

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR  
 Clayton Investment Company

3. ADDRESS OF OPERATOR  
 P. O. Box 1367, Farmington, New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface: 918' SNL - 1779' WEL  
 At proposed prod. zone: Same  
 NW NE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 6.0 miles North of Cisco, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 7

16. NO. OF ACRES IN LEASE  
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 120

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 none

19. PROPOSED DEPTH  
 1830

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4620 GR

22. APPROX. DATE WORK WILL START\*  
 September 25, 1981

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	54K-55 ST&C	120 Ft.	Circ. Cement to Surface
8 3/4	7	23N-80 ST&C	1100 Ft.	50 Sx Class G
6 1/4	4 1/2	11.6 K-55 ST&C	1830 Ft.	50 Sx Class G

EXHIBITS ATTACHED

- Exhibit A. - Supplemental Information (10 Point Plan")
- " B. - Surface Use and Operations Plan
- " C. - Designation of Operator
- " D. - Preliminary Environmental Review
- " E. - Water Use Authorization
- " F. - Archaeology Survey Report
- " G. - Drawings
- " H. - Photographs

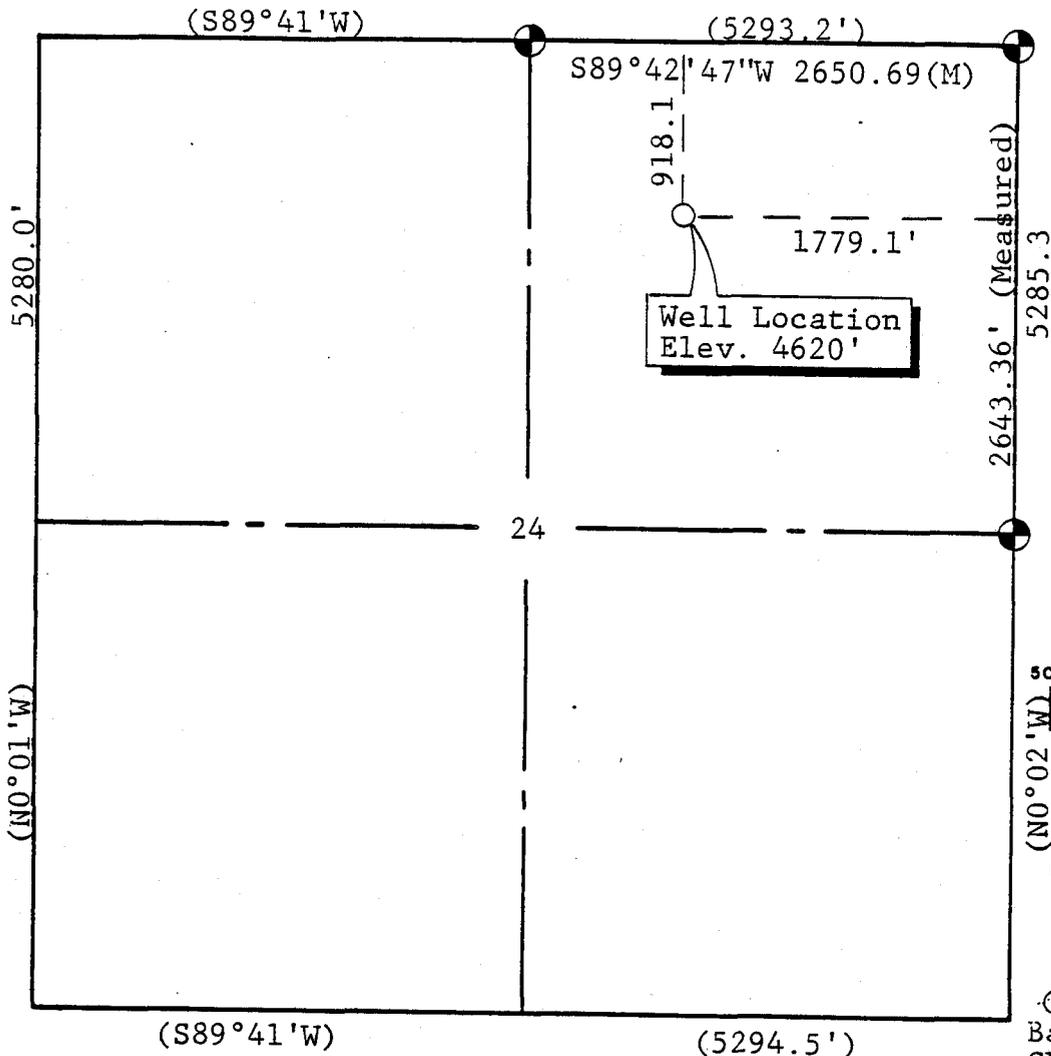
APPROVED BY THE STATE  
 OF UTAH DIVISION OF  
 OIL, GAS, AND MINING  
 DATE: 1/12/82  
 BY: UB [Signature]

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 Charles Bartholomew TITLE Geologist DATE \_\_\_\_\_  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
 CONDITIONS OR APPROVAL, IF ANY:



N

500 0 1000

SCALE 1"=1000'

**LEGEND**

● Fd. U.S.G.L.O.  
● Brass Cap-1923

○ WELL LOCATION

**WELL LOCATION**

918.1' S.N.L. - 1779.1' W.E.L.  
Section 24, T.20S., R.23E., S.L.B.&M.  
Grand County, Utah

○ WELL LOCATION  
Basis of Bearings:  
GLO Call E Line  
NE½ Section 24

GLO calls in parentheses



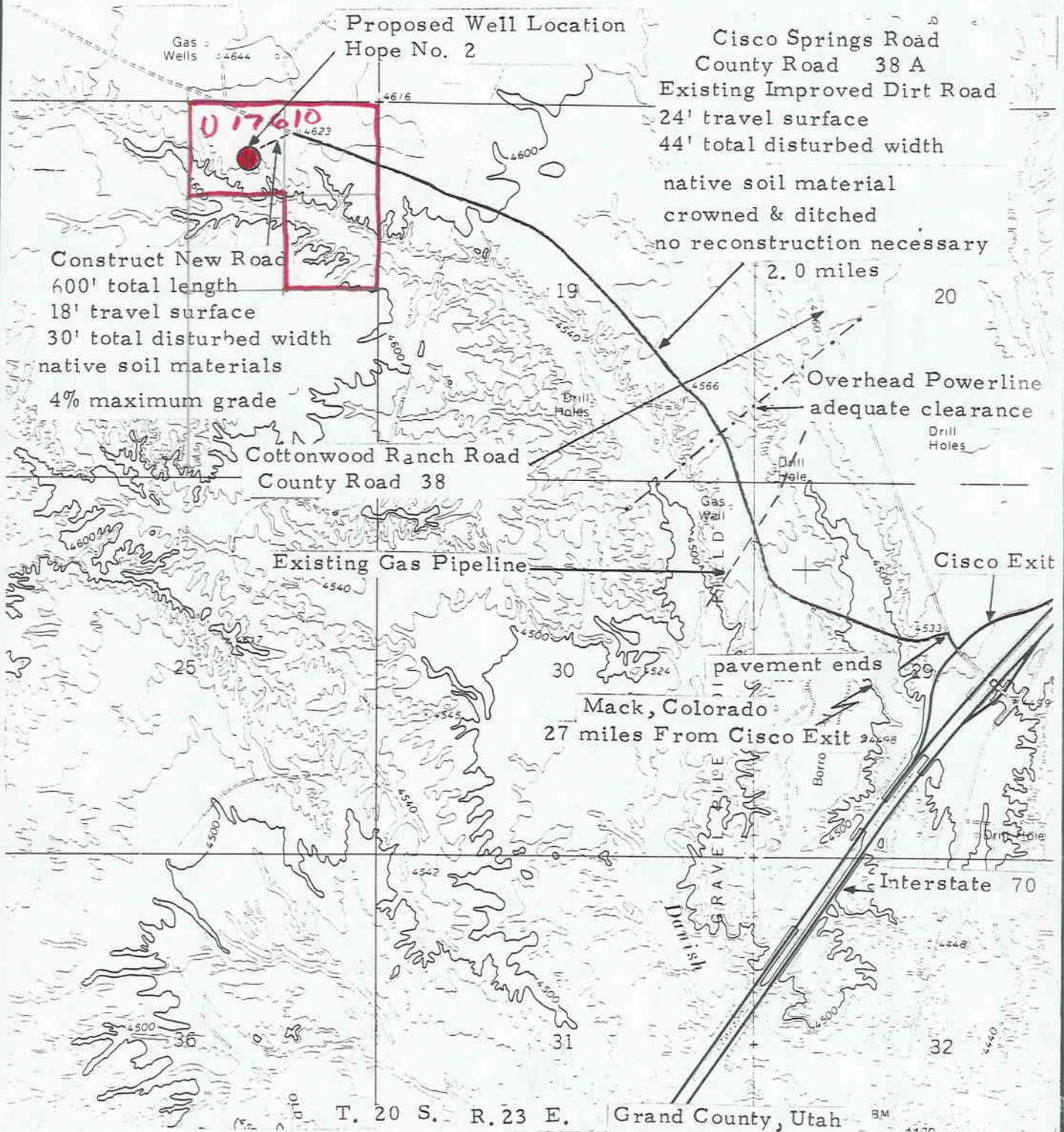
**SURVEYOR'S CERTIFICATE**

I, Edward A. Armstrong, a registered land surveyor in the State of Utah, do hereby certify that this survey was made under my direct supervision and that this plat represents said survey.

*Edward A. Armstrong*  
Edward A. Armstrong PE-LS 4464

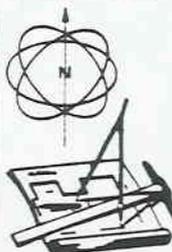
	<b>ARMSTRONG ASSOCIATES, INC.</b> ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS 861 Rood Avenue-Grand Junction, Colorado 81501-(303) 245-3861	
	SCALE 1"=1000'	Clayton Investment Co. Hope #2
	DATE 8-31-81	
	DRAWN BY DRS	
CHECKED BY FAA	FIGURE 1	JOB NUMBER
DATE OF SURVEY 8-29-81		813587

**PLANNED ACCESS ROADS**



FROM:

Danish Flat Quad.  
USGS 7.5 min. series  
Grand County, Utah  
1970



ARMSTRONG ENGINEERS and ASSOCIATES, INC.  
ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING  
861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

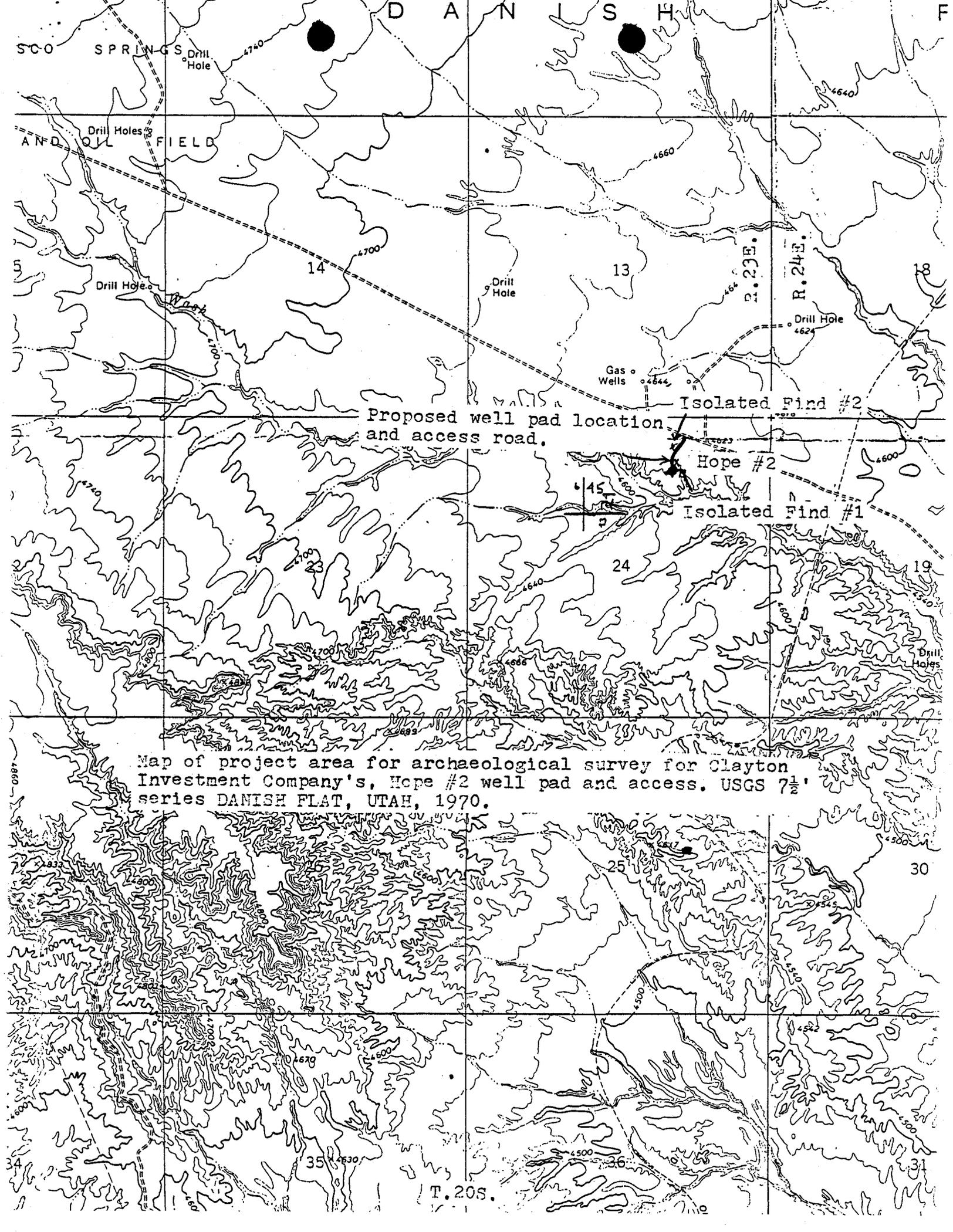
SCALE -2000'  
DATE 9/22/81  
DRAWN BY Morrison  
CHECKED BY J.A. Bare  
DATE 8/29/81

Clayton Investment Co.  
Hope #2

FIGURE 4

JOB NUMBER  
813587





Proposed well pad location  
and access road.

Isolated Find #2

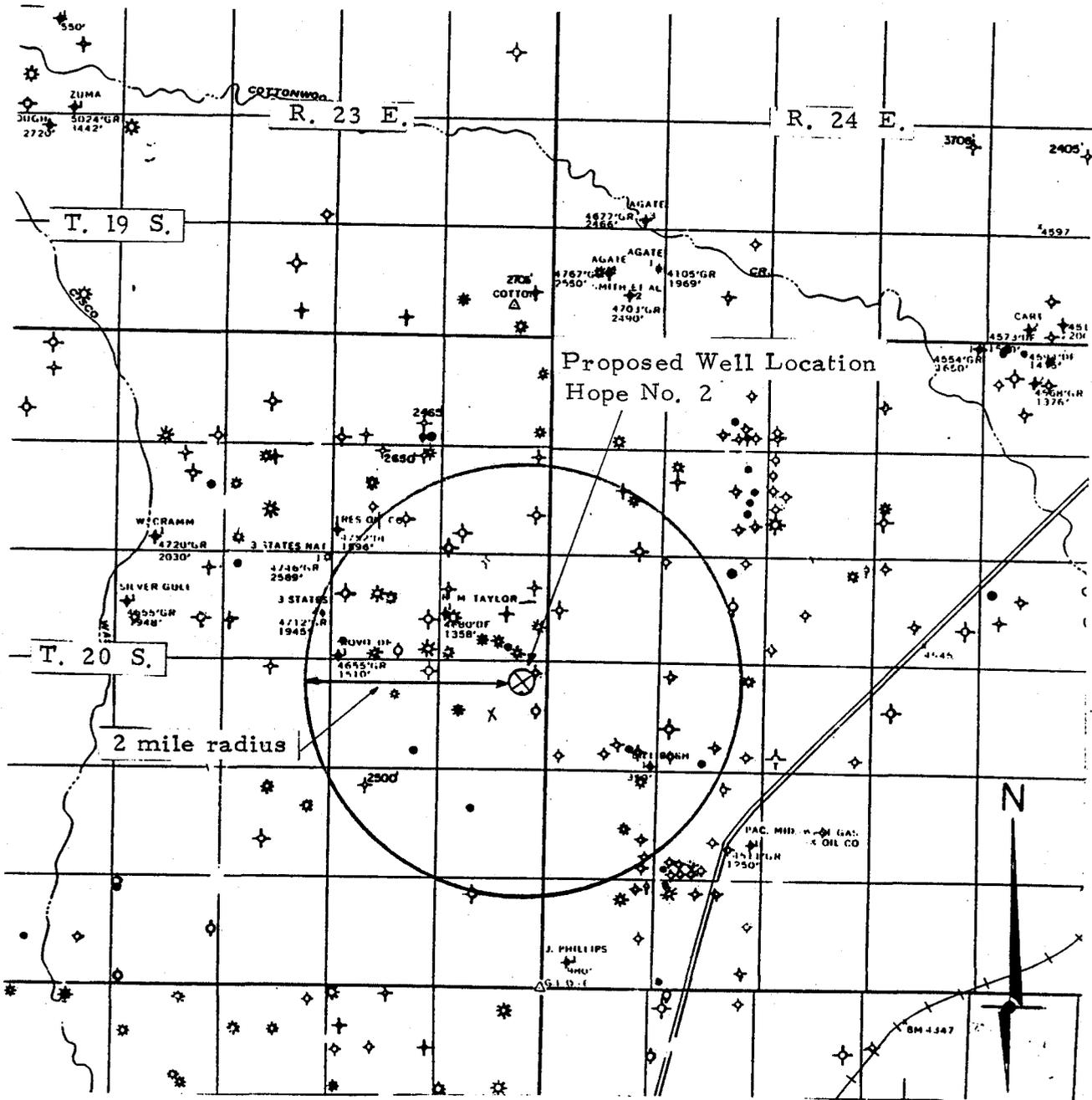
Hope #2

Isolated Find #1

Map of project area for archaeological survey for Clayton  
Investment Company's, Hope #2 well pad and access. USGS 7 1/2'  
series DANISH FLAT, UTAH, 1970.

