Depth: 2629 Operations at 7:00 A.M. W/O Parts Formation: Green River
 Drilled From: 2619 to 2629 Feet 10 Hours 0.5 Rate: 20.0
 Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Weight 35-40 Rotary RPM: 95 _____
 Pump Pressure: 800 SPM: 44 Length: 16" Liner Siz 6" _____
 Mud Weight: 8.4 Visc: 27 W.L. _____ pH: 8.5 Chlorides 2000
 Dev. Surveys/Depth: _____
 Bit No. 1 Size: 7 7/8" Type: 22C Footage 1952 Hours: 34 Rate: 57.4 Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Additives: 26 sks. Sawdust, 123 sks. Lime

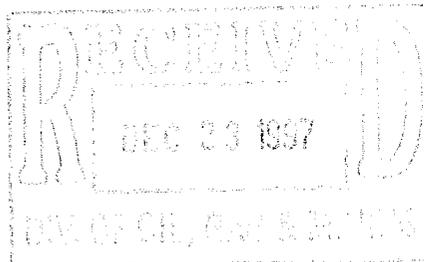
Chronological Report: Tried to patch clutch boot--did not hold

Time	Hours:		Hours:
Rig Service	<u>0.5</u>	Logging (including rig up and rig down)	_____
Drilling	<u>0.5</u>	Handle testing tools	_____
Reaming	_____	Testing	_____
Trips	_____	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	_____	Circulate casing	_____
Mix Mud	_____	Cementing	_____
Coring	_____	W.O. Cement and/or head up	_____
W/O Parts	<u>23.0</u>	Move and rig up	_____
		Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
 Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: Sego Resources Well #1 Report for 7:00 A.M.: 11/9/97
 Drilling Contractor: Molen Rig #: 1 Day: 4
 Depth: 2798 Operations at 7:00 A.M. W/O Parts Formation: Green River
 Drilled From: 2629 to 2798 Feet 169 Hours 3.5 Rate: 48.3
 Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Weight 30-40 Rotary RPM: 90
 Pump Pressure: 800 SPM: 44 Length: 16" Liner Siz 6"
 Mud Weight: 8.4 Visc: 27 W.L. _____ pH: 9.3 Chlorides 7300
 Dev. Surveys/Depth: _____
 Bit No. 1 Size: 7 7/8" Type: 22C Footage 2121 Hours: 37.5 Rate: 56.6 Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____

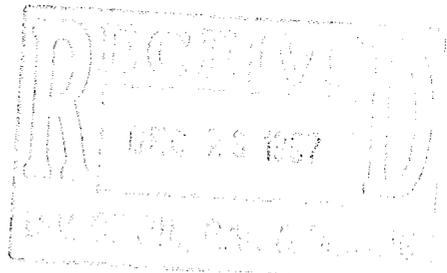
Additives: 7 sks sawdust, 15 sks gel, 45 sks kcl, 1 sk polymer, 4 sks lime, 12 sks paper

Chronological Report: Patch clutch boot, drill 3.5 hr, boot failed again

Time	Hours:		Hours:
Rig Service	<u>0.5</u>	Logging (including rig up and rig down)	_____
Drilling	<u>3.5</u>	Handle testing tools	_____
Reaming	_____	Testing	_____
Trips	_____	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	_____	Circulate casing	_____
Mix Mud	_____	Cementing	_____
Coring	_____	W.O. Cement and/or head up	_____
W/O Parts	<u>20.0</u>	Move and rig up	_____
		Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: x Overcas x
 Road Conditions: Good: _____ Fair: _____ Poor: x Remarks: _____

Reported by: Ken Allen
 Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: <u>Sego Resources Well #1</u>				Report for 7:00 A.M.: <u>11/10/97</u>	
Drilling Contractor: <u>Molen</u>		Operations at 7:00 A.M.		Rig #: <u>1</u>	Day: <u>5</u>
Depth: <u>3477</u>		Tripping in hole		Formation: <u>Green River</u>	
Drilled From: <u>2798</u>	to <u>3477</u>	Feet <u>679</u>	Hours <u>14.5</u>	Rate: <u>46.8</u>	
Cored From: _____	to _____	Feet _____	Hours _____	Rate: _____	
Reamed From: _____	to _____	Feet _____	Hours _____	Rate: _____	
Weight <u>30-40</u>		Rotary RPM: <u>80-90</u>			
Pump Pressure: <u>800</u>	SPM: <u>44</u>	Length: <u>16"</u>	Liner Siz <u>6"</u>		
Mud Weight: <u>8.3</u>	Visc: <u>27</u>	W.L. _____	pH: <u>8</u>	Chlorides <u>1100</u>	
Dev. Surveys/Depth:					
Bit No. <u>1</u>	Size: <u>7 7/8"</u>	Type: <u>22C</u>	Footage <u>2800</u>	Hours: <u>52</u>	Rate: <u>53.8</u> Out: <u>3477</u>
Bit No. _____	Size: _____	Type: _____	Footage: _____	Hours: _____	Rate: _____ Out: _____
Bit No. _____	Size: _____	Type: _____	Footage: _____	Hours: _____	Rate: _____ Out: _____
Bit No. _____	Size: _____	Type: _____	Footage: _____	Hours: _____	Rate: _____ Out: _____

Additives: 19 sks paper, 36 sks kcl, 3 sks lime, 8 sks sawdust

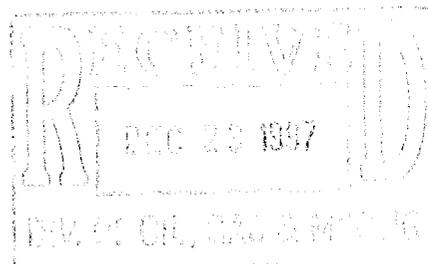
Chronological Report: patched clutch boot, holding o.k.

Time	Hours:		Hours:
Rig Service	<u>0.5</u>	Logging (including rig up and rig down)	_____
Drilling	<u>14.5</u>	Handle testing tools	_____
Reaming	_____	Testing	_____
Trips	<u>3.0</u>	Rig up to run casing	_____
Surveys	<u>0.5</u>	Running casing	_____
Circulate for _____	_____	Circulate casing	_____
Mix Mud	_____	Cementing	_____
Clean Mud pits	<u>1.5</u>	W.O. Cement and/or head up	_____
W/O Parts	<u>4.0</u>	Move and rig up	_____
		Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: _____ Overcas x
 Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: Sego Resources Well #1 Report for 7:00 A.M.: 11/11/97
 Drilling Contractor: Molen Rig #: 1 Day: 6
 Depth: 3750 Operations at 7:00 A.M. Drilling Formation: Wasatch
 Drilled From: 3477 to 3750 Feet 273 Hours 22.5 Rate: 12.1
 Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Reamed From: 3450 to 3477 Feet 27 Hours 0.5 Rate: 54
 Weight 35-40 Rotary RPM: 70-90
 Pump Pressure: 800 SPM: 44 Length: 16" Liner Size 6"
 Mud Weight: 8.4 Visc: 27 W.L. _____ pH: 9 Chlorides: 2400
 Dev. Surveys/Depth: _____
 Bit No. 2 Size: 7 7/8" Type: ERA33 Footage 273 Hours: 22.5 Rate: 12.1 Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____
 Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____

Additives: 7 sks paper, 10 sks kcl, 3 sks lime, 8 sks sawdust, polymer 2

Chronological Report: finish tripping in hole, ream to bottom and drill.

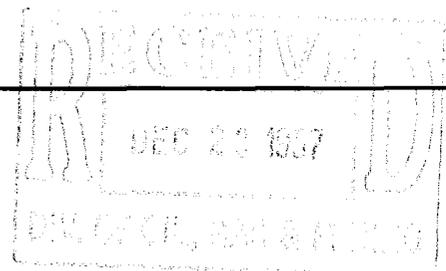
Mud Log Shows: _____

Time	Hours:		Hours:
Rig Service	0.0	Logging (including rig up and rig down)	_____
Drilling	22.5	Handle testing tools	_____
Reaming	0.5	Testing	_____
Trips	1.0	Rig up to run casing	_____
Surveys	0.0	Running casing	_____
Circulate for _____	0.0	Circulate casing	_____
Mix Mud	0.0	Cementing	_____
Clean Mud pits	0.0	W.O. Cement and/or head up	_____
W/O Parts	0.0	Move and rig up	_____
		Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: x Overcast: x
 Road Conditions: Good: _____ Fair: _____ Poor: x Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: Sego Resources Well #1				Report for 7:00 A.M.: <u>11/12/97</u>	
Drilling Contractor: <u>Molen</u>				Rig #: <u>1</u> Day: <u>7</u>	
Depth: <u>3968</u>	Operations at 7:00 A.M.			Formation: <u>Wasatch</u>	
Drilled From: <u>3750</u>	to	<u>3968</u>	Feet	<u>218</u>	Hours <u>24</u>
Cored From:	to		Feet		Hours
Reamed From:	to		Feet		Hours
Weight <u>40</u>				Rotary RPM: <u>80</u>	
Pump Pressure: <u>300-600</u>	SPM: <u>44</u>	Length: <u>16"</u>	Liner Size: <u>6"</u>		
Mud Weight: <u>8.5</u>	Visc: <u>27</u>	W.L. _____	pH: <u>9.3</u>	Chlorides: <u>1200</u>	
Dev. Surveys/Depth:					
Bit No. <u>1</u>	Size: <u>7 7/8"</u>	Type: <u>22C</u>	Footage: <u>2800</u>	Hours: <u>52</u>	Rate: <u>53.8</u> Out: <u>3477</u>
Bit No. <u>2</u>	Size: <u>7 7/8"</u>	Type: <u>ERA33</u>	Footage: <u>421</u>	Hours: <u>46.5</u>	Rate: <u>9.1</u> Out: _____
Bit No. _____	Size: _____	Type: _____	Footage: _____	Hours: _____	Rate: _____ Out: _____
Bit No. _____	Size: _____	Type: _____	Footage: _____	Hours: _____	Rate: _____ Out: _____

