



U.S. Department of Energy  
 Laramie Energy Technology Center  
 P.O. Box 3395, University Station  
 Laramie, Wyoming 82071

GLEN CANYON NATIONAL RECREATION AREA  
 SEP 3 1981

SUPV  
 ASST. SUPV

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August 28, 1981

**APPENDIX 1**

Superintendent  
 Glen Canyon National Recreation Area  
 P.O. Box 1507  
 Page, Arizona 86040

To the Superintendent:

The Laramie Energy Technology Center is interested in drilling four exploratory coreholes for resource characterization of tar sands in the Tar Sand Triangle area. All proposed locations are within the GCNRA boundaries, three on leased land, one on non-leased land. I have already discussed this with Vic Viera, and he has been most helpful. This proposed drilling is intended to fill in data on areas which tar sand information is lacking. The following table outlines the proposed sites and other pertinent information:

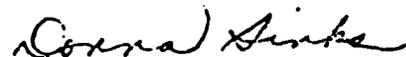
<u>Well Number</u>	<u>Location</u>	<u>Coring Interval</u>	<u>Ground Elevation</u>	<u>Leasee</u>	<u>Lease Number</u>
TST-1	cnene 14-30-16	1460-1640	6440'	Santa Fe Energy Co.	U8291F
TST-2	CSW 26-301/2-16	1414-1610	6770'	"	U20859
* TST-3	CSWSW 1-31-16	1290-1540	6970'	no lease	
* TST-4	cnene 17-31-16	1590-1740	6890'	Sabine Prod.	U18658

Letters of request for permission to drill on leased land have already been sent to Sabine and Santa Fe; telephone conversations with their representatives have indicated that there would be no problems with their companies. However, we do need permission from your agency, also. Well TST-3 is on GCNRA land, and we would need a letter of consent to drill.

We plan on utilizing existing roads and creating minimal surface disturbance, which would be cleaned up according to your specifications. If you have any requirements, please call me at 303-721-2441 or in Vernal, Utah at 801-789-5234. If you cannot reach me, call Pete Dana at 303-721-2236.

Enclosed is a map indicating access to the drill sites. We look forward to hearing from you soon so that alternate arrangements can be made, if necessary.

Sincerely,



Donna Sinks  
Geologist

T5T-3  
4-017-30144

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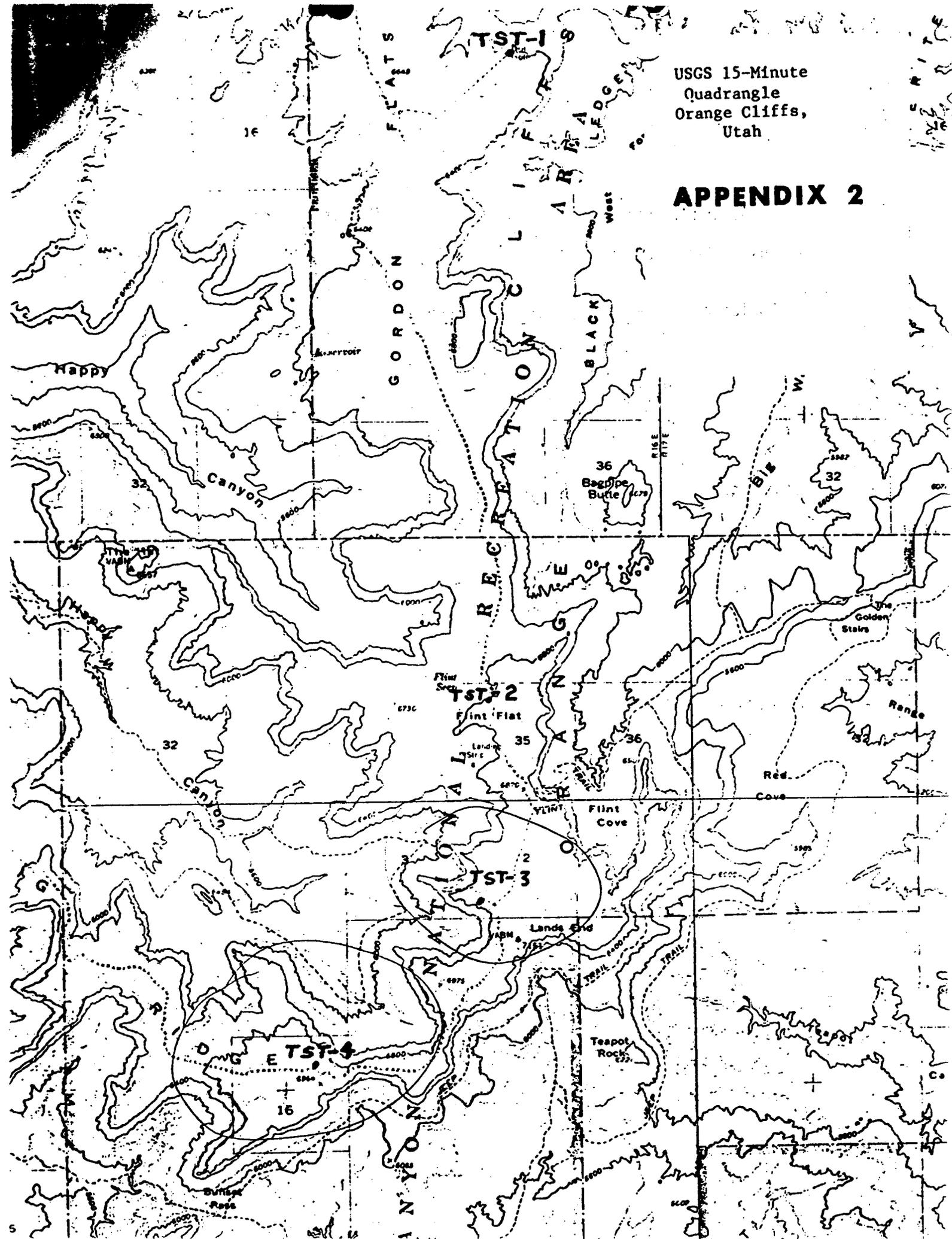
12

