

FILE NOTATIONS

Entered in MID File ✓
 Location Map Pinned ✓
 Card Indexed

Checked by Chief
 Approval Letter
 Disapproval Letter

COMPLETION DATA:

Data Well Completed

OW..... WW..... Th.....
 GW..... QW..... Th.....

Location Inspected

Bond released
State or Fee Lead

LOGS FILED

Driller's Log.....

Electric Logs (No.)

E..... I..... Dual I Log..... GR-N..... Micro.....

BHC Sonic GR..... Lat..... MI-L..... Sonic.....

CBLog..... CCLog..... Others.....

OK

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL & GAS

5. Lease Designation and Serial No.
ML 27798

6. If Indian, Allottee or Tribe Name

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL DEEPEN PLUG BACK

7. Unit Agreement Name

b. Type of Well
Oil Well Gas Well Other
Single Zone Multiple Zone

8. Farm or Lease Name

2. Name of Operator
Crest Oil Corp.

9. Well No.
Crest 2-32

3. Address of Operator
P.O. Box 2160 Faloe Verdes Penninsula, Calif. 90274

10. Field and Pool, or Wildcat
Antelope Mesa Ext'n.

4. Location of Well (Report location clearly and in accordance with any State requirements.)
At surface **330' west of east boundary, and 2970' north of south boundary**
At proposed prod. zone **Brushy Basin**

11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 2, T-21-S, R-23-E, SLM

14. Distance in miles and direction from nearest town or post office*
2 1/2 miles no. Cisco

12. County or Parrish 13. State
Grand Utah

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)
N/A

16. No. of acres in lease
320

17. No. of acres assigned to this well
10

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.
2640'

19. Proposed depth
1,400'

20. Rotary or cable tools
Rotary

21. Elevations (Show whether DF, RT, GR, etc.)
Gr. 4521'

22. Approx. date work will start*
Aug. 10, 1976

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
9-7/8"	7"	20#	150'	50 sack
6-1/2"	4 1/2"	9.5#		100 sack

Drill to Brushy Basin to test for commercial oil production, or will complete any commercial gas.

Hole to be drilled with air as far as possible using, Jacobs rotating head, Regan 7" torus BOP, Hydraulic closing unit - 6,000 PSI test, Casing spool - 6" 900 series 3,000 PSI, Surface pipe and BOP will be tested to 800 PSI before drilling out from under surface. Baker, model G float valve at bit, String float at 1,200' depth.

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

24. Signed *Donald...* Title Vice-president Date 5.20.76

(This space for Federal or State office use)

Permit No. Approval Date

Approved by Title Date

Conditions of approval, if any:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUBMIT IN TRIPLICATE*
(Other instructions on
reverse side)

5. Lease Designation and Serial No.
ML 27798

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name

9. Well No.

Crest 2-32

10. Field and Pool or Wildcat
Undesignated
Antelope Mesa Ext'n

11. Sec., T., R., M., or Blk.
and Survey or Area

Sec. 2, T-21-S,
R-23-E, SIM

12. County or Parrish 13. State

Grand Utah

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work

DRILL [X]

DEEPEN []

PLUG BACK []

b. Type of Well

Oil Well [X]

Gas Well []

Other

Single Zone []

Multiple Zone []

2. Name of Operator

PETROVEST INTERNATIONAL

714-955-0920

3. Address of Operator

2070 Business Center Drive, Suite 130, Irvine, CA 92715

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 330' west of east boundary, and 2925' north of south boundary

2295' FNL SENE

At proposed prod. zone

Brushy Basin

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

2 1/2 miles north Cisco

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)

N/A

16. No. of acres in lease

320

17. No. of acres assigned to this well

10

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.

2640'

19. Proposed depth

2,000' Brushy Basin

20. Rotary or cable tools

Rotary

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

Gr. 4521'

22. Approx. date work will start*

Nov. 1979

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: Size of Hole, Size of Casing, Weight per Foot, Setting Depth, Quantity of Cement. Rows include 9-7/8" hole with 7" casing and 6-1/4" hole with 4-1/2" casing.

Drill to Brushy Basin to test for commercial oil production, or will complete any commercial gas.

Hole to be drilled with air as far as possible using, Jacobs rotating head, Regan 7" torus BOP, Hydraulic closing unit - 6,000 PSI test, Casing spool - 6" 900 series 3,000 PSI, Surface pipe and BOP will be tested to 800 PSI before drilling out from under surface, Baker, model G float valve at bit, String float at 1,200' depth.

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

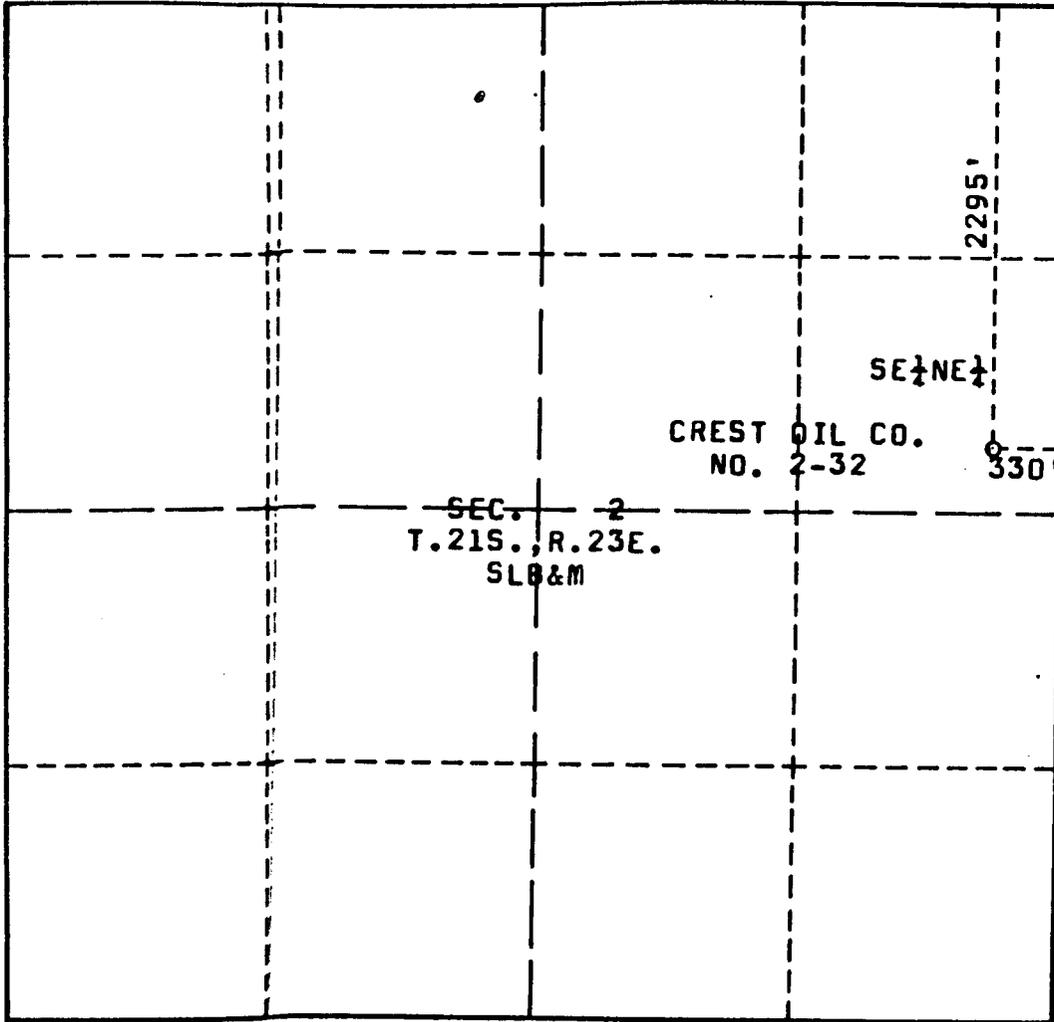
24. Signed [Signature] Title President Date [Signature] 11/2/79

(This space for Federal or State office use)

Permit No. Approval Date

Approved by Title Date

Conditions of approval, if any:

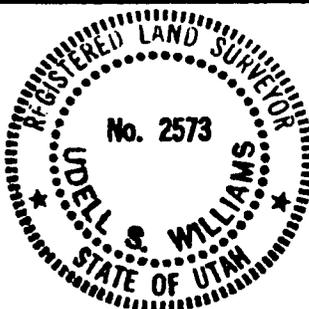


SCALE: 1" = 1000'

CREST OIL CO. NO. 2-32

Located South 2294 feet from the North boundary and West 330 feet from the East boundary of Section 2, T.21S., R.23E., S.L.B.&M.

Groundline Elev. 4521



SURVEYOR'S 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

[Signature]
UTAH R.L.S. NO. 2573



UDELL S. WILLIAMS
781 ROOD AVENUE
GRAND JUNCTION, COLORADO
81501

PLAT OF
PROPOSED LOCATION
CREST OIL CO. No. 2-32
SE 1/4 SE 1/4 NE 1/4 SEC. 2
T.21S., R.23E., SLB&M

SURVEYED BY: USW DATE 4/30/76

DRAWN BY: USW DATE 5/8/76

** FILE NOTATIONS **

DATE: October 16, 1979

Operator: Petroleum International

Well No: Cust 2-32 ESCONDIDO #2

Location: Sec. 2 T. 21S R. 23E County: Grand

File Prepared:

Entered on N.I.D.:

Card Indexed:

Completion Sheet:

API Number 43-019-30560

CHECKED BY:

Geological Engineer: _____

Petroleum Engineer: _____

Director: Approval granted providing a bond is filed prior to spudding in. Area 1/2 of section

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. 10246 8/22/79

O.K. Rule C-3

Rule C-3(c), Topographic Exception/company owns or controls acreage within a 660' radius of proposed site

Lease Designation State

Plotted on Map

Approval Letter Written

Wm

W PI
State with bond
1076169

October 19, 1979

Petrovest International
2070 Business Center Drive, Suite 130
Irvine, California 92715

Re: Well No. Crest 2-32, Sec. 2, T. 21S, R. 23E., Grand County, Utah
Well No. Crest 2-4, Sec. 2, T. 21S, R. 23E., Grand County, Utah

Insofar as this office is concerned, approval to drill the above referred to wells is hereby granted in accordance with the Order issued in Cause No. 102-16 dated August 22, 1979.