Additives: 12 sks paper, 41 sks kcl, 6 sks lime, 13 sks sawdust, polymer 1

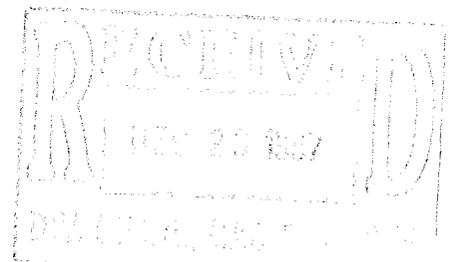
Chronological Report: Drilling

Mud Log Shows: _____

Time	Hours:		Hours:
Rig Service	<u>0.0</u>	Logging (including rig up and rig down)	_____
Drilling	<u>24.0</u>	Handle testing tools	_____
Reaming	<u>0.0</u>	Testing	_____
Trips	<u>0.0</u>	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	<u>0.0</u>	Circulate casing	_____
Mix Mud	<u>0.0</u>	Cementing	_____
Clean Mud pits	<u>0.0</u>	W.O. Cement and/or head up	_____
W/O Parts	<u>0.0</u>	Move and rig up	_____
		Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: x Overcast: x
 Road Conditions: Good: _____ Fair: _____ Poor: x Remarks: _____

Reported by: Ken Allen
 Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Location: **Sego Resources Well #1**

Report for 7:00 A.M.: 11/13/97

Drilling Contractor: Molen

Rig #: 1 Day: 8

Depth: 4090 Operations at 7:00 A.M. Drilling

Formation: Wasatch

Drilled From: 3968 to 4090 Feet 122 Hours 15.5 Rate: 7.9

Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____

Reamed From: 4028 to 4058 Feet 30 Hours 0.5 Rate: _____

Weight 15-40 Rotary RPM: 50-100

Pump Pressure: 200-500 SPM: 52 Length: 16" Liner Size: 6"

Mud Weight: 8.5 Visc: 27 W.L. _____ pH: 10 Chlorides: 1500

Dev. Surveys/Depth:

Bit No.	Size	Type	Footage	Hours	Rate	Out
1	7 7/8"	22C	2800	52	53.8	3477
2	7 7/8"	ERA33	581	58.5	9.9	4058
3	7 7/8"	NT3	32	3.5	9.1	4325
4	7 7/8"					

Additives: 11 sks paper, 102 sks kcl, 5 sks lime, 5 sks sawdust, polymer 0

Chronological Report: Ran downhole motor, table 50 RPM, motor 110 RPM, adding weight slowly

Mud Log Shows: _____

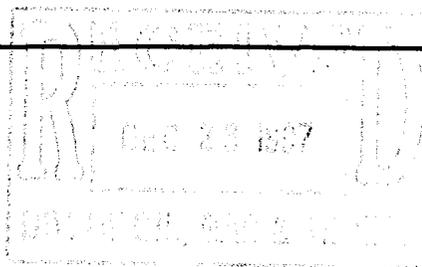
Time	Hours:		Hours:
Rig Service	<u>0.0</u>	Logging (including rig up and rig down)	_____
Drilling	<u>15.5</u>	Handle testing tools	_____
Reaming	<u>0.5</u>	Testing	_____
Trips	<u>6.5</u>	Rig up to run casing	_____
Surveys	<u>0.5</u>	Running casing	_____
Circulate for _____	<u>0.0</u>	Circulate casing	_____
Mix Mud	<u>0.0</u>	Cementing	_____
Clean Mud pits	<u>1.0</u>	W.O. Cement and/or head up	_____
W/O Parts	<u>0.0</u>	Move and rig up	_____
		Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
 Road Conditions: Good: _____ Fair: x Poor: _____ Remarks: _____

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.
Daily Drilling Report

Report for 7:00 A.M.: 11/14/97

Locatio **Sego Resources Well #1**

Drilling Contractor: Molen Rig #: 1 Day: 9

Depth: 4325 Operations at 7:00 A.M. Tripping In Formation: Wasatch

Drilled From: 4090 to 4325 Feet 235 Hours 14 Rate: 16.8

Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____

Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____

Weight 20-36 Rotary RPM: 50

Pump Pressure: 200-50 SPM: 52 ength: 16" Liner Size 6"

Mud Weight: 8.3 Visc: 27 W.L. _____ pH: 10 Chloride 1800

Dev. Surveys/Depth:

Bit No. 1 Size: 7 7/8" Type: 22C Footage: 2800 Hours: 52 Rate: 53.8 Out: 3477'

Bit No. 2 Size: 7 7/8" Type: ERA33 Footage: 581 Hours: 58.5 Rate: 9.9 Out: 4058'

Bit No. 3 Size: 7 7/8" Type: NT3 Footage: 267 Hours: 17.5 Rate: 15.3 Out: 4325'

Bit No. 4 Size: 7 7/8" Type: HP53 Footage: _____ Hours: _____ Rate: _____ Out: _____

Bit No. _____ Size: _____ Type: _____ Footage: _____ Hours: _____ Rate: _____ Out: _____

Additives: 3 sks paper, 66 sks kcl, 7 sks lime, 8 sks sawdust, polymer 0

Chronological Report: Twisted off at 9:00 P.M. at 589', fished w/overshot, pulled entire string out of hole (weight indicator broke), changed bit, installed 3-16's, tripping in hole

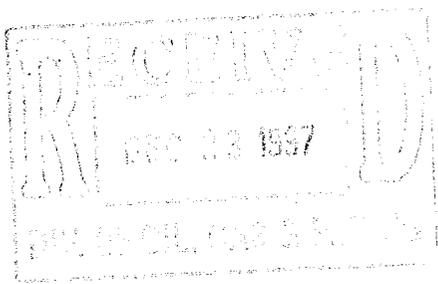
Mud Log Shows: _____

Time	Hours:		Hours:
Rig Service	<u>0.0</u>	Logging (including rig up and rig down)	_____
Drilling	<u>14.0</u>	Handle testing tools	_____
Reaming	<u>0.0</u>	Testing	_____
Trips for fish	<u>7.0</u>	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	<u>0.0</u>	Circulate casing	_____
Mix Mud	<u>0.0</u>	Cementing	_____
Clean Mud pits	<u>0.0</u>	W.O. Cement and/or head up	_____
W/O Parts	<u>0.0</u>	Move and rig up	_____
PU fishing tools	<u>1.0</u>	Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: x Overcast: _____
Road Conditions: Good: _____ Fair: _____ Poor: x Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.
Daily Drilling Report

Report for 7:00 A.M.: 11/15/97

Location: **Sego Resources Well #1**

Drilling Contractor: Molen Rig #: 1 Day: 10
 Depth: 4625 Operations at 7:00 A.M. Drilling Formation: Wasatch
 Drilled From: 4325 to 4625 Feet 300 Hours 21 Rate: 14.3
 Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Reamed From: 4300 to 4325 Feet 25 Hours 1 Rate: _____
 Weight 34-36 Rotary RPM: 50
 Pump Pressure: 200-50 SPM: 52 ength: 16" Liner Size 6"
 Mud Weight: 8.4 Visc: 27 W.L. _____ pH: 10.2 Chloride 2400

Dev. Surveys/Depth:

Bit No.	Size	Type	Footage	Hours	Rate	Out
1	7 7/8"	22C	2800	52	53.8	3477'
2	7 7/8"	ERA33	581	58.5	9.9	4058'
3	7 7/8"	NT3	267	17.5	15.3	4325'
4	7 7/8"	HP53	300	21	14.3	
5						

Additives: 0 sks paper, 40 sks kcl, 3 sks lime, 0 sks sawdust, polymer 1

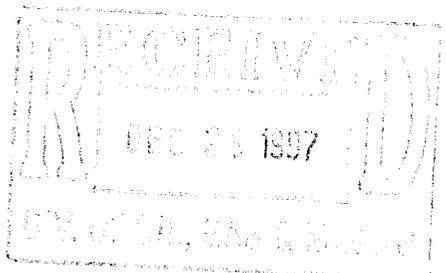
Chronological Report: replaced weight indicator, working on boiler

Mud Log Shows: _____

Time	Hours:		Hours:
Rig Service	0.0	Logging (including rig up and rig down)	
Drilling	21.0	Handle testing tools	
Reaming	1.0	Testing	
Trips	2.0	Rig up to run casing	
Surveys	0.0	Running casing	
Circulate for _____	0.0	Circulate casing	
Mix Mud	0.0	Cementing	
Clean Mud pits	0.0	W.O. Cement and/or head up	
W/O Parts	0.0	Move and rig up	
PU fishing tools	1.0	Dig rathole and mousehole	

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
 Road Conditions: Good: _____ Fair: x Poor: _____ Remarks: _____

Reported by: Ken Allen
 Taken by: Roger Alinger



SEGO RESOURCES CORP.