13

	32				35	36	
			T31S R16E				
	6	5	4	3	2	1	6
				ALTEX OIL COMPANY ⊙ STRAT TEST #3			
	7	8	9	10	11	12	7
			ALTEX OIL COMPANY ⊙ STRAT TEST #4				
	18	17	16	15	14	13	18
	19	20	21	22	23	24	19
	30	29	28	27	26	25	30
	31	32	33	34	35	36	31
			Garfield County				
	6	5	4	3	2	1	

USGS 15-Minute  
Quadrangle  
Orange Cliffs,  
Utah

## APPENDIX 2





November 25, 1981

U. S. Department of Energy  
Laramie Energy Technology Center  
P.O. Box 3395, University Station  
Laramie, Wyoming 82071

Attn: Donna J. Sinks  
Geologist

Dear Ms. Sinks:

This letter shall serve as permission granted by Altex Oil Corporation to the Laramie Energy Technology Center, Department of Energy, to drill two (2) tar sand exploratory core holes on the lands leased by Altex in Garfield County, Utah. Specifically, and according to your request of November 18, 1981, the proposed core holes are located as follows:

Well TST-3	NESWSW Section 2, T31S, R16E	Lease #38392
Well TST-4	SEWNW Section 16, T31S, R16E	Lease #38393

We would appreciate a letter from you stating your intent to hold us, as lessee of the aforementioned lands, harmless from any problems arising from any of your activities involving the drilling of these test holes.

As I understood from our telephone conversation, Altex will have exclusive access to the well data, including logs, core information and analysis. Also, and if possible, we would like to request that you simply cap the holes and turn over the bonding and responsibility for the plugging of the wells to Altex. There is a possibility that they may be of eventual value to us.

If we can be of further assistance, please feel free to call us.

Sincerely,

*Jerome C. Martinets, Jr.*  
*by: Herb Sporn*  
Jerome C. Martinets, Jr.  
Vice President

43-017-30144 - 3  
43-017-30145 = 4

TAR SAND TRIANGLE EXPLORATORY CORING  
GARFIELD COUNTY, UTAH  
LETC/DOE

<u>Well #</u>	<u>Location</u>	<u>Elevation</u>	<u>Total Depth</u>	<u>Coring Interval</u>	<u>Lease #</u>
TST-3	nesww sec 2, 31S, 16E	6900'	1540'	1290 - 1540'	38392
TST-4	senwne sec 16, 31S, 16E	6900'	1740'	1590 - 1740'	38393

**RECEIVED**  
NOV 30 1981

Each hole will be drilled and cemented in the following manner:

- 1) Drill 4" minimum access hole to corepoint.
- 2) Core (1 7/8" min to 2 1/4" max) from corepoint to total depth.
- 3) After completion, each hole will be cemented from bottom to top with regular cement.