Should you determine that it will be necessary to plug and abandon this well, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER
Geological Engineer
Office: 533-5771
Home: 876-3001

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API number assigned to this well is Crest 2-32 - 43-019-30560;
Crest 2-4 - 43-019-30561.

Sincerely,

DIVISION OF OIL, GAS AND MINING

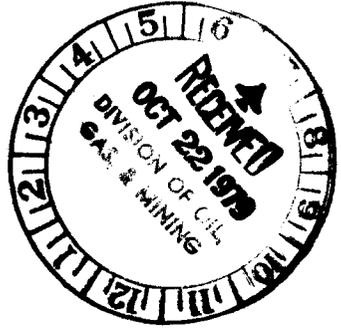
Michael T. Minder
Geological Engineer

/btm

cc: Donald Prince

Petrovest International

2070 Business Center Drive, Suite 130
Irvine, California 92715
(714) 955-0920



Bonnie-

Here the information we talked about also will you please change the footage on Crest 2-32 permit from 2970 to 2295' as we discussed. If you have a problem with the bond call Mr. Joe Lesniack at Marsh, McLellan in Los Angeles. His number is (313) 380-1600

If any questions please call-

Thank you
Alec

INSURANCE COMPANY OF NORTH AMERICA

PHILADELPHIA, PA.

Know all men by these presents: That INSURANCE COMPANY OF NORTH AMERICA, a corporation of the Commonwealth of Pennsylvania, having its principal office in the City of Philadelphia, Pennsylvania, pursuant to the following Resolution adopted by the Board of Directors of the said Company on May 28, 1975, to wit:

"RESOLVED, pursuant to Articles 3.6 and 5.1 of the By-Laws, the following Rules shall govern the execution for the Company of bonds, undertakings, recognizances, contracts and other writings in the nature thereof:

- (1) That the President, or any Vice-President, Assistant Vice-President, Resident Vice-President or Attorney-in-Fact, may execute for and in behalf of the Company any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof, the same to be attested when necessary by the Secretary, an Assistant Secretary or a Resident Assistant Secretary and the seal of the Company affixed thereto; and that the President or any Vice-President may appoint and authorize Resident Vice-Presidents, Resident Assistant Secretaries and Attorneys-in-Fact to so execute or attest to the execution of all such writings on behalf of the Company and to affix the seal of the Company thereto.
- (2) Any such writing executed in accordance with these Rules shall be as binding upon the Company in any case as though signed by the President and attested by the Secretary.
- (3) The signature of the President or a Vice-President and the seal of the Company may be affixed by facsimile on any power of attorney granted pursuant to this Resolution, and the signature of a certifying officer and the seal of the Company may be affixed by facsimile to any certificate of any such power, and any such power or certificate bearing such facsimile signature and seal shall be valid and binding on the Company.
- (4) Such Resident Officers and Attorneys-in-Fact shall have authority to certify or verify copies of this Resolution, the By-Laws of the Company, and any affidavit or record of the Company necessary to the discharge of their duties.
- (5) The passage of this Resolution does not revoke any earlier authority granted by Resolution of the Board of Directors on June 9, 1953."

does hereby nominate, constitute and appoint ROBERT A. OPPELT, RAY E. MITCHELL and GILBERT L. HAYWARD, all of the City of Los Angeles, State of California

, each individually if there be more than one named, its true and lawful attorney-in-fact, to make, execute, seal and deliver on its behalf, and as its act and deed any and all bonds, undertakings, recognizances, contracts and other writings in the nature thereof. And the execution of such writings in pursuance of these presents, shall be as binding upon said Company, as fully and amply as if they had been duly executed and acknowledged by the regularly elected officers of the Company at its principal office.

IN WITNESS WHEREOF, the said C. DANIEL DRAKE, Vice-President, has hereunto subscribed his name and affixed the corporate seal of the said INSURANCE COMPANY OF NORTH AMERICA this 25th day of November 19 75

INSURANCE COMPANY OF NORTH AMERICA
by C. Daniel Drake
Vice-President

(SEAL)
STATE OF PENNSYLVANIA }
COUNTY OF PHILADELPHIA } ss.

On this 25th day of November, A. D. 1975, before me, a Notary Public of the Commonwealth of Pennsylvania, in and for the County of Philadelphia, came C. DANIEL DRAKE, Vice-President of the INSURANCE

COMPANY OF NORTH AMERICA to me personally known to be the individual and officer who executed the preceding instrument, and he acknowledged that he executed the same; that the seal affixed to the preceding instrument is the corporate seal of said Company; that the said corporate seal and his signature were duly affixed by the authority and direction of the said corporation, and that Resolution, adopted by the Board of Directors of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at the City of Philadelphia, on the 25th day and year first above written.

Maurice Kell
Notary Public

My commission expires August 13, 1979
The undersigned, Assistant Secretary of INSURANCE COMPANY OF NORTH AMERICA, do hereby certify that the foregoing is a full, true and correct copy, is in full force and effect.
In witness whereof, I have hereunto subscribed my name as Assistant Secretary, and affixed the corporate seal of the said Corporation, this 22nd day of November 19 77

John G. Young
Assistant Secretary



STATE OR NATIONWIDE OIL AND GAS BOND
Act of February 25, 1920 (30 U.S.C. Sec. 181);
Act of August 7, 1947 (30 U.S.C. Sec. 351)

KNOW ALL MEN BY THESE PRESENTS, That we **PETROVEST INTERNATIONAL, INC.**

of 9701 Wilshire Boulevard, Beverly Hills, California 90212

as principal, and **INSURANCE COMPANY OF NORTH AMERICA**
of 4050 Wilshire Boulevard, Los Angeles, California 90010

as surety, are held and firmly bound unto the United States of America in the sum of ---TWENTY FIVE THOUSAND
AND NO/100----- dollars (\$ 25,000.00), lawful money;

of the United States, which sum may be increased or decreased by a rider hereto executed in the same manner as this
bond, for the use and benefit of (1) the United States; (2) the owner of any of the land subject to the coverage of this
bond, who has a statutory right to compensation in connection with a reservation of the oil and gas deposits to the
United States; and (3) any lessee or permittee under a lease or permit issued by the United States prior to the issuance
of an oil and gas lease for the same land subject to this bond, covering the use of the surface or the prospecting
for, or development of, other mineral deposits in any portion of such land, to be paid to the United States. For such
payment, well and truly to be made, we bind ourselves, and each of our heirs, executors, administrators, successors
and assigns, jointly and severally.

If the amount of this bond is \$150,000 or if it is increased to that amount, the coverage shall extend to all of the principal's
holdings of federal oil and gas leases in the United States, including Alaska, under the Acts cited in Schedule A.

If the amount of this bond is less than \$150,000, its coverage extends only to the principal's holdings of federal oil
and gas leases in the States named in Schedule A and to any other State or States that may be named in a rider
attached hereto by the lessor with the consent of the surety.

SCHEDULE A

Public Domain Leasing Act of February 25, 1920 (30 U.S.C. Sec. 181)	Acquired Lands Leasing Act of August 7, 1947 (30 U.S.C. Sec. 351)
NAMES OF STATES	NAMES OF STATES
Utah	

The conditions of the foregoing obligations are such that, whereas the said principal has an interest in oil and gas leases issued under the Act or Acts cited in Schedule A of this bond: (1) as lessee; (2) as the approved holder of operating rights in all or part of the lands covered by such leases under operating agreements with the lessees; or (3) as designated operator or agent under such leases pending approval of an assignment or operating agreement; and

WHEREAS the principal is authorized to drill for, mine, extract, remove, and dispose of oil and gas deposits in or under the lands covered by the leases, operating agreements or designations and is obligated to comply with certain covenants and agreements set forth in such instruments; and

WHEREAS the principal and surety agree that with notice to the surety the coverage of this bond, in addition to the present holdings of the principal, shall extend to and include:

1. Any oil and gas lease hereafter issued or acquired by the principal in the States now named in Schedule A, or later named in a rider, the coverage shall be confined to the principal's holdings under the Act or Acts cited at the head of the column in which the name of the State appears and to become effective immediately upon such issuance or upon departure of the principal upon approval of a transfer in favor of the principal.

2. Any operating agreement hereafter entered into or acquired by the principal affecting oil and gas leases in the States now named in Schedule A, or later named in a rider. The coverage shall

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

STATE OR NATIONWIDE OIL AND GAS BOND

Bond No. M 07 61

Act of February 23, 1920 (30 U.S.C. Sec. 181)
Act of August 7, 1947 (30 U.S.C. Sec. 351)

KNOW ALL MEN BY THESE PRESENTS, That we **PETROVEST INTERNATIONAL, INC.**

of **9701 Wilshire Boulevard, Beverly Hills, California 90212**

as principal, and **INSURANCE COMPANY OF NORTH AMERICA**

of **4050 Wilshire Boulevard, Los Angeles, California 90010**

as surety, are held and firmly bound unto the United States of America in the sum of **---TWENTY FIVE THOUSAND AND NO/100----** dollars (\$ **25,000.00**), lawful mon-

ey of the United States, which sum may be increased or decreased by a rider hereto executed in the same manner as this bond, for the use and benefit of (1) the United States; (2) the owner of any of the land subject to the coverage of this bond, who has a statutory right to compensation in connection with a reservation of the oil and gas deposits to the United States; and (3) any lessee or permittee under a lease or permit issued by the United States prior to the issuance of an oil and gas lease for the same land subject to this bond, covering the use of the surface or the prospect for, or development of, other mineral deposits in any portion of such land, to be paid to the United States. For its payment, well and truly to be made, we bind ourselves, and each of our heirs, executors, administrators, successors and assigns, jointly and severally.