Daily Drilling Report

Report for 7:00 A.M.: 11/16/97

Location: **Sego Resources Well #1**

Drilling Contractor: Molen

Rig #: 1 Day: 11

Depth: 4955 Operations at 7:00 A.M. Drilling

Formation: Wasatch

Drilled From: 4625 to 4955 Feet 330 Hours 23.5 Rate: 14.0

Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____

Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____

Weight 32-36 Rotary RPM: 50

Pump Pressure: 200-50 SPM: 52 Length: 16" Liner Size 6"

Mud Weight: 8.5 Visc: 27 W.L. _____ pH: 10.2 Chloride 3800

Dev. Surveys/Depth:

Bit No.	Size	Type	Footage	Hours	Rate	Out
1	7 7/8"	22C	2800	52	53.8	3477'
2	7 7/8"	ERA33	581	58.5	9.9	4058'
3	7 7/8"	NT3	267	17.5	15.3	4325'
4	7 7/8"	HP53	630	44.5	14.2	
5						

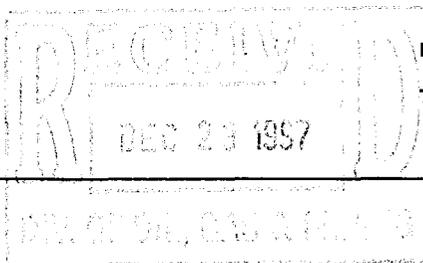
Additives: 2 sks paper, 101 sks kcl, 6 sks lime, 3 sks sawdust, polymer 0

Chronological Report: used mud motor 62 hours

Mud Log Shows: 4780' show-no details

Time	Hours:		Hours:
Rig Service	<u>0.5</u>	Logging (including rig up and rig down)	_____
Drilling	<u>23.5</u>	Handle testing tools	_____
Reaming	<u>0.0</u>	Testing	_____
Trips	<u>0.0</u>	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	<u>0.0</u>	Circulate casing	_____
Mix Mud	<u>0.0</u>	Cementing	_____
Clean Mud pits	<u>0.0</u>	W.O. Cement and/or head up	_____
W/O Parts	<u>0.0</u>	Move and rig up	_____
PU fishing tools	<u>0.0</u>	Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: _____ Overcast: x
 Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____



Reported by: Ken Allen

Taken by: Roger Alinger

SEGO RESOURCES CORP.
Daily Drilling Report

Report for 7:00 A.M.: 11/17/97

Location: **Sego Resources Well #1**

Drilling Contractor: Molen Rig #: 1 Day: 12
 Depth: 5288 Operations at 7:00 A.M. Drilling Formation: Wasatch
 Drilled From: 4955 to 5288 Feet 333 Hours 23.5 Rate: 14.2
 Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____
 Weight 32-36 Rotary RPM: 50
 Pump Pressure: 200-500 SPM: 52 Length: 16" Liner Size: 6"
 Mud Weight: 8.5 Visc: 27 W.L. _____ pH: 7.8 Chloride 2200

Dev. Surveys/Depth:	Bit No.	Size:	Type:	Footage:	Hours:	Rate:	Out:
	<u>1</u>	<u>7 7/8"</u>	<u>22C</u>	<u>2800</u>	<u>52</u>	<u>53.8</u>	<u>3477'</u>
	<u>2</u>	<u>7 7/8"</u>	<u>ERA33</u>	<u>581</u>	<u>58.5</u>	<u>9.9</u>	<u>4058'</u>
	<u>3</u>	<u>7 7/8"</u>	<u>NT3</u>	<u>267</u>	<u>17.5</u>	<u>15.3</u>	<u>4325'</u>
	<u>4</u>	<u>7 7/8"</u>	<u>HP53</u>	<u>963</u>	<u>68</u>	<u>14.2</u>	<u>_____</u>
	<u>5</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

Additives: 0 sks paper, 13 sks kcl, 5 sks lime, 0 sks sawdust, polymer 0

Chronological Report: used mud motor 85.5 hours

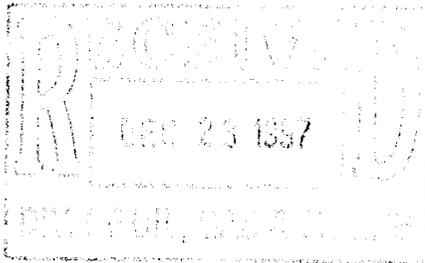
Mud Log Shows: BGG 20U, CG 0U, high 42U, shale 80%, SS 20%, Breaks: 4716'-4760', 5000'-5024', 5194'-5230'

Time	Hours:		Hours:
Rig Service	<u>0.5</u>	Logging (including rig up and rig down)	<u>_____</u>
Drilling	<u>23.5</u>	Handle testing tools	<u>_____</u>
Reaming	<u>0.0</u>	Testing	<u>_____</u>
Trips	<u>0.0</u>	Rig up to run casing	<u>_____</u>
Surveys	<u>0.0</u>	Running casing	<u>_____</u>
Circulate for _____	<u>0.0</u>	Circulate casing	<u>_____</u>
Mix Mud	<u>0.0</u>	Cementing	<u>_____</u>
Clean Mud pits	<u>0.0</u>	W.O. Cement and/or head up	<u>_____</u>
W/O Parts	<u>0.0</u>	Move and rig up	<u>_____</u>
PU fishing tools	<u>0.0</u>	Dig rathole and mousehole	<u>_____</u>

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
 Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Reported by: Ken Allen
 Taken by: Roger Alinger



SEGO RESOURCES CORP.
Daily Drilling Report

Report for 7:00 A.M.: 11/18/97

Location: **Sego Resources Well #1**

Drilling Contractor: Molen

Rig #: 1 Day: 13

Depth: 5407 Operations at 7:00 A.M. Drilling

Formation: Wasatch

Drilled From: 5288 to 5407 Feet 119 Hours 11.5 Rate: 10.3

Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____

Reamed From: 5330 to 5366 Feet 36 Hours 0.5 Rate: _____

Weight 30 Rotary RPM: 50

Pump Pressure: 700 SPM: 48 Length: 16" Liner Size: 6"

Mud Weight: 8.6 Visc: 27 W.L. _____ pH: 10.3 Chloride 5200

Dev. Surveys/Depth:

Bit No. <u>1</u>	Size: <u>7 7/8"</u>	Type: <u>22C</u>	Footage: <u>2800</u>	Hours: <u>52</u>	Rate: <u>53.8</u>	Out: <u>3477'</u>
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Bit No. <u>2</u>	Size: <u>7 7/8"</u>	Type: <u>ERA33</u>	Footage: <u>581</u>	Hours: <u>58.5</u>	Rate: <u>9.9</u>	Out: <u>4058'</u>
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Bit No. <u>3</u>	Size: <u>7 7/8"</u>	Type: <u>NT3</u>	Footage: <u>267</u>	Hours: <u>17.5</u>	Rate: <u>15.3</u>	Out: <u>4325'</u>
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Bit No. <u>4</u>	Size: <u>7 7/8"</u>	Type: <u>HP53</u>	Footage: <u>1041</u>	Hours: <u>74.5</u>	Rate: <u>14.0</u>	Out: <u>5366'</u>
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Bit No. <u>5</u>	Size: <u>7 7/8"</u>	Type: <u>ERA25</u>	Footage: <u>41</u>	Hours: <u>3.5</u>	Rate: <u>11.7</u>	Out: _____
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Additives: 6 sks paper, 49 sks kcl, 7 sks lime, 0 sks sawdust, polymer 1, Gel 11

Chronological Report: used mud motor 97 hours

Mud Log Shows: _____

Time	Hours:		Hours:
Rig Service	<u>0.5</u>	Logging (including rig up and rig down)	_____
Drilling	<u>11.5</u>	Handle testing tools	_____
Reaming	<u>0.5</u>	Testing	_____
Trips	<u>9.0</u>	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	<u>0.0</u>	Circulate casing	_____
Mix Mud	<u>0.0</u>	Cementing	_____
Clean Mud pits	<u>0.0</u>	W.O. Cement and/or head up	_____
Thaw lines	<u>1.0</u>	Move and rig up	_____
Check Pump	<u>1.5</u>	Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: x Rain: _____ Snow: _____ Overcast: _____
Road Conditions: Good: x Fair: _____ Poor: _____ Remarks: _____

Reported by: Ken Allen

Taken by: Roger Alinger



SEGO RESOURCES CORP.
Daily Drilling Report

Report for 7:00 A.M.: 11/19/97

Location: Sego Resources Well #1

Drilling Contractor: Molen

Rig #: 1 Day: 14

Depth: 5693 Operations at 7:00 A.M. Drilling

Formation: Wasatch

Drilled From: 5407 to 5693 Feet 286 Hours 23.5 Rate: 12.2

Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____

Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____

Weight 30 Rotary RPM: 60

Pump Pressure: 300 SPM: 40 Length: 16" Liner Size: 6"

Mud Weight: 8.6 Visc: 28 W.L. _____ pH: 10.5 Chloride 5700

Dev. Surveys/Depth:

Bit No.	Size	Type	Footage	Hours	Rate	Out
1	7 7/8"	22C	2800	52	53.8	3477'
2	7 7/8"	ERA33	581	58.5	9.9	4058'
3	7 7/8"	NT3	267	17.5	15.3	4325'
4	7 7/8"	HP53	1041	74.5	14.0	5366'
5	7 7/8"	ERA25	41	3.5	11.7	

