

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

M-046557

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
 Ambra Oil & Gas Company

3. ADDRESS OF OPERATOR
 American Plaza III
 47 West 2nd South, Suite 510 Salt Lake City, UT 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 660 FNL 660 FWL Sec 25, T20S, R23E
 At proposed prod. zone same

5. LEASE DESIGNATION AND SERIAL NO.
 U-49532

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 N/A

7. UNIT AGREEMENT NAME
 N/A

8. FARM OR LEASE NAME
 Federal

9. WELL NO.
 Cisco Federal 25-1

10. FIELD AND POOL, OR WILDCAT
 Greater Cisco Area

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Section 25
 T 20 S, R 23 E

12. COUNTY OR PARISH
 Grand

13. STATE
 Utah

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 8 miles northeast of Cisco, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)
 660'

16. NO. OF ACRES IN LEASE
 560

17. NO. OF ACRES ASSIGNED TO THIS WELL
 40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
 1990'

19. PROPOSED DEPTH
 2350'

20. ROTARY OR CABLE TOOLS
 Rotary - air mist

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

22. APPROX. DATE WORK WILL START*
 December 1, 1981

23. PROPOSED CASING AND CEMENTING PROGRAM

| SIZE OF HOLE | SIZE OF CASING | WEIGHT PER FOOT | SETTING DEPTH | QUANTITY OF CEMENT |
|--------------|----------------|-----------------|---------------|----------------------------|
| 11" | 8 5/8" K-55 | 32 | 160' | 35 sks (cement to surface) |
| 6 3/4" | 4 1/2" K-55 | 10.5 | 2350' | 65 sks (cement to mancos) |

Well will be drilled to test the Entrada formation.
 All shows encountered will be tested.

Blowout equipment to be used:
 8" 900 series double gate shaffer hydraulic type LWS

APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING
 DATE: 2/18/82
 BY: [Signature]

RECEIVED
 JAN 11 1982
 DIVISION OF
 OIL, GAS & MINING

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

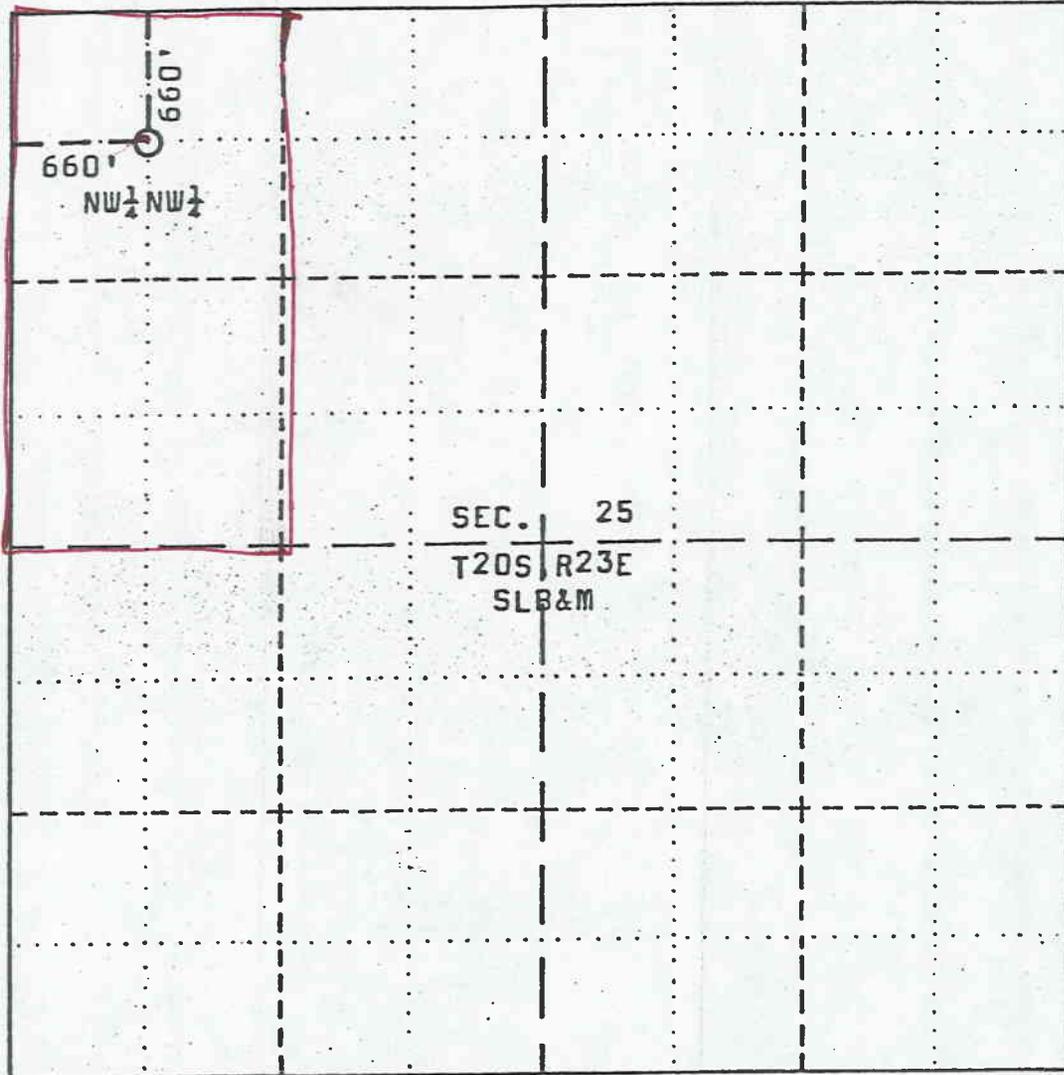
24. SIGNED [Signature] TITLE Exploration Manager DATE 1/24/81