Since both proposed locations are readily accessible and on old drill pads, little environmental impact is expected. If surface contours are altered appreciably from pre-drilling contours, the land will be restructured to conform with pre-LETC drilling surface contours.

On-site equipment will include:

- drilling contractor's drill rig, pick-up trucks and camper trailer, water truck.
- contracting geologist's camper trailer and truck.
- LETC/DOE camper trailer and truck.

Portable sanitary facilities will be on each site. All trash will either be burned or hauled off site.

Enclosed is a map of the area and access roads marked in red. Sites 3 and 4 are also designated in red.

**APPROVED BY THE DIVISION  
OF OIL, GAS, AND MINING**

DATE: 12-1-81

BY: M. J. Klinder



U.S. Department of Energy  
 Laramie Energy Technology Center  
 P.O. Box 3395, University Station  
 Laramie, Wyoming 82071

Dec. 2, 1981

Mr. Gale Prince  
 Div. of State Lands  
 230 E. 4th S.  
 Salt Lake City, Utah 84114

Dear Mr. Prince:

The Laramie Energy Technology Center is interested in drilling two coreholes in the Tar Sand Triangle area in Garfield County, near Glen Canyon National Recreation Area. These two coreholes are on Utah State Land which is leased to Altex. The wells are:

Well TST-3	nesws sec.2, T31S, R16E	Lease #38392
Well TST-4	senwne sec. 16, T31S, R16E	Lease #38393

I have already contacted Mike Minder of the Division of Oil, Gas and Mining regarding this coring proposal. He suggested that I contact your office for approval, also. I have included the letter from Altex granting approval to drill on their leased land and also some more details on the proposed drilling program.

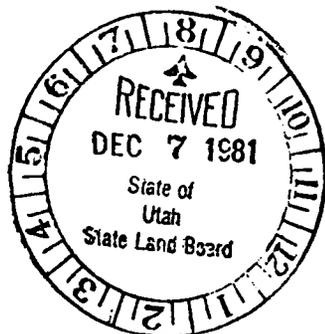
Please review this proposal and pass on to any other agency which may be involved in the permitting process. LETC has submitted a plan of operation to the Glen Canyon National Recreation Area, National Park Service, for permission to drill two other cores on GCNRA land. This plan also covers access to Altex leased lands.

This drilling will be for resource characterization of the local tar sand deposit (Tar Sand Triangle). Information will be made public following one year of confidentiality requested by Altex.

We look forward to hearing from you soon. Please call if you have any further questions.

Sincerely,

Donna Sinks  
 Geologist, Div. of Resource  
 Characterization  
 307-721-2441



OIL SAND TRIANGLE EXPLORATORY DRILLING  
GARFIELD COUNTY, UTAH  
LETC/DOE

TST 3  
43-017-30144

<u>Well #</u>	<u>Location</u>	<u>Elevation</u>	<u>Total Depth</u>	<u>Coring Interval</u>	<u>Lease #</u>
✓ TST-3	neswsw sec 2, 31S, 16E	6900'	1540'	1290 - 1540'	38392
TST-4	senwne sec 16, 31S, 16E	6900'	1740'	1590 - 1740'	38393

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 4,217, 900  
 }  
 location  
 per  
 MWH

Each hole will be drilled and cemented in the following manner:

- 1) Drill 4" minimum access hole to corepoint.
- 2) Core (1 7/8 min to 2 1/4 max) from corepoint to total depth.
- 3) After completion, each hole will be cemented from bottom to top with regular cement.

Since both proposed locations are readily accessible and on old drill pads, little environmental impact is expected. If surface contours are altered appreciably from pre-drilling contours, the land will be restructured to conform with pre-LETC drilling surface contours.

On-site equipment will include:

- drilling contractor's drill rig, pick-up trucks and camper trailer, water truck.
- contracting geologist's camper trailer and truck.
- LETC/DOE camper trailer and truck.

Portable sanitary facilities will be on each site. All trash will either be burned or hauled off site.

Enclosed is a map of the area and access roads marked in red. Sites 3 and 4 are also designated in red.

December 30, 1981

Division of Resource Characterization  
U. S. Department of Energy  
Attn: Donna Sinks, Geologist  
Laramie Energy Technology Center  
P. O. Box 3395 University Station  
Laramie, WY 82071

RE: ML's 38392, 38393 Altex Oil Corporation

Dear Ms. Sinks:

I am in receipt of your letter of December 2, 1981. Please be advised that the Division of State Lands has no objection to your performing exploration work on the above numbered leases since Altex Oil Corporation has given their consent. However, it is noted that Altex requested in their letter of November 25, 1981, that you merely cap rather than plug the drill holes.