Additives: _____

Chronological Report: used mud motor 120.5 hours

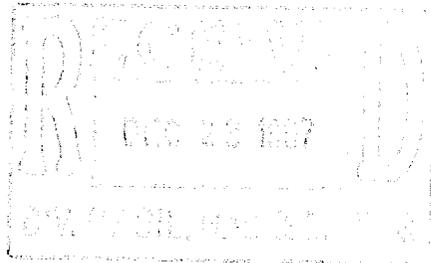
Mud Log Shows: BGG 30, HG 50, 90% SH, 10% SS thin drlg breaks starting at 5568'

Time	Hours:		Hours:
Rig Service	0.5	Logging (including rig up and rig down)	_____
Drilling	23.5	Handle testing tools	_____
Reaming	0.0	Testing	_____
Trips	0.0	Rig up to run casing	_____
Surveys	0.0	Running casing	_____
Circulate for _____	0.0	Circulate casing	_____
Mix Mud	0.0	Cementing	_____
Clean Mud pits	0.0	W.O. Cement and/or head up	_____
Thaw lines	0.0	Move and rig up	_____
Check Pump	0.0	Dig rathole and mousehole	_____

Weather: Temp: _____ Clear: _____ Rain: _____ Snow: _____ Overcast: _____
Road Conditions: Good: _____ Fair: _____ Poor: _____ Remarks: _____

Reported by: Chuck Emerson

Taken by: Roger Alinger



SEGO RESOURCES CORP.
Daily Drilling Report

Report for 7:00 A.M.: 11/20/97

Location: **Sego Resources Well #1**

Drilling Contractor: Molen

Depth: 5910 Operations at 7:00 A.M. Drilling Rig #: 1 Day: 15

Drilled From: 5693 to 5910 Feet 217 Hours 21 Formation: Wasatch Rate: 10.3

Cored From: _____ to _____ Feet _____ Hours _____ Rate: _____

Reamed From: _____ to _____ Feet _____ Hours _____ Rate: _____

Weight 34-36 Rotary RPM: 60/100

Pump Pressure: 600 SPM: 50 Length: 16" Liner Size: 6"

Mud Weight: 8.7 Visc: 28 W.L. _____ pH: 10.5 Chloride 4000

Dev. Surveys/Depth: _____

Bit No. <u>1</u>	Size: <u>7 7/8"</u>	Type: <u>22C</u>	Footage: <u>2800</u>	Hours: <u>52</u>	Rate: <u>53.8</u>	Out: <u>3477'</u>
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Bit No. <u>2</u>	Size: <u>7 7/8"</u>	Type: <u>ERA33</u>	Footage: <u>581</u>	Hours: <u>58.5</u>	Rate: <u>9.9</u>	Out: <u>4058'</u>
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Bit No. <u>3</u>	Size: <u>7 7/8"</u>	Type: <u>NT3</u>	Footage: <u>267</u>	Hours: <u>17.5</u>	Rate: <u>15.3</u>	Out: <u>4325'</u>
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Bit No. <u>4</u>	Size: <u>7 7/8"</u>	Type: <u>HP53</u>	Footage: <u>1041</u>	Hours: <u>74.5</u>	Rate: <u>14.0</u>	Out: <u>5366'</u>
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Bit No. <u>5</u>	Size: <u>7 7/8"</u>	Type: <u>ERA25</u>	Footage: <u>544</u>	Hours: <u>48</u>	Rate: <u>11.3</u>	Out: _____
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Additives: _____

Chronological Report: used mud motor 141.5 hours

Mud Log Shows: _____

Time	Hours:		Hours:
Rig Service	<u>1.0</u>	Logging (including rig up and rig down)	_____
Drilling	<u>21.0</u>	Handle testing tools	_____
Reaming	<u>0.0</u>	Testing	_____
Trips	<u>0.0</u>	Rig up to run casing	_____
Surveys	<u>0.0</u>	Running casing	_____
Circulate for _____	<u>0.0</u>	Circulate casing	_____
Mix Mud	<u>0.0</u>	Cementing	_____
Clean Mud pits	<u>0.0</u>	W.O. Cement and/or head up	_____
Work stuck pipe	<u>0.5</u>	Move and rig up	_____
Lost pump suction	<u>1.5</u>	Dig rathole and mousehole	_____

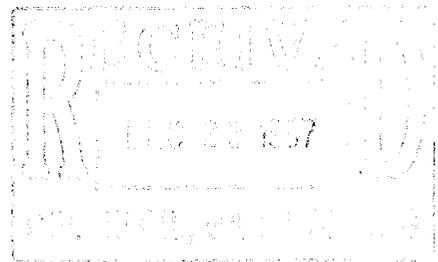
Weather: Temp: _____ Clear: _____ Rain: _____ Snow: _____ Overcast: _____

Road Conditions: Good: _____ Fair: _____ Poor: _____ Remarks: _____

_____	_____
_____	_____
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_____	_____
_____	_____

Reported by: Chuck Emerson

Taken by: Roger Alinger



SEGO RESOURCES
DAILY DRILLING REPORT

Date:	11/23/97	Well:	Sego Resources Well # 1		AFE #	A97101 \$351M	Prior \$	
Depth	5910'	Proj TD	6500'	Present				Daily Cost:
Prog.	0'	Fomnt	Kw	Operation	TIH to 5750'			Total Cost:
Days	18	Supervisor:	Chuck Emerson		Phone:	(801) 790-3337		Rig: Molen #1

MUD DATA

Mud Type	KCL/H2O		Daily Mud Cost	\$403		Cum Mud Cost		
Pit Vol, Bbls	350		Hole Vol.	354		Vendor	Mustang Drilling	
Wt	8.9	Vis	28	PV	YP	Gels	API WL	HTHP
Sol.	3.00%	O/W	0/97	ES	CI	9200	Ca	160
						LCM	TR	pH
								8.1/3

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	Out	Ftg	Hrs	ROP	RPM	WOB	IADC Grading
4	7 7/8"	SEC	HP-53			5366	1041	74.5	13.97			
5	7 7/8"	SEC	RA-25		3-16's		544	48	11.33	60/100	34/36	
6	7 7/8"	NT	NT 3	RR								

BHA #	In @	Description	Length	Wt.
	5366	Bit, MM, 20-6" DC's	616.64'	

Hookload, M#	124	Torque					Drag (+Up/-Down), M#					Allow Max Pull, M#	250
Pump	Make	Model	Stk	Lnr	SPM	GPM	Press	Deviation Surveys					
Data, #1	Emsco	D-375	16"	6"	50	304	600	Depth	Incl	Azim	TVD	E/-W	N/-S
#2								718'	1/2				
ECD	AVDC	191	AVDP	136	AVDP			1207'	1 1/2				
Jet Vel	Kill SPM		Kill Press					1704'	2 3/4				
BGG	CG	TG	Vendor					1734'	2 3/4				
Max	@	Engr		Bill Small				2288'	3				
CASING DATA								3437	3				
Size	Top	Depth	Wt	Gr	Shoe Test, ppg			4022	2 1/2				
8 5/8"	Surface	657'	24#	J-55									

DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	Date Last Bop Drill	Tour
0700 To	Hrs.	Date Last PVT Check	
7:30	1/2	Work Stuck Pipe	
13:30	6	Pulled free TOO H Chain out	
14:00	1/2	RD Dialog	
14:30	1/2	TIH w/DC's	
17:00	2 1/2	LD Rental DC's & fishing tools	
19:00	2	TOOH LD mud motor	
20:30	1 1/2	TIH w/bit, DC's & 5 stands	
22:30	2	Replace swivel seals. Load hole w/40 bbl & circ 15 min	
2:00	3 1/2	TIH 5 stands at a time & circ 15 min. ea. Time	
4:00	2	Lost circ @ 2446' Mix LCM Regain 90% returns, Lost 180 bbl	
5:00	1	TIH work thru bridge @ 3400'	
7:00	2	TIH to 5750', circ.	
		Mud Motor Cum Hrs	142

**SEGO RESOURCES
DAILY DRILLING REPORT**

Date:	12/8/97	Well:	Sego Resources Well # 1		AFE #	A97101	Prior \$	
Depth	5910'	Proj ID	6500'	Present	Wash & Ream		Daily Cost:	
Prog.	0'	Form.	Kw	Operation			Total Cost:	
Days	33	Supervisor:	Chuck Emerson		Phone:	(801) 790-3337	Rig:	Molen #1

MUD DATA

Mud Type	KCL/H2O		Daily Mud Cost	\$277	Cum Mud Cost	
Pit Vol, Bbls	350		Hole Vol.	354	Vendor	Mustang Drilling
Wt	8.4	Vis	41	PV	4	YP
Sol.	2.00%	O/W	0/99	ES	tr	CI
						3600
						Ca
						100
						LCM
						TR
						API WL
						12.8
						HHTP
						pH
						8.5
						pf/mf
						0.05/55

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	Out	Ftg	Hrs	ROP	RPM	WOB	C Grading
4	7 7/8"	SEC	HP-53			5366	1041	74.5	13.97			
5	7 7/8"	SEC	RA-25		3-16's		544	48	11.33	60/100	34/36	
6	7 7/8"	NT	NT 3	RR								
7	7 7/8"	Reed	P-53A		2-18's							

BHA #	In @	Description	Length	Wt.
	5366'	Bit, MM, 20-6" DC's		
3	5910'	Bit, Bit Sub, 20-6" DC's	616.64'	

Hookload, M#	124	Torque		Drag (+Up/-Down), M#		Allow Max Pull, M#	250
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press	Deviation Surveys			
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Data, #1	Emsco	D-375	14"	6"	48	310	500	Depth	Incl	Azim	TVD	E-W	N-S
#2								718'	1/2				