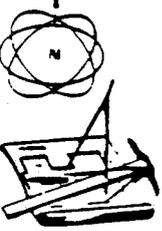
T. 20S.

# EXISTING WELLS



### LEGEND

- LOCATION
- ⊕ DRY HOLE
- OIL WELL
- ⊖ ABANDONED OIL WELL
- ⊙ WATER WELL
- ★ OIL & GAS WELL
- ✱ ABANDONED OIL & GAS
- ⊛ GAS WELL
- ✱ ABANDONED GAS WELL



ARMSTRONG ENGINEERS and ASSOCIATES, INC.  
 ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING  
 361 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

SCALE  
 As shown  
 DATE  
 9/22/81  
 CHECKED BY  
 J. A. Bare  
 8/29/81

Clayton Investment Co.  
 Hope #2

JOB NUMBER  
 813587

EXHIBIT - A  
SUPPLEMENTAL INFORMATION  
("10 POINT PLAN")

Clayton Investment Company - Hope No. 2

1. Geologic Name of Surface Formation

The surface formation is the Mancos Formation.

2. Estimated Tops of Important Geologic Markers

Dakota	940
Entrada	1780
Total Depth	1830

3. Estimated Depths of Water, Oil, Gas, or Minerals

Oil 1780 feet to total depth.

4. Proposed Casing Program

- (a) Set 9-5/8 inch new 54#, K-55, ST & C, to 120 ft. in 12½ inch hole; Circulate cement to surface.
- (b) Set 7 inch new 23#, N-80, ST & C, to 1100 feet in 8-3/4 inch hole; cement with 50 sacks Class "G", no additives
- (c) Set 4½ inch new, 11.6#, K-55, ST&C to 1830 feet in 6½ inch hole; cement with 50 sacks Class "G", no additives.

5. Operator's Minimum Specifications for Pressure Control

A schematic diagram of the blowout preventer equipment is attached. The BOP will be hydraulically tested to full working pressure after nipping up and after any use under pressure. Pipe rams will be operationally checked each 24 hour period. Blind rams and annular preventer will be checked each time pipe is pulled out of the hole. All checks of the BOP will be noted on the daily drilling reports.

Accessories to BOP will include an upper and lower Kelly cock, floor safety valve, drill string BOP and choke manifold with pressure rating equivalent to the BOP stack.

6. Type and Characteristics of Proposed Circulating Mediums

The well will be drilled with air, and air mist as needed to 1830 feet; 200 barrels of 8.5 to 9# fresh water mud will be mixed up for use in case it is needed to kill well or for logging operations.

7. Auxiliary Equipment

- (a) A Kelly cock will be kept on the string at all times.
- (b) A mud logging unit and gas detecting device will monitor the system.
- (c) A stabbing valve will be on the floor to be stabbed into the drill pipe when the Kelly is not in the string.
- (d) Fire float will be used. Fire stop and conventional float will be used at bit.

8. Testing, Logging, and Coring Programs

The logging program will consist of a dual induction guard log, formation density compensated and compensated neutron density log. No coring or drill stem testing is planned at this time.

Drilling plans call for selectively perforating the oil zone.

9. Anticipated Abnormal Pressures or Temperatures

No abnormal pressures or temperatures have been noted or reported in wells drilled in the area or at the depths proposed in this well.

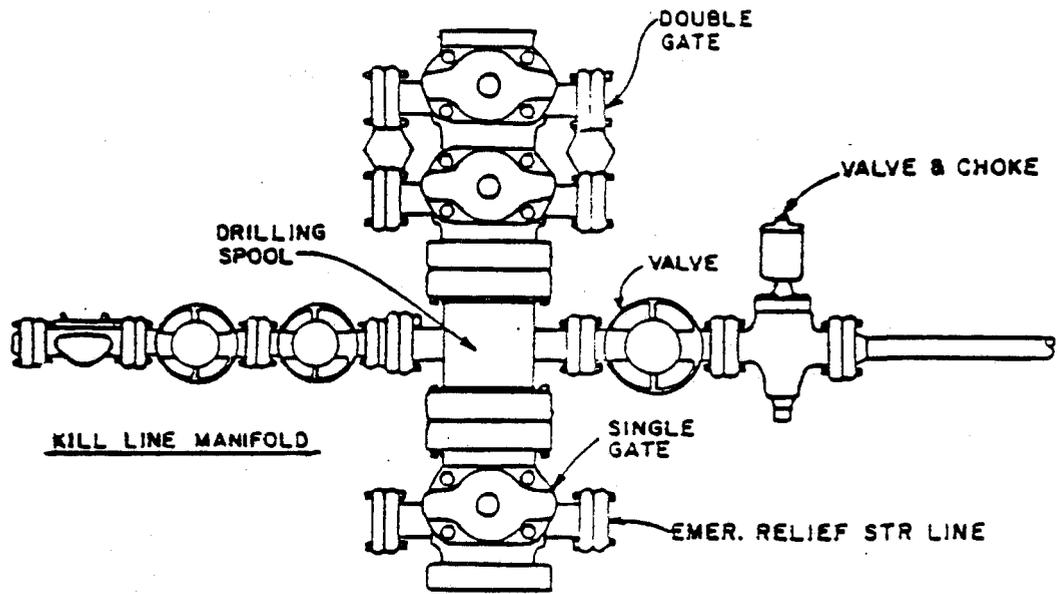
No hydrogen sulfide or other hazardous fluids or gasses are expected.

10. Anticipated Starting Date and Duration

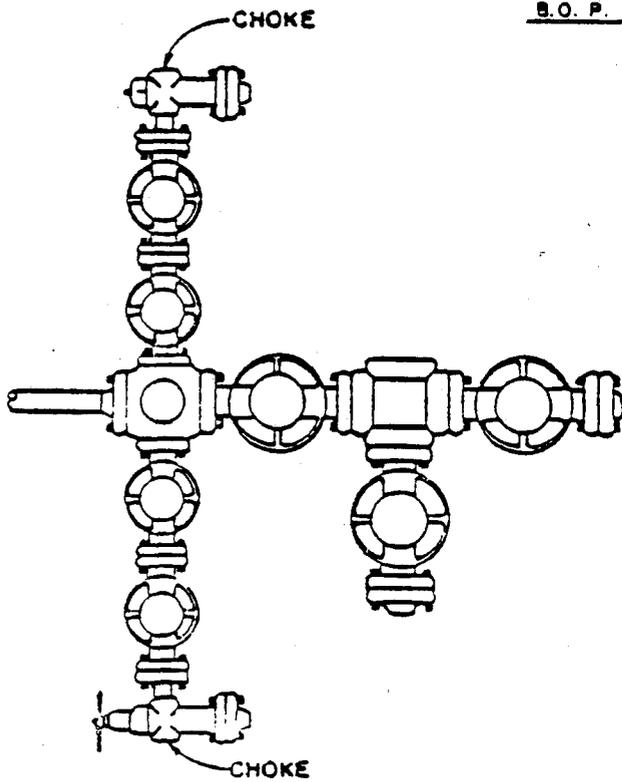
The anticipated starting date for this well is 25 September 1981 or as soon thereafter as possible depending upon the availability of a drilling rig and approval of the permit to drill.

Rigging up is anticipated to take 2 days, and drilling should be completed within 7-10 days after spudding the well and drilling to casing point.

# BLOW OUT PREVENTOR



## B.O. P. STACK



## CHOKE LINE MANIFOLD

	<b>ARMSTRONG ENGINEERS and ASSOCIATES, INC.</b> ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING 861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861	
	As Shown	Clayton Investment Co. Hope #2
	9/22/81	
	Morrison	JOB NUMBER 813587
J.A. Gore	Figure 3	
8/29/81		

EXHIBIT B

SURFACE USE AND OPERATIONS PLAN

1. EXISTING ROADS

The proposed well is located approximately 6.0 miles North of Cisco, Utah, see Figure 3.

Existing roads to be used for access to the proposed well are as follows: from Cisco, Utah exit on I-70 go North approximately 0.1 mile; turn left (near the end of the blacktop) at a "T" intersection, continue North past turnoff for approximately another 250 ft.; turn left onto 10 ft. unbladed road, paralleling the main road (Grand County Road 38A); continue on this road to a point 2.25 miles to the beginning of the new road to be constructed; continue Westerly approximately 0.15 mile to the proposed well site.

The surface, condition, and load capacities of existing roads within a three-mile radius of the proposed well are as follows:

- a. County Road 38 (Cottonwood Ranch Road), native dirt surfacing, crowned and ditched, 24 ft. travel surface, 44 ft. total disturbed width, designed for well drilling activity.
- b. County Road 38A (Cisco Springs Road), native dirt surfacing, crowned and ditched, 34 ft. travel surface, 70 ft. total disturbed width, designed for well drilling activity.
- c. Unnamed BLM oil and gas road(s), native dirt surfacing, 10 ft. travel surface, 14-20 ft. total disturbed width.

2. PLANNED ACCESS ROAD

The new access road to be constructed will be approximately 600 feet in length and 18 feet in width, crowned and ditched for drainage. The maximum grade will be 3%. Surfacing material will be native borrow material from cut areas. No additional road surfacing material will be needed.

3. EXISTING WELLS

The Hope No. 2 is considered a wildcat well. Within a two mile radius there are several producing wells; Jacobs 24-2, located NE $\frac{1}{4}$  NW $\frac{1}{4}$  Sec. 24, T.20S., R.23E., SLB&M and Jacobs 24-1 located E $\frac{1}{2}$ , SW $\frac{1}{4}$  Sec. 24; T.20S., R.23E., SLB&M two gas wells exist in the S $\frac{1}{2}$ , SE $\frac{1}{4}$  Sec. 13; a dry hole marker (Air Mex) lies on the SE $\frac{1}{4}$  SE $\frac{1}{4}$  Sec. 24, T.20S., R.23E., SLB&M. Refer to the drawing (Existing Wells).

There are no other known drilling, producing, shut-in, disposal, inspection, monitoring, or abandoned wells in the subject area.

4. EXISTING AND PROPOSED FACILITIES

Clayton Investment Company has no facilities, owned or controlled, within a 1-mile radius of the proposed well location. There are gas gathering lines in the W $\frac{1}{2}$  of Section 24, carrying gas to the north. In the event of production of natural gas from the proposed well, a gathering line and production equipment will be required. Proposed production equipment will be as shown on Figure 8. The gathering line will be designed at a later date and will be submitted for approval by Sundry Notice.

To protect livestock and wildlife, all pits on the well pad will be enclosed by a "stock tight" fence, see figure 9. A welded pipe guard will be installed around the wellhead.

Upon removal of production equipment, all disturbed areas will be rehabilitated, see item 10. below.

5. LOCATION AND TYPE OF WATER SUPPLY

Water for the proposed well will come from Cisco Springs (SW $\frac{1}{4}$  Sec. 4, T.20S., R.23E., SLB&M). A water use authorization is attached, see Exhibit A. The location of the water supply is shown on Figure 3. Water will be transported by truck over existing public roads and the proposed access road.

No roads or pipelines will be constructed for the transportation of water, and no water wells will be drilled in conjunction with the proposed well.

6. SOURCE OF CONSTRUCTION MATERIALS

Construction materials for the proposed well pad and access road will be native borrow material accumulated during construction. No borrow pits will be utilized.

The only construction materials needed from outside the location would be gravel for a pad under the separator and/or dehydrator unit. Gravel would be trucked into the location over the access road by the dirt contractor from the nearest commercial pit.

No access roads other than as shown on Figures 3 and 4 will be needed for hauling construction materials.

7. METHODS FOR HANDLING WASTE DISPOSAL

Cuttings, drilling fluids, and produced fluids will be disposed of in the reserve pit, which will be constructed below existing ground level, on the cut side of the well pad. Drilling fluids will be contained in steel mud pits and the reserve pit.

Dust produced during drilling operations will be suppressed by water mist injection as needed.

A portable chemical toilet will be provided for human waste disposal during drilling operations.

Garbage, trash, and other waste material will be contained in a fine-mesh wire trash cage, see Figure 7. The trash cage will be hauled away by truck for disposal at an approved disposal site.

After the drilling rig moves out, the trash cage will be removed and all remaining waste material will be cleaned up and removed from the well pad.

8. ANCILLARY FACILITIES

There will be no camps, airstrips, off-site staging areas, or other ancillary facilities necessary for the proposed well.

9. WELL SITE LAYOUT

The well site layout is as shown on Figures 5, 6, and 7. Pits will be unlined.

10. PLANS FOR RESTORATION OF SURFACE

In the event of a dry hole or upon eventual abandonment of the well, the well pad and access road will be rehabilitated.

Waste material will be removed from the well pad, see Item 7.

The fill material on the well pad and access road will be pushed back into the cut areas to return the surface as nearly as possible to its original contour. The slope of the well location prior to construction is approximately 3%, i.e., elevation change of 3 feet in a distance of 100 feet. After rehabilitation, the well pad will be restored to a slope of approximately 3% which should afford excellent revegetation success.

After recontouring the well pad and access road, the previously stockpiled surface material will be spread over the disturbed area. Reseeding will be done according to timing and seed mixture specifications provided by the Grand Resource Area BLM office, Moab, Utah.

The reserve pit will be fenced on three sides prior to the start of drilling and will be enclosed by fencing the fourth side prior to rig release. All other pits will be fenced and will be so maintained until final cleanup. Any oil or condensate on a pit will be promptly cleaned up or covered. During the producing life of the well, overhead flagging or netting will be installed on any pit used to handle well fluids.

Restoration activities will begin within 90 days after completion of the well. Final cleanup will be completed within 30 days after start of work, but will be delayed until the reserve pit has dried up. Reseeding will be done in the Fall of the

year after completion of final cleanup. Above ground facilities will be painted Desert Tan or another color specified by the Grand Resource Area BLM office to blend with surrounding landscape.

11. OTHER INFORMATION

The surface ownership for the well location and for all lands to be crossed by the proposed access road is BLM. The surface use is winter livestock grazing, petroleum production, and recreation.

The topography of the immediate area is of a rolling nature due to erosion gulches flowing southeasterly, draining to the Colorado River.

Other topographic features are as shown on the Danish Flat, Utah Quadrangle, USGS 7.5 minute series, Grand County, Utah, 1971.

The soil is light brown sandy silt (Type ML) with numerous small wind polished rocks on the surface. The soil surface contains approx. 10% rocks.

Slope in the immediate vicinity of the proposed well site is 3%, with an Easterly aspect.

The nearest occupied dwelling is in Cisco, Utah, approximately 6 miles south of the proposed well location.

Vegetation in the area is of semi-desert type, dominated by saltbush and rabbitbrush. The following species were observed:

<u>Common Name</u>	<u>Scientific Name</u>
Black Sage	<u>Artemesia nova</u>
Fourwing Saltbush	<u>Atriplex canescens</u>
Big Rabbitbrush	<u>Chyrsothamnus nauseosus</u>
Small Rabbitbrush	<u>Chrysothamnus viscidiflorus</u>
Shadescale	<u>Atriplex confertifolia</u>
Halogeton	<u>Halogeton glomeratus</u>
Utah Beavertail Cactus	<u>Opuntia basilavis aurea</u>
Gooseberryleaf Globemallow (along road)	<u>Sphaeralcea grossulariaefolia</u>
Sunflower (along road)	<u>Helianthus annua</u>
Tansy Aster (along road)	<u>Machaeranthera linearis</u>
Indian Ricegrass (along road)	<u>Oryzopsis hymenoides</u>
Cheatgrass	<u>Bromus tectorum</u>

There are no known Threatened or Endangered plants in the locale.

The subject area provides habitat for various game and non-game mammals, as well as birds, reptiles and insects.

There are no known endangered species of animals in the subject area. Although no wildlife was observed during the visual inspection, habitat and evidence for the following species were noted:

<u>Common Name</u>	<u>Scientific Name</u>
Kestrel or Sparrow Hawk	<u>Falco sparverius</u>
Killdeer	<u>Charadrius vociferus</u>
Western Meadowlark	<u>Sturnella neglecta</u>
Raven	<u>Corvus corax</u>
Horned Lark	<u>Eremophila alpestris</u>
Various Owls	
Pronghorn Antelope	<u>Antilocapra americana</u>
Coyote	<u>Canis latrans</u>
Jackrabbit	<u>Lepus alleni</u>
Desert Kangaroo Rat	<u>Dipodomys deserti</u>
Various Mice	<u>Peromyscus spp.</u>

12. AUTHORIZED REPRESENTATIVE

Clayton Investment Company's authorized field representative responsible for assuring compliance with this surface use and operations plan is Charles Bartholomew, whose address is: 109 Glade Park Road, Grand Junction, Colorado 81503, telephone number: (303) 242-0484.