If the amount of this bond is \$150,000 or if it is increased to that amount, the coverage shall extend to all of the principal's holdings of federal oil and gas leases in the United States, including Alaska, under the Acts cited in Schedule A.

If the amount of this bond is less than \$150,000, its coverage extends only to the principal's holdings of federal oil and gas leases in the States named in Schedule A and to any other State or States that may be named in a rider attached hereto by the lessor with the consent of the surety.

SCHEDULE A

Public Domain Leasing Act of February 23, 1920
(30 U.S.C. Sec. 181)

NAMES OF STATES

Utah

Acquired Lands Leasing Act of August 7, 1947
(30 U.S.C. Sec. 351)

NAMES OF STATES

The conditions of the foregoing obligations are such that, whereas the said principal has an interest in oil and gas leases issued under the Act or Acts cited in Schedule A of this bond: (1) as lessee; (2) as the approved holder of operating rights in all or part of the lands covered by such leases under operating agreements with the lessors; or (3) as designated operator or agent under such leases pending approval of an assignment or operating agreement; and

WHEREAS the principal is authorized to drill for, mine, extract, remove, and dispose of oil and gas deposits in or under the lands covered by the leases, operating agreements or designations and is obligated to comply with certain covenants and agreements set forth in such instruments; and

WHEREAS the principal and surety agree that we advise to the surety the coverage of this bond, in addition to the present holdings of the principal, extend to and include:

1. Any oil and gas lease hereafter issued or acquired by the principal in the States now named in Schedule A, or later named in a rider, the coverage to be confined to the principal's holdings under the Act or Acts cited at the head of the column in which the name of the State appears and to become effective immediately upon such issuance or upon departmental approval of a transfer in favor of the principal.

2. Any operating agreement hereafter entered into or acquired by the principal affecting oil and gas leases in the States now named in Schedule A or later named in a rider. The coverage shall be

the principal.

3. Any designation subsequent hereto of the principal as operator or agent of a lessee under a lease issued pursuant to the Act or Acts cited in Schedule A and covering lands in a State named in Schedule A, either presently or by rider. This coverage shall become effective immediately upon the filing of such a designation under a lease.

4. Any extension of a lease covered by this bond, such coverage to continue without any interruption due to the expiration of the term set forth in the lease.

Provided, that the surety may elect to have the additional coverage authorized under this paragraph become inapplicable as to all interests of the principal acquired more than thirty (30) days after the receipt of notice of such election by the Bureau of Land Management.

The surety hereby waives any right to notice of, and agrees that this bond shall remain in full force and effect notwithstanding:

1. A transfer or transfers, either in whole or in part, of any or all of the leases, or of the operating agreements, and further agrees to remain bound under this bond as to the interests either in the leases or in the operating agreements, or in both, retained by the principal when the approval of the transfer or transfers become effective.

2. Any modification of a lease or operating agreement, or obligations thereunder, whether made or effected by commitment of such lease or operating agreement to unit, cooperative, communitization or storage, agreements, or development contracts, suspensions of operations or production, waivers, suspensions or changes in rental, minimum royalty and royalties, compensatory royalty payments, or otherwise; and

operating agreements or designations as operator or agent, covered by this bond, whether the termination is by operation of law or otherwise, the bond shall remain in full force and effect as to all remaining leases, operating agreements, or designations covered by the bond; and

WHEREAS the principal, as to any lease or part of a lease for lands as to which he has been designated as operator or agent, or approved as operator, in consideration of being permitted to furnish this bond in lieu of the lessees, agrees and by these presents does hereby bind himself to fulfill on behalf of each lessee all obligations of each such lease for the entire leasehold in the same manner and to the same extent as though he were the lessee; and

WHEREAS the principal and surety agree that the neglect or forbearance of said lessor in enforcing, as against the lessees of such lessor, the payment of rentals or royalties or the performance of any other covenant, condition or agreement of the leases, shall not, in any way, release the principal and surety, or either of them, from any liability under this bond; and

WHEREAS the principal and surety agree that in the event of any default under the leases, the lessor may commence and prosecute any claim, suit, action, or other proceeding against the principal and surety, or either of them, without the necessity of joining the lessees.

NOW, THEREFORE, IF said principal shall in all respects faithfully comply with all of the provisions of the leases referred to hereinbefore, then the above obligations are to be void; otherwise to remain in full force and effect.

Signed on this 22nd day of November, 1977, in the presence of:

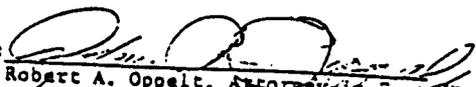
NAMES AND ADDRESSES OF WITNESSES

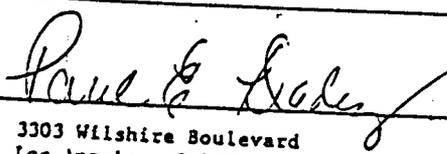
PETROVEST INTERNATIONAL, INC.

By _____ (L.S.)
(Principal)

9701 Wilshire Boulevard
Beverly Hills, California 90212
(Business address)

INSURANCE COMPANY OF NORTH AMERICA (L.S.)
(Surety)

By: 
Robert A. Oppelt, Attorney-in-Fact (302)
4050 Wilshire Blvd., Los Angeles,
(Business address) Ca. 90010


3303 Wilshire Boulevard
Los Angeles, California 90010

MINERAL LEASE APPLICATION NO. 27798

GRANT: School

OIL, GAS AND HYDROCARBON LEASE

TGC LEASE NO. 146

THIS INDENTURE OF LEASE entered into this 27th day of September, 1961, by and between the State Land Board, Room 105, State Capitol Building, Salt Lake City, Utah, acting in behalf of the State of Utah, hereinafter called the LESSOR, and

TREASURE RESOURCES, INC.
531 South State Street
Salt Lake City, Utah 84111

hereinafter called the LESSEE, whether one or more.

COPY

WITNESSETH:

Section 1. RIGHTS OF LESSEE - Test Lessor, in consideration of the rents and royalty to be paid and the covenants and agreements hereinafter contained and to be performed by Lessee, does hereby grant and lease to Lessee the following described tract of land in the County of Grand, State of Utah, to-wit:

~~West Half (W1/2) of Section Sixteen (16), All of Section Thirty-Six (36), Township Twenty (20) South, Range Twenty-Three (23) East, North Half (N1/2) of Section Two (2), Township Twenty-One (21) South, Range Twenty-Three (23) East, Salt Lake Meridian,~~

containing ~~1,280.00~~ ^{320.00} acres, more or less, for the purposes and with the exclusive right of prospecting for, or mining for, of excavating, quarrying, or stripmining for and/or drilling for oil, natural gas, elaterite, ozocerite, other hydrocarbons (whether the same be found in solid, semi-solid, liquid, vaporous or any other form) including tar, bitumen, asphaltum, and maltha, other gases (whether combustible or non-combustible), sulphur (except the metallic sulphides such as pyrite, marcasite and chalcopyrite) and associated substances of whatever kind or nature and whether or not similar to those hereinabove mentioned but excluding coal and oil shale (the hydrocarbons and other materials granted hereby being hereinafter collectively called "said substances") and producing, taking and removing such substances from the above described lands, the Lessee to have the rights to construct and maintain on said lands all works, buildings, plants, waterways, roads, communication lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, subject however, to the conditions hereinafter set forth.

Section 2. TERM OF LEASE - This lease, unless terminated at an earlier date as hereinafter provided, shall be for a primary term of ten years from and after the first day of the month next succeeding the date of issuance hereof and for so long thereafter as any of said substances is produced in commercial quantities from the leased premises.

If operations are being diligently prosecuted on the leased premises at the end of the primary term, this lease shall be automatically extended while such operations are in progress and if production in commercial quantities shall result therefrom this lease shall be extended for so long as any of said substances is produced in commercial quantities.

In respect to the duration of the term of this lease, gas shall be deemed to be produced in paying quantities from any shut-in gas well on the leased lands which is capable of producing gas in paying quantities whenever and at such times as such gas cannot be reasonably marketed at a reasonable price by reason of existing marketing or transportation conditions; provided, however, that Lessee shall pay to the state an additional rental equal to the annual rental payable by such Lessee under the terms of the lease, said rental to be paid on or before the annual rental paying date next ensuing after the date said well was shut-in, and on or before said rental date thereafter. Upon the commencement or marketing of gas from said well or wells, the royalty paid for the lease year in which the gas first marketed shall be credited upon the rental payable as provided hereunder to the state for such year.

COPY

The phrase "produced in paying quantities" as used in this lease shall mean the production of said substances from the above described lands in an amount which is sufficient during each lease year to yield a minimum royalty payment to Lessor equal to \$1.50 per acre for all acres of land held by Lessee under this lease.

Section 3. ANNUAL RENTAL -- Lessee agrees to pay to Lessor annually in advance as rental the sum of one dollar (\$1.00) per acre, or fractional part thereof, per annum. Any such rental paid hereunder shall be credited against the royalties, if any, which may accrue on production during the lease year for which such rental is paid.