ECD	AVDC	191	AVDP	136	AVDP	1207'	1 1/2						
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Jet Vel	Kill SPM		Kill Press		1704'	2 3/4							
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BGG	CG		TG		Vendor	1734'	2 3/4						
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Max	@				Engr	Bill Small	2288'	3					
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CASING DATA

Size	Top	Depth	Wt	Gr	Shoe Test, ppg				
8 5/8"	Surface	657'	24#	J-55				3437	3
								4022	2 1/2

DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	Date Last Bop Drill	Tour
0700 To	Hrs.	Date Last PVT Check	
8:30	1 1/2	POOH w/fish	
10:30	2	Rig repair-Torque converter overheating	
13:30	3	POOH w/fish	
14:00	1/2	LD collars PU bit	
15:00	1	Test pump by pumping 80 bbl into vac. Truck in 16 min. Rate: 5 bpm, 0 psi.	
17:00	2	TIH to 1900'	
19:00	2	Circ & cond mud. Build vis from 28 to 35.	
21:00	2	Rig repair-Replace pump plungers. One swab was disconnected from rod.	
23:00	2	POOH to rejet bit. (was pumping 1100 psi @ 20 spm through 3-12's)	
23:30	1/2	Rig repair - cluth drum	
1:30	2	TIH to 2700'	
2:00	1/2	Circ & cond. hole.	
3:00	1	TIH to 4200'	
3:30	1/2	Circ & cond. hole.	
5:00	1 1/2	TIH to 5400'	
7:00	2	Wash and ream to top of fish.	

**SEGO RESOURCES
DAILY DRILLING REPORT**

Date:	12/9/97	Well:	Sego Resources Well # 1	AFE #	A97101	Prior \$	
Depth	5910'	Proj TD	6500'	Present	TOOH w/fish	Daily Cost:	
Prog.	0'	Form.	Kw	Operation		Total Cost:	
Days	34	Supervisor:	Chuck Emerson	Phone:	(801) 790-3337	Rig:	Molen #1

MUD DATA

Mud Type	Gel/H2O	Daily Mud Cost	\$1,139	Cum Mud Cost	
Pit Vol, Bbls	350	Hole Vol.	371	Vendor	Mustang Drilling
Wt	8.5	Vis	50	Engr.	Craig Hart
Sol.	2.00%	O/W	0/98	PV	20
		ES	1/4	YP	20
				Gels	10-May
				API WL	8
				Ca	60
				LCM	TR
				HTHP	
				pH	8.5
					.05/.55

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	Out	Ftg	Hrs	ROP	RPM	WOB	C Grading
4	7 7/8"	SEC	HP-53			5366	1041	74.5	13.97			
5	7 7/8"	SEC	RA-25		3-16's		544	48	11.33	60/100	34/36	
6	7 7/8"	NT	NT 3	RR								
7	7 7/8"	Reed	P-53A		2-18's							

BHA #	In @	Description	Length	Wt.
	5366'	Bit, MM, 20-6" DC's		
3	5910'	Bit, Bit Sub, 20-6" DC's	616.64'	

Hookload, M#	124	Torque		Drag (+Up/-Down), M#		Allow Max Pull, M#	250
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press	Deviation Surveys			
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Data, #1	Emsco	D-375	14"	6"	48	310	375	Depth	Incl	Azim	TVD	E/-W	N/-S
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#2								718'	1/2				
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ECD	AVDC	116	AVDP	163	AVDP	1207'	1 1/2						
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Jet Vel	Kill SPM		Kill Press		1704'	2 3/4							
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BGG	CG		TG		Vendor	1734'	2 3/4						
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Max	@				Engr Bill Small	2288'	3						
-----	---	--	--	--	-----------------	-------	---	--	--	--	--	--	--

CASING DATA

Size	Top	Depth	Wt	Gr	Shoe Test, ppg		
8 5/8"	Surface	657'	24#	J-55		4022	2 1/2

DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	Date Last Bop Drill	Tour
0700 To	Hrs.	Date Last PVT Check	
10:00	3		Wash & ream to top of fish
11:30	1 1/2		Circ. & cond. Hole
13:00	1 1/2		Pull 2 stands, very tight, jarred free
15:30	2 1/2		Ream back to top of fish
17:00	1 1/2		Cir. & cond Hole
22:00	5		POOH
23:00	1		PU fishing tools
2:30	3 1/2		TIH
3:00	1/2		Circ. Top of fish & screw in.
4:00	1		Jar on fish
5:00	1		Cool & adjust brakes
5:30	1/2		Jar on fish, pulled free.
7:00	1 1/2		POOH w/wet string.

**SEGO RESOURCES
DAILY DRILLING REPORT**

Date:	12/14/97	Well:	Sego Resources Well # 1	AFE #	A97101	Prior \$	
Depth	6500' TD	Proj TD	6500'	Present	RD Molen	Daily Cost:	
Prog.	0'	Form.	Kw	Operation		Total Cost:	
Days	39	Supervisor:	Chuck Emerson	Phone:	(801) 790-3337	Rig:	Molen #1

MUD DATA

Mud Type	Gel/H2O	Daily Mud Cost	\$969	Cum Mud Cost	
Pit Vol, Bbls	350	Hole Vol.	371	Vendor	Mustang Drilling
Wt	8.9	Vis	36	Engr.	Craig Hart
Sol.	4.00%	O/W	0/96	PV	8 YP
		ES	1/4	Cl	1800
				Ca	80
				API WL	11
				HTHP	
				LCM	TR
				pH	9.3
				pf/mf	1/5

DRILLING DATA

Bit #	Size	Mfgr	Type	S/N	Jets	In	Out	Ftg	Hrs	ROP	RPM	WOB	C Grading
4	7 7/8"	SEC	HP-53			4325'	5366'	1041	74.5	13.97			
5	7 7/8"	SEC	RA-25		3-16's	5366'	5910'	544	48	11.33	60/100	34/36	
6	7 7/8"	NT	NT 3	RR	3-16's		6500'	857'	57	15.04	60	38K	

BHA #	In @	Description	Length	Wt.
4	5910	Bit, Bit Sub, 12-6" DC, Drlg Jars, 8-6" DC	603.9	25K

Hookload, M#	124	Torque		Drag (+Up/-Down), M#		Allow Max Pull, M#	250
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Pump	Make	Model	Stk	Lnr	SPM	GPM	Press	Deviation Surveys					
Data, #1	Emsco	D-375	14"	6"	48	270	650	Depth	Incl	Azim	TVD	E/-W	N/-S
#2								718'	1/2				
ECD		AVDC	116	AVDP	163	AVDP		1207'	1 1/2				
Jet Vel		Kill SPM		Kill Press				1704'	2 3/4				
BGG		CG		TG		Vendor		1734'	2 3/4				
Max		@		Engr	Bill Small			2288'	3				

CASING DATA

Size	Top	Depth	Wt	Gr	Shoe Test, ppg
8 5/8"	Surface	657'	24#	J-55	

DESCRIPTION OF DAILY ACTIVITIES

Time	Date Last Bop Test	Date Last Bop Drill	Tour
0700 To	Hrs.	Date Last PVT Check	
8:30	1 1/2	Spot 1st plug (200 sks G w/2% CaCl) from 5700'-6000' Plug underspaced.	
		BLM reps Owens & Bankert did not require tag.	
12:00	3 1/2	Pull 36 stands dry.	
15:00	3	LD 62 Jts cemented DP.	
18:00	3	TIH w/36 stds & PU 18 Jts to 2793'.	
18:30	1/2	Spot 2nd plug (100 sks G w/2% CaCl) from 2800'-2600'.	
21:00	2 1/2	LDDP	
:30	3 1/2	RU & run prod. Csg. As follows: 1-Guide Shoe (.80), 1-5 1/2" shoe jt. (42.89') w/insert float, 56 jts 5 1/2", 15.5#, J-55 LT&C 8rd(2366.72') above KB (-3.00') Casing set @ 2403.41 KB.	
1:30	1	RU BJ & cement as follows: Pump 20 bbl. Mud flush, 5 bbl. Wtr, 600 sks 50/50 PozMix w/2% gel, .3% FL-22, 1/4#/sk. Celoflake Displace w/56 bbl 2% KCL. Bump plug to 1450 psa. Float held O.K. Had excellent returns throughout job. Circulated 5 bbl. Cement colored water to surface. Reciprocate csg. 10' during displacement. RD BJ.	
5:00	3 1/2	Thaw stack, ND BOP, Set slips & hang 25K# on hanger. Cut off.	
7:00	2	Clean pits & RD Molen Rig # 1 -- Final Report	

OPERATOR Sego Resources
 ADDRESS P.O. Box 1066
266 W 100 N #2
Vernal, UT 84078

OPERATOR ACCT. NO. 6095

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QO	SC	TP	RG			
A	99999	12349	43-013-31946	Sego Resources Well #1	SW/4 NW/4	23	11S	15E	Duchesne	10/24/97	
WELL 1 COMMENTS: CONFIDENTIAL Entity added 4-17-98. (middle bench unit) <i>lec</i>											
B	99999	12349	43-013-31949	Sego Resources Well #4	SW/4 NE/4	31	11S	16E	Duchesne	10/29/97	
WELL 2 COMMENTS: CONFIDENTIAL Entity added 4-17-98. (middle bench unit) <i>lec</i>											
A	99999	12349	43-013-31947	Sego Resources Well #2	SW/4 NE/4	23	11S	15E	Duchesne		
WELL 3 COMMENTS: CONFIDENTIAL #2 was never spudded. Instead, all material was moved to Twin Knolls 5-9J and it was spud on 1/19/98 Entity added 4-17-98. (middle bench unit) <i>lec</i>											
A	99999	12350	43-013-31996	Twin Knolls 5-9J	SW/4 NW/4	9	11S	17E	Duchesne	1/19/98	
WELL 4 COMMENTS: CONFIDENTIAL Entity added 4-17-98. <i>lec</i>											
A	99999	12351	43-013-31994	Twin Knolls 15-8J	SW/4 SE/4	8	11S	17E	Duchesne	1/31/98	
WELL 5 COMMENTS: CONFIDENTIAL Entity added 4-17-98. <i>lec</i>											