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY [Signature] for E. W. Guynn District Oil & Gas Supervisor DATE JAN 08 1982
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

State & G

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



SCALE: 1" = 1000'

CISCO FED. NO. 25-1

Located South 660 feet from the North boundary and East 660 feet from the West boundary of Section 25, T20S, R23E, SLB&M.

RP 200' N = 4608.4
 RP 200' S = 4622.9
 RP 100' E = 4620.9
 RP 200' W = 4613.9

Elev. 4619

Grand County, Utah



SURVEYOR'S CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF

Udell S. Williams
 UTAH R.L.S. NO. 2573



UDELL S. WILLIAMS
 751 Rood Avenue
 GRAND JUNCTION, COLORADO 81501

PLAT OF
 PROPOSED LOCATION
CISCO FED. NO. 25-1
NW 1/4 NW 1/4 SECTION 25
T20S, R23E, SLB&M
 SURVEYED BY: USW DATE: 11/18/81
 DRAWN BY: USW DATE: 11/21/81

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 Ambra Oil and Gas Company
Project Type Oil Well - Development
Project Location 560' FNL & 560' FWL - Sec. 25, T. 20S, R. 23E
Well No. 25-1 Lease No. U-49532
Date Project Submitted November 25, 1981

FIELD INSPECTION

Date December 22, 1981

Field Inspection
Participants

- Craig Hansen - USGS, Vernal
- Elmer Duncan - BLM, Moab
- Kevin Cleary - BLM, Moab
- Kent Swanson - Ambra Oil and Gas
- Mac McLaster - Dirt Contractor

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.