These holes may only be left unplugged providing Altex Oil Corporation assumes full responsibility and posts a \$5,000 bond with the Division of State Lands prior to the commencement of operations.

Sincerely yours,

JOHN T. BLAKE  
MINERALS RESOURCE SPECIALIST

JTB/mh

cc: Altex Oil Corporation  
Attn: Jerome C. Martinets, Jr.  
1660 - 17th Street  
Suite 300  
Denver, CO 80202

December 30, 1981

Altex Oil Corporation  
Attn: Jerome C. Martinets, Jr.  
1660 - 17th Street  
Suite 300  
Denver, CO 80202

RE: ML's 38392, 38393

We have no objection to the Department of Energy capping rather than plugging drill holes you authorized on the above numbered leases, providing Altex Oil Corporation accepts full responsibility for the eventual plugging of those holes.

A \$5,000 project bond or a \$25,000 statewide bond is needed. Please immediately post such bond with the Utah Division of State Lands using the enclosed bond form.

Sincerely yours,

JOHN T. BLAKE  
MINERALS RESOURCE SPECIALIST

JTB/mh

cc: Division of Resource Characterization  
U. S. Department of Energy  
Laramie Energy Technology Center  
P. O. Box 3395 University Station  
Laramie, WY 82071

Enclosure



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF STATE LANDS AND FORESTRY

Norman H. Bangertter  
Governor  
Dee C. Hartsen  
Executive Director  
Patrick D. Spurgin  
Division Director

355 West North Temple  
3 Triad Center, Suite 400  
Salt Lake City, Utah 84180-1204  
801-538-5508

RECEIVED  
JUN 15 1990

DIVISION OF  
OIL GAS & MINING

June 14, 1990

CERTIFIED MAIL NO. P 879 610 548

Altex Oil Corporation  
Attention Judith Evans  
1430 Larimer Street  
Suite 201  
Denver, CO  
80202



Dear Ms. Evans:

RE: ML 38392 and ML 38393--Tar Sands  
EXP/055/012 Wayne County

I am enclosing the Division's surety bond form which must be used if you post a surety type bond for the reclamation of drill holes TST-3 and TST-4. These drill holes were drilled by LETC for Altex Oil Corporation under State of Utah combined hydrocarbon leases ML 38392 and ML 38393 respectively.

The bore holes for these drill holes are large in diameter. Since no drilling logs were filed with the State, we will assume that the holes were drilled to a depth of 3,000 - 10,000 feet. This requires that a \$20,000 bond be posted with the Division upon each of the two drillsites.

If you choose not to post bond then please take action immediately to have these drill holes and sites properly plugged and reclaimed prior to the August 1, 1990 expiration of these leases. Altex will be prohibited by our rules from any further leasing of State lands in Utah if this obligation of either bonding or reclamation of the drillsites is not met.

Please contact me if I can assist you in further resolving this matter.

Sincerely,

JOHN T BLAKE  
MINERAL RESOURCES SPECIALIST

cc: Wayne Hedberg  
DOGM

A44

Memorandum

To: Superintendent

Through: Chief, Professional Services  
Chief, Resource Management

From: Environmental Specialist

Subject: Site visit to Altex drill sites

On Wednesday, August 1, 1990, at the request of Resource Management, I traveled to Hanksville via the park airplanes where I met Mr. Charles Davis, a well-completion contractor to Altex Oil Company. We drove to the Orange Cliffs to visit Altex drill sites TST-3 and TST-4. Mr. Davis will be responsible for the completion of the tar sands test holes drilled in 1981 and 1982. This includes cementing the hole, cutting and removing the casing, and all surface treatments.

The first site we visited was TST-3, located in Section 2 Township 31 South, Range 16 East, or approximately one mile southeast of the head of the Flint Trail switchbacks in Garfield County, Utah (see attached map and photographs). Access to the site followed the Happy Canyon Road. The drill site was located just south of road.

The TST-3 drillsite is approximately 200 by 200 feet and is situated just above the rim of Happy Canyon. The construction of the drillsite has created berms with straight edges. Along the southeast corner of the pad, the berm is approximately ten feet high and four to five feet high along the western edge. Hatch weed (Gutierrezia microcephala) is established over the majority of the site, while there remains some barren areas along the northern edge.