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Clayton Investment Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

10-21-81

Date

Charles Bartholomew

Charles Bartholomew, Geologist

**ARCHAEOLOGICAL SURVEY OF  
CLAYTON INVESTMENT COMPANY'S  
HOPE #1 AND HOPE #2  
WELL SITE AND ACCESS ROAD,  
GRAND COUNTY, UTAH**

**GRC Report 81114**

by

Thomas F. Babcock, Ph.D.  
Supervising Archaeologist

**Grand River Consultants, Inc.**  
576 25 Road, Suite 11  
(303) 241-0308

September 21, 1981

Prepared for:

**CLAYTON INVESTMENT COMPANY**  
109 Glade Park Road  
Grand Junction, Colorado 81503

Distribution:

BLM - State Office, Salt Lake City (1)  
District Office, Moab (1)  
Area Office, Moab (1)  
Office of the State Archaeologist - Utah (1)  
Clayton Investment Company (1)  
Armstrong Engineers and Associates, Inc. (1)✓



BLM District MOAB

Legal location SW 1/4 NE 1/4 NW 1/4 NE 1/4 Sec 24 T20S R 23E

UTM: Zone 2; 6 45 400 mE, 43 24 340 mN

Archaeological data

Artifacts One (1) utilized flake, orange and translucent white chalcedony large interior flake with multi-faceted ridged prepared platform, parallel flake scars on dorsal, some retouch and working on edges.

Inferred function/description Utilized retouched flake

Cultural affiliation Unknown Time period Unknown

IF Dimensions

Environmental Data

Elevation 4620 ft (1410 m)

Topography deflated plain above intermittent stream

Slope 2% Aspect 225°

Nearest water unnamed intermittent stream

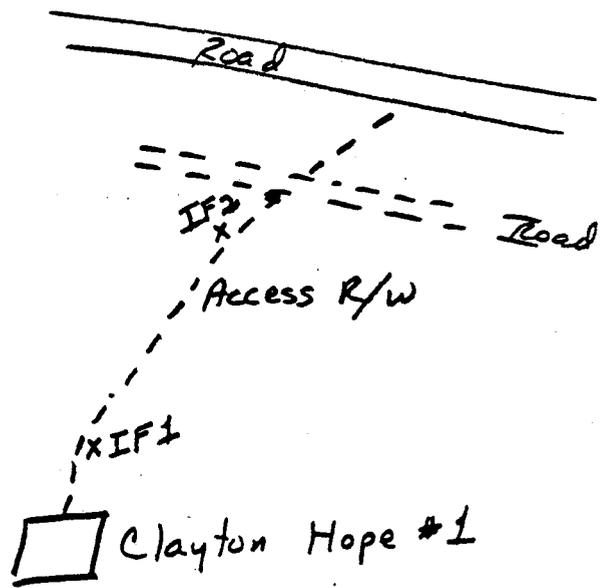
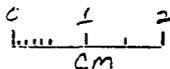
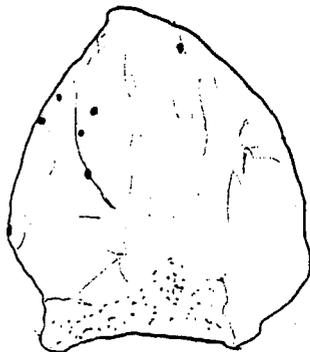
distance 1100' direction SW

Nearest permanent water Colorado River

distance 7 mi. direction SSE

Vegetation community saltbush, cactus

Additional data:



Repository Edge of Cedars

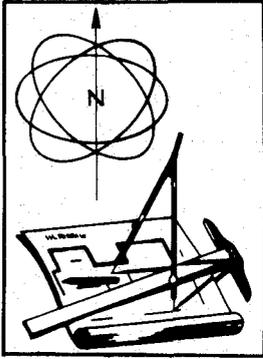
Landowner BLM

Recorder T. Babcock

Date 9/16/81

Institution Grand River Consultants

Sponsor Clayton Investment Co.



# ARMSTRONG ENGINEERS and ASSOCIATES, INC.

861 Rood Avenue — Grand Junction, Colorado 81501 — (303) 245-3861

To: Division of Oil, Gas & Mining  
1588 W. N. Temple Street  
Salt Lake City, Utah 94116  
 Attn: Mr. Mike Minder

Date: 11/9/81  
 Job No. 813587, 813612, 813613, 813614  
 Re: APD Package

Gentlemen:

I am sending you  Attached  
 Under separate cover

Sent by:  Mail  
 Messenger

Copies	Date	Description
1	11/9	Clayton Investment Company <del>Hope #2</del>
1	11/9	" " " Kathy #1
1	11/9	" " " Nicole #1
1	11/9	" " " Jane #1

These are transmitted as checked:

- As requested
- For review and comment
- For approval
- Approved as submitted
- Approved as noted
- Returned for corrections
- For your use
- For bids due .....
- .....
- Prints returned after loan to us

Remarks:

If enclosures are not as listed, please notify us at once.

Signed John A. Bare  
 John A. Bare

APPLICATION FOR PERMIT TO DRILL

For

CLAYTON INVESTMENT COMPANY

Hope #2

NW $\frac{1}{4}$  NE $\frac{1}{4}$  Sec. 24, T.20S., R.23E., S.L.B.&M.

Grand County, Utah

Prepared by:

James B. Morrison

Armstrong & Associates, Inc.

861 Rood Avenue

Grand Junction, CO 81501

(303) 245-3861

Job #813587

September, 1981



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Moab District  
Grand Resource Area  
P.O. Box M  
Moab, Utah 84532

IN REPLY REFER TO  
3109  
(U-068) RECEIVED

SEP 9 - 1981

SEP 0 8 1981

Mr. John Bare  
Armstrong & Associates  
861 Rood Avenue  
Grand Jct., CO 81501

Reference: Staking Request (PER)  
Company: Clayton Investment Co. Lease: U-17610  
Well: Hope #2  
Section 24, T. 20 S., R. 23 E.  
Grand County, Utah

Dear Mr. Bare:

This office has no objections to staking the above referenced locations. Would you include your bond number when submitting your application to drill. In addition you should be knowledgeable that Grand County requires a permit if you plan to use a county road as a portion of your access road. You should contact the Grand County Road Supervisor. An archaeological clearance must be obtained after staking the site.

Sincerely yours,

Colin P. Christensen  
Area Manager

cc:  
Grand County Road Supervisor  
USGS Conservation Division

# DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE: Salt Lake City, Utah  
SERIAL No.: Lease U-17610

and hereby designates

NAME: Clayton Investment Company  
ADDRESS: Post Office Box 1367  
Farmington, NM 87401

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

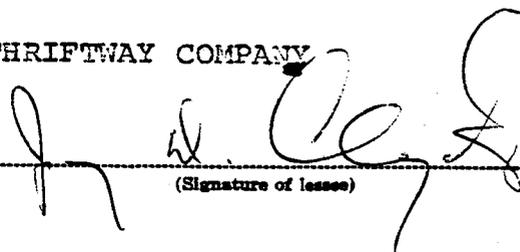
Grand County, Utah - T. 20 S., R. 23 E. SLMER  
Sec. 23: N/2, NE/4, SE/4, NE/4

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

THRIFTWAY COMPANY

  
\_\_\_\_\_  
(Signature of lessee)

9/1/81  
(Date)

Post Office Box 1367, Farmington, NM  
(Address) 37401

GRAND COUNTY ROAD DEPARTMENT

Application for Right-of-Way Encroachment Permit

Date September 15, 1981

To: Road Supervisor  
Grand County Road Department

Application is hereby made by: (1) Clayton Investment Company

Address (2) 109 Glade Park Road, Grand Junction, Colorado 81503

Telephone number (303) 242-0484 for permission to do the following: (3)

Use existing improved dirt road to haul drill rig and associated traffic to and from proposed well location. Cisco Exit I-70 for a distance of 2.1 miles on Cisco Springs Road (County Road 38A).

(4) Location: NW 1/4 NE 1/4 Section 24, Township 20 South, Range 23 East, SLB&M; Grand County, Utah.

City Cisco, Utah County Grand State or U.S. Highway No.

Interstate 70 Milepost No. 186 in accordance with the attached plan. (5)

(6) Construction will begin on or about September 30\* 19 81

and will be completed on or before October 15 19 81

\*or soon as APD is approved.

If the proposed installation requires breaking of the pavement, give the following information:

a. Type of pavement: N/A

b. The opening to be made will be \_\_\_\_\_ feet long by \_\_\_\_\_ feet wide and \_\_\_\_\_ feet deep.

c. A bond in the amount of \$ \_\_\_\_\_ has been posted with \_\_\_\_\_

Telephone number \_\_\_\_\_, to run for a term of three (3) years after completion of work to guarantee satisfactory performance.

If this permit is granted, we agree to comply with all conditions, restrictions and regulations as contained in the "Regulations for the Control and Protection of State Highway Rights-of-Way" approved by the Utah State Road Commission on October 8, 1962, and all revisions thereto.

Charles Bartholomew  
Authorized Representative ~~00000~~

By Charles Bartholomew  
Charles Bartholomew Signature

County Geologist  
Geologist Title

To be filled in by Road Supervisor  
(1) Permit  should  should not be granted.  
(2) Additional requirements which should be imposed.

[Signature]  
Road Supervisor

RECEIVED TEMPORARY

Application No. 56986

OCT 21 1981

APPLICATION TO APPROPRIATE WATER STATE OF UTAH

01-154

RECEIVED

SEP 23

NOTE:—The information given in the following blanks should be free from explanatory matter, but when necessary, a complete supplementary statement should be filed on the following page under the heading "Explanatory."

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, for uses indicated by (X) in the proper box or boxes, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of the Laws of Utah.

- 1. Irrigation  Domestic  Stockwatering  Municipal  Power  Mining  Other Uses
- 2. The name of the applicant is Knut & Sons Construction
- 3. The Post Office address of the applicant is 1180 East Knutson Corner Moab, Utah 84532
- 4. The quantity of water to be appropriated \_\_\_\_\_ second-feet and/or 4.0 acre-feet
- 5. The water is to be used for Industrial from September 1981 to August 1982  
 (Major Purpose) (Month) (Day) (Month) (Day)  
 other use period \_\_\_\_\_ from \_\_\_\_\_ to \_\_\_\_\_  
 (Minor Purpose) (Month) (Day) (Month) (Day)  
 and stored each year (if stored) from \_\_\_\_\_ to \_\_\_\_\_  
 (Month) (Day) (Month) (Day)
- 6. The drainage area to which the direct source of supply belongs is \_\_\_\_\_  
(Leave Blank)
- 7. The direct source of supply is\* Cisco Wash  
(Name of stream or other source)

which is tributary to \_\_\_\_\_, tributary to \_\_\_\_\_

\*Note.—Where water is to be diverted from a well, a tunnel, or drain, the source should be designated as "Underground Water" in the first space and the remaining spaces should be left blank. If the source is a stream, a spring, a spring area, or a drain, so indicate in the first space, giving its name, if named, and in the remaining spaces, designate the stream channels to which it is tributary, even though the water may sink, evaporate, or be diverted before reaching said channels. If water from a spring flows in a natural surface channel before being diverted, the direct source should be designated as a stream and not a spring.

- 8. The point of diversion from the source is in Grand County, situated at a point\* N. 1000 ft. & W. 420 ft. from S½ Cor. Sec. 9, T20S, R23E, SLB&M.

(1 mile south of Cisco Springs) Cisco Springs Quad.

\*Note.—The point of diversion must be located definitely by course and distance or by giving the distances north or south, and east or west with reference to a United States land survey corner or United States mineral monument, if within a distance of six miles of either, or if at a greater distance, to some prominent and permanent natural object. No application will be received for filing in which the point of diversion is not defined definitely.

- 9. The diverting and carrying works will consist of sump in stream, portable pump and tank truck to place of use
- 10. If water is to be stored, give capacity of reservoir in acre-feet \_\_\_\_\_ height of dam \_\_\_\_\_  
 area inundated in acres \_\_\_\_\_ legal subdivision of area inundated \_\_\_\_\_
- 11. If application is for irrigation purposes, the legal subdivisions of the area irrigated are as follows:  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ Total \_\_\_\_\_ Acres
- 12. Is the land owned by the applicant? Yes \_\_\_\_\_ No X If "No," explain on page 2.
- 13. Is this water to be used supplementally with other water rights? Yes \_\_\_\_\_ No X  
 If "yes," identify other water rights on page 2.
- 14. If application is for power purposes, describe type of plant, size and rated capacity. \_\_\_\_\_
- 15. If application is for mining, the water will be used in \_\_\_\_\_ Mining District at the \_\_\_\_\_ mine, where the following ores are mined \_\_\_\_\_
- 16. If application is for stockwatering purposes, number and kind of stock watered \_\_\_\_\_
- 17. If application is for domestic purposes, number of persons \_\_\_\_\_, or families \_\_\_\_\_
- 18. If application is for municipal purposes, name of municipality \_\_\_\_\_
- 19. If application is for other uses, include general description of proposed uses Water for exploration drilling
- 20. Give place of use by legal subdivision of the United States Land Survey for all uses described in paragraphs 14 to 19, incl. NE½SE¼, NE¼NW¼ Sec. 24, T20S, R23E, SLB&M.
- 21. The use of water as set forth in this application will consume 4.0 second-feet and/or acre-feet of water and \_\_\_\_\_ second feet and/ or acre feet will be returned to the natural stream or source at a point described as follows: \_\_\_\_\_

EXPLANATORY

The following additional facts are set forth in order to define more clearly the full purpose of the proposed application:

Lined area for providing additional facts.

(Use page 4 if additional explanatory is needed.)

The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purpose herein described

*Frank J. Jones*  
Signature of Applicant\*

\*If applicant is a corporation or other organization, signature must be the name of such corporation or organization by its proper officer, or in the name of the partnership by one of the partners, and the names of the other partners shall be listed. If a corporation or partnership, the affidavit below need not be filled in. If there is more than one applicant, a power of attorney, authorizing one to act for all, should accompany the Application.

DECLARATION OF CITIZENSHIP

STATE OF UTAH,  
County of GRAND } ss

On the 22nd day of September, 1981, personally appeared before me, a notary public for the State of Utah, the above applicant who, on oath, declared that he is a citizen of the United States, or has declared his intention to become such a citizen.

My commission expires:  
1-21-85

(SEAL)

*Albert Daniel Polynuk*  
Notary Public

0 JENBOVANI

**FEEES FOR APPLICATIONS TO APPROPRIATE WATER IN UTAH**

Flow rate — c.f.s.	Cost	
0.0 to 0.1 .....	\$ 15.00	
over 0.1 to 0.5 .....	30.00	
over 0.5 to 1.0 .....	45.00	
over 1.0 to 15.0 .....	45.00	plus \$7.50 for each cfs above the first cubic
over 15.0 .....	150.00	foot per second.

Storage — acre-feet		
0 to 20 .....	22.50	
over 20 to 500 .....	45.00	
over 500 to 7500 .....	45.00	plus \$7.50 for each 500 a.f. above the first
over 7500 .....	150.00	500 acre feet.

(This section is not to be filled in by applicant)

**STATE ENGINEER'S ENDORSEMENTS**

1. Sept. 23, 1981 Application received by mail over counter in State Engineer's office by SP
2. .... Priority of Application brought down to, on account of .....
3. 10.1.81 Application fee, \$ 150, received by CG Rec. No. 11881
4. .... Application microfilmed by ..... Roll No. ....
5. 10.5.81 Indexed by CG Platted by .....
6. 9-25-81 Application examined by SP
7. .... Application returned, ..... or corrected by office .....
8. .... Corrected Application resubmitted by mail over counter to State Engineer's office.
9. 9-25-81 Application approved for advertisement by SP
10. .... Notice to water users prepared by .....
11. .... Publication began; was completed .....
- Notice published in .....
12. .... Proof slips checked by .....
13. .... Application protested by .....
14. .... Publisher paid by M.E.V. No. ....
15. .... Hearing held by .....
16. .... Field examination by .....
17. 9-25-81 Application designated for approval 56 & 181A
18. 10/9/81 Application copied or photostated by slf proofread by .....
19. 10/9/81 Application approved rejected
20. **Conditions:**

This Application is approved, subject to prior rights, as follows:

- a. Actual construction work shall be diligently prosecuted to completion.
- b. Proof of Appropriation shall be submitted to the State Engineer's office by NPR
- c. TEMPORARY APPROVAL—EXPIRES August 31, 1982.