12-24-81
Date Prepared

[Signature]
Environmental Scientist

I concur

JAN 06 1982
Date

[Signature]

FOR E. W. GYNN
DISTRICT OIL & GAS SUPERVISOR

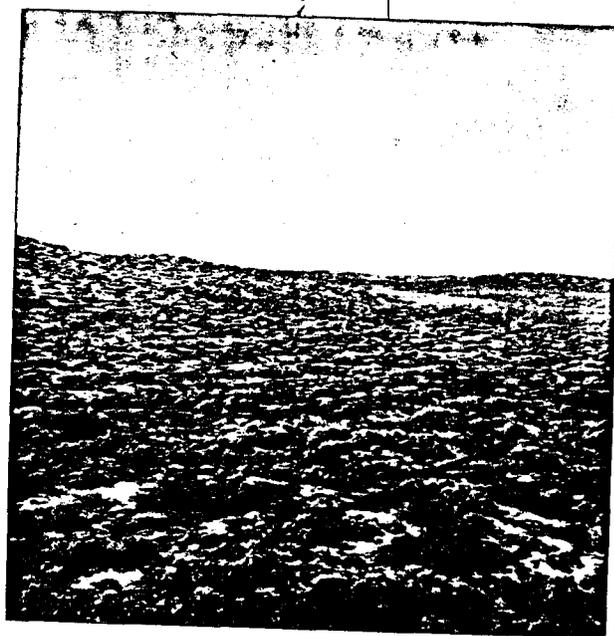
District Supervisor

CATEGORICAL EXCLUSION REVIEW COMMON REFERENCE LEGEND

1. Surface Management Agency Input
2. Reviews Reports, or information received from Geological Survey
(Conservation Division, Geological Division, Water Resource Division,
Topographic Division)
3. Lease Stipulations/Terms
4. Application Permit to Drill
5. Operator Correspondence
6. Field Observation
7. Private Rehabilitation Agreement

RECOMMENDED STIPULATIONS FOR AMBRA OIL AND GAS WELL #25-1:

1. The location must be moved 100' west and 100' north to reduce cut and fill.
2. Rotate the location 180° to allow access.
3. A berm will be placed on the west edge of the location to divert runoff away from the location.
4. Production facilities will be painted a color to blend in with the natural surroundings.
5. A 24" culvert will be placed on the access road to allow access.



*Ambra Oil & Gas
#25-1*



United States Department of the Interior

IN REPLY REFER TO

3109
(U-068)
U-49532

BUREAU OF LAND MANAGEMENT

Moab District
Grand Resource Area
P. O. Box M
Moab, Utah 84532

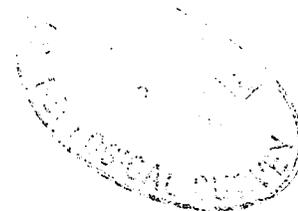
DEC 29 1981

Memorandum

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

From: Area Manager, Grand

Subject: Ambra Oil and Gas Company (APD)
Cisco Federal 25-1, Lease #U-49532
Section 25, T. 20 S., R. 23 E.
Grand County, Utah



On December 22, 1981 a representative from this office met with Cody Hansen, USGS, and Kent Swanson, agent of the Ambra Oil and Gas Company for an inspection of the above referenced location. Subject to the attached conditions and written approval from USGS, 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 Ambra Oil and Gas Company.

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

ADDITIONS TO THE MULTIPPOINT
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.
5. Improvement to the existing road will be necessary. The total disturbed width allowed will be 24 feet. The allowable travel surface will be 18 feet. The road upgrading will be in compliance with the enclosed right-of-way stipulations.

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

Topsoil and vegetation will be saved along the route and windrowed along the north and east 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. Pad size will be 150 feet wide by 150 feet long. Pit(s) will be off the pad, 30 feet long by 20 feet wide by 10 feet deep. Pad layout will be rotated 180 degrees to put pit(s) in northeast corner. The well will be moved 100 feet north and 100 feet west to reduce amounts of cut and fill. A drainage ditch will be constructed along the west side of the pad to divert the water to the north side.
7. The top 12 inches of soil material will be removed from the location and windrowed in the southeast 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 8 inch lifts, machinery compacted, and sufficiently wide for equipment to pass over. Pit(s) will be fenced with 32 inch high woven wire with one strand of barbed wire along the top. Pit(s) will be fenced on 3 sides prior to drilling, and on the fourth sides prior to rig removal.