Section 4. ROYALTIES

(a) Oil - Lessee agrees to pay to Lessor a royalty of twelve and one-half percent (12½%) of the oil produced, saved and sold from the leased premises; or at the option of Lessor, to pay to Lessor the cash value of such royalty. When paid in money, the royalty shall be calculated upon the reasonable market value of the oil at the well, including any subsidy or extra payment which the Lessee, or any successors in interest thereto, may receive, without regard to whether such subsidy or extra payment shall be made in the nature of money or other consideration, and, in no event shall the royalties be based upon a market value less than that used by the United States in the computation of royalties, if any, paid by this lessee to the United States of America on oil of like grade and gravity produced in the same field. When Lessor elects to take royalty oil in kind, such royalty oil shall be delivered on the premises where produced without cost to Lessor at such time and in such tanks provided by Lessee as may reasonably be required by Lessor, but in no event shall Lessee be required to hold royalty oil in storage beyond the last day of the calendar month next following the calendar month in which the oil was produced. Lessee shall not be responsible or be held liable for the loss or destruction of royalty oil in storage from causes under which Lessee has no control. For royalty purposes, the word "oil" shall mean crude petroleum oil and any other hydrocarbons, regardless of gravities, which are produced at the well in liquid form, provided, however, oil produced from a reservoir with zero or near zero initial shut-in pressure shall bear the royalty rate specified in Section 4(c).

(b) Gas - Lessee agrees to pay to Lessor twelve and one-half percent (12½%) of the reasonable market value at the well of all gas produced and saved or sold from the leased premises. Where gas is sold under a contract, and such contract has been approved in whole or conditionally by the Lessor, the reasonable market value of such gas for the purpose of determining the royalties payable hereunder, shall be the price at which the production is sold, provided that in no event shall the price for gas be less than that received by the United States of America for its royalties from gas of like grade and quality from the same field; provided, however, the reasonable market value of processed or manufactured or extracted products for the purpose of computing royalty hereunder, shall be the value after deducting the costs of processing, extracting, or manufacturing, except that the deduction for such costs may not exceed 2/3 of the amount of the gross of any such products without approval by the Lessor and, provided further, that the market value of extracted, processed, or manufactured products used in the computation of royalties hereunder shall not be less than the value used by the United States in its computation of royalties on similar products resulting from production of like grade and quality in the same field.

(c) Other Substances - For the first ten years of commercial production, Lessee agrees to pay Lessor a royalty of six and one-fourth percent (6¼%) of the reasonable market value of all other hydrocarbon substances which are produced from a reservoir where the initial shut-in pressure is zero or near zero which in the discretion of the Land Board indicates the absence of sufficient motive force for the leased substances to enter the well bore, and where the said substances cannot be produced except by mining or removing the host rock or require the application of heat and/or solvents to remove the hydrocarbon substances from the host rock into the well bore or other form of catch trap or basin. The royalty may, at the discretion of Lessor, be increased after the first ten years of commercial production at a rate not to exceed one percent (1%) per annum until a maximum of 12½% is reached; provided, however, notwithstanding the foregoing, the royalty which lessee shall pay at any time under this lease may, after notice and hearing, be fixed by Lessor up to the highest royalty rate then being paid, but in any event not to exceed 12½% by a Lessee producing from the same general area, reservoir, or deposit.

(d) SULPHUR - Lessee agrees to pay Lessor 12½ percent of the reasonable market value of all the sulphur which Lessee shall produce, save, or sell from the lease premises.

The basis for computing the reasonable market value of substances covered in this (c) and (d) shall be as follows:

(i) If the substances are sold under a bonafide contract of sale, the amount of money or its equivalent actually received from the sale of the substances less reasonable costs, if any, of transporting the substances from the place where extracted to the place where, under the contract of sale, the leased substances are to be delivered, shall be regarded as the reasonable market value.

(ii) If the lease substances extracted are treated at a mill, smelter, processing plant or reduction works which receives the substances from independent sources and which is owned or controlled by the same interests owning or controlling the mine, such treatment shall be treated as a sale within the meaning of this section for the purpose of determining market value, and in such event a rate or charge for sampling, assaying, milling, smelting or refining the leased substances therefrom shall be deducted, which shall not exceed an amount to be determined by applying the same rates as are applied by such mill, smelter, or reduction works or competing works on ores of substantially like characteristic and like quantities received from independent sources. In the event of controversy, the Lessor shall have the power to determine such rates and charges. Transportation charges may also be deducted as provided in subdivision (i) hereof.

(iii) If a mill or other reduction works is operated exclusively in connection with a mine, such mill or reduction works shall be treated as a part of the mine, and the costs of operating the mill or reduction works shall, for the purpose of fixing the royalty set forth in this lease, be regarded as part of the costs of mining, and the proportionate cost of assaying, sampling, smelting, refining, and transportation only shall be deducted as herein provided.

(e) Time of Payment - All royalty on production during any calendar month shall be due and payable by Lessee to Lessor not later than the last day of the calendar month following that in which produced.

(f) Lessor agrees that upon request by the Lessee and after notice and hearing, upon good cause shown, the annual rental and/or the royalty rates specified in this lease may be reduced at the discretion of Lessor. However, upon the reduction of said rates, Lessor reserves the right to and Lessee agrees to reduce all outstanding overriding royalty interests proportionately.

Lessor may at its option take its royalty gas in kind at the well heads, provided expressly that Lessee shall be under no obligation to furnish any storage facilities for royalty gas.

Section 5. RIGHTS RESERVED TO LESSOR - The Lessor expressly reserves:

(a) Easements and Rights of Way - The right to permit for joint or several use in a manner which will not unreasonably interfere with Lessee's operations hereunder, such easements or rights of way upon, through or in the land hereby leased as may be necessary or appropriate to the working of other lands belonging to the Lessor containing mineral deposits, or to the working of the land hereby leased for other than the hereby leased substances, and for other public purposes.

(b) Surface Disposition - Leasing for Other Deposits - The right to use, lease, sell or otherwise dispose of the surface of said hereby leased lands, or any part thereof, under existing state laws, subject to the rights herein granted and insofar as in the judgment of the Lessor, said surface is not necessary for the use of the Lessee in the exercise of the rights granted Lessee hereunder; and also the right to lease mineral deposits, other than the hereby leased substances, which may be contained in said hereby leased lands.

(c) Unitization - The right, with the consent of the Lessee, to commit the hereby leased lands to a unit or co-operative plan of development and to establish, alter or change the drilling, producing and royalty requirements and term of this lease to conform therewith.

(d) Production Control - The right to alter or modify the quantity and rate of production to the end that waste may be eliminated or that production may conform to the Lessee's fair share of allowable production under any system of state or national curtailment and proration authorized by law.

Section 6. DRILLING AND DEVELOPMENT PROVISIONS PERTAINING TO OIL AND GAS OPERATIONS.

(a) Offset Wells -- Subject to the rights of surrender as provided in this lease, Lessee shall protect the oil and gas under the leased premises from drainage from adjacent lands or leases, and the Lessor expressly reserves the right to require the commencement, completion, and operation of a well or wells, that it considers necessary for the protection of the leased premises from adjacent lands or leases.

(b) Diligence - Proper Operations - Lessee agrees:

(1) After discovery and subject to the right of surrender herein provided, to exercise reasonable diligence in producing oil and gas and in the drilling and opening of wells on the land covered hereby, unless consent to suspend operations temporarily is granted by the Lessor; and

(2) To carry on all operations hereunder in a good workmanlike manner in accordance with approved methods and practices, having due regard for the prevention of waste of oil and gas, or the entrance of water to the oil or gas bearing sands or strata, to the destruction or injury of such deposits, to the preservation and conservation of the property for future productive operations, and to the health and safety of workmen and employees; and

(3) To take every reasonable precaution to prevent water from migrating from one stratum to any other and to protect any water-bearing stratum from contamination; and

(4) To securely and properly plug in an approved manner any well before abandoning it; and

(5) To drill any well in conformity with law and with the rules and regulations of the Utah Oil and Gas Conservation Board; and

(6) To conduct all operations subject to the inspection of the Lessor and to carry out at the Lessee's expense all reasonable orders and requirements of the Lessor relative to the prevention of waste and preservation of the property, and the health and safety of workmen; and on failure of the Lessee so to do, the Lessor shall have the right, together with other recourse herein provided, to enter on the property to repair damages or prevent waste at the Lessee's expense; and

(7) To conduct all operations under this lease in accordance with the Lessor's rules and regulations governing exploration for and production of oil and gas which are now in force, and with such reasonable rules and regulations as hereafter may be adopted by the Lessor; and

(8) To reimburse the owner or lessee of the surface of the leased premises for actual damages thereto and injury to improvements thereon resulting from Lessee's operations hereunder, provided that Lessee shall not be held responsible for acts of providence or occurrences beyond Lessee's control.

(9) Whenever operations for the drilling for oil and gas are planned on lessor's lands, no special notice need be filed so long as the required notices are filed with the Division of Oil and Gas Conservation. When a drill site is located on lessor's lands, any topsoil which is removed will be stockpiled on the site and will be redistributed on the site at the completion of operations and the land reseeded with grasses or native plants by lessee or operator as prescribed by lessor. All mud pits will be filled and material and debris will be removed from the site at the completion of operations.

Section 7 - BOND - Lessee agrees at the time of commencement of operations to furnish a bond with an approved corporate surety company authorized to transact business in the State of Utah, or such other surety as may be acceptable to the Lessor, in the penal sum of not more than Five Thousand Dollars (\$5,000.00) conditioned upon the payment of all moneys, rentals, and royalties accruing to the Lessor under the terms hereof, and upon the full compliance with all other terms and conditions of this lease and the rules and regulations relating hereto, and also conditioned on the payment of all damages to the surface and improvements thereon where the lease covers lands, the surface of which has been sold or otherwise leased. Such bond or bonds furnished prior to the development of the lands contained in this lease may be increased in such reasonable amounts as the Lessor may decide after discovery of said substances.