Dee C. Hansen  
Dee C. Hansen, P.E., State Engineer

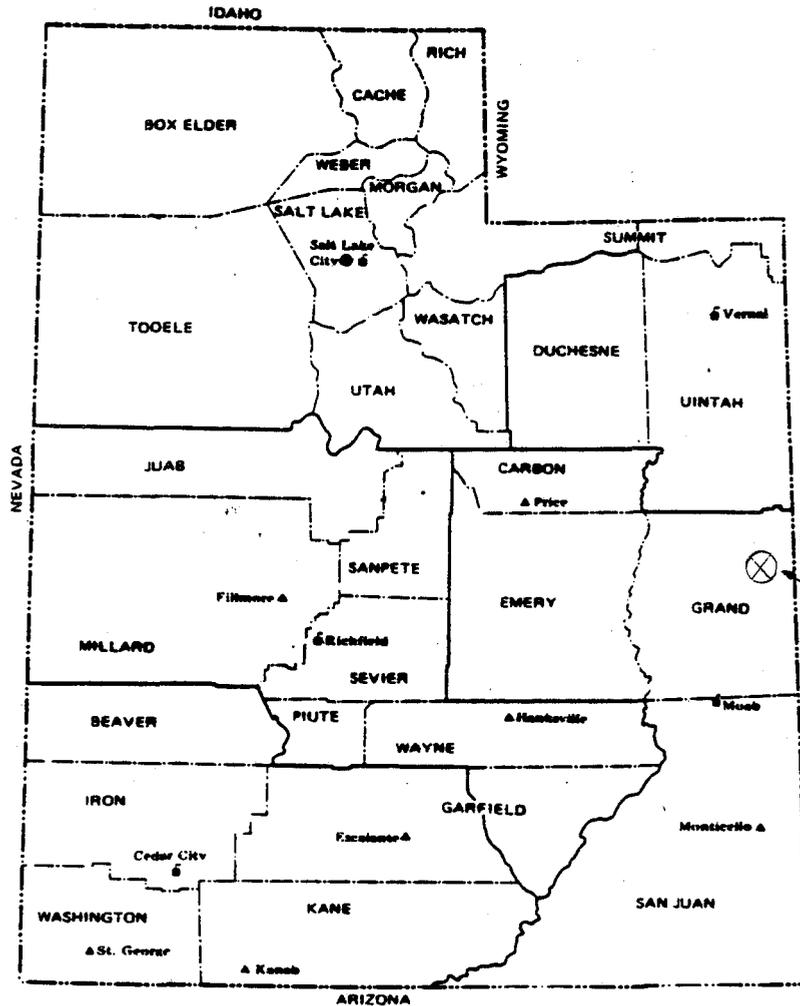
21. .... Time for making Proof of Appropriation extended to .....
22. .... Proof of Appropriation submitted.
23. .... Certificate of Appropriation, No. ...., issued

**TEMPORARY**

Application No. 56986

01-154

# AREA MAP



Proposed Well Location

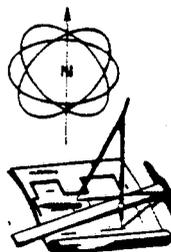


## UTAH

Proposed Clayton Investment Co.  
 Hope #2  
 NW $\frac{1}{4}$  NE $\frac{1}{4}$  Sec. 24, T.20S., R.23E., SLB&M  
 Grand County, Utah  
 Approx. 6 miles north of Cisco, Utah

### LEGEND

- State Office
- District Office
- ▲ Area Office
- BLM District Boundaries
- - - County Boundaries



ARMSTRONG ENGINEERS and ASSOCIATES, INC.  
 ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING  
 861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

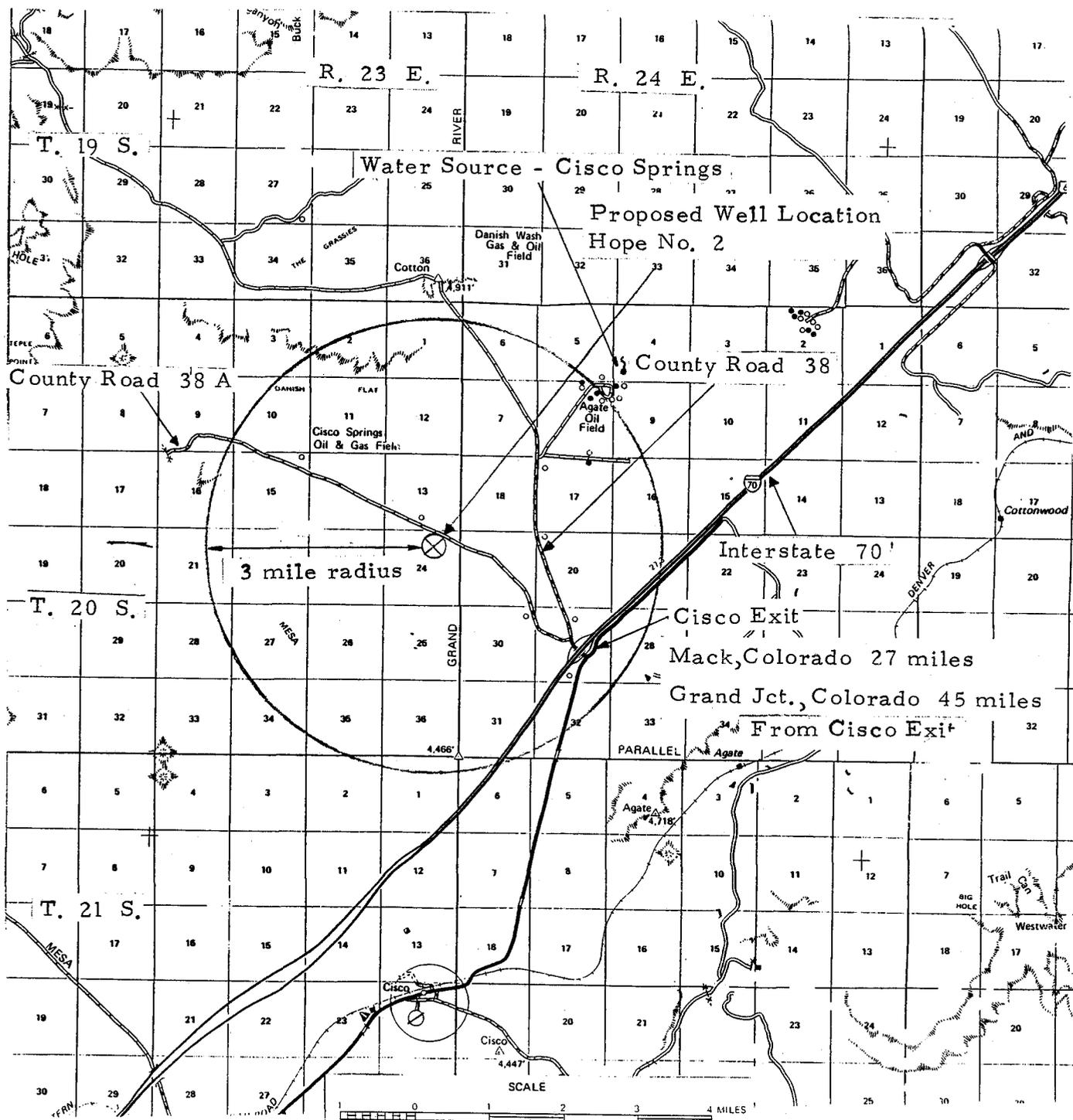
Scale = 75 mi  
 DATE 9/22/81  
 DRAWN BY Morrison  
 CHECKED BY J.A. Bare  
 DATE 8/29/81

Clayton Investment Co.  
 Hope #2

FIGURE 2

JOB NUMBER  
 813587

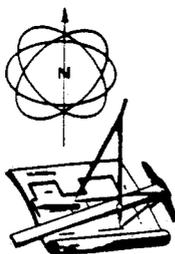
**EXISTING ROADS**



1977

FROM:

General Highway Map  
Grand County, Utah  
sheet 1  
1977



**ARMSTRONG ENGINEERS and ASSOCIATES, INC.**  
ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING  
861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

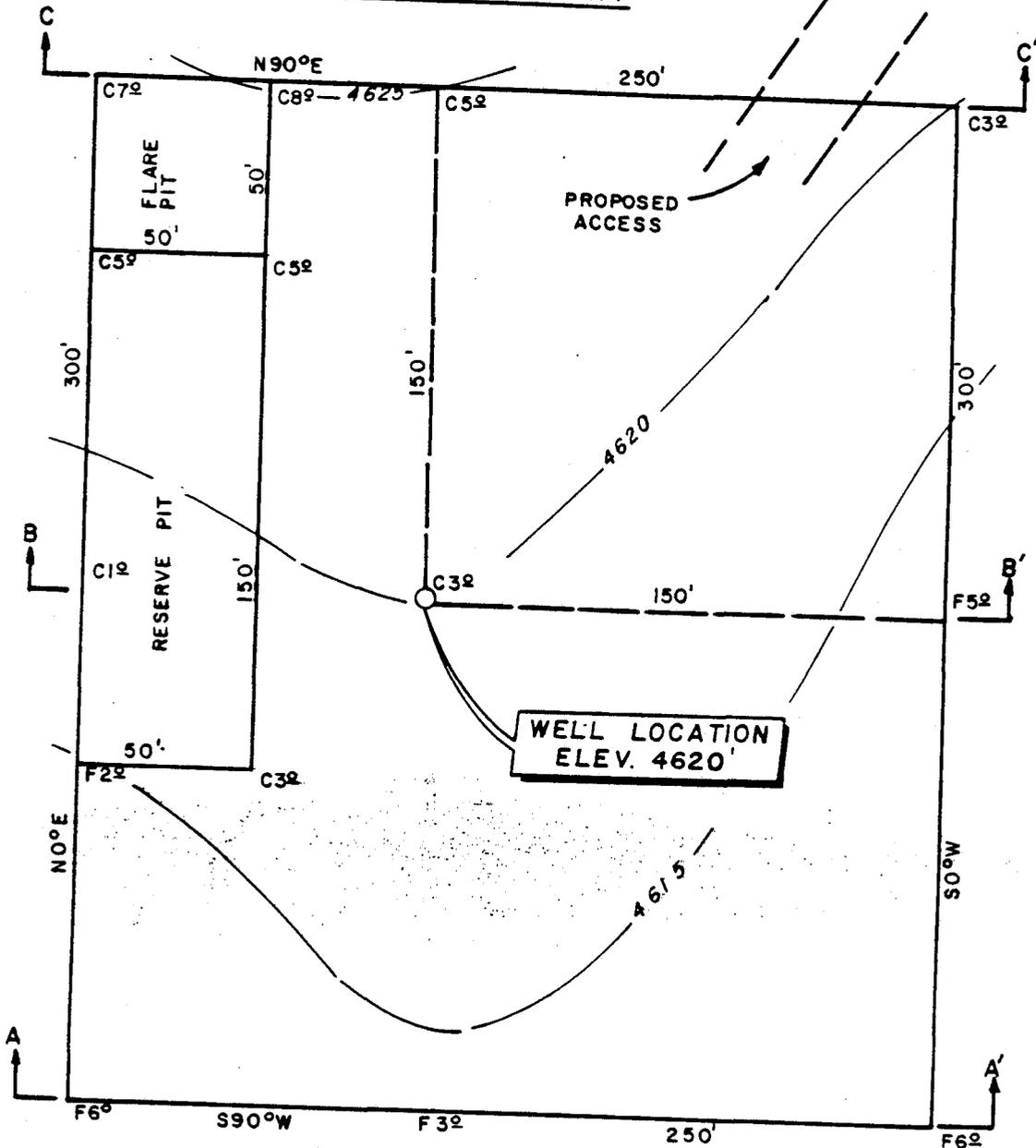
SCALE  
As Shown  
9/22/81  
DRAWN BY  
Morrison  
CHECKED BY  
J.A. Bare  
8/29/81

Clayton Investment Co.  
Hope #2

**FIGURE 3**

**JOB NUMBER**  
813587

**PAD TOPOGRAPHY**

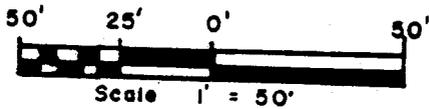


REF. PT. 200'N ELEV. 4622'  
 REF. PT. 200'S ELEV. 4611'  
 REF. PT. 200'E ELEV. 4616'  
 REF. PT. 200'W ELEV. 4616'

TYPICAL SOIL TYPE: SANDY SILT

VEGETATION: SHADSCALE, GREASEWOOD,  
 ANNUAL & PERENNIAL GRASSES

N



**ARMSTRONG ENGINEERS and ASSOCIATES, INC.**  
 ENGINEERING • SURVEYING • SOILS and CONCRETE TESTING  
 861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

1" = 50'  
 9/2/81  
 RML

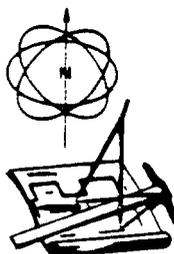
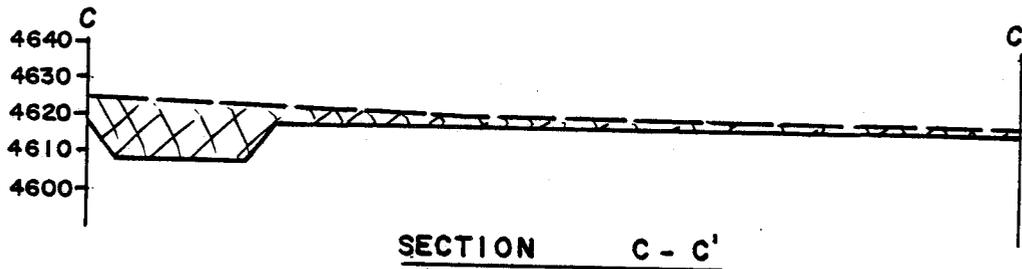
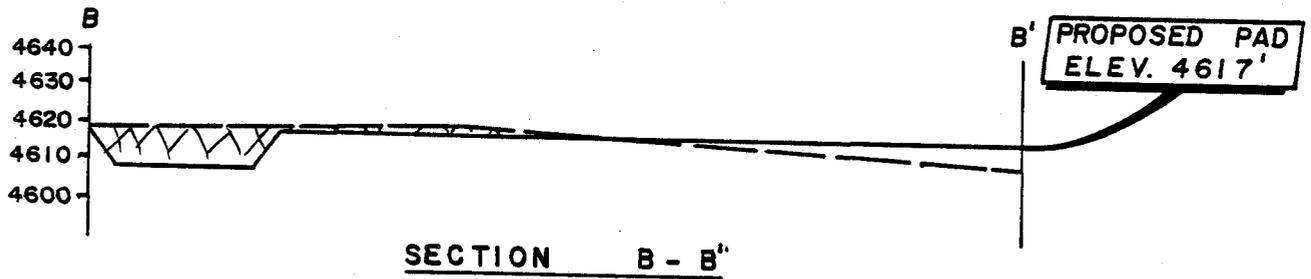
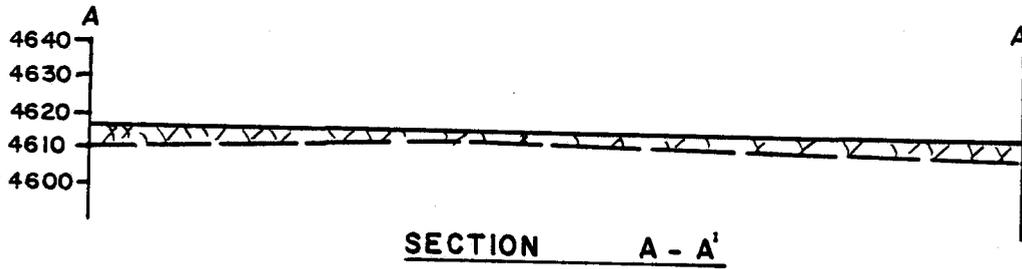
**CLAYTON INVESTMENT CO.**  
 HOPE # 2

8/29/81

**FIGURE 5**

JOB NUMBER  
**813587**

# CROSS SECTIONS



**ARMSTRONG ENGINEERS and ASSOCIATES, INC.**  
 ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING  
 861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