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. In the event oil is produced, the tanks will have 3-foot berms constructed around them to hold the gallonage of the tanks plus 25 percent. Loading valves will be kept inside 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 following 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 2 times the pounds per acre shown on the enclosed seed mixture.
8. After seeding is complete the access will be blocked to prevent any use.
9. Waterbars will be used as needed on all sloping surfaces as shown below:

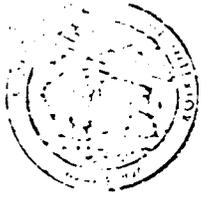
| <u>Grade</u> | <u>Spacing</u> |
|--------------|------------------|
| 2% | 200 feet spacing |
| 2-4% | 100 feet spacing |
| 4-5% | 75 feet spacing |
| +5% | 50 feet spacing |

SEED MIXTURE

| <u>Species</u> | | <u>Rate</u> <u>lbs/acre</u> |
|----------------------|-------------------|--------------------------------|
| <u>Grasses</u> | | |
| Oryzopsis hymenoides | Indian rice grass | 1 |
| Hilaria jamesii | Curley grass | 1 |
| <u>Forbs</u> | | |
| Sphaeralcea coccinea | Globemallow | 1 |
| <u>Browse</u> | | |
| Atriplex nuttallii | Nuttal saltbush | 1 |
| Ceretoides lanata | Winterfat | 1 |
| Ephedra nevadensis | Mormon tea | <u>1</u> |
| | Total | 6 |

Seed in the fall (October - December)

Broadcast seed at two (2) times the pounds per acre shown above.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

IN REPLY REFER TO

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.

POOR COPY

** FILE NOTATIONS **

DATE: 1-26-82

OPERATOR: Amtra Oil & Gas Co.

WELL NO: Basco Federal 25-1

Location: Sec. 25 T. 20S R. 23E County: Grand

File Prepared:

Entered on N.I.D.:

Card Indexed:

Completion Sheet:

API Number 43-019-30919

CHECKED BY:

Petroleum Engineer: _____

Director: OK as per order in case 102-168

Administrative Aide: as per Order Below, needs Lease ownership map. (see plat)

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. 102-16 B, 7-26-79

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.

**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 P & A

2. NAME OF OPERATOR
Ambra Oil & Gas Company

3. ADDRESS OF OPERATOR American Plaza III, Ste 510
47 W. 200 S. Salt Lake City, UT 84101

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.) NW/4 NW/4 Sec 25, T20S R23E
AT SURFACE:
AT TOP PROD. INTERVAL:
AT TOTAL DEPTH:

5. LEASE
U-49532

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
n/a

7. UNIT AGREEMENT NAME
n/a

8. FARM OR LEASE NAME
Cisco Federal

9. WELL NO.
25-1

10. FIELD OR WILDCAT NAME
Cisco

11. SEC., T., R., M. OR BLK. AND SURVEY OR AREA
Section 25
T 20 S, R 23 E

12. COUNTY OR PARISH
Grand

13. STATE
Utah

14. API NO.

15. ELEVATIONS (SHOW DF, KDB, AND WD)
4619 G.L.

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 checked="" type="checkbox"/> |
| (other) | | | |

(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.)*

Cement program:
110'-210', 35 sks
1000'-1200', bottom Km, 40 sks
1350'-1500', Kcm, 40 sks
1930'-2130', top Je, 45 sks

Pits have been back-filled. Site will be leveled and reseeding will be done in Oct-Nov. 1982.

Dry hole marker cemented in place, 5 sks

Subsurface Safety Valve: Manu. and Type _____ Set @ _____ Ft.