There is no visible evidence of the actual drill hole at this site. No casing is exposed above the surface and no depressions are visible which are usually associated with drill holes. In reviewing the Altex files, a draft letter to the Rocky Mountain Region stated that this hole had been completed following the testing of the well. Mr. Davis will search for an official copy of the letter and plans to use it along with actual digging at the site (to locate the top of the cement plug) to convince the State Oil and Gas Commission that the well had been completed. I requested that all historic information on the well be forwarded to the Superintendent as well as correspondence with the State of Utah.

We then drove to the TST-4 drillsite (Section 2, Township 31 South, Range 18 East) approximately two miles along the Lands End Road from the TST-3 site. At the TST-4 site, the well casing is visible extending approximately one foot above the surface and covered with a piece of welded well pipe. The site measured 180 by 210 feet and supports similar matchweed vegetation as the TST-3 site.

Work at the TST-4 site will include cementing the hole. This requires some analysis on the part of the NPS as the extent of plugging is open for discussion. The State of Utah requires plugging above and below any water bearing strata as well as the bottom and top of the hole. The annulus or area outside the casing must also be plugged. The original proposal by Altex was to cement the entire 1500-foot column. The NPS should work with the State on this aspect of well completion.

We also visited the Altex 1 drill site in Section 26, Township 30 South, Range 17 East which was recontoured, fenced and revegetated in 1986. The reason for visiting the site was the downhole plugging had not been completed. We requested the site be revegetated as it was located immediately adjacent to the Flint Trail. The top of the drill hole was covered with a metal plated and soil was mounded over it.

Altex Oil Company is a publicly-owned company which has recently undergone a complete turnover in management. As their State leases are due to expire this year, Altex needs to complete all work on the sites so that their bonds can be released. Mr. Davis is attempting to review Altex correspondence to determine the status the all Altex drilling activities in the area. There may be additional sites identified for reclamation as a result of his analysis.

Mr. Davis proposes to complete all downhole work during the month of August, following authorization from the State. Surface reclamation is scheduled for November, as recommended by NPS, including recontouring, ripping, seeding, planting, and fencing. During this process, I would like to visit and document the site-specific rehabilitation of the site.

Jim Holland

Enclosure

bcc:  
Pinnock, RM

JHolland:cab:8-3-80

TST-

43-017-30144

Hean

L3025 (661)

SEP 6 1990

API assigned

2/28/2000

computer record  
created

3/2/2000

Memorandum

To: Regional Director, Rocky Mountain Region  
Attention: Regional Minerals Coordinator

From: Chief, Mining and Minerals Branch  
Land Resources Division

Subject: Plugging of Two Altex Oil Corporation Wells in the Glen  
Canyon National Recreation Area

At the request of Chuck Wood, Supervisory Ecologist, and Clive Pinnock, Natural Resource Specialist, personnel from the Mining and Minerals Branch (MMB) evaluated two wells (TST-3 and TST-4) in the Tar Sand Triangle of Glen Canyon National Recreation Area (GLCA) for proper plug and abandonment procedures. Well TST-3 is located in Section 2 and well TST-4 is located in Section 16 of Township 31 South, Range 15 East, Garfield County, Utah, near Bagpipe Butte in the Northeast corner of the park.

These wells were drilled as core holes to survey the potential productivity of tar sands in this area. Four core test wells were ultimately approved, pursuant to the federal regulations at 36 CFR 9B. Consistent with these regulations, a plan of operations was written by the operator, the U.S. Department of Energy, Laramie Energy Technology Center (DOE/LETC). This plan covered the areas of proposed surface disturbance, estimated depth of drill, anticipated dates of completion, hazardous materials likely to be encountered, contaminating substances used, etc.

Section "9" of the plan of operations embraced the plugging procedures and reclamation requirements. The actual plugging of the wells was covered in section "9(d)" which states that "all drill holes will be cemented from bottom to top and completely plugged." The reclamation covered in this section includes: removing all equipment and debris, restoring the natural contour of the original sites, and reseeding the sites with a standard mixture as established by the National Park Service. A copy of this plan is attached.

The operator also obtained permission to drill, core, and plug from the Utah State Department of Natural Resources, Division of Oil,

Gas, and Mining. The original approval from this Department dated December 1, 1981 signed by M.T. Minder states that:

- "Each hole will be drilled and cemented in the following manner:
- 1) Drill 4" minimum access hole to corepoint.
  - 2) Core (1 7/8 min to 2 1/4 max) from corepoint to total depth.
  - 3) After completion, each hole will be cemented from bottom to top with regular cement."