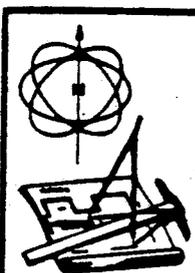
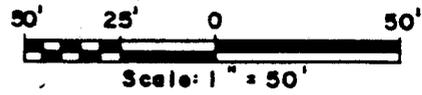
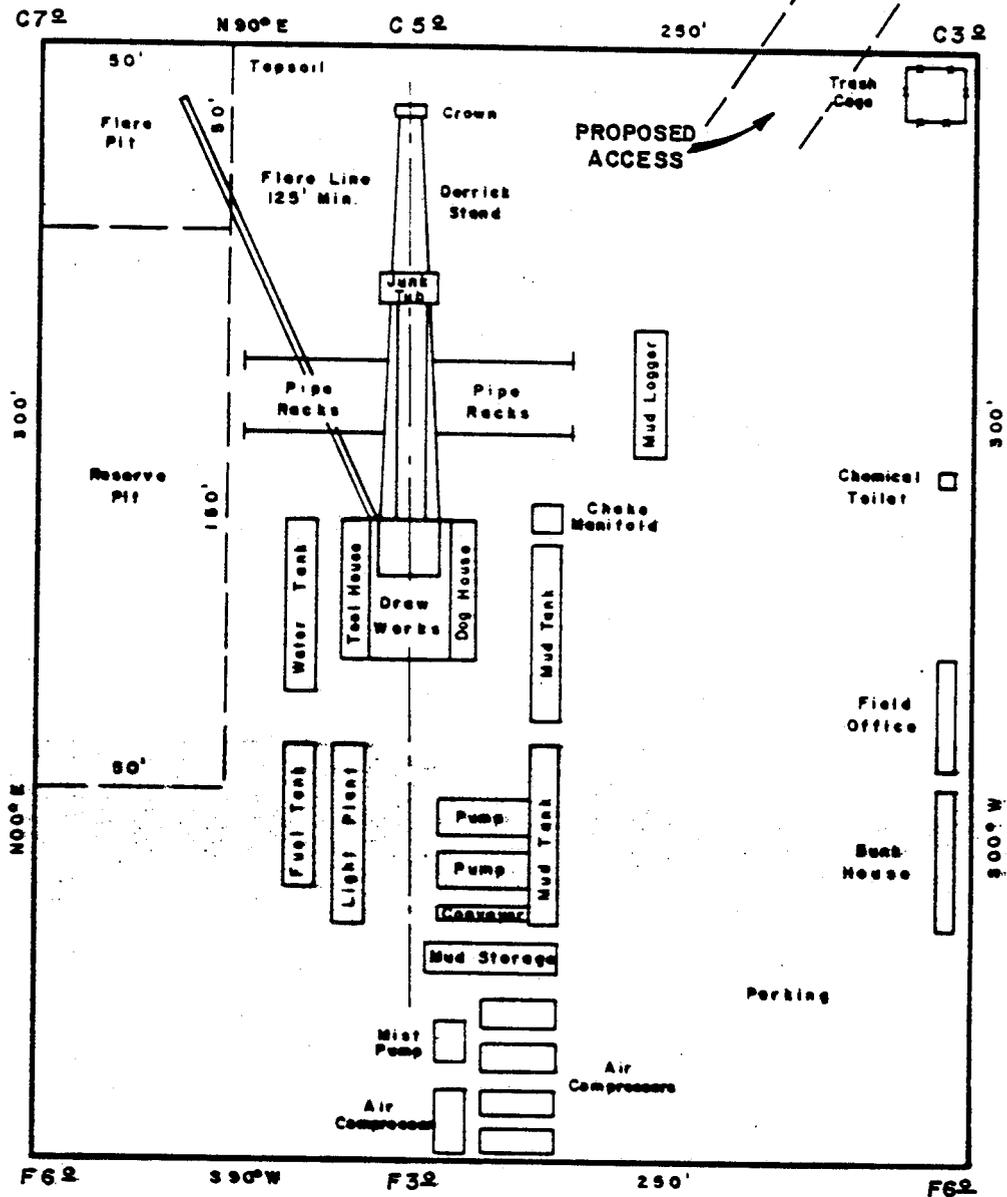
SCALE 1" = 50'  
 DATE 9-2-81  
 DRAWN BY EAG  
 CHECKED BY  
 DATE OF SURVEY 8-29-81

**CLAYTON INVESTMENT CO.**  
**HOPE # 2**

**FIGURE 6**

JOB NUMBER  
**813587**

# RIG LAYOUT

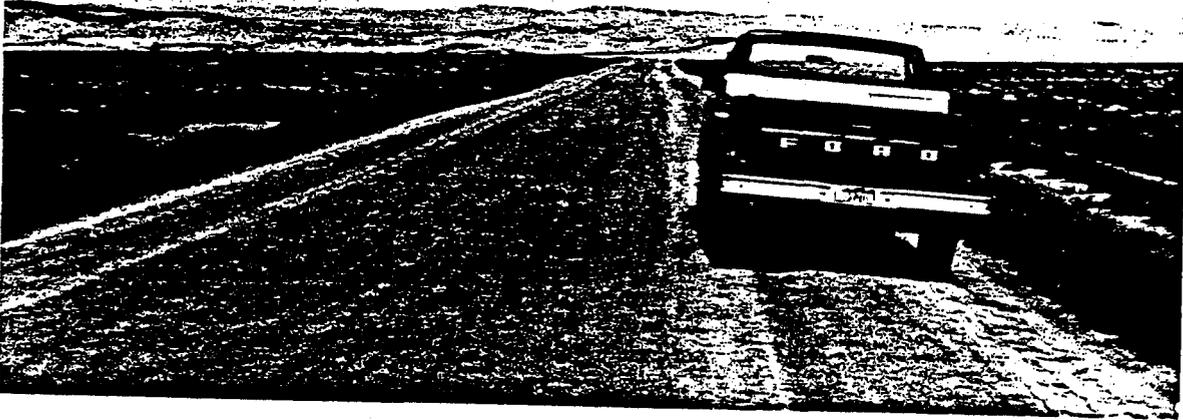


**ARMSTRONG ENGINEERS and ASSOCIATES, INC.**  
 ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING  
 861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861

DATE: 8-31-81  
 DRAWN BY: FAG  
 CHECKED BY:  
 DATE: 8-29-81

**CLAYTON INVESTMENT CO.**  
 HOPE # 2

**FIGURE 7**      JOB NUMBER 813587

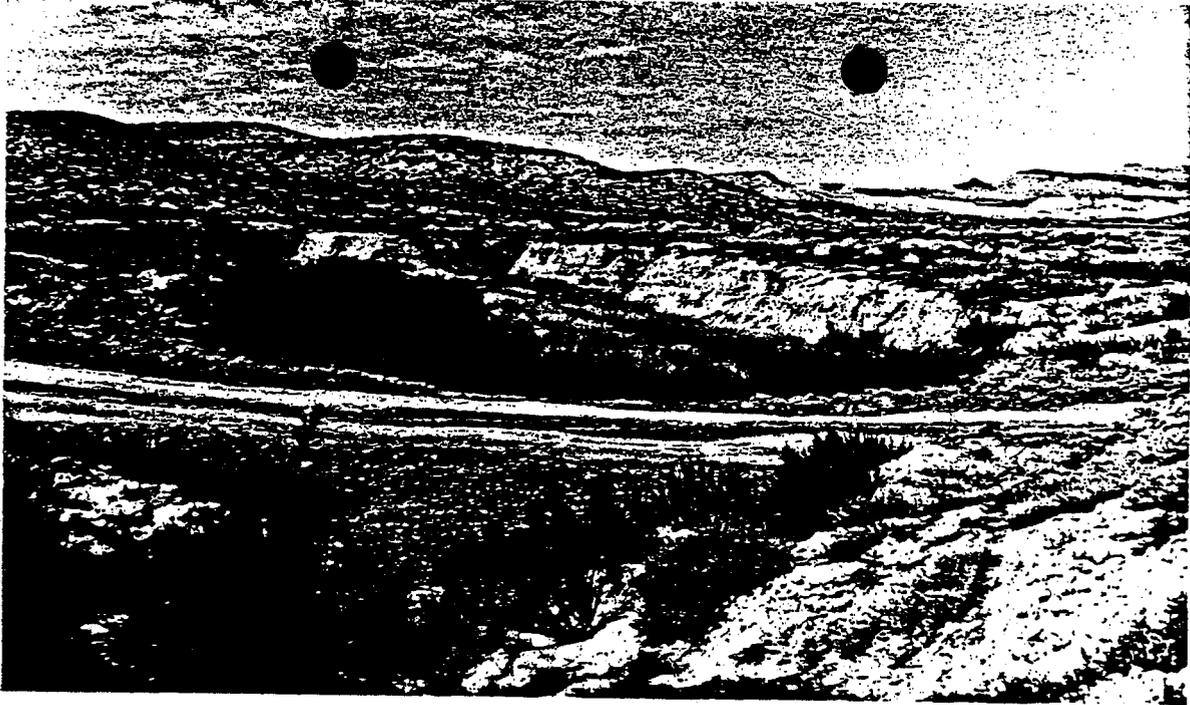


General View of  
Cisco Springs Road  
( County Road 38 A )



Existing Overhead Powerline  
on Cisco Springs Road

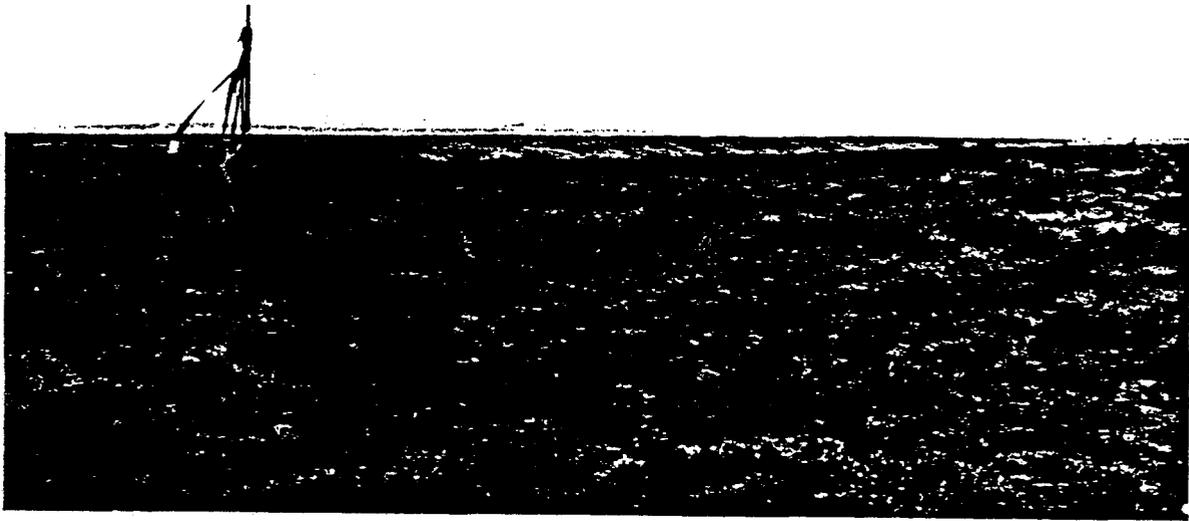
Adequate Clearance



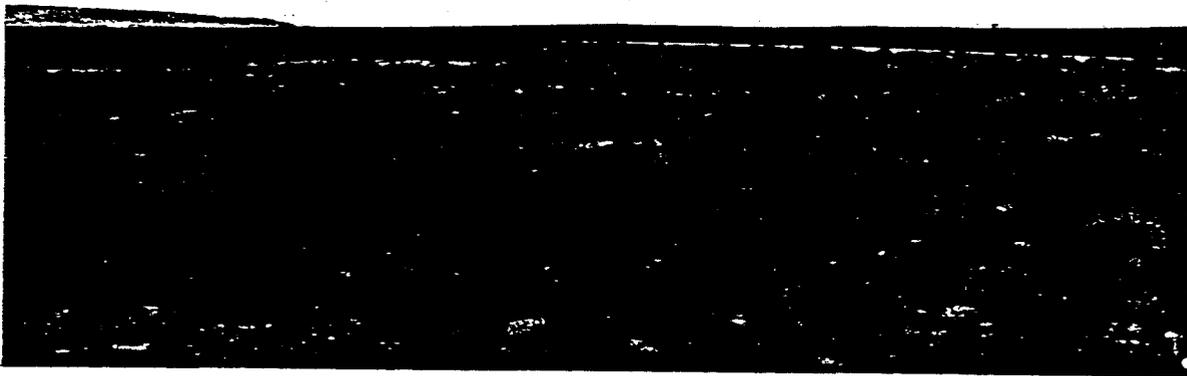
Existing Low Water Crossing  
on County Road 38 A



General View of  
Cisco Springs Road  
( County Road 38A)



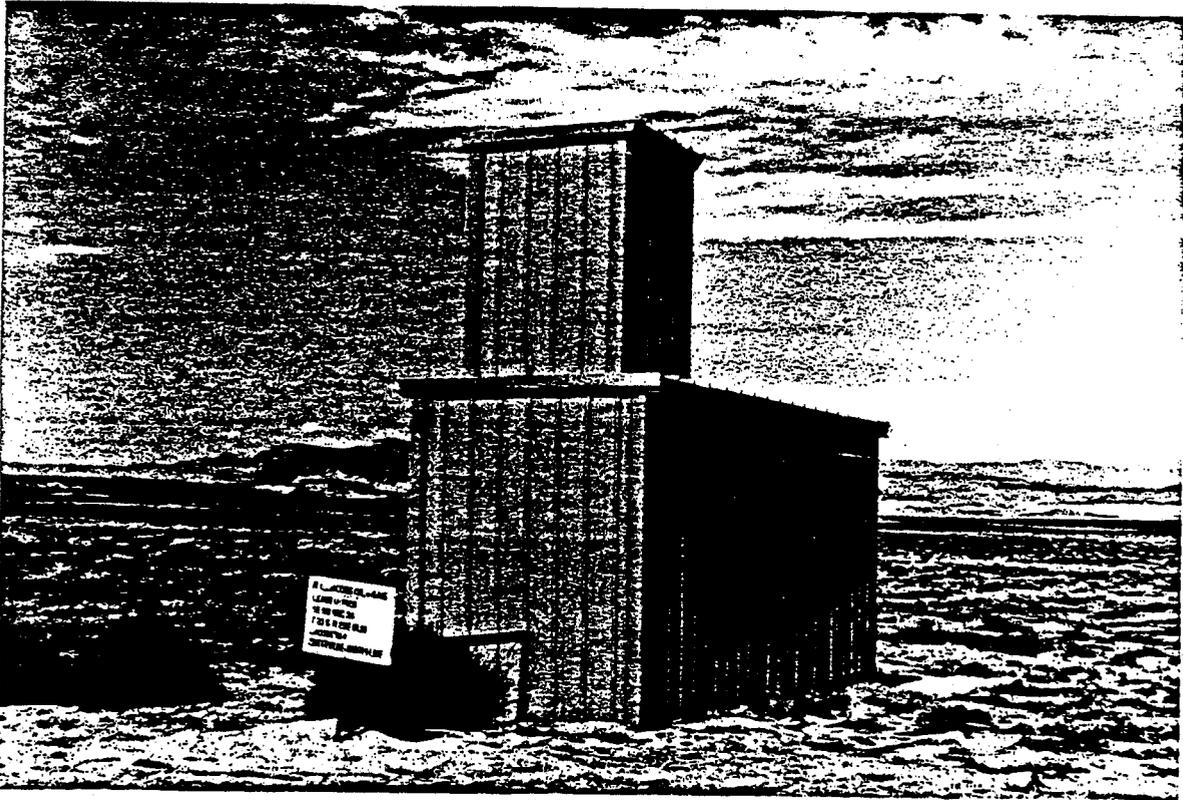
Proposed Well Location  
looking Easterly



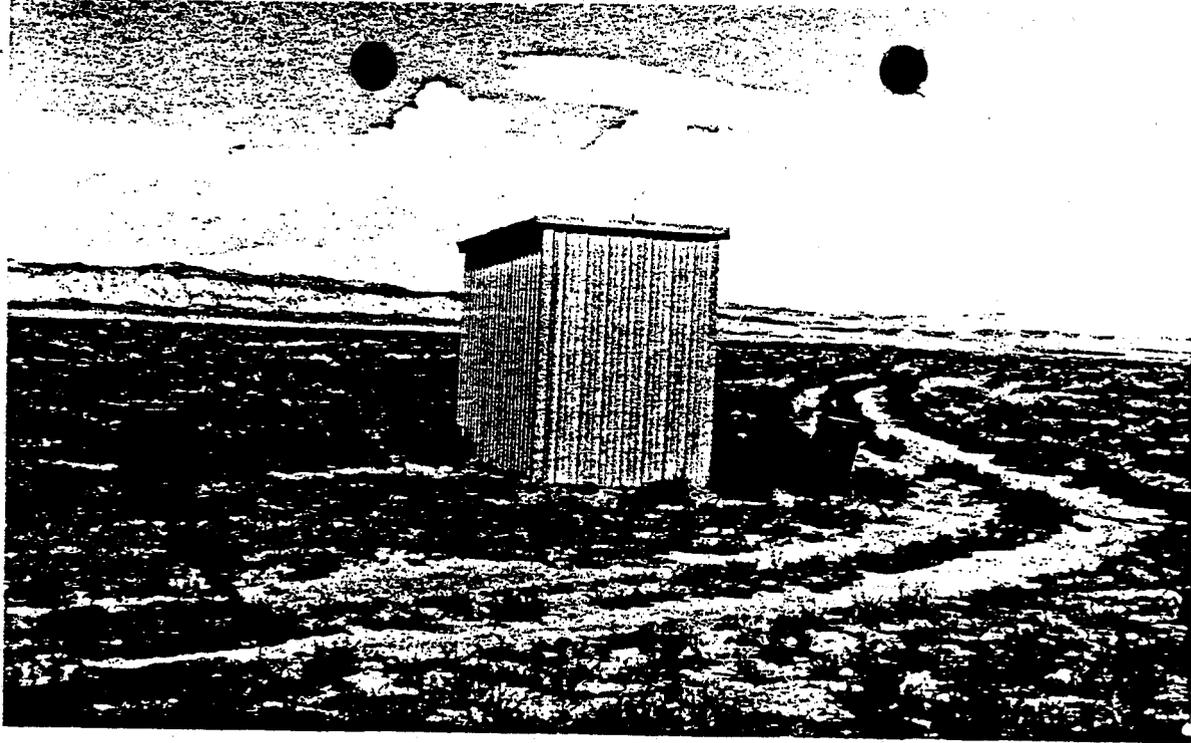
General View looking  
Northwesterly from  
Proposed Hope No. 2