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

SIGNED *Ken A. Swanson* TITLE Exploration Mngr. DATE 1/29/82

(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

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
Ambra Oil & Gas Company

3. ADDRESS OF OPERATOR American Plaza III, Suite 510
47 West 200 South Salt Lake City, UT 84101

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface NW/4 NW/4, Sec 25, T20S R23E
At top prod. interval reported below 660' FNL; 660' FWL
At total depth Same

14. PERMIT NO. 43-019-30919 DATE ISSUED 1/8/82

5. LEASE DESIGNATION AND SERIAL NO.

U-49532

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

n/a

7. UNIT AGREEMENT NAME

n/a

8. FARM OR LEASE NAME

Cisco Federal

9. WELL NO.

25-1

10. FIELD AND POOL, OR WILDCAT

Gr. Cisco Area.

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

Section 25
T 20 S, R 23 E

12. COUNTY OR PARISH Grand

13. STATE Utah

15. DATE SPUDDED 1/19/82 16. DATE T.D. REACHED 1/24/82 17. DATE COMPL. (Ready to prod.) n/a 18. ELEVATIONS (DF, BKB, RT, GR, ETC.)* 4619' 19. ELEV. CASINGHEAD 4619

20. TOTAL DEPTH, MD & TVD 2192' 21. PLUG, BACK T.D., MD & TVD n/a 22. IF MULTIPLE COMPL., HOW MANY* n/a 23. INTERVALS DRILLED BY ROTARY TOOLS X CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)* n/a 25. WAS DIRECTIONAL SURVEY MADE no

26. TYPE ELECTRIC AND OTHER LOGS RUN Dual Induction-SFI-GR; Formation Density-Comp. Neutron-GR 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" | 10.5 | 160' | 6 1/2 | 35 sks | 0 |

| 29. LINER RECORD | | | | | 30. TUBING RECORD | | |
|------------------|----------|-------------|---------------|-------------|-------------------|----------------|-----------------|
| SIZE | TOP (MD) | BOTTOM (MD) | SACKS CEMENT* | SCREEN (MD) | SIZE | DEPTH SET (MD) | PACKER SET (MD) |
| | | | | | | | |

| 31. PERFORATION RECORD (Interval, size and number) | | 32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC. | |
|--|--|--|----------------------------------|
| | | DEPTH INTERVAL (MD) | AMOUNT AND KIND OF MATERIAL USED |
| | | | |

33.* PRODUCTION
DATE FIRST PRODUCTION n/a PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) WELL STATUS (Producing or shut-in)

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

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

35. LIST OF ATTACHMENTS
Logs forthcoming

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

SIGNED Kurt J. Swanson TITLE Exploration Manager DATE 1/29/82

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

INSTRUCTIONS

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

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), 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.

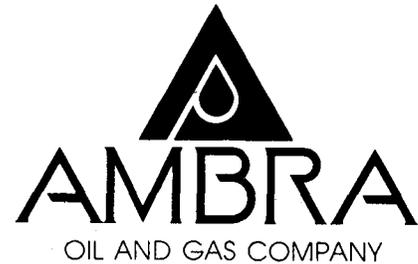
Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate 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: "Sacks Cement": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

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

| 37. SUMMARY OF POROUS ZONES: SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES | | 38. GEOLOGIC MARKERS | |
|---|-----|-------------------------|-----------------------------|
| FORMATION | TOP | BOTTOM | DESCRIPTION, CONTENTS, ETC. |
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Ambrion Plaza III
47 West 200 South, Suite 510
Salt Lake City, Utah 84101
(801) 532-6640



January 29, 1982

State of Utah
Division of Oil, Gas & Mining
1588 W. North Temple
Salt Lake City, UT 84116

Gentlemen:

Enclosed please find one original and two copies of Form OGC-3
and Form 9-331 for the Cisco Federal 25-1 well in Grand County, Utah.

If you have any comments or questions, please contact me.