The Lessor may waive the provisions of this section, as to this lease, upon the furnishing of a blanket bond by Lessee extending to and including Lessee's operations hereunder

Section 8. LOGS - REPORTS - MAPS - Lessee agrees to keep a log, in a form approved by the Oil and Gas Conservation Board, of each well drilled by Lessee on the leased lands, and agrees to file the same, together with such reports, maps and supplements as may be required, with said Commission. Lessee also agrees to furnish Lessor copies of such logs, reports, and any other information which Lessor may request from time to time.

Section 9. NOTICE OF WATER ENCOUNTERED - In the drilling of wells under authority of this lease, all water-bearing strata shall be noted in the log and Lessee shall promptly give notice to Lessor when water has been encountered and such notice shall include an estimate of the possible amount of flow of said water and whether or not the water is fresh water.

Section 10. DEFAULT OF LESSEE - Upon failure or default of the Lessee to comply with any of the conditions or covenants herein, the Lessor may cancel this lease and such cancellation shall extend to and include all rights granted hereunder as to the whole of the tract hereinabove described, but shall not extend to nor affect the rights of this Lessee under other leases or partial assignments of this lease which have been approved by Lessor upon which no default has been made, provided, however, that in the event of any default by Lessee, Lessor shall, before cancellation, send a notice of intention to cancel said lease to the Lessee by registered or certified return receipt mail addressed to the post office address of said Lessee as first hereinabove stated or as shown by the records of the Lessor which notice shall specify the default for which cancellation is to be made, and, if within thirty (30) days from the date of mailing said notice, Lessee has not remedied the violation or rectified the condition specified and notified Lessor thereof in writing, Lessor may thereupon cancel the lease without further notice to Lessee.

Section 11. OPERATION REQUIREMENTS - PREVENTION OF WASTE - Lessee covenants that no waste shall be committed on the land and agrees to develop and produce said substances which are susceptible of production with reasonable care and skill and in conformity with all applicable laws of the United States and the State of Utah, and the rules and regulations of the State Land Board now in effect or hereafter promulgated, and to carry on all mining, extractions, reducing, refining, and other operations on or below the surface of the earth by safe and economically feasible methods and practices and to take all proper and reasonable steps and precautions to prevent waste of or damages to said substances or other mineral deposits on said land. Should Lessee elect to dump waste products upon the leased lands, Lessee shall secure Lessor's consent as to the situs and manner of maintenance of the waste dump; it being understood that Lessor contemplates designating the manner of operation and maintenance of a waste dump so that the land used for dumping of waste will be suitable for other uses. Lessee shall not fence any watering place upon the leased lands without prior approval of Lessor, nor shall Lessee permit or contribute to the pollution of waters useful for domestic or agricultural purposes.

In those instances where strip or open-pit mining operations or other operations which will disturb the surface of Lessor's lands are utilized, Lessor may require rehabilitation of the surface of the disturbed area. At least 30 days prior to commencement, Lessee will submit to Lessor plans for such operations. Lessor will at that time outline the rehabilitation program required by Lessor for the particular property in question. In all cases the Lessee must agree to slope the side of all excavations to a ratio of not more than one foot (1') vertically for each two feet (2') of horizontal distance unless otherwise approved by the Lessor prior to commencement of operations. Such sloping is to become a normal part of the operation of the leased premises so as to keep pace with such operation to the extent that such operation shall not at any time constitute a hazard. Whenever practicable, all pits or excavations shall be shaped to drain, and in no case shall the pits or excavations be allowed to become a hazard to persons or livestock. All material mined, but not removed from the premises, is to be used to fill the pits and leveled, unless consent of the Lessor to do otherwise is obtained so that at the termination of the lease the land will as near as practicable approximate its original configuration. The lessee or operator must strip off the peaks and ridges of spoil banks to a width satisfactory to the Board. Lessor may require that all topsoil in the affected area shall be removed and stockpiled until the completion of operations when in its opinion such action is justified. Upon completion of operations, the stockpiled topsoil will be redistributed on the affected area, and the land reseeded with grasses and/or native plants by lessee as prescribed by Lessor.

Section 12. MAPS AND REPORTS - Where Lessee conducts mining operations under this lease, Lessee agrees to keep clear, accurate and detailed maps on tracing cloth, on a scale of not more than fifty (50) feet to the inch, of Lessee's working in each section of leased lands, oriented to a public land corner so that the maps can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and any written reports of operations as Lessor may call for.

Section 13. IMPROVEMENTS AND REMOVAL OF SAME - Upon termination of this lease for any cause, the Lessee, upon payment of all amounts due Lessor, shall remove from the leased premises all property (including fixtures), machinery, equipment, and supplies. The leased land shall be surrendered in good usable condition in as near the natural condition of the land as is reasonably practical.

Section 14. LESSOR'S RIGHT OF ACCESS TO LEASED PREMISES AND LESSEE'S RECORDS - Lessor, its officers and agents, shall have the right at all reasonable times to go in and upon the leased lands and premises during the term of the lease to inspect the work done thereon and the progress thereof, and the products obtained therefrom, and to post any notice on the said lands that it may deem fit and proper. Lessee shall permit any authorized representative of the Lessor to examine all books and records pertaining to operations and royalties payable to Lessor under the lease, and to make copies of and extracts from such books and records if desired.

* Section 15. SURRENDER BY LESSEE - Lessee may surrender this lease for cancellation by Lessor as to all or any part of the leased lands, but not less than a quarter-quarter section or surveyed lot, upon payment of all rentals, royalties, and other amounts due Lessor and by filing with the Lessor a written relinquishment. The relinquishment shall be effective as to future rental liability on the date of filing such relinquishment, but otherwise on the date of cancellation by Lessor.

Section 16. WATER RIGHTS - If the Lessor shall initiate or establish any water right upon the leased premises, such right shall become an appurtenance of the leased premises, and, upon the termination of the lease, shall become the property of the Lessor.

Section 17. DISCOVERY OF OTHER MINERALS - Upon such notification of the Lessee to the Lessor, the Lessee shall have 60 days in which to request that the Lessor issue a lease on the newly discovered mineral substances in line with the form of lease and regular rules and regulations of the State Land Board regarding such mineral substances.

Section 18. FAILURE OF LESSOR'S TITLE - It is understood and agreed that this lease is issued only under such title as the State of Utah may now have or hereafter acquire, and that the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals or royalties theretofore paid to the Lessor in the event the Lessor does not have the title to the minerals in the leased lands. If Lessor owns a less interest in the leased lands than the entire and undivided fee simple estate in the leased minerals for which rental and royalty is payable, then the rentals and royalties herein provided shall be paid the Lessor only in the proportion which its interest bears to said whole and undivided fee simple estate in the said minerals for which royalty is payable.

Section 19. TRANSFERS OF INTEREST BY LESSEE -- Lessor will not permit any assignment of this lease, or of any interest therein, or any sublease or operating agreement as to the leased lands, or any portion thereof, unless and until such assignment, transfer, sublease or operating agreement is approved by the Lessor. Any such instrument shall be filed with Lessor within ninety days from the date of final execution thereof, and when and provided it is approved by the Lessor, shall take effect as of the date of its execution. Subject to the necessity of approval as herein set out, all of the terms, covenants, conditions, and obligations of this lease shall extend to and shall be binding upon the successor in interest of the Lessee. The Lessee further agrees not to enter into any agreements limiting, restricting, prorating, or otherwise affecting the natural production from said lands in any way or in any event without the consent in writing of the Lessor first had and obtained.

Section 20. NOTICES - All notices herein provided to be given or which may be given by either party to the other, except as otherwise provided by law, shall be deemed to have been fully given when made in writing and deposited in the United States mail, postage prepaid, and addressed to the last known address of the parties.

Section 21. CONSENT TO SUIT - Lessee consents to suit in the courts of the State of Utah in any dispute arising under the terms of this lease or as a result of operations carried on under this lease. Service of process in any such action is hereby agreed to be sufficient if sent by registered mail to the Lessee at the last known address appearing on Lessor's records.

Section 22. ATTORNEY'S FEES - In the event Lessor shall institute and prevail in any action or suit for the enforcement of any provisions of this lease, Lessee will pay to Lessor a reasonable attorney's fee on account thereof.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

STATE OF UTAH
STATE LAND BOARD

By ss. Charles R. Hansen
DIRECTOR

LESSOR

TREASURE RESOURCES, INC.

By: ss. Ken Garff
KEN GARFF, President

By: ss. David A. Robinson
DAVID A. ROBINSON, Secretary
LESSEE

STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

On the 18th day of November, 1971, personally appeared before me CHARLES R. HANSEN, who being by me duly sworn did say that he is the Director of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board by resolution of the Board, and said CHARLES R. HANSEN acknowledged to me that said Board executed the same in behalf of the State of Utah.

Given under my hand and seal this 18th day of November, 1971.

ss. Lynda Belnap
Notary Public, residing at: SLC, Ut.

My Commission Expires: 10-1-73

STATE OF UTAH)

: ss.

COUNTY OF)

On the _____ day of _____, 19____, personally appeared before me _____, the signer of the above instrument, who duly acknowledged to me that _____ executed the same.

Given under my hand and seal this _____ day of _____, 19_____.

Notary Public, residing at:

My Commission Expires:

STATE OF UTAH)

: ss.

COUNTY OF SALT LAKE)

On the 16th day of November, 1971, personally appeared before me Ken Garff, who being duly sworn did say that he is an officer of Treasure Resources, Inc. and that said instrument was signed in behalf of said corporation by resolution of its Board of Directors, and said Ken Garff acknowledged to me that said corporation executed the same.