Existing Oil Well  
as seen from Proposed  
Hope No. 2



Existing Structure  
SE 1/4 SW 1/4 Sec 24



Existing Structure  
East of Proposed Well



Existing Oil Well  
just North of Cisco Exit  
looking Easterly

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL  DEEPEN  PLUG BACK

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

2. NAME OF OPERATOR  
 Clayton Investment Company

3. ADDRESS OF OPERATOR  
 P. O. Box 1367, Farmington, New Mexico

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface  
 918.1' SNL - 1779.1' WEL  
 At proposed prod. zone  
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 6.0 miles North of Cisco, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
 none

16. NO. OF ACRES IN LEASE  
 320

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 120

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 none

19. PROPOSED DEPTH  
 1830

20. ROTARY OR CABLE TOOLS  
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
 4620 GR

22. APPROX. DATE WORK WILL START\*  
 September 25, 1981

5. LEASE DESIGNATION AND SERIAL NO.  
 U-17610

6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 not applicable

7. UNIT AGREEMENT NAME  
 none

8. FARM OR LEASE NAME  
 ARIMEX

9. WELL NO.  
 Hope No. 2

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 NW 1/4 NE 1/4 Sec. 24, T.20 R.23E., SLB&M

12. COUNTY OR PARISH  
 Grand

13. STATE  
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4	9 5/8	54K-55 ST&C	120 Ft.	Circ. Cement to Surface
8 3/4	7	23N-80 ST&C	1100 Ft.	50 Sx Class G
6 1/4	4 1/2	11.6 K-55 ST&C	1830 Ft.	50 Sx Class G

EXHIBITS ATTACHED

- Exhibit A. - Supplemental Information (10 Point Plan")
- " B. - Surface Use and Operations Plan
- " C. - Designation of Operator
- " D. - Preliminary Environmental Review
- " E. - Water Use Authorization
- " F. - Archaeology Survey Report
- " G. - Drawings
- " H. - Photographs

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 Charles Bartholomew TITLE Geologist DATE 9-28-81  
 (This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_  
 APPROVED BY W.P. Mactus FOR E. W. GUYNN DATE NOV 06 1981  
 CONDITIONS OF APPROVAL, IF ANY: TITLE DISTRICT OIL & GAS SUPERVISOR

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A DATED 1/1/80

of state of c

\*See Instructions On Reverse Side

Identification CER/EA No. 002-82

United States Department of the Interior  
Geological Survey  
2000 Administration Bldg.  
1745 West 1700 South  
Salt Lake City, Utah 84104

NEPA CATEGORICAL EXCLUSION REVIEW

PROJECT IDENTIFICATION

Operator Clayton Investments Company  
Project Type oil well - wildcat  
Project Location 918.1 ENL - 1779.1 FEL  
Well No. Hope # 2 Lease No. U-17610  
Date Project Submitted 10-1-81

FIELD INSPECTION

Date 10-29-81

Field Inspection  
Participants

Craig Hansen USGS - District  
Cherise Dugan Blm - Moab  
Kevin Alessi " "  
Charles Bartholomew - Clayton  
Emerson Construction

Related Environmental Documents: \_\_\_\_\_

I have reviewed the proposal in accordance with the categorical exclusion review guidelines. This proposal would not involve any significant effects and, therefore, does not represent an exception to the categorical exclusions.

11-5-81

Date Prepared

Craig Hansen  
Environmental Scientist

I concur

NOV 06 1981

Date

W.P. Martin

District Supervisor

FOR E. W. GUYNN  
DISTRICT OIL & GAS SUPERVISOR

Typing In \_\_\_\_\_ Typing Out \_\_\_\_\_

CATEGORICAL EXCLUSION REVIEW INFORMATION SOURCE

Criteria 516 DM 2.3.A	Federal/State Agency			Local and private correspondence (date)	Previous NEPA	Other studies and reports	Staff expertise	Onsite inspection (date)	Other
	Correspondence (date)	Phone check (date)	Meeting (date)						
Public health and safety	B/m 11-5-81 1			11-5-81			2	10-29-81 2446	
Unique characteristics	-						2	2446	
Environmentally controversial	1						2	2446	
Uncertain and unknown risks	1						2	2446	
Establishes precedents							2	2446	
Cumulatively significant							2	2446	
National Register historic places	1								
Endangered/threatened species	1								
Violate Federal, State, local, tribal law	1								

Private Rehab has been obtained.

Recommended Specifications for Clayton Investments #2.

1. Rotate location,  $180^{\circ}$  to put Blooie Line downwind to prevent dust from entering location.
2.  $150 \times 300$  will be built pad will be reduce to reduce cut and fill.
3. Production facilities will be painted a Tan color to blend in with natural surroundings.
4. Operator will adhere to plan surface specifications.

Comments Location is on private surface, surface Agreement has been obtained by Armstrong Eng.



# United States Department of the Interior

BUREAU OF LAND MANAGEMENT  
Moab District  
Grand Resource Area  
P. O. Box M  
Moab, Utah 84532

IN REPLY REFER TO

3109  
U-17610  
(U-068)

NOV 5 1981

## Memorandum

To: Oil & Gas Office, USGS Conservation Division,  
P.O. Box 1037  
Vernal, Utah 84078

From: Area Manager, Grand

Subject: Clayton Investment Company (APD)  
Hope #2  
NW $\frac{1}{4}$ NE $\frac{1}{4}$  Section 24, T. 20 S., R. 23 E., SLB&M  
Grand County, Utah

On October 29, 1981, a representative from this office met with Cody Hansen, USGS, and Charles Bartholomew agent of Clayton Investment Co. for an inspection of the above referenced location. Subject to the attached conditions, I am approving the surface management portion of the Application for Permit to Drill.

The archaeological requirement has been fulfilled on this location. No threatened or endangered flora or fauna are indicated in the area.

Please forward the enclosed information to Clayton Investment Company.

Enclosures (4)  
1-Reclamation Procedures  
2-Seed Mixture  
3-Suggested Colors - Production Facilities  
4-Class III Roads - Survey & Design

Company: Clayton Investment Company  
Well: Hope #2  
Section 24, T. 20 S., R. 23 E.

ADDITIONS TO THE MULTIPOINT  
SURFACE USE PLAN  
AND  
RECLAMATION PROCEDURES

CONSTRUCTION:

1. The operator or his contractor will contact the Grand Resource Area Office in Moab, Utah (phone (801) 259-6111) 48 hours prior to beginning any work on public land.
2. The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to any work.
3. Use of water from sources such as wells, springs, streams or stock ponds for activities associated with this well will be approved, prior to use, by the agency or individual holding the water right.
4. If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the Grand Resource Area Office will be contacted. All employees working in the area will be informed by the operator that they will be subject to prosecution if they are caught disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

Note: This well location and access from the county road to the pad in section 24 are on private land. These stipulations will apply unless a copy of "Surface Owner's Rehabilitation Requirements" signed by Pete Clathis is made a part of this file.

New road construction will be limited to an allowable travel surface width of 18 feet with a total disturbance of 24 feet wide. For construction design and survey refer to Class III road standards attachment.

Topsoil will be saved along the route and windrowed along the north side of the road.

Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

Surfacing material will not be placed on the access road or location without prior BLM approval.

6. Location: Rig layout will be rotated 180 degrees clockwise, putting the pit(s) in the southeast quadrant of the pad, and will be in the "cut" portion of the pad. Pad size will be 150 feet wide by 300 feet long.

7. The top twelve (12) inches of soil material will be removed from the location and stockpiled one-half on the southwest quadrant, and one-half on the northeast quadrant of the location.
8. The reserve pit will not be lined with commercial bentonite or plastic sufficient to prevent seepage. Keyway. The reserve pit banks will be 1.5 to 2.0 feet above pad and constructed in eight (8) inch lifts, machinery compacted, and sufficiently wide for equipment to pass over.
9. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying. The fence will be 36 inch high woven wire with one strand of barbed wire along the top.

## Production

1. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed in the methods described in the rehabilitation section. Any remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.
2. All above-ground production facilities will be painted using the attached suggested colors.
3. The access will be to the design of a Class III road.
4. If oil is produced and storage tanks are placed on location, at least a three foot soil berm will be placed around the tanks to contain the gallonage of the tanks plus 25 percent.

~~The loading valves will be on the inside of the berm.~~

### Rehabilitation

1. Immediately upon completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. All trash will be disposed of in the trash cage. Non-burnable debris will be hauled to a local town dump site.
2. The operator or his contractor will contact the Grand Resource Area BLM office in Moab, Utah, phone (801) 259-6111, 48 hours prior to starting rehabilitation work that involves earthmoving equipment and upon completion of restoration measures.
3. Before any dirt work to restore the location takes place, the reserve pit must be completely dry and any trash (barrels, metal etc.) it contains must be removed from public lands.
4. All disturbed areas will be recontoured to blend as nearly as possible with the surrounding area.
5. The stockpiled topsoil will be evenly distributed over the disturbed area.
6. All disturbed areas will be scarified with the contour to a depth of 12 inches. Do not smooth pads out, leave a roughened surface.
7. Seed will be (broadcast/drilled) at a time to be specified by the BLM with the enclosed seed prescription. When broadcast seeding, a harrow or some such implement will be dragged over the seeded area to assure seed cover. Broadcast seed will be applied at two times the pounds per acre shown on the enclosed seed mixture.
8. After seeding is complete the stockpiled trees will be scattered evenly over the disturbed areas and walked down with a dozer. The access will be blocked to prevent any use.

SEED MIXTURE

<u>Species</u>		<u>Rate</u>
Grasses		lbs/acre
Oryzopsis hymenoides	Indian rice grass	1
Hilaria jamesii	Curley grass	1
Forbs		
Sphaeralcea coccinea	Globemallow	1
Shrubs		
Atriplex canescens	Four-wing saltbush	1
Atriplex confertifolia	Shadscale	<u>1</u>
		5

Double the above pounds per acre when seed is broadcast.

Seed during the fall of the year (Oct. - Dec.)



# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT

### SUGGESTED COLORS TO PAINT OIL & GAS PRODUCTION FACILITIES

#### Cisco Desert and Flats below the Bookcliffs:

Dynasty Green	(Sears)
Tumbleweed	(Pratt & Lambert)
Desert Tan	-----
Sage Gray	(Pratt & Lambert)

#### Bookcliffs Region:

Sage Gray	(Pratt & Lambert)
Sea Life	(Pratt & Lambert)
Dynasty Green	(Sears)

Similar hues other than the ones mentioned above must be approved by the Grand Resource Area Manager.

Dilled

\*\* FILE NOTATIONS \*\*

DATE: 11-24-81

OPERATOR: Colington Investment Co.

WELL NO: ~~607~~ - Hope #2

Location: Sec. 24 T. 205 R. 23E County: Grand

File Prepared:

Entered on N.I.D:

Card Indexed:

Completion Sheet:

API Number 43-019-30907

CHECKED BY:

Petroleum Engineer: \_\_\_\_\_

Director: OK as per order case 102-16B provide lease map finished

Administrative Aide: As Per ~~Order~~ Order Below of need lease ownership map or on boundaries on any other oil or gas well.

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. 102-16B, 9-26-79

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 Fed.

Plotted on Map

Approval Letter Written

Hot Line

P.I.

NOTICE OF SPUD

Caller: Mr. Stark - Clayton Investment

Phone: \_\_\_\_\_

Well Number: Nope #2

Location: Sec. 24-20-24

County: Grand State: Utah

Lease Number: 71-17610

Lease Expiration Date: \_\_\_\_\_

Unit Name (If Applicable): \_\_\_\_\_

Date & Time Spudded: 11-18-81 -

Dry Hole Spudder/Rotary: \_\_\_\_\_

Details of Spud (Hole, Casing, Cement, etc.) \_\_\_\_\_  
Surface - 8<sup>3</sup>/<sub>4</sub>" 7" surface casing - 157' from  
Kelly Lushing

Rotary Rig Name & Number: Guscho #1

Approximate Date Rotary Moves In: \_\_\_\_\_

FOLLOW WITH SUNDRY NOTICE

Call Received By: Aiane

Date: 1-13-82

January 13, 1982

Clayton Investment Company  
P. O. Box 1367  
Farmington, New Mexico

RE: Well No. Hope #2  
Sec. 24, T. 20S R. 23E  
Grand County, Utah

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with the Order issued in Cause No. 102-16B dated September 26, 1979.

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

CLEON B. FEIGHT - Director  
Office: 533-5771  
Home: 466-4455

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 43-019-30907.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Cleon B. Feight  
Director

CBF/as  
Encl.  
cc: BSGS

**UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY**

**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 Form 9-331-C for such proposals.)

1. oil well  gas well  other

2. NAME OF OPERATOR  
Clayton Investment

3. ADDRESS OF OPERATOR  
Box 1367, Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 918.1'SNL 1779.1' WEL  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH:

5. LEASE  
U-17610

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Hope

9. WELL NO.  
#2

10. FIELD OR WILDCAT NAME

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 24 T20S R24E

12. COUNTY OR PARISH  
Grand

13. STATE  
Utah

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)  
4620 GL

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:		SUBSEQUENT REPORT OF:
TEST WATER SHUT-OFF	<input type="checkbox"/>	<input type="checkbox"/>
FRACTURE TREAT	<input type="checkbox"/>	<input type="checkbox"/>
SHOOT OR ACIDIZE	<input type="checkbox"/>	<input type="checkbox"/>
REPAIR WELL	<input type="checkbox"/>	<input type="checkbox"/>
PULL OR ALTER CASING	<input type="checkbox"/>	<input type="checkbox"/>
MULTIPLE COMPLETE	<input type="checkbox"/>	<input type="checkbox"/>
CHANGE ZONES	<input type="checkbox"/>	<input type="checkbox"/>
ABANDON*	<input type="checkbox"/>	<input type="checkbox"/>
(other)	<input type="checkbox"/>	<input type="checkbox"/>

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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.)\*

11-18-81 Drilled 8 3/4" Hole to 166', set 7" surface casing, cemented to surface.  
Drilled 6 1/4" hole to 1639', set 4 1/2" casing cemented to surface.  
Ran logs.

12-21-81 Perforated interval 1516 - 1526 with 3 shots per foot.

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

18. I hereby certify that the foregoing is true and correct *Prod Mgr.*  
SIGNED *J. S. Stark* TITLE *Exec. Vice President* DATE *Jan. 13, 1982*

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE\*

(See other instructions on reverse side)

Form approved.  
Budget Bureau No. 42-R355.5.

3  
2

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

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

b. TYPE OF COMPLETION: NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESVR.  Other \_\_\_\_\_

2. NAME OF OPERATOR  
Clayton Investment

3. ADDRESS OF OPERATOR  
P.O. Box 1367, Farmington, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 918.1' FNL - 1779.1' FEL  
At top prod. interval reported below 1516' *NWNE*  
At total depth 1639'

5. LEASE DESIGNATION AND SERIAL NO.  
U-17610

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Hope

9. WELL NO.  
#2

10. FIELD AND POOL, OR WILDCAT  
~~Wildcat~~ *Dr. Cisco Area*

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
NW1/4 NE1/4 Sec 24  
T20S R23E SLB&M

14. PERMIT NO. 43-019-30907 | DATE ISSUED 1-12-82

12. COUNTY OR PARISH Grand | 13. STATE Utah

15. DATE SPUDDED 11-18-81 | 16. DATE T.D. REACHED 11-18-81 | 17. DATE COMPL. (Ready to prod.) 12-19-81 | 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 4629.6 | 19. ELEV. CASINGHEAD 4620

20. TOTAL DEPTH, MD & TVD 1639 | 21. PLUG, BACK T.D., MD & TVD | 22. IF MULTIPLE COMPL., HOW MANY\* | 23. INTERVALS DRILLED BY → | ROTARY TOOLS X | CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\*  
1516 - 1526 | 25. WAS DIRECTIONAL SURVEY MADE NO

26. TYPE ELECTRIC AND OTHER LOGS RUN  
Dual Induction, Compensated Neutron Formation Density | 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
7"	26#	177'	8 3/4"	Circulated to surface	
4 1/2"	10.5#	1639'	6 1/4"	Circulated to surface	

29. LINER RECORD | 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	1535'	

31. PERFORATION RECORD (Interval, size and number)  
1516 - 1526 3 per foot 30 shots

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.\* PRODUCTION

DATE FIRST PRODUCTION | PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) | WELL STATUS (Producing or shut-in) *POW*

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
			→	50			

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
		→				

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) | 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 *J. S. Stark* | TITLE *Prod. Mgr.* ~~Exec. Vice President~~ | DATE Jan. 13, 1982

\*(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 38, 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.), formation 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: "Stacks 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 TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.	GEOLOGIC MARKERS		
				NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH
Dakota	1110	1150	Sandy Shale			
Morrison	1385	1395	Sand			
Morrison	1516	1526	Sand			

38. GEOLOGIC MARKERS

NAME	MEAS. DEPTH	TOP TRUE VERT. DEPTH

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

**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 Form 9-331-C for such proposals.)

1. oil well  gas well  other

2. NAME OF OPERATOR  
Clayton Investment

3. ADDRESS OF OPERATOR  
710 E. 20th St., Farmington, NM 87401

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE: 918.1' SNL 1779.1' WEL  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

5. LEASE  
U-17610

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Hope

9. WELL NO.  
#2

10. FIELD OR WILDCAT NAME  
Greater Cisco

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 24 T20S R24E <sup>23E</sup>

12. COUNTY OR PARISH  
Grand

13. STATE  
Utah

14. API NO.  
43-019-30907

15. ELEVATIONS (SHOW DF, KDS, AND WD)

REQUEST FOR APPROVAL TO:                      SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF                      

FRACTURE TREAT                      

SHOOT OR ACIDIZE                      

REPAIR WELL                      

PULL OR ALTER CASING                      

MULTIPLE COMPLETE                      

CHANGE ZONES                      

ABANDON\*                      

(other) Production Information

(NOTE: Report results of multiple completion or zone change on Form 9-330)

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.)\*

DATE FIRST PRODUCTION 1-16-82		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping					WELL STATUS (Producing or shut-in) producing	
DATE OF TEST 1-22-82	HOURS TESTED 24	CHOKER SIZE	PROD'N. FOR TEST PERIOD →	OIL—BBL. 53	GAS—MCF. 0	WATER—BBL. 0	GAS-OIL RATIO 0	
FLOW TUBING PRESS.	CASING PRESSURE 160#	CALCULATED 24-HOUR RATE →	OIL—BBL. 53	GAS—MCF. 0	WATER—BBL. 0	OIL GRAVITY-API (CORR.) 36		

Subsurface Safety Valve: Manu. and Type \_\_\_\_\_ Set @ \_\_\_\_\_ Ft.