- ACTION CODES (See instructions on back of form)
- A - Establish new entity for new well (single well only)
 - B - Add new well to existing entity (group or unit well)
 - C - Re-assign well from one existing entity to another existing entity
 - D - Re-assign well from one existing entity to a new entity
 - E - Other (explain in comments section)

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

(3/89)

R. S. Alinger
 Signature
CEO
 Title
4-17-98
 Date
 Phone No. (435) 789-7250

FORM 3160-4
(November 1983)
(Formerly 9-330)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL No.
UTU 76478

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

6. IF INDIAN, ALLOTTEE OR TRIBAL NAME

1 a. TYPE OF WELL OIL WELL GAS WELL OTHER
b. TYPE OF COMPLETION NEW WELL WORK OVER DEEPEN DIFF. RESERV. OTHER: Water source well

7. UNIT AGREEMENT NAME

Middle Bench

8. FARM OR LEASE NAME

2. NAME OF OPERATOR
Sego Resources Corp.

9. WELL NAME

Sego Resources Well #1

3. ADDRESS OF OPERATOR
P.O. Box 1066, Vernal, Utah 84078

10. FIELD AND POOL, OR WILDCAT

Wildcat

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At Surface 1949' FNL, 522' FWL, Sec.23, T11S, R15E

11. QQ, SEC., T., R., M., OR BLOCK AND SURVEY

OR AREA

Sec. 23, T11S, R15E

At Proposed Producing Zone Same
At Total Depth: Same

CONFIDENTIAL

14. PERMIT NO. 43-013-31946 DATE ASSIGNED 10/14/97
12. COUNTY Duchesne 13. STATE Utah

15. SPUD DATE 10/24/97 16. DATE TD REACHED 12/11/97
17. DATE COMPL. (Ready to prod.) 1-14-98 18. ELEVATIONS (DF, RKB, RT, GL, ETC.)* KB 6776.4' 19. ELEV. CASINGHEAD 6764.4'

20. TOTAL DEPTH, MD & TVD 6500' 21. PLUG BACK TD, MD & TVD 2346' 22. IF MULTIPLE COMPL., HOW MANY? 23. INTERVAL DRILLED BY Rotary? 0-6500' Cable Tools?

24. PRODUCING INTERVAL(S), OF THIS COMPLETION -- TOP, BOTTOM, NAME (MD & TVD) 2022'-2040', 2272'-2292' - Green River Formation 25. WAS DIRECTIONAL SURVEY MADE? yes

26. TYPE ELECTRIC AND OTHER LOGS RUN Induction, Neutron-Density MICROLOG, CBL 1-14-98 27. WAS WELL CORED? () Yes (X) No (Submit Analysis) DRILL STEM TEST? () Yes (X) No (See Reverse Side)

28. CASING RECORD (Report all strings set in well)

SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24.00	674'	11"	60 sx 50:50 POZ, 240 sx. Class "G"	
5 1/2"	15.50	2403'	7 7/8"	600 sx 50:50 POZ w/2% gel	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	2336'	

31. PERFORATION RECORD (Interval, size, and number) 32. CID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
2022' - 2040'	1000 gal. 7 1/2% HCL
2272' - 2294'	1000 gal. 7 1/2% HCL

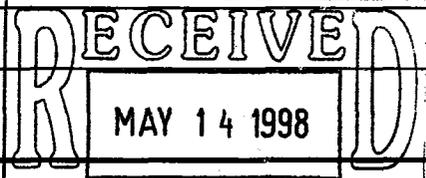
33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping--size and type of pump)	WELL STATUS (Producing or shut-in)					
	Completed as water source well	Shut - in					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL--BBL.	GAS--MCF	WATER--BBL.	GAS - OIL RATIO
1/15/98	7 hr.					97	
FLOW. TBG PRESSURE	CSG PRESSURE	CALCULATED	OIL--BBL.	GAS--MCF	WATER--BBL.	24-HOUR RATE	OIL GRAVITY - API (CORR.)
						333	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that this report is true and complete to the best of my knowledge
Signed: R.L. Alinger R. L. Alinger Title: District Operations Manager



See Spaces for Additional data on Reverse Side

37. SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof, and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures, and recoveries): Sego Resources Well #1

FORMATIONS		TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
Green River	2022'	2040'	Water - Chlorides 8,340 mg/l	
Green River	2272'	2292'	Water - Chlorides 8,340 mg/l	

NAME	TOPS	
	MEASURED DEPTH	TRUE VERTICAL DEPTH
Green River Wasatch	Surface 3646'	same

38.

GEOLOGIC MARKERS

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER: <input type="checkbox"/>	5. Lease Designation and Serial No. UTU76478
2. Name of Operator Sego Resources Corp.	6. If Indian, Allottee or Tribe Name N/A
3. Address and Telephone Number P.O. Box 1066, 266 W. 100 N. Ste. #1, Vernal, Utah 84078 Telephone (435) 789-7250 Fax (435) 789-7261	7. If Unit or CA, Agreement Designation N/A
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1949' FNL 522' FWL, Sec. 23, T11S, R15E	8. Well Name and No. Sego Resources Well #1
	9. API Well No. 43-013-31946
	10. Field and Pool, or Exploratory Area Wildcat
	11. County of Parish, State Duchesne, Utah

12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other: See Below	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

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

Sego Resources Corp. effective September 2, 1999 merged into Falcon Creek Resources, Inc.

Falcon Creek Resources, Inc.
621 17th Street, Suite 1800
Denver CO. 80293-0621

The bonds in effect are attached.

Sego Resources, Corp. bond's will have a name change to read Falcon Creek Resources, Inc.

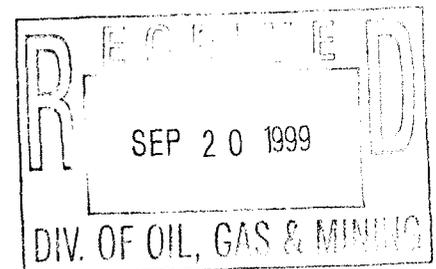
14 I hereby certify that the foregoing is true and correct.
Name/Signature: Joe H. Cox Jr. Joe H. Cox Jr. Title: Senior Engineer Date: September 17, 1999

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval (if any):

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

*See Instructions On Reverse Side





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3106
UTU-62159 et al
(UT-932)

SEP 21 1999

NOTICE

Falcon Creek Resources, Inc. : Oil and Gas
621 17th Street, Suite 1800 :
Denver, CO 80293-0621 :

Merger Recognized

Acceptable evidence has been filed in this office concerning the merger of Sego Resources Corp. into Falcon Creek Resources, Inc. with Falcon Creek Resources, Inc. being the surviving entity.

For our purposes the merger is recognized effective September 7, 1999, the date the Secretary of State of the State of Delaware recognized the merger.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the merger. The exhibit is the list supplied by Falcon Creek Resources, Inc. We have not adjudicated the case files to determine if the entity affected by the merger holds an interest in the leases identified, nor have we attempted to identify leases where the entity is the operator on the ground, maintaining no vested record title or operating rights interest. We are notifying the Minerals Management Service and all applicable BLM offices of the merger by a copy of this notice. If additional documentation for a change of operator is required by our Field Offices, you will be contacted by them.

By recognition of the merger the principal is automatically changed by operation of law from Sego Resources Corp. to Falcon Creek Resources, Inc. on Statewide Surety Bond No. 158577991 (BLM Bond No. UT1089).

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure

Exhibit of Leases

cc: Moab Field Office
Vernal Field Office
MMS—Reference Data Branch, MS 3130, P.O. Box 5860, Denver, CO 80217
State of Utah, DOGM, Attn: Kristen Risbeck (Ste. 1210), Box 145801, SLC, UT 84114
American Casualty Company of Reading Pennsylvania, CNA Plaza, Chicago, IL 60685
Irene Anderson (UT-932)
Teresa Thompson (UT-931)
LaVerne Steah (UT-942)

SEP 23 1999

BLM OF OIL, GAS & MINING

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL GAS OTHER:

2. Name of Operator

Falcon Creek Resources, Inc.

3. Address and Telephone Number

621 17th Street, Suite 1800
Telephone (3 303-675-0007

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1949' FNL 522' FWL., Sec. 23, T11S, R15E

5. Lease Designation and Serial No.

UTU76478

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

N/A

8. Well Name and No.

Sego Resources Well #1

9. API Well No.

43-013-31946

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other: See Below	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

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

Sego Resources Corp. effective September 2, 1999 merged into Falcon Creek Resources, Inc.

Falcon Creek Resources, Inc.
621 17th Street, Suite 1800
Denver CO. 80293-0621

The bonds in effect are attached.