Given under my hand and seal this 16th day of November, 1971.

ss. Roberta W. Harris
Notary Public, residing at: Salt Lake City,

My Commission Expires: 3-3-75

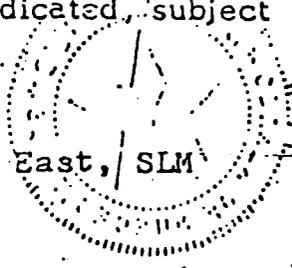
ASSIGNMENT

CERTIFICATE NO. _____
GRAZING LEASE NO. _____
MINERAL LEASE NO. 27793

APPLICATION NO. _____

The undersigned, as owners of record title interest as hereinafter specified in and to ML No. 27798; GL No. _____, Cert. No. _____ as designated for good and valuable consideration and Ten (\$10.00) DOLLARS does hereby assign to Frank B. Adams

P. O. Box 406, Corpus Christi, Texas 78403 the rights, title, and interest in rights and privileges as lessees in such lands, to the extent indicated, subject to the reservation of overriding royalties as herein noted:



- Land affected by this assignment:
Township Twenty-one (21) South, Range Twenty-three (23) East, SLM
Section Two (2): The north half (N $\frac{1}{2}$)

County of Grand, State of Utah 320.0 Acres

- Interest of assignor in such lands 100%
- Extent of such interest conveyed to assignee 100%
- Overriding royalty reserved herein to assignor None
- Overriding royalties previously reserved (Note percentage only) None

It is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief and are made in good faith.

Executed and witnessed this 5th day of September, 1974.

ATTEST:
[Signature]
Secretary

TEJAS GAS CORP. P.O. Box 2806
Corpus Christi,
Texas 78403
By: [Signature]
President

ATTEST:
[Signature]
Secretary

TREASURE RESOURCES, INC. 531 S. State St.
Salt Lake City,
Utah 84111
By: [Signature]
Secretary

State of TEXAS
County of NUECES

On this 5th day of September, A.D. 1974, before me personally appeared W.C. Sparkman, to me personally known, who, being by me duly sworn, did say that he is the President of Tejas Gas Corp. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said W.C. Sparkman acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 5th day of September, A.D. 1974

[Signature]
Notary Public in and for
Nueces County, Texas

State of UTAH
County of SALT LAKE

On this 6th day of September, A.D. 1974, before me personally appeared David A. Robinson, to me personally known, who, being by me duly sworn, did say that he is the Secretary of Treasure Resources, Inc. and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said David A. Robinson acknowledged said instrument to be the free act and deed of said corporation.

Witness my hand and seal this 6th day of September, A.D. 1974

[Signature]
Notary Public - Salt Lake Co., Utah

ACCEPTANCE OF ASSIGNEE
AFFIDAVIT OF CITIZENSHIP OF ASSIGNEE

I, (we) Frank B. Adams

on oath, do solemnly swear that I am (we are) at the present time (a)* native born Citizens (a) of the United States of America and of legal age, and I (we) hereby assume and agree to perform all of the covenants and obligations of said lease on the part of the lessee(s) to be and performed, and accept the foregoing instrument...

By Frank B. Adams

Subscribed and sworn to before me this 5th day of September, 19 74

My Commission Expires: June 1, 1975 x Bobbie Scott

NOTARY PUBLIC in and for
Nueces County, Texas

Note: a* Insert here whether native born or naturalized. If naturalized, it will be necessary to file with this office Proof of Citizenship or Declaration of Intention to become a citizen in the form of a letter of certificate or verification from Court to Issuance, and registratic fee of \$1.00.

INSTRUCTIONS: Assignment must be submitted in duplicate. The original Certificate, Grazing Lease, or Mineral Lease must be produced with the Assignment. Partial Assignment permitted on Mineral Leases only. Total Assignment--\$5.00 Partial Assignment--\$7

ACCEPTANCE OF ASSIGNMENT

CERTIFICATE NO.

GRAZING LEASE NO.

ML-27798

MINERAL LEASE NO.

Comes Now Frank B. Adams, P. O. Box 406, Corpus Christi, Texas 78403

AND HEREBY ACCEPTS THE ASSIGNMENT FROM Tejas Gas Corp. and Treasure Resources, Inc. of Corpus Christi, Texas and; of Salt Lake City, Utah
Cert. No. _____; GL No. _____; ML No. 27798
which assignment is dated 9-05-74, subject to all of the covenants and obligations of said Lessee.

IN WITNESS WHEREOF Frank B. Adams
have executed this Acceptance this 5th day of September, 19 74

Frank B. Adams
FRANK B. ADAMS

STATE OF TEXAS
COUNTY OF NUECES

On the 5th day of September, A.D. 19 74, personally appeared before me Frank B. Adams the signer(s) of the above instrument, who duly acknowledged to me that he executed the same.

My Commission Expires: June 1, 1975 x Bobbie Scott

NOTARY PUBLIC in and for
Nueces County, Texas

STATE OF _____
COUNTY OF _____

On the _____ day of _____, A.D. 19 _____, personally appeared before me _____ the signer(s) of the above instrument, who duly acknowledged to me that _____ executed the same.

My Commission Expires: _____

NOTARY PUBLIC

CERTIFICATE NO. _____

MINING LEASE NO. _____

GENERAL LEASE NO. 27793

APPLICATION NO. _____

The undersigned, as owners of record title interest as hereinafter specified in and to No. 27793; GL No. _____, Cert. No. _____ as designated good and valuable consideration and Ten (\$10.00) DOLLARS does hereby assign to Crest Oil Co., Inc.

P. O. Box 2160, Rolling Hills, California 90274 the rights, title, and interest in rights and privileges as lessees in such lands, to the extent indicated, subject to the reservation of overriding royalties as herein noted:

- 1. Land affected by this assignment:
Township Twenty-one (21) South, Range Twenty-three (23) East, S.L.M.
Section Two (2): The north one-half ($N\frac{1}{2}$)

County of Grand, State of Utah 320.0 Acres

- 2. Interest of assignor in such lands 100%
- 3. Extent of such interest conveyed to assignee 100%
- 4. Overriding royalty reserved herein to assignor 6 1/2% (one-sixteenth)
- 5. Overriding royalties previously reserved (Note percentage only) None

is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief and are made in good faith.

Executed and witnessed this 30th day of September, 19 74

Frank B. Adams
FRANK B. ADAMS
P. O. Box 406
Corpus Christi, Texas 78403

STATE OF TEXAS } ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah
COUNTY OF NUECES } ss. Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT - INDIVIDUAL

BEFORE ME, Bobbie Scott a Notary Public, in and for said County and State, on 30th day of September 1974 personally appeared Frank B. Adams

and _____ to me known to be the identical person _____ described in and who executed the within and foregoing instrument of writing and acknowledged to me that he duly executed the same as his and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires 6-1-75
Bobbie Scott
Nueces County, Texas Notary Public
Residing at Corpus Christi, Texas

STATE OF _____ } ss. Oklahoma, Kansas, New Mexico, Wyoming, Montana, Colorado, Utah
COUNTY OF _____ } ss. Nebraska, North Dakota, South Dakota
ACKNOWLEDGMENT - INDIVIDUAL

BEFORE ME _____ a Notary Public, in and for said County and State, on _____ day of _____ 19 _____ personally appeared _____

and _____ to me known to be the identical person _____ described in and who executed the within and foregoing instrument of writing and acknowledged to me that _____ duly executed the same as _____ and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal the day and year last above written.

My Commission Expires _____

Notary Public

ACCEPTANCE OF ASSIGNMENT
AFFIDAVIT OF CITIZENSHIP OF ASSIGNEE

I, ~~(xxx)~~ Robert W. Ensign, President of Crest Oil Company, Inc.
do solemnly swear that I am ~~(xxx)~~ (a) the present time (a)* native born
citizens (a) of the United States of America and of legal age, and I ~~(xxx)~~ hereby assume and
perform all of the covenants and obligations of said lease on the part of the lessee(s) to be
performed and accept the foregoing instrument.



OFFICIAL SEAL
IVO H. LOPEZICH
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

My Commission Expires September 9, 1978

By Robert W. Ensign
Robert W. Ensign

scribed and sworn to before me this 26th day of November, 1975

Commission Expires: September 9, 1978
NOTARY PUBLIC

Note: a* Insert here whether native born or naturalized. If naturalized, it will be necessary to file with this office Proof of Citizenship or Declaration of Intention to become a citizen in the form of a letter of certificate or verification from Court to Issuance, and registration fee of \$1.00.

-INSTRUCTIONS: Assignment must be submitted in duplicate. The original Certificate, Grazing Lease, or Mineral Lease must be produced with the Assignment. Partial Assignment permitted on Mineral Leases only. Total Assignment--\$5.00 Partial Assignment--\$.

ACCEPTANCE OF ASSIGNMENT

CERTIFICATE NO.

GRAZING LEASE NO.

MINERAL LEASE NO.

Assignee Now Robert W. Ensign, President of Crest Oil Company, Inc.

I HEREBY ACCEPTS THE ASSIGNMENT FROM Frank B. Adams
of Corpus Christi, Texas
Assignment No. _____; GL No. _____; ML No. 27798
This assignment is dated September 30, 1974 subject to all of the covenants and obligations of said Lessee.

IN WITNESS WHEREOF Robert W. Ensign, President of Crest Oil Company, Inc.
has executed this Acceptance this 26th day of November, 1975



OFFICIAL SEAL
IVO H. LOPEZICH
NOTARY PUBLIC - CALIFORNIA
PRINCIPAL OFFICE IN
LOS ANGELES COUNTY

Robert W. Ensign
NOTARY PUBLIC

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

On the 26th day of November, A.D. 1975, personally appeared before me Robert W. Ensign the signer(s) of the above instrument, who acknowledged to me that he executed the same.