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

SIGNED J. J. Jack TITLE Production Mgr. DATE 2-3-82

(This space for Federal or State office use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_  
CONDITIONS OF APPROVAL, IF ANY \_\_\_\_\_

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116

\*REPORT OF WATER ENCOUNTERED DURING DRILLING\*

Well Name & Number Hope #2

Operator Clayton Investment Co. Address Farmington, NM 87401

Contractor Gushco #1 Address Grand Junction, CO

Location 1/4 1/4 Sec. 24 T. 20S R. 23E County Grand

Water Sands

	<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
	From	To	Flow Rate or Head	Fresh or Salty
1.				
2.				
3.				
4.				
5.				

(Continue of reverse side if necessary)

**RECEIVED**  
FEB 01 1982  
DIVISION OF OIL, GAS & MINING

Formation Tops      1110' - 1150' Dakota  
                              1385' - 1395' Morrison  
                              1516' - 1526' Morrison

Remarks              Water was too small to measure.

- NOTE: (a) Report on this form as provided for in Rule C-20, General Rules and Regulations and Rules of Practice and Procedure.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

U-17610 #2

Form 3160-5  
(June 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT 95 AUG 17 PM 2:35

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.  
417616 & 415049

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

7. If Unit or CA, Agreement Designation

8. Well Name and No.  
all wells on leases

9. API Well No.

10. Field and Pool, or Exploratory Area  
CISCO

11. County or Parish, State  
Grand, Utah

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well  Gas Well  Other

2. Name of Operator  
S.O.A.L.

3. Address and Telephone No.  
P.O. Box 2165 Farmington, NM 87499

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
Sec 24 T20S R23E - 217610  
Sec 24 T20S R23E - 215049

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

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

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

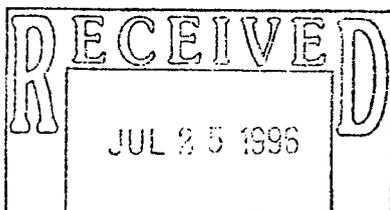
4. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to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

CHANGE OF OPERATOR

S.O.A.L. is taking over operations of the above captioned well.

Em Sussey is responsible under the terms and conditions of the lease for operations conducted on the leased lands or portions thereof.

Bond coverage for this well is provided by BLM Bond No. Applied For.



I hereby certify that the foregoing is true and correct  
Signed Em Sussey Title Op Date 8-7-95  
DIV. OF OIL, GAS & MINING

(This space for Federal or State office use)  
Approved by [Signature] Title Assistant District Manager Date 5/3/96  
Resource Management

Conditions of approval, if any:

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

S.O.A.L. LLC  
Well No. 4  
Well No. 2  
Sec. 24, T. 20 S., R. 23 E.  
Grand County, Utah  
Lease UTU17610

### CONDITIONS OF APPROVAL

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

Be advised that S.O.A.L. LLC is considered to be the operator of the above wells and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells are provided by UT1039 (Principle - S.O.A.L. LLC) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

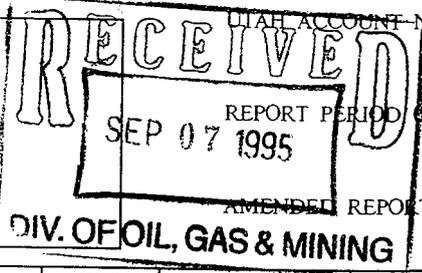
STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING  
355 West North Temple, 3 Triad, Suite 350, Salt Lake City, UT 84180-1203

MONTHLY OIL AND GAS PRODUCTION REPORT

OPERATOR NAME AND ADDRESS:

MECHEAL JACK  
CLAYTON INVESTMENT  
710 E 20TH ST  
FARMINGTON NM 87401

UTAH ACCOUNT NUMBER: N1660



REPORT PERIOD (MONTH/YEAR): 6 / 95

AMENDED REPORT  (Highlight Changes)

Well Name			Producing Zone	Well Status	Days Oper	Production Volumes		
API Number	Entity	Location				OIL(BBL)	GAS(MCF)	WATER(BBL)
✓ 4301930907	00640	20S 23E 24	MRSN	SOW	0	0	0	0
4301930906	08183	20S 23E 24	MRSN	SGW	0	0	0	0
4301930908	08184	20S 23E 24	DKTA	SGW	0	0	0	0
4301930800	08186	20S 23E 24	MRSN	POW	31	82	0	0
4301930909	11170	20S 23E 24		TA	0	0	0	0
LISHA								
9-8-95								
VLD								
<b>TOTALS</b>						82	0	0

COMMENTS: FINAL REPORT. As of July 1, 1995 these wells now belong to S.O.A.L., LLC; P.O. Box 2165; Farmington, NM 87499-2165. The operator is E. M. Sussex. His telephone number (505) 327-9455.

I hereby certify that this report is true and complete to the best of my knowledge.

Date: August 22, 1995

Name and Signature: Mecheal Jack *Mecheal Jack*

Telephone Number: (505) 326-5571

Form 3160-5  
(June 1990)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
Budget Bureau No. 1004 0135  
Expires: March 31, 1991

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

U 17610

6. If Indian, Allottee or Tribe Name

N.A

7. If Unit or C.A. Agreement Designation

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well  Gas Well  Other

8. Well Name and No.

Hope # 2

2. Name of Operator

S.O.A.L. LLC

9. API Well No.

43019309070051

3. Address and Telephone No.

2165 Farming Corn, N.M. 505-327-9455

10. Field and Pool, or Exploratory Area

C.L.S.O.

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

Sec 24 T 20 R 23 E

11. County or Parish, State

Grand

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

TYPE OF SUBMISSION

- Notice of Intent
- Subsequent Report
- Final Abandonment Notice

TYPE OF ACTION

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

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

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

S.O.A.L. LLC

Took over this well as of July 1, 1995

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

Signed

*E. M. Swann* Title *Op*

Date

9-25-95

(This space for Federal or State office use)

Approved By

Conditions of approval, if any:

Title

Date

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

\*See Instruction on Reverse Side

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

Routing:

1	LEC 7-PEKR	✓
2	LWP 8-SJ	✓
3	DTS 59-FILE	
4	VLD	✓
5	RJF	✓
6	LWP	✓

Attach all documentation received by the division regarding this change.  
 Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator               Operator Name Change Only

The operator of the well(s) listed below has changed (EFFECTIVE DATE: 7-1-95)

TO (new operator)	<u>S.O.A.L., LLC</u>	FROM (former operator)	<u>CLAYTON INVESTMENT</u>
(address)	<u>PO BOX 2165</u>	(address)	<u>710 E 20TH ST</u>
	<u>FARMINGTON NM 87499-2165</u>		<u>FARMINGTON NM 87401</u>
	<u>E M SUSSEX</u>		<u>MECHEAL JACK</u>
	phone <u>(505) 325-2604</u>		phone <u>(505) 326-5571</u>
	account no. <u>N 5825 (10-5-95)</u>		account no. <u>N1660</u>

Well(s) (attach additional page if needed):

Name: <u>HOPE #2/MRSN</u>	API: <u>43-019-30907</u>	Entity: <u>640</u>	Sec <u>24</u> Twp <u>20S</u> Rng <u>23E</u>	Lease Type: <u>U17610</u>
Name: <u>KATHY #1/MRSN</u>	API: <u>43-019-30906</u>	Entity: <u>8183</u>	Sec <u>24</u> Twp <u>20S</u> Rng <u>23E</u>	Lease Type: <u>U15049</u>
Name: <u>NICOL #1/DKTA</u>	API: <u>43-019-30908</u>	Entity: <u>8184</u>	Sec <u>24</u> Twp <u>20S</u> Rng <u>23E</u>	Lease Type: <u>U15049</u>
Name: <u>CLAYTON #1/MRSN</u>	API: <u>43-019-30800</u>	Entity: <u>8186</u>	Sec <u>24</u> Twp <u>20S</u> Rng <u>23E</u>	Lease Type: <u>U15049</u>
Name: <u>HOPE #4/TA</u>	API: <u>43-019-30909</u>	Entity: <u>11170</u>	Sec <u>24</u> Twp <u>20S</u> Rng <u>23E</u>	Lease Type: <u>U17610</u>
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____
Name: _____	API: _____	Entity: _____	Sec _____ Twp _____ Rng _____	Lease Type: _____

**OPERATOR CHANGE DOCUMENTATION**

1. (Rule R615-8-10) Sundry or other legal documentation has been received from former operator (Attach to this form). *(Rec'd 9-7-95)*
2. (Rule R615-8-10) Sundry or other legal documentation has been received from new operator (Attach to this form). *(Req. 9-25-95) (Rec'd 9-25-95)*
3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is company registered with the state? (yes/no) \_\_\_\_ If yes, show company file number: #009178. *(# 7-19-95)*
4. (For Indian and Federal Wells ONLY) The BLM has been contacted regarding this change (attach Telephone Documentation Form to this report). Make note of BLM status in comments section of this form. Management review of **Federal and Indian** well operator changes should take place prior to completion of steps 5 through 9 below.
5. Changes have been entered in the Oil and Gas Information System (Wang/IBM) for each well listed above. *(7-25-96)*
6. Cardex file has been updated for each well listed above. *(7-25-96)*
7. Well file labels have been updated for each well listed above *(7-25-96)*
8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to State Lands and the Tax Commission. *(7-25-96)*
9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- ✓ 1. (Rule R615-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) \_\_\_\_ (If entity assignments were changed, attach copies of Form 6, Entity Action Form).
- N/A 2. State Lands and the Tax Commission have been notified through normal procedures of entity changes.

**BOND VERIFICATION (Fee wells only)**

- N/A 1. (Rule R615-3-1) The new operator of any fee lease well listed above has furnished a proper bond.
- \_\_\_\_ 2. A copy of this form has been placed in the new and former operators' bond files.
- \_\_\_\_ 3. The former operator has requested a release of liability from their bond (yes/no) \_\_\_\_.  
Today's date \_\_\_\_\_ 19\_\_\_\_. If yes, division response was made by letter dated \_\_\_\_\_ 19\_\_\_\_.

**LEASE INTEREST OWNER NOTIFICATION RESPONSIBILITY**

- N/A 1. (Rule R615-2-10) The former operator/lessee of any **fee lease** well listed above has been notified by letter dated \_\_\_\_\_ 19\_\_\_\_, of their responsibility to notify any person with an interest in such lease of the change of operator. Documentation of such notification has been requested.
- N/A 2. Copies of documents have been sent to State Lands for changes involving **State leases**.

**FILMING**

- ✓ 1. All attachments to this form have been microfilmed. Date: August 8 1996.

**FILING**

- \_\_\_\_ 1. Copies of all attachments to this form have been filed in each well file.
- \_\_\_\_ 2. The original of this form and the original attachments have been filed in the Operator Change file.

**COMMENTS**

960725 Bim/Moab Aprv. 5-3-96.

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

SUBMIT IN TRIPLICATE

1. Type of Well  
 Oil Well     Gas Well     Other

2. Name of Operator: S.O.A.L. E.M. Sussex

3. Address and Telephone No.: P.O. Box 2165 Farmington, N.M. 87499    505-327-9455

4. Location of Well (Footage, Sec., T., R., M., or Survey Description): 505-327-9455

5. Lease Designation and Serial No.: 2115054 + 2117610

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

7. If Unit or CA, Agreement Designation: \_\_\_\_\_

8. Well Name and No.: Hope 2 & 4

9. API Well No.: Claster 1, Nudol, Kathy

10. Field and Pool, or Exploratory Area: \_\_\_\_\_

11. County or Parish, State: Grand, Utah

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

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

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

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

*Change of operator -  
I have sold my interest to Falcon Energy  
L.L.C. as per contract dated 10-1-96.  
They will now be operators of record  
as of 10-1-96 of leases # 15054 & 17610*

RECEIVED  
OCT 15 PM 1:59  
DEPT OF THE INTERIOR  
BUREAU OF LAND MGMT

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

Signed: E.M. Sussex Title: Op & owner Date: 10-1-96

Approved by: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_  
Conditions of approval, if any: \_\_\_\_\_

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

\*See instruction on Reverse Side

Form 3160-5  
(November 1983)  
(Formerly 9-331)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIPPLICATE\*  
(Other instructions on re-  
verse side)

Form approved.  
Budget Bureau No. 1004-0135  
Expires August 31, 1985

6. LEASE DESIGNATION AND SERIAL NO.  
U-15054 & U17610

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

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

2. NAME OF OPERATOR  
Falcon Energy LLC

3. ADDRESS OF OPERATOR  
570 W 3560 S, SLC UT. 84115

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*  
See also space 17 below.)  
At surface 20 S 23 E Sec 24 N1/4/NE & N1/4/NE  
API # 43-019-30909 & 43-019-30907

14. PERMIT NO

15. ELEVATIONS (Show whether of, at, or, etc.)

7. UNIT AGREEMENT NAME  
Federal

8. FARM OR LEASE NAME  
Ciseo

9. WELL NO.  
Hope 4 Hope 2

10. FIELD AND POOL, OR WILDCAT  
Ciseo

11. SEC., T., R., E., OR S.E., AND SURVEY OR AREA  
T20S R23E Sec 24

12. COUNTY OR PARISH 13. STATE

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

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF   
FRACTURE TREAT   
SHOOT OR ACIDIZE   
REPAIR WELL   
(Other)

FULL OR ALTER CASING   
MULTIPLE COMPLETS   
ABANDON\*   
CHANGE PLANS

WATER SHUT-OFF   
FRACTURE TREATMENT   
SHOOTING OR ACIDIZING   
(Other)

REPAIRING WELL   
ALTERING CASING   
ABANDONMENT\*

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

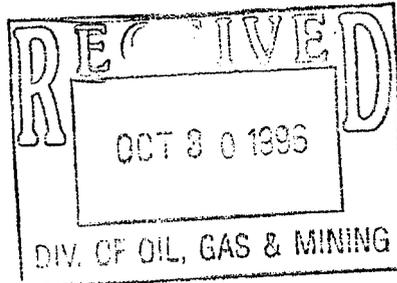
17. DESCRIBE UNPROVED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all workings and zones pertinent to this work.)

CHANGE OF OPERATOR

Falcon Energy LLC is taking over operations of the above captioned well.

Falcon Energy LLC is responsible under the terms and conditions of the lease for operations conducted on the leased lands or portions thereof.

Bond coverage for this well will be provided by BLM Bond No. UT 1049.



RECEIVED  
OCT 15 PM 1:59  
DEPT OF THE INTERIOR  
BUREAU OF LAND MGMT

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

SIGNED Wayne O. Stout

TITLE Manager

DATE 10-1-96

(This space for Federal/State/Local Agency Representative)  
s/ Brad D. Palmer

TITLE Assistant Field Manager,

OCT 24 1996

APPROVED BY

TITLE Resource Management

DATE

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED  
\*See Instructions on Reverse Side

hcan

Falcon Energy, LLC  
Well No. Hope 2  
NWNE Sec. 24, T. 20 S., R. 23 E.  
Grand County, Utah

**CONDITIONS OF APPROVAL**

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

Be advised that Falcon Energy, LLC is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased land.

Bond coverage for this well is provided by BLM Bond UT1049 (Principle - Falcon Energy, LLC) as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43 CFR 3106.7-2 continuing responsibility are met.