Sego Resources, Corp. bond's will have a name change to read Falcon Creek Resources, Inc.

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

Name/Signature: Joe H. Cox Jr.

Title: Senior Engineer

Date: September 27, 1999

(This space for Federal or State office use)

Approved by _____

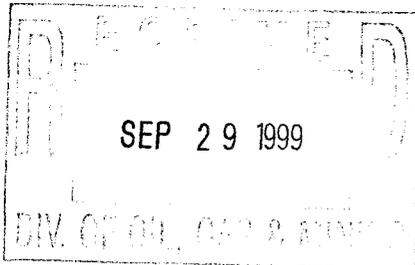
Title _____

Date _____

Conditions of approval (if any):

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

*See Instructions On Reverse Side



OPERATOR CHANGE WORKSHEET

<input type="checkbox"/>	4-KAS <input checked="" type="checkbox"/>
<input type="checkbox"/>	5-S <input checked="" type="checkbox"/>
3-JLT <input checked="" type="checkbox"/>	6-FILE <input type="checkbox"/>

Check each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (Well Sold) Designation of Agent
 Operator Name Change Only **X MERGER**

The operator of the well(s) listed below has changed, effective: 9-2-99

TO: (New Operator) <u>FALCON CREEK RESOURCES INC</u>	FROM: (Old Operator) <u>SEGO RESOURCES CORP</u>
Address: <u>621 17TH ST., STE 1800</u>	Address: <u>P. O. BOX 1066</u>
<u>DENVER, CO 80293-0621</u>	<u>VERNAL, UT 84078-4362</u>
Phone: <u>1-(303)-675-0007</u>	Phone: <u>1-(435)-789-7250</u>
Account No. <u>N2915</u>	Account No. <u>N6095</u>

WELL(S):	CA Nos.	or	Unit
Name: <u>SEGO RESOURCES 1</u>	API: <u>43-013-31946</u>	Entity: <u>12349</u>	<u>S 23 T 11S R 15E</u> Lease: <u>U-76478</u>
Name: _____	API: _____	Entity: _____	<u>S T R</u> Lease: _____
Name: _____	API: _____	Entity: _____	<u>S T R</u> Lease: _____
Name: _____	API: _____	Entity: _____	<u>S T R</u> Lease: _____
Name: _____	API: _____	Entity: _____	<u>S T R</u> Lease: _____

OPERATOR CHANGE DOCUMENTATION

- YES 1. A pending operator change file has been set up.
- YES 2. (R649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator on 9-20-99.
- YES 3. (R649-8-10) Sundry or other legal documentation has been received from the **NEW** operator on 9-29-99.
- YES 4. The new company has been looked up in the **Department of Commerce, Division of Corporations Database** if the new operator above is not currently operating any wells in Utah. Is the operator registered with the State? **Yes/No** If yes, the company file number is 224062. If no, Division letter was mailed to the new operator on _____.
- YES 5. **Federal and Indian Lease Wells.** The BLM or the BIA has approved the merger, name change or **operator change** for all wells listed above involving Federal or Indian leases on 9-21-99.
- N/A 6. **Federal and Indian Units.** The BLM or the BIA has approved the successor of unit operator for all wells listed above involving unit operations on _____.
- N/A 7. **Federal and Indian Communitization Agreements ("CA").** The BLM or the BIA has approved the operator change for all wells listed above involved in the CA on _____.

N/A 8. **Underground Injection Control ("UIC") Program.** The Division has approved UIC Form 5, Transfer of Authority to Inject, for the enhanced/secondary recovery unit/project and/or for the water disposal well(s) listed above.

YES 9. Changes have been entered in the **Oil and Gas Information System** for each well listed on 6-28-00.

YES 10. Changes have been included on the **Monthly Operator Change letter** on 6-28-00.

STATE BOND VERIFICATION

N/A 1. State Well(s) covered by Bond No. _____.

FEE WELLS - BOND VERIFICATION / LEASE INTEREST OWNER NOTIFICATION

N/A 1. (R649-3-1) The **NEW** operator of any fee lease well(s) listed above has furnished a proper bond.

N/A 2. A **copy of this form** has been placed in the **new and former operator's bond files** on _____.

N/A 3. The **FORMER** operator has requested a release of liability from their bond as of todays date _____? If yes, Division response was made to this request by letter dated _____. (see bond file).

N/A 4. (R649-2-10) The **Former** operator of any Fee lease wells listed above has been contacted and informed by letter dated _____, of their responsibility to notify all interest owners of this change.

N/A 5. Bond information added to **RBDMS** on _____.

N/A 6. Fee wells attached to bond in **RBDMS** on _____.

FILMING

____ 1. All attachments to this form have been **microfilmed** on 3-9-01.

FILING

____ 1. **Originals/Copies** of all attachments pertaining to each individual well have been filed in each **well file**.

____ 2. The **original of this form** has been filed in the operator file and a copy in the old operator file.

COMMENTS

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

5. Lease Designation and Serial No.

UTU76478

6. If Indian, Allottee or Tribe Name

N/A

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL GAS OTHER:

7. If Unit or CA, Agreement Designation

Middle Bench Federal Unit

2. Name of Operator

Sego Resources Corp.

8. Well Name and No.

Sego Resources Well #1

3. Address and Telephone Number

9137 East Mineral Circle, Suite 250, Englewood, CO 80104
Telephone (303) 799-0324 Fax (303) 799-0333

9. API Well No.

43-013-31946

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1949' FNL 522' FWL, Sec. 23, T11S, R15E

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Parish, State

Duchesne, Utah

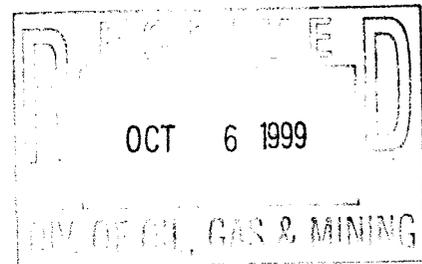
12 CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION	
<input checked="" type="checkbox"/> Notice of Intent <i>CHO</i>	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Other: Request for extension	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

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

Sego Resources is planning to plug the Sego Resources Well #1 by setting a CIBP at +/- 1950' and dumping 35 feet of cement on top of the CIBP with a wireline dump bailer. Casing will then be cut 2 feet below ground level, a 5 foot cement plug set across surface and a plate welded on top of the casing. Surface will be reclaimed in accordance with the drilling permit conditions of approval.



If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

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

Name/Signature: Roger L. Alinger

Roger L. Alinger

Date: October 4, 1999

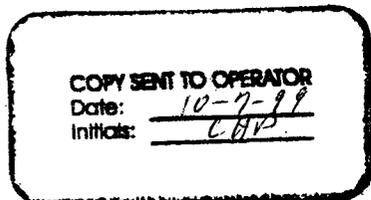
(This space for Federal or State office use)

Approved by _____ Title _____ Date _____

Conditions of approval (if any):

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

*See Instructions On Reverse Side



Federal Approval of this Action is Necessary

Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY

SEGO RESOURCES

AN EXPLORATION AND PRODUCTION COMPANY

October 4, 1999

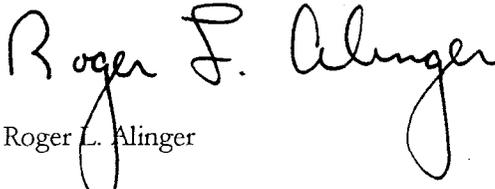
Mr. Ed Forsman
BLM-Vernal District Office
170 South 500 East
Vernal, Utah 84078

Dear Mr. Forsman:

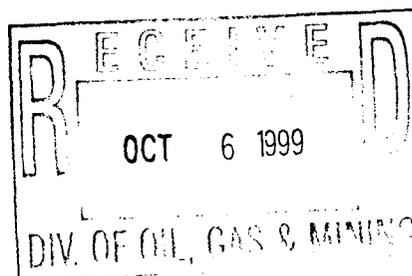
Enclosed are sundry notices to plug the Twin Knolls #15-8J, Twin Knolls #5-9J, and the Seggo Resources Well #1. In addition, there is a sundry notice to reclaim the surface on the Seggo Resources Well #3 location. Our plan is to get the work completed during the month of October.

If there are any questions or comments, I can be reached at (303) 799-0324 or (303) 675-0007, ext. 111. The latter number is our merger partner, Falcon Creek Resources. I'm spending about half my time at that office.

Regards,


Roger L. Alinger

Cc: Utah DNR/DOGM





United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

In Reply Refer To:
3106
UTU-64913 et al
(UT-932)

AUG 10 2000

NOTICE

Sapient Energy Corp. : Oil and Gas
621 17th Street, Suite 1800 :
Denver, CO 80293-0621 :

Merger Recognized

Acceptable evidence has been filed in this office concerning the merger of Falcon Creek Resources, Inc. into Sapient Energy Corp. with Sapient Energy Corp. being the surviving entity.

The oil and gas lease files identified on the enclosed exhibit have been noted as to the merger. The exhibit is the list supplied by Sapient Energy Corp. We have not adjudicated the case files to determine if the entity affected by the merger holds an interest in the leases identified, nor have we attempted to identify leases where the entity is the operator on the ground, maintaining no vested record title or operating rights interest. We are notifying the Minerals Management Service and all applicable BLM offices of the merger by a copy of this notice. If additional documentation for a change of operator is required by our Field Offices, you will be contacted by them.

Oil and gas leases UTU-66477 and UTU-77375 are closed on the records of this office.