Commission Expires: Sept 9, 1978
NOTARY PUBLIC

STATE OF _____
COUNTY OF _____
On the _____ day of _____, A.D. 19____, personally appeared before me _____ the signer(s) of the above instrument, who acknowledged to me that _____ executed the same.

Commission Expires: _____

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Zobrist, Garner & Garrett
Pacific Mutual Building
523 West Sixth Street, #1228
Los Angeles, California 90014

NOTICE OF ASSIGNMENT OF
OIL, GAS AND HYDROCARBON LEASE

NOTICE IS HEREBY GIVEN that CREST OIL COMPANY, LTD. (hereinafter "Assignor") assigned on June 23, 1978, for good, valuable and sufficient consideration to ZOBRIST, GARNER & GARRETT, a general partnership (hereinafter "Assignee") all of Assignor's right, title and interest in and to that certain Master Lease by and between Treasure Resources, Inc., a predecessor assignor and original Lessee, in the State of Utah, dated September 27, 1971 denoted by mineral lease No. 27798 with regard to the following specifically described parcel of real property situated in the County of Grand, State of Utah:

The North Half (N 1/2) of Section two (2),
Township Twenty-One (21) South, Range Twenty-Three
(23) East, Salt Lake Meridian.

Assignor represents that said interest assigned to CREST OIL COMPANY, LTD. is full and complete, save and except a 6-1/4% (one-sixteenth) overriding royalty reserved

to Frank B. Adams by a prior assignment, and save and except a second and separate 6-1/4% (one-sixteenth) overriding royalty hereby reserved to Assignor as to all future wells placed on the Master Lease, but not to include the Crest 2-8 well or any offset wells drilled adjacent thereto, and save and except any and all of Assignor's present interest in the Crest 1-B well.

Assignor and Assignee hereby certify under penalty of perjury that Assignor and Assignee have read this "Notice of Assignment of Oil, Gas and Hydrocarbon Lease" and know the contents thereof and that the statements therein are true.

Executed at Los Angeles, California on this 23rd day of June, 1978.

ASSIGNOR

CREST OIL COMPANY, LTD., a limited partnership, by Crest Oil Corporation a Utah corporation, its general partner

By *Robert W. Ensign*
Robert W. Ensign, President

ASSIGNEE

ZOBRIST, GARNER & GARRETT, a general partnership

By *Dwane H. Zobrist*
Dwane H. Zobrist, general partner

By *Don Garner*
Donald K. Garner, general partner

By *Marvin E. Garrett*
Marvin E. Garrett, general partner

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On June 29, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared ROBERT W. ENSIGN, known to me to be the President of Crest Oil Corporation, the corporation that executed the within instrument and known to me to be the person who executed the within instrument on behalf of said corporation, said corporation being known to me to be the general partner of Crest Oil Company, Ltd., the partnership that executed the within instrument, and acknowledged to me that such corporation executed the same as such partner and that such partnership executed the same.

WITNESS my hand and official seal.



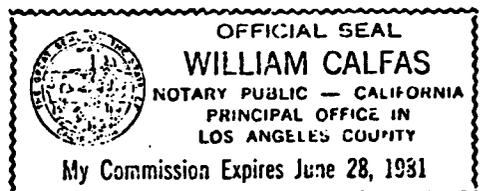
Bonnie I. O'Neill
Notary Public in and for said
County and State

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

On June 13, 1978, before me, the undersigned, a Notary Public in and for said County and State, personally appeared DUANE H. ZOBRIST, DONALD K. GARNER and MARVIN E. GARRETT, known to me to be the general partners of Zobrist, Garner & Garrett, a law partnership, the partnership that executed the within instrument, and acknowledged to me that such partnership executed the same.

WITNESS my hand and official seal.

William Calfas
Notary Public in and for said
County and State



RECORDING RECORDED BY

AND WHEN RECORDED MAIL TO

Name ZOBRIST, GARNER & GARRETT
Street A Law Corporation
Address 707 Wilshire Boulevard
City & State Suite 4100
Los Angeles, CA. 90017

SPACE ABOVE THIS LINE FOR RECORDER'S USE

BILL OF SALE

The undersigned, CREST OIL COMPANY, LTD., A UTAH LIMITED PARTNERSHIP

for a valuable consideration, the receipt of which is hereby acknowledged, do es hereby grant, bargain, sell and convey to ZOBRIST, GARNER & GARRETT, a partnership

the personal property described as
and real

- (1) All right, title and interest in the Crest 2-8 Well, or any future off-set wells, located at 330 feet south of the north line and 330 feet east of the west line of Section Two (2), Township Twenty-One (21) South, Range Twenty-Three (23) East, Salt Lake Meridian, in Master Lease ML27798 located in the County of Grand, State of Utah, as follows:
The North Half (N 1/2) of Section Two (2), Township Twenty-One (21) South, Range Twenty-Three (23) East, Salt Lake Meridian.
- (2) All right, title and interest to the following assets located at the Crest 2-8 Well site or located on ML27798:
 - (a) Dehydrator;
 - (b) Meter and meter run;
 - (c) Regulator and fittings;

SEE REVERSE SIDE:

The seller do es for itself and its----- heirs, executors and administrators covenant and agree to warrant and defend the title to the property, goods and chattels hereby conveyed, against the just and lawful claims and demands of all persons whomsoever.

Dated: ~~December~~ February 20, 1978

CREST OIL COMPANY, LTD.

By Robert W. Ensign
Robert W. Ensign, President
Crest Oil Corp., its general partner

STATE OF CALIFORNIA, San Diego } SS.
COUNTY OF LOS ANGELES

On December February 20, 19 78 before me, the undersigned, a Notary Public in and for said County,

personally appeared ROBERT W. ENSIGN, president of Crest Oil Corp.

and known to me to be the person whose name(s) is subscribed to the within instrument and acknowledged that he executed the same.



(Seal) Linda Wright Theriault
Notary Public in and for said State.

Title Order No. _____

Escrow or Loan No. _____

- (d) Enclosures;
- (e) Grasshoppers (2);
- (f) 2" valves;
- (g) 1" valves;
- (h) 1/2" valves;
- (i) 1/2" needle valve;
- (j) T joints (5);
- (k) Union hammers (5);
- (l) 1" Unions (4);
- (m) Undergrounds (3);
- (n) 2200' 2" pipe;
- (o) 3000' 3" pipe;
- (p) 110' 7-5/8 surface casing;
- (q) 1688' G-50 4-1/2 X 9.5 casing; and
- (r) Tubing, tubing head, etc.

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL TO:

Zobrist, Garner & Garrett
707 Wilshire Boulevard,
Suite 4100
Los Angeles, California 90017

NOTICE OF ASSIGNMENT OF
OIL, GAS AND HYDROCARBON LEASE

NOTICE IS HEREBY GIVEN that ZOBRIST, GARNER & GARRETT, a general partnership (hereinafter "Assignor") assigned on June __, 1979, for good, valuable and sufficient consideration to PETROVEST INTERNATIONAL, a California corporation (hereinafter "Assignee") all of Assignor's right, title and interest in and to that certain Master Lease by and between Treasure Resources, Inc., a predecessor assignor and original Lessee, in the State of Utah, dated September 27, 1971 denoted by mineral lease No. 27798 with regard to the following specifically described parcel of real property situated in the County of Grand, State of Utah:

The North Half (N 1/2) of Section two (2),
Township Twenty-One (21) South, Range Twenty-Three
(23) East, Salt Lake Meridian.

Assignor represents that said interest assigned to PETROVEST INTERNATIONAL is full and complete, save and

EXHIBIT "G"

except a 6-1/4% (one-sixteenth) overriding royalty reserved to Frank B. Adams by a prior assignment, save and except a second and separate 6-1/4% (one-sixteenth) overriding royalty reserved to Crest Oil Company, Ltd. by a prior assignment, and save and except a third and separate 6-1/4% overriding royalty hereby reserved to Assignor as to all future wells placed on the Master Lease. This Assignment does not include assignment of any interest to Assignee in the Crest 2-8 well or any offset wells drilled adjacent thereto, nor does this Assignment include any of Crest Oil Company, Ltd.'s present interest in the Crest 1-B well.

Assignor and Assignee hereby certify under penalty of perjury that Assignor and Assignee have read this "Notice of Assignment of Oil, Gas and Hydrocarbon Lease" and know the contents thereof and that the statements therein are true.

Executed at Los Angeles, California on this _____ day of June, 1979.

"ASSIGNOR"

ZORRIST, GARNER & GARRETT, a
general partnership

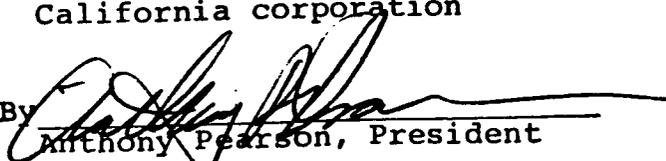
By _____
Duane H. Zobrist, general
partner

By _____
Donald K. Garner, general
partner

By _____
Marvin E. Garrett, general
partner

"ASSIGNEE"

PETROVEST INTERNATIONAL, a
California corporation

By  _____
Anthony Pearson, President

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER *Welded Pipe*

2. NAME OF OPERATOR *Retrowest Int'l*

3. ADDRESS OF OPERATOR *2070 Business Ctr Dr. Irvine Calif 92715*

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below. At surface) *505 W. of east Boody - 2295 from N Line*
Brushy Basin

5. LEASE DESIGNATION AND SERIAL NO. *ML 27798*

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO. (Formerly Crest) *Esccondito #2 2-32*

10. FIELD AND POOL, OR WILDCAT *Antelope Mesa Ext W*

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA *Sec 2, T-21.5, R23E*

12. COUNTY OR PARISH *GRAND*

13. STATE *UTAH SLM*

14. PERMIT NO. *43019-30560*

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

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(Other) <i>Change Name</i>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

17. 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.)*

Change well name from Crest - 2-32 to Esccondito #2.