A copy of this permit is attached.

The plugging procedure noted in the plan of operations and required by the Utah State Department of Natural Resources is consistent and provides adequate protection of all subsurface zones which may have migratable fluids. This procedure also permanently protects the surface from contamination from subsurface gases or liquids and should be used as the acceptable plugging procedure.

There is some indication that the TST-3 well has already been plugged. First, no "visible evidence of the actual drill hole" or "depressions" was found during a site visit by Jim Holland on August 1, 1990. Further, a draft letter to the Rocky Mountain Region was found which indicated that the hole had been completed following the testing of the well. In this instance, "completed" refers to a finished plugging job. And finally, a letter from George F. Dana, from the DOE/LETC dated August 9, 1982 states that "..., only one corehole (TST-4) has been left open for Altex. It was not cemented as were the other 3 but was capped."

Although there is a variety of circumstantial evidence to indicate that the well was plugged, without an actual plugging report from either the operator or a plugging subcontractor such as Halliburton Services, we recommend that the site be excavated and the plugged wellhead found. If the well is found not to have been plugged the above procedures should be used.

There is no question as to the need to plug the TST-4 well. Mr. Holland found the wellhead for this well during his field visit of August 1, 1990. This well should be plugged as soon as practical.

Since problems with past plugging of National Park System (NPS) oil and gas wells in other parks has occurred, the MMB is willing to supply the assistance of a petroleum engineer to oversee the plugging operations. While on site, our staff would like to complete a pictorial and video inventory of the abandoned and plugged oil and gas sites in the park. These inventories in conjunction with a records research, should serve to update our records, identify problem oil and gas facilities and wells, help resolve responsibility disputes, determine applicability of 36 CFR 9B regulations, and determine the effects of implementation of new or revised 36 CFR 9B regulations.

With your approval, we would like Kean Boucher, Petroleum Engineer with the Mineral Resources Section of this branch, to visit Glen Canyon National Recreation Area and help oversee the plugging of well TST-4 and complete this inventory. While at these abandoned oil and gas sites, we would also like to have Jim Woods, Environmental Protection Specialist with the Environmental Assessment Section, complete an environmental analysis of such sites. This information will be used with respect to a number of issues including, but not limited to: environmental analysis of proposed Federal mineral leasing in GLCA; general impacts of oil and gas activities on National Park System resources and values; and mitigation actions necessary to reduce direct, indirect and cumulative environmental impacts associated with oil and gas operations.

Barring any difficulties or problems we would like to communicate these plugging procedures to Charlie Davis, Altex Oil Corporation's representative and plan the visit for the week of September 24, 1990. Unless instructed otherwise, Mr. Boucher will coordinate the travel with Mr. Wood or Mr. Pinnock. If you have any questions concerning the specifics of the trip, please do not hesitate to call Kean Boucher of my staff at FTS 327-2092 or (303) 969-2092.

/s/ David B. Shaver

David B. Shaver

**Attachments**

cc:

GLCA: Superintendent

bcc:

661: McCoy/Reading File

MMB: Higgins/Grasser/Project and Reading File

MMB:KBoucher:110:9/4/90:x2092:glcaaltx.wp

**From:** Earlene Russell  
**To:** Steven H. Cardin  
**Date:** 5/11/04 8:21AM  
**Subject:** Re: Bonding requirements

The Division of Oil, Gas & Mining well records show both state (test) wells were plugged. However, we are missing a date the plugging took place on the TST-3 well in Township 31 South, Range 16 East and Section 2. **Please provide what information you have for the date, time and procedure used.**

There should be no need for TLA/DOGM bonding from Altex Oil Corp.

Earlene Russell  
Division of Oil, Gas and Mining  
PO Box 145801  
Salt Lake City, UT 84114-5801  
Phone (801) 538-5336  
Fax (801) 359-3940

>>> "Steven H. Cardin" <stevenhcardin@yahoo.com> 05/11/04 04:28AM >>>  
We have received a letter dated May 4 regarding changes in bonding requirements. To our knowledge, we are not the operator of any well in Utah. Do you have any information that indicates that we are the operator of any well in Utah?

Steven H. Cardin  
Altex Oil Corporation  
PO Box 1057  
Breckenridge CO 80424-1057  
303.329.3337  
Fax 303.265.9312  
[stevenhcardin@yahoo.com](mailto:stevenhcardin@yahoo.com)

**CC:** Ed Bonner