By recognition of the merger the principal is automatically changed by operation of law from Falcon Creek Resources, Inc. to Sapient Energy Corp. on Statewide Surety Bond No. 158577991 (BLM Bond No. UT1089).

/s/ Robert Lopez

Robert Lopez
Chief, Branch of
Minerals Adjudication

Enclosure

Exhibit of Leases

cc:

Moab Field Office
Vernal Field Office
MMS—Reference Data Branch, MS 3130, P.O. Box 5860, Denver, CO 80217
State of Utah, DOGM, Attn: Jim Thompson (Ste. 1210), Box 145801, SLC, UT 84114
American Casualty Company of Reading Pennsylvania, CNA Plaza, Chicago, IL 60685
Irene Anderson (UT-932)
Teresa Thompson (UT-931)
LaVerne Steah (UT-942)

RECEIVED

AUG 11 2000

DIVISION OF
OIL, GAS AND MINING

Exhibit "A"

BLM Leases involved with the merger between Falcon Creek Resources, Inc. and Sapiant Energy Corp.
Utah

UT U-64913	UT U-75231
UT U-64921	UT U-75232
UT U-65319	UT U-75233
UT U-65323	UT U-75670
UT U-65324	UT U-75672
UT U-65767	UT U-76760
UT U-65773	UT U-76761
UT U-65776	UT U-76809
UT U-65779	UT U-76810
UT U-65782	UT U-76811
UT U-65783	UT U-76812
UT U-65785	UT U-76814
UT U-66477	UT U-77336
UT U-66798	UT U-77375
UT U-66800	
UT U-67253	
UT U-68527	
UT U-68529	
UT U-69003	
UT U-69094	
UT U-69095	
UT U-69096	
UT U-70847	
UT U-70848	
UT U-70849	
UT U-70850	
UT U-70887	
UT U-70888	
UT U-70889	
UT U-71401	
UT U-72013	
UT U-73165	
UT U-73425	
UT U-73664	
UT U-73666	
UT U-73669	
UT U-74387	
UT U-74395	
UT U-74396	
UT U-74397	
UT U-74403	

EXPIRED 12/31/1499

EXPIRED APRIL 30, 2000

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL --" for such proposals

SUBMIT IN TRIPLICATE

1. Type of Well:
OIL GAS OTHER:

2. Name of Operator
Falcon Creek Resources, Inc.

3. Address and Telephone Number
621 17th Street, Suite 1800
Telephone (3 303-675-0007

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1949' FNL 522' FWL, Sec. 23, T11S, R15E

5. Lease Designation and Serial No.
UTU76478

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

7. If Unit or CA, Agreement Designation
N/A

8. Well Name and No.
Sego Resources Well #1

9. API Well No.
43-013-31946

10. Field and Pool, or Exploratory Area
Wildcat

11. County of Parish, State
Duchesne, Utah

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

TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment	<input type="checkbox"/> Change of Plans
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion	<input type="checkbox"/> New Construction
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Altering Casing	<input type="checkbox"/> Conversion to Injection
	<input checked="" type="checkbox"/> Other: See Below	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

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

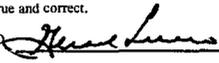
Falcon Creek Resources has merged into Sapient Energy Corporation. Please be advised of the name and address changes.
As of July 14, 2000

Sapient Energy Corporation (Colorado Office- Operations Office)
621 17th Street, Suite 1800
Denver CO. 80293-0621

Sapient Energy Corporation (Tulsa Office- Main office)
8801 South Yale, Suite 150
Tulsa, Oklahoma 74137

If additional information is needed, please contact the undersigned at (303) 799-0324, FAX (303) 799-0333

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

Name/Signature: Gerald Lucero 

Title: Manager of Operations

Date: August 16, 2000

(This space for Federal or State office use)

Approved by _____ Title _____ Date _____
Conditions of approval (if any):

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

*See Instructions On Reverse Side

RECEIVED
AUG 24 2000
DIVISION OF
OIL, GAS AND MINING

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS ✓
2. CDW ✓		5- STP ✓
3. JLT		6-FILE

Enter date after each listed item is completed

Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

X Merger

The operator of the well(s) listed below has changed, effective:

7-14-2000

FROM: (Old Operator):

FALCON CREEK RESOURCES INC

Address: 621 17TH STREET STE 1800

DENVER, CO 80293-0621

Phone: 1-(303)-675-0007

Account No. N2915

TO: (New Operator):

SAPIENT ENERGY CORPORATION

Address 621 17TH STREET STE 1800

DENVER, CO 80293-0621

Phone: 1-(303)-675-0007

Account N1385

CA No.

Unit:

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
SEGO RESOURCES # 3	43-013-31948	99999	23-11S-15E	FED	GW	LA
SEGO RESOURCES # 4	43-013-31949	12349	31-11S-16E	FED	GW	PA
SEGO RESOURCES # 1	43-013-31946	12349	23-11S-15E	FED	WS	A
TWIN KNOLLS 7-8J	43-013-31995	99999	08-11S-17E	FED	GW	LA
TWIN KNOLLS 15-8J	43-013-31994	12351	08-11S-17E	FED	GW	S
TWIN KNOLLS 5-9J	43-013-31996	12350	09-11S-17E	FED	GW	S
TWIN KNOLLS 11-9J	43-013-31997	99999	09-11S-17E	FED	GW	LA

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 07/25/2000
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 07/25/2000
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 10-17-2000
- Is the new operator registered in the State of Utah: YES Business Number: 1401148-0143
- If **NO**, the operator was contacted on: _____
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 06/05/2000
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator

change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC") Pro**; The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/18/2000
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/18/2000
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: 2-26-10

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: _____

COMMENTS:

FORM 3160-5

UNITED STATES

(June 1997)

DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells or to deepen or reentry to a different reservoir.
Use "APPLICATION FOR PERMIT TO DRILL ..." for such proposals.

FORM APPROVED

Budget Bureau No. 1004-0125W

Expires March 31, 1999



5. Lease Designation and Serial No.

UTU76478

6. If Indian, Allottee or Tribe Name

N/A

7. If Unit or CA, Agreement Designation

Middle Bench Federal Unit

8. Well Name and No.

Sego Resources Well #1

9. API Well No.

43-013-31946

10. Field and Pool, or Exploratory Area

Wildcat

11. County of Permit, State

Duchesne, Utah

SUBMIT IN TRIPLICATE

1. Type of Well:

OIL GAS OTHER:

2. Name of Operator

Sapient Energy Corp.

3. Address and Telephone Number

621 17th Street, Suite 1800 Denver, CO 80293
Telephone (303) 675-0007 Fax (303) 675-0008

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1949' FNL 522' FWL, Sec. 23, T11S, R15E

RECEIVED

SEP 20 2000

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> Notice of Intest	<input checked="" type="checkbox"/> Abandonment
<input checked="" type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input type="checkbox"/> Altering Casing
	<input type="checkbox"/> Other Request for extension
	<input type="checkbox"/> Change of Class
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> Dispose Water

(Note: Report results of multiple completions on Well Completion or Recompletion Report and Log Form)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is dimensionally drilled, give sub-surface locations and measured and true vertical depths for all markers and ocean post-part to this work)

On September 14, 2000 the Sego Resources Well #1 was plugged and abandoned by setting the following cement plugs:
2,346 - 1,886' : (460') with 52 sacks of Class "G" containing 2% CaCl2
775' - 525' : (250') with 28 sacks of Class "G" containing 2% CaCl2
60' - surface : 9 sacks of Class "G" containing 2% CaCl2

Filled 8 5/8" by 5 1/2" annulus with 55 sacks of Class "G" containing 2% CaCl2. Cut casing 3' below surface and welded on dry hole marker.
Location was previously reclaimed in accordance with the terms of the APD.

RECEIVED

MAR 18 2003

DIV. OF OIL, GAS & MINING

14 I hereby certify that the foregoing is true and correct

Name/Signature: Roger L. Alinger

Date: September 18, 2000

(This space for Field or State office use)

Approved by: [Signature]

Title: Environ Sci

Date: 1/5/01

Conditions of approval (if any):

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

*See Instructions On Reverse Side

OPERATOR



Michael O. Leavitt
Governor

Oliver S. Walker
Lieutenant Governor

STATE OF UTAH
UTAH STATE TAX COMMISSION

Fam Hendrickson, Chair of Commission
Palmer DePaulis, Commissioner
Marc B. Johnson, Commissioner
R. Bruce Johnson, Commissioner
Rodney G. Marrelli, Executive Director

Cover Sheet For Facsimile Message

Date:		Number of pages (including cover sheet) <i>2</i>
To: <i>CAROL DANIALS</i>		Fax number: <i>359-3940</i>
Location/Company		Telephone number:
Subject:		

From: Utah State Tax Commission / Property Tax Division	Telephone number: (801) 297-3600
Location/Company 210 North 1950 West, Salt Lake City, Utah 84134	Fax number: (801) 297-3699

Comments

CAROL, This is the document I received from Pannonian Energy Inc concerning the plug and abandonment of the Segor Resources Well #1 API 43-013-31946.

Signature: *Oliver Stevens 297-3611*

The information contained with this facsimile message is legally privileged and confidential information intended only for use by the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this telecopy is strictly prohibited. If you have received this telecopy in error, please immediately notify the sender by telephone and return the original message to us at the address shown above via the United States Postal Service.
Thank you.

WRAND/FACVLELX

RECEIVED
MAR 18 2003
DIV. OF OIL, GAS & MINING