RECEIVED

FEB 05 1980

DIVISION OF OIL, GAS & MINING

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

SIGNED *[Signature]* TITLE *President* DATE *Feb 5, 1980*

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: Petrovest International (Crest Oil)

WELL NAME: Escondito #2 (Crest #2-32)

SECTION 2 SE NE TOWNSHIP 21S RANGE 23E COUNTY Grand

DRILLING CONTRACTOR _____

RIG # _____

SPUDDED: DATE 2/9/80

TIME pm

HOW _____

DRILLING WILL COMMENCE ASAP

REPORTED BY Tony Pierson

TELEPHONE # _____

DATE February 11, 1980

SIGNED *M. Minder*

cc: Donald Prince

DIVISION OF OIL, GAS AND MINING

PLUGGING PROGRAM

NAME OF COMPANY: Petrovest International

WELL NAME: Escondito #2

SECTION 2 NW NE TOWNSHIP 21S RANGE 23E COUNTY Grand

VERBAL APPROVAL GIVEN TO PLUG THE ABOVE REFERRED TO WELL IN THE FOLLOWING MANNER:

TOTAL DEPTH: 1842'

CASING PROGRAM:

8 5/8" @ 124' - cemented to surface
openhole to TD

FORMATION TOPS:

Dakota Silt	975'
Dakota Sand	1015'
Cedar Mtn	1140'
Buckhorn	1458'
Salt Wash	1653'
Entrada	1780'

PLUGS SET AS FOLLOWS:

- #1 1842' - 1742' 100' plug
- #2 1600' - 1425' 175' plug
- #3 1090' - 990' 100' plug
- #4 50' plug at shoe of casing

8.8# mud between plugs (vis 75)

DATE February 13, 1980

SIGNED ORIGINAL SIGNED BY C. B. FEIGHT

cc: Donald Prince

Cleon B. Feight

October 2, 1980

Petrovest International
2070 Business Center Drive
Irvine, California 92715

RE: Well No. Escondito #2
Sec. 2, T. 21S, R. 23E.,
Grand County, Utah

Gentlemen:

This letter is to advise you that the Well Completion or Recompletion Report and Log for the above mentioned well is due and has not been filed with this office as required by our rules and regulations.

Please complete the enclosed Form OGC-3, in duplicate, and forward them to this office as soon as possible.

Thank you for your cooperation relative to the above.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

BARBARAHILL
CLERK TYPIST

/bjh

Enclosures: Forms

February 11, 1981

Petrovest International
2070 Business Center Drive
Irvine, California 92715

RE: Well No. Escondito #2
Sec. 2, T. 21S, R. 23E.,
Grand County, Utah
Second Request

Gentlemen:

This letter is to advise you that the Well Completion or Recompletion Report and Log for the above mentioned well is due and has not been filed with this office as required by our rules and regulations.

Please complete the enclosed Form OGC-3, in duplicate, and forward them to this office as soon as possible.

Thank you for your cooperation relative to the above.

Very truly yours,

DIVISION OF OIL, GAS AND MINING



BARBARA HILL
CLERK TYPIST

/bjh

Enclosure: forms

July 20, 1981

Petrovest International
2070 Business Center Drive
Suite 130
Irvine, California 92715

Re: See Attached Sheet

Gentlemen:

This letter is to advise you that the Well Completion or Recompletion Report and Log for the above mentioned wells are due and has not been filed with this office as required by our rules and regulations.

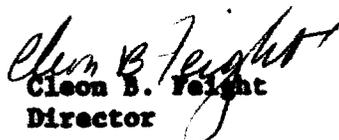
Please complete the enclosed Form OGC-3, in duplicate, and forward them to this office as soon as possible.

In regards to Well No. Escondido #1, we received your report (copy enclosed) that you've indicated is a well completion report. However, it is not Form OGC-3, but Form OGC-8-X. Please resubmit well completion on the proper form.

Thank you for your cooperation relative to the above.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING


Cleon B. Feight
Director

/ln
Attachment
Enclosures

LAST REQUEST

1. Well No. Escondito #1
Sec. 2, T. 21S, R. 23E
Grand County, Utah
2. Well No. Escondito #2
Sec. 2, T. 21S, R. 23E
Grand County, Utah
3. Well No. Escondito #3
Sec. 2, T. 21S, R. 23E
Grand County, Utah
4. Well No. State 16-1
Sec. 16, T. 20S, R. 23E
Grand County, Utah

Petrovest International

2070 Business Center Drive, Suite 205
Irvine, California 92715
(714) 955-0920

October 5, 1981

Mr. Cleon B. Feight
Director
State of Utah
Department of Natural Resources
Division of Oil, Gas, and Mining
1588 West North Temple
Salt Lake City, Utah 84116

Dear Mr. Feight:

Enclosed herewith please find duplicate copies of the
Well Completion Reports for:

Well No. Escondito #1
Sec. 2, T. 21S, R. 23E
Grant County, Utah

Well No. Escondito #2
Sec. 2, T. 21S, R. 23E
Grand County, Utah

Well No. Escondito #3
Sec. 2, T. 21S, R. 23E
Grand County, Utah

Well No. State 16-1
Sec. 16, T. 20S, R. 23E
Grand County, Utah

RECEIVED

not included

DIVISION OF
OIL, GAS & MINING

We apologize for the delay in forwarding these proper
forms to you, and appreciate your assistance in this
matter.

Sincerely,

PETROVEST INTERNATIONAL


Anthony R. Pearson
President

ARP:gj

Encls.

SUBMIT IN DUPLICATE*

STATE OF UTAH

OIL & GAS CONSERVATION COMMISSION

(See other instructions on reverse side)

8

WELL COMPLETION OR RECOMPLETION REPORT AND

RECEIVED
DIVISION OF GAS & MINING

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLEG BACK DIFF. RESVR.

2. NAME OF OPERATOR
PETROVEST INTERNATIONAL

3. ADDRESS OF OPERATOR
2070 Business Center Drive, #205, Irvine, CA 92615

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 330' FEL & 2295' FNL SENE
At top prod. interval reported below
At total depth Same as above

5. LEASE DESIGNATION AND SERIAL NO.
43-65-0067

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Escondido

9. WELL NO.
#2

10. FIELD AND POOL, OR WILDCAT
Antelope Mesa

11. SEC., T., R. M. BLOCK AND SURVEY OR AREA
Sec. 2-21S-23E

14. PERMIT NO. 43-019-30560 DATE ISSUED 10-19-79

12. COUNTY OR PARISH Grand 13. STATE Utah

15. DATE SPUDDED 02/09/80 16. DATE T.D. REACHED 02/13/80 17. DATE COMPL. (Ready to prod.) ----- 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* K.B. 4,528' 19. ELEV. CASINGHEAD Gr. 4,519'

20. TOTAL DEPTH, MD & TVD 1,842' 21. PLUG, BACK T.D., MD & TVD ----- 22. IF MULTIPLE COMPL. HOW MANY* ----- 23. INTERVALS DRILLED BY 1,842' ROTARY TOOLS 24. CABLE TOOLS 0'

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*
None

25. WAS DIRECTIONAL SURVEY MADE
No

26. TYPE ELECTRIC AND OTHER LOGS RUN
Dual Induction Laterolog, Compensated Neutron-Formation

27. WAS WELL CORED
No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8-5/8"	28 lb.	124 ft.	12-1/4"	124' w/surface returns	None

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)
		None		

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
	None	

31. PERFORATION RECORD (Interval, size and number)
None

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
	None

33.* PRODUCTION

DATE FIRST PRODUCTION _____ PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) None WELL STATUS (Producing or shut-in) DRY

DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
			None				

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
		None				

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) None TEST WITNESSED BY _____

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED [Signature] TITLE President DATE 10/05/81

*(See Instructions and Spaces for Additional Data on Reverse Side)

INSTRUCTIONS

General: This form is designed for submitting a complete and correct well completion report and log on all types of lands and leases to either a Federal agency or a State agency, or both, pursuant to applicable Federal and/or State laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from, the local Federal and/or State office. See Instructions on Items 22 and 24, and 33, below regarding separate reports for separate completions.

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), annotations and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see Item 35.

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments. **Items 22 and 24:** If this well is completed for separate production from more than one interval zone (multiple completion), so state in Item 22, and in Item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in Item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

Item 33: Submit a separate completion report on this form for each interval to be separately produced. (See instruction for items 22 and 24 above.)

37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL, TESTS, CUMULON USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES		38. GEOLOGIC MARKERS				
FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	NAMES	MEAS. DEPTH	TUB VERT. DEPTH
Dakota Sd	1015'	1027'	Porosity @ 1023' - 20% - 68% Water	Dakota Silt	975'	
Cedar Mt. Sd	1170'	1180'	Porosity 19% - 22% - Water 89% - 100%	Dakota Ad	1015'	
Buckhorn or Brushy Basin	1458'	1478'	Porosity 18.5% - 21% - Water 79% - 88%	Cedar Mt.	1140'	
Sa	1495'	1515'	Porosity 20% - Water 95%	Buckhorn-		
	1558'	1574'	Porosity 17% - 21% - Water 100%	Brushy Basin	1458'	
Salt Wash Sd	1653'	1676'	Porosity 10% - 11% - Water 100%	Salt Wash Sd	1653'	
Entrada Sd	1780'	?	Porosity 20% - Water 100%	Entrada Sd.	1780'	
Cement Plugs Placed as follows:						
	1842' - 1742'	1090' - 900'				
	1600' - 1400'	150' - 100'				
		Surface				