**OPERATOR CHANGE WORKSHEET**

1- <del>LEE</del>	6- <del>LHC</del>
2- <del>GLH</del>	7-KDR
3- <del>DPS</del> TS	8-SJ
4-VLD	9-FILE
5-RJF	

Attach all documentation received by the division regarding this change.  
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator       Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 10-01-96

TO: (new operator) FALCON ENERGY LLC  
 (address) 510 W 3560 S  
SALT LAKE CITY UT 84115  
DOUG POWELSON  
 Phone: (801) 269-0701  
 Account no. N6710

FROM: (old operator) S.O.A.L., LLC  
 (address) PO BOX 2165  
FARMINGTON NM 87499-2165  
E M SUSSEX  
 Phone: (505) 327-9455  
 Account no. N5825

WELL(S) attach additional page if needed:

Name: <u>CLAYTON #1/MRSN</u>	API: <u>43-019-30800</u>	Entity: <u>8186</u>	S	<u>24</u>	T	<u>20S</u>	R	<u>23E</u>	Lease: <u>U15049</u>
Name: <u>KATHY #1/MRSN</u>	API: <u>43-019-30906</u>	Entity: <u>8183</u>	S	<u>24</u>	T	<u>20S</u>	R	<u>23E</u>	Lease: <u>U15049</u>
Name: <u>NICOL #1/DKTA</u>	API: <u>43-019-30908</u>	Entity: <u>8184</u>	S	<u>24</u>	T	<u>20S</u>	R	<u>23E</u>	Lease: <u>U15049</u>
Name: <u>HOPE #4/TA</u>	API: <u>43-019-30909</u>	Entity: <u>11170</u>	S	<u>24</u>	T	<u>20S</u>	R	<u>23E</u>	Lease: <u>U17610</u>
Name: <u>HOPE #2/MRSN</u>	API: <u>43-019-30907</u>	Entity: <u>640</u>	S	<u>24</u>	T	<u>20S</u>	R	<u>23E</u>	Lease: <u>U17610</u>
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____

**OPERATOR CHANGE DOCUMENTATION**

- Lee 1. (r649-8-10) Sundry or other legal documentation has been received from the **FORMER** operator (attach to this form). *(Reg. 10-30-96) (Rec'd 11-5-96)*
- Lee 2. (r649-8-10) Sundry or other legal documentation has been received from the **NEW** operator (Attach to this form). *(Rec'd 10-30-96)*
- N/A 3. The **Department of Commerce** has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_.
- Lee 4. **FOR INDIAN AND FEDERAL WELLS ONLY.** The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of **Federal** and **Indian** well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Lee 5. Changes have been entered in the **Oil and Gas Information System (3270)** for each well listed above. *(11-06-96)*
- Lee 6. **Cardex** file has been updated for each well listed above. *(11-6-96)*
- Lee 7. Well file labels have been updated for each well listed above. *(11-6-96)*
- Lee 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(11-6-96)*
- Lee 9. A folder has been set up for the **Operator Change** file, and a copy of this page has been placed there for reference during routing and processing of the original documents.

**ENTITY REVIEW**

- LC 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

**BOND VERIFICATION - (FEE WELLS ONLY)**

- N/A LC 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operator's bond files.
3. The FORMER operator has requested a release of liability from their bond (yes/no)     , as of today's date     . If yes, division response was made to this request by letter dated     .

**LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY**

- N/A LC 1. Copies of documents have been sent on      to      at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.

**FILMING**

1. All attachments to this form have been microfilmed. Today's date: 12-30-96.

**FILING**

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form, and the original attachments are now being filed in the Operator Change file.

**COMMENTS**

9/6/030 Blm / Aprv. 10-24-96.

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Change of Operator</u>		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: Running Foxes Petroleum, Inc. <span style="float: right; font-size: 1.5em;">N2195</span>		8. WELL NAME and NUMBER:
3. ADDRESS OF OPERATOR: 7060 B South Tucson CITY Centennial STATE CO ZIP 80112	PHONE NUMBER: (720) 377-0923	10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE: _____ COUNTY: <b>Grand</b>		STATE: <b>UTAH</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: _____		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: <u>May 15, 2006</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This is to inform the State of Utah that there will be a change of operator from Falcon Energy LLC to Running Foxes Petroleum, Inc. for the attached well list. The BLM issued bond number is UTB-000207 and the bond was accepted on May 15, 2006. All wells and leases are on Federal Land and all operations have been deemed as satisfactory at this point. If there are any questions or information needed please contact our office and all inquiries will be addressed.

NAME (PLEASE PRINT) <u>Neil D. Sharp</u>	TITLE <u>Geologist</u>
SIGNATURE <u><i>Neil D. Sharp</i></u>	DATE <u>05/23/06</u>

(This space for State use only)

**APPROVED** 12/14/2006

*Earlene Russell*  
Earlene Russell, Engineering Technician

**RECEIVED**  
**MAY 31 2006**  
DIV. OF OIL, GAS & MINING

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

FORM APPROVED  
OMB No. 1004-0137  
Expires: March 31, 2007

**SUNDRY NOTICES AND REPORTS ON WELLS**

*Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.*

5. Lease Serial No.  
UTU ~~10099~~ 17610

6. If Indian, Allottee or Tribe Name

7. If Unit or CA/Agreement, Name and/or No.

8. Well Name and No.  
HOPE # 2

9. API Well No.  
43019 - 30907

10. Field and Pool, or Exploratory Area  
CISCO SPRINGS

11. County or Parish, State  
GRAND COUNTY, UTAH

**SUBMIT IN TRIPLICATE- Other instructions on reverse side.**

1. Type of Well  Oil Well  Gas Well  Other

2. Name of Operator **RUNNING FOXES PETROLEUM, INC.**

3a. Address  
**7060 B SO. TUCSON WAY CENTENNIAL, CO. 80112**

3b. Phone No. (include area code)  
**303-617-7242**

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)  
**NW NE SEC. 24 T20S - R23E**

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

TYPE OF SUBMISSION	TYPE OF ACTION			
<input type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recomplete horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports must be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompletion in a new interval, a Form 3160-4 must be filed once testing has been completed. Final Abandonment Notices must be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**RUNNING FOXES PETROLEUM, INC. IS TAKING OVER OPERATIONS OF THE ABOVE CAPTIONED WELL(S).**

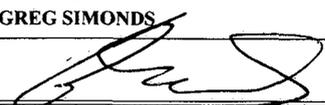
**RUNNING FOXES PETROLEUM, INC. IS RESPONSIBLE UNDER THE TERMS AND CONDITIONS OF THE LEASE FOR OPERATIONS CONDUCTED ON THE LEASED LANDS OR PORTIONS THEREOF.**

**BOND COVERAGE FOR THIS WELL WILL BE PROVIDED BY BLM BOND NO. UTB000207.**

**EFFECTIVE DATE: 5/15/2006**

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

Name (Printed/Typed) **GREG SIMONDS** Title **V.P. OPERATIONS**

Signature  Date **05/30/2006**

**THIS SPACE FOR FEDERAL OR STATE OFFICE USE**

Approved by **ACCEPTED** Division of Resources Title **Wells and Office** Date **6/12/06**

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

**RECEIVED**  
**JUN 19 2006**  
**CONDITIONS OF APPROVAL ATTACHED**  
DIV. OF OIL, GAS & MIN.

Running Foxes Petroleum, Inc.  
Well Nos. Hope 2 and Hope 4  
Section 24, T20S, R23E  
Lease UTU17610  
Grand County, Utah

CONDITIONS OF ACCEPTANCE

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

Be advised that Running Foxes Petroleum, Inc. is considered to be the operator of the above wells effective May 15, 2006, and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by UTB000207 (Principal – Running Foxes Petroleum, Inc.) via surety consent as provided for in 43 CFR 3104.2.

This office will hold the aforementioned operator and bond liable until the provisions of 43CFR 3106.7-2 continuing responsibility are met.

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

FORM 9

<b>SUNDRY NOTICES AND REPORTS ON WELLS</b>		5. LEASE DESIGNATION AND SERIAL NUMBER:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <u>Change of Operator</u>		7. UNIT or CA AGREEMENT NAME:
2. NAME OF OPERATOR: <b>Falcon Energy LLC</b>		8. WELL NAME and NUMBER:
3. ADDRESS OF OPERATOR: 1383 Bridal Path Court	CITY <u>Fruita</u> STATE <u>CO</u> ZIP <u>81521</u>	9. API NUMBER:
PHONE NUMBER: <b>(970) 234-8095</b>		10. FIELD AND POOL, OR WILDCAT:
4. LOCATION OF WELL FOOTAGES AT SURFACE:		COUNTY: <b>Grand</b>
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		STATE: <b>UTAH</b>

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate)  Approximate date work will start: <u>5/15/2006</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only)  Date of work completion:	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input checked="" type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

This is to inform the State of Utah that there will be a change of operator from Falcon Energy LLC to Running Foxes Petroleum, Inc. for the attached well list. The BLM issued bond number is UTB-000207 and the bond was accepted on May 15, 2006. All wells and leases are on Federal Land and all operations have been deemed as satisfactory at this point. If there are any questions or information needed please contact our office and all inquiries will be addressed.

NAME (PLEASE PRINT) <u>Wayne Stout</u>	TITLE <u>Manager</u>
SIGNATURE <u>Wayne O Stout</u>	DATE <u>11-14-06</u>

(This space for State use only)

**APPROVED** 12/14/2006

*Earlene Russell*  
Division of Oil, Gas and Mining  
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

**RECEIVED**  
**DEC 07 2006**  
DIV. OF OIL, GAS & MINING

FALCON ENERGY LLC (N6710) TO RUNNING FOXES PETROLEUM, INC (N2195)

well name	sec	twp	rng	api	entity	lease	well	stat	qtr_qtr	l_num	op no
CHASE GROSSMAN 1	31	190S	240E	4301915014	8174	Federal	GW	S	SENE	UTU-012362B	N6710
SWANSON FEDERAL UTI 31-72	31	200S	240E	4301915771	9653	Federal	GW	S	NENE	UTU-011879A	N6710
FEDERAL 30-88X	30	200S	240E	4301930006	9659	Federal	GW	S	SESE	UTU-027403	N6710
FEDERAL 1-355	09	200S	230E	4301930115	240	Federal	OW	P	SENE	UTU-6355B	N6710
FEDERAL 3-355	09	200S	230E	4301930123	10947	Federal	GW	S	NENE	UTU-6355B	N6710
THOMAS FED 8	13	200S	230E	4301930148	565	Federal	GW	S	NESE	UTU-7623	N6710
ROBERT S WEST WK 1	01	210S	230E	4301930266	566	Federal	OW	P	SWSW	UTU-17309	N6710
WK 3	01	210S	230E	4301930267	566	Federal	OW	S	SWNW	UTU-17309	N6710
WK 2	01	210S	230E	4301930270	566	Federal	GW	S	SWSE	UTU-17309	N6710
W-KOLMAN FED 1-14	01	210S	230E	4301930299	566	Federal	OW	S	SWNE	UTU-17309	N6710
JACOBS 1	13	200S	230E	4301930378	567	Federal	GW	P	SWSW	UTU-7945	N6710
CISCO 3	27	200S	230E	4301930404	4500	Federal	GW	S	NENW	UTU-17245A	N6710
WK 1-13	01	210S	230E	4301930420	566	Federal	OW	S	SESW	UTU-17309	N6710
FED CISCO 1	27	200S	230E	4301930456	4500	Federal	GW	S	SENE	UTU-17245A	N6710
FEDERAL LANSDALE 3	29	200S	240E	4301930458	9185	Federal	OW	P	SWNE	UTU-7218	N6710
CISCO FEDERAL 1	10	210S	230E	4301930475	8171	Federal	GW	P	SWSE	UTU-30956A	N6710
JACOBS FED 1-25	25	200S	230E	4301930486	568	Federal	OW	P	SENW	UTU-7623	N6710
FEDERAL 24-1	24	200S	230E	4301930510	569	Federal	GW	S	SESW	UTU-7623	N6710
PETRO FED 15-3	15	210S	230E	4301930523	8212	Federal	GW	S	SENE	UTU-75141	N6710
PETRO 15-5-80A	15	210S	230E	4301930611	2241	Federal	GW	P	NWNE	UTU-75141	N6710
CP 1-4	01	210S	230E	4301930671	566	Federal	OW	P	SESW	UTU-17309	N6710
CP 1-5	01	210S	230E	4301930674	566	Federal	GW	PA	SESW	UTU-17309	N6710
FEDERAL 2-037	03	200S	230E	4301930864	250	Federal	OW	P	SESW	UTU-19037	N6710
KATHY 1	24	200S	230E	4301930906	8183	Federal	GW	S	NWSE	UTU-15049	N6710
HOPE 2	24	200S	230E	4301930907	640	Federal	OW	S	NWNE	UTU-17610	N6710
NICOL 1	24	200S	230E	4301930908	8184	Federal	GW	S	SWSE	UTU-75894	N6710
HOPE 4	24	200S	230E	4301930909	11170	Federal	GW	S	NENE	UTU-17610	N6710
FEDERAL 3-037	03	200S	230E	4301930992	13039	Federal	OW	S	SESW	UTU-19037	N6710
FED PIONEER 2A	13	200S	230E	4301930993	10976	Federal	GW	P	SESW	UTU-0148171B	N6710
FEDERAL 7-037	03	200S	230E	4301931015	250	Federal	OW	S	SWSE	UTU-19037	N6710
MARTHA 1	30	200S	240E	4301931024	9655	Federal	GW	S	NWNW	UTU-027403	N6710
CISCO SS 15-8	15	200S	230E	4301931052	2285	Federal	OW	S	NWSE	UTU-64270	N6710
CISCO SPRINGS B 1	15	200S	230E	4301931065	6683	Federal	OW	S	NESE	UTU-62845	N6710
CISCO SPRINGS A 1	09	200S	230E	4301931076	6682	Federal	GW	S	NWNE	UTU-62845	N6710
CISCO SPRINGS B 2	15	200S	230E	4301931115	6684	Federal	GW	S	NESE	UTU-62845	N6710
MUSTANG 3-1	03	200S	230E	4301931128	9860	Federal	GW	S	SWSW	UTU-6791	N6710
CISCO SPRINGS 24-3	24	200S	230E	4301931179	571	Federal	GW	PA	NESW	UTU-7623	N6710
THOMAS 2A	13	200S	230E	4301931182	572	Federal	GW	S	SWSE	UTU-7623	N6710
MARTHA 4	30	200S	240E	4301931212	9655	Federal	GW	P	SWNW	UTU-027403	N6710
M P D 9-2	09	210S	230E	4301931216	9801	Federal	GW	S	NESE	UTU-30956	N6710
LEN 13-3	13	200S	230E	4301931217	572	Federal	GW	S	SESE	UTU-7623	N6710
LEN 24-4	24	200S	230E	4301931223	573	Federal	GW	S	NWSW	UTU-7623	N6710
ROBIN G NO 24-1	24	200S	230E	4301931255	10837	Federal	GW	P	SENW	UTU-58207	N6710
ROBIN G 24-4	24	200S	230E	4301931261	10963	Federal	GW	S	SENW	UTU-58207	N6710
FEDERAL 1-355A	09	200S	230E	4301931265	10941	Federal	GW	P	SENE	UTU-6355B	N6710
MPD 10-2C	10	210S	230E	4301931276	9801	Federal	OW	P	NWSW	UTU-30956	N6710
MPD 15-2	15	210S	230E	4301931277	11003	Federal	GW	S	SENW	UTU-0148172	N6710
MPD 9-2B	09	210S	230E	4301931281	9801	Federal	GW	S	NWSE	UTU-30956	N6710
M6-130	24	200S	230E	4301931346	12343	Federal	OW	P	SENW	UTU-58207	N6710
POWELSON 1	24	200S	230E	4301931374	12893	Federal	OW	PA	SESE	UTU-75984	N6710
STOUT 2	24	200S	230E	4301931375	12894	Federal	OW	S	NESE	UTU-75984	N6710
ROBERTS 1	24	200S	230E	4301931376	12895	Federal	GW	P	SESE	UTU-75894	N6710

Division of Oil, Gas and Mining  
**OPERATOR CHANGE WORKSHEET**

**ROUTING**

1. DJJ
2. CDW

**X Change of Operator (Well Sold)**

Operator Name Change/Merger

The operator of the well(s) listed below has changed, effective:		<b>5/15/2006</b>
<b>FROM:</b> (Old Operator): N6710-Falcon Energy, LLC 1137 19 Rd Fruita, CO 81521-9678 Phone: 1 (970) 858-8252	<b>TO:</b> ( New Operator): N2195-Running Foxes Petroleum, Inc. 7060 B S. Tucson Centennial, CO 80112 Phone: 1 (720) 377-0923	
<b>CA No.</b>	<b>Unit:</b>	

**OPERATOR CHANGES DOCUMENTATION**

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 12/7/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 5/31/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 6/6/2006
- Is the new operator registered in the State of Utah: YES Business Number: 6097088-0143
- (R649-9-2)Waste Management Plan has been received on: requested 12/18/06
- Inspections of LA PA state/fee well sites complete on: n/a
- Reports current for Production/Disposition & Sundries on: \_\_\_\_\_
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM 6/19/2006 BIA \_\_\_\_\_
- Federal and Indian Units:**  
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a
- Federal and Indian Communization Agreements ("CA"):**  
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a
- Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

**DATA ENTRY:**

- Changes entered in the **Oil and Gas Database** on: 12/14/2006
- Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/14/2006
- Bond information entered in RBDMS on: n/a
- Fee/State wells attached to bond in RBDMS on: n/a
- Injection Projects to new operator in RBDMS on: n/a
- Receipt of Acceptance of Drilling Procedures for APD/New on: n/a

**BOND VERIFICATION:**

- Federal well(s) covered by Bond Number: UTB000207
- Indian well(s) covered by Bond Number: n/a
- (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
- a. The **FORMER** operator has requested a release of liability from their bond on: n/a  
The Division sent response by letter on: n/a

**LEASE INTEREST OWNER NOTIFICATION:**

- (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

**COMMENTS:**

Two wells remain in dispute regarding leases and were not moved - 4301930713 TXO Springs 9-1 and 4301931284 FZ 22-3