Sincerely,

Rebecca P. Hunt
Rebecca P. Hunt
Production Clerk

RPH:ka'h
enclosures

RECEIVED
FEB 02 1982

**DIVISION OF
OIL, GAS & MINING**

American Plaza III
47 West 200 South, Suite 510
Salt Lake City, Utah 84101
(801) 532-6640



February 11, 1982

State of Utah
Natural Resources & Energy
Oil, Gas & Mining
4241 State Office Building
Salt Lake City, Utah 84114
ATTN: DEBBIE BEAUREGARD

RECEIVED
FEB 16 1982

DIVISION OF
OIL, GAS & MINING

Dear Debbie:

RE: Cisco Federal 25-1
Federal Lease U-49532

As per our telephone conversation this date, please find enclosed our Federal Oil & Gas Lease for the above mentioned well.

After our conversation this morning, I talked with Kent Swanson and he informed me that instead of a lease ownership map, this copy of the lease, itself, should suffice. If not, please let me know if you need further information on this well.

Sincerely,

AMBRA OIL & GAS COMPANY

A handwritten signature in cursive script that reads "Rebecca P. Hunt".

Rebecca P. Hunt
Production Clerk

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

Serial Number

OIL AND GAS LEASE
(COMPETITIVE PUBLIC DOMAIN LANDS)

U-49532

THIS INDENTURE OF LEASE, entered into, as of **NOV 1 1981**, by and between

the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and

**Ambra Oil and Gas Company
American Plaza III
47 West 2nd South, Suite 510
Salt Lake City, Utah 84101**

hereinafter called lessee, under, pursuant, and subject to the terms and provisions of the Act of February 25, 1920, (41 Stat. 437), as amended, (30 U.S.C. Sec. 181 *et seq.*), hereinafter referred to as the Act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof.

WITNESSETH:

Sec. 1. *Rights of lessee* - That lessor, in consideration or rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in or under the following-described tracts of land situated in the **Greater Cisco Area** field:

**T. 20 S., R. 23 E., SLM, Utah
Sec. 25, NW $\frac{1}{4}$, NW $\frac{3}{4}$;
Sec. 26, NE $\frac{1}{2}$, SW $\frac{1}{4}$.**

**REC'D
FEB 19 1982
DIVISION OF
GAS & MINING**

containing **560.00** acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of five (5) years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

Sec. 2. In consideration of the foregoing, lessee agrees:

(a) *Bonds* - (1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease.

(2) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by lessor a bond in the penal sum of \$10,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an operator of the lease is accepted, or unless a bond has been filed under 43 CFR 3104 applicable to this lease.

(b) *Cooperative or unit plan* - Within thirty (30) days of demand, or, if the leased land is committed to an approved unit or cooperative plan and such plan is terminated prior to the expiration of this lease, within thirty (30) days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may then determine to be practicable and in the best or advisable, which plan shall adequately protect the rights of all

(c) *Wells* - (1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of lessor, or lands of the United States leased at a lower royalty rate, or as to which the royalties and rentals are paid into different funds than are those of this lease; or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate lessor, in full, each month for the estimated loss of royalty through drainage in the amount determined by said Director.

(2) At the election of lessee, to drill and produce other wells in conformity with any system of well spacing or production allotment affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior.

(3) Promptly after due notice, in writing, to drill and produce such other wells as the Secretary of the Interior may reasonably require in order that the leased premises may be properly and timely developed and produced in accordance with good operating practice.

(d) *Rentals and royalties* - To pay rentals and royalties in amount or value of production removed or sold from the leased lands as set forth in the rental and royalty schedule attached to and made a part hereof.

POOR COPY

(1) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the month next following the month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by lessee as reasonably may be required by lessor, but in no case shall lessee be required to hold such royalty oil or other products in storage beyond the last day of the month next following the month in which produced nor be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Rentals or minimum royalties may be waived, suspended, or reduced; and royalties on the entire leasehold or any portion thereof segregated for royalty purpose may be reduced if the Secretary of the Interior finds that, for the purpose of encouraging the greatest ultimate recovery of oil or gas and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Payments* - Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 3103.1-2. If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper BLM office to receive payment is closed, payment shall be deemed timely if made on the next official working day.

(f) *Contracts for disposal of products* - To file with the Oil and Gas Supervisor of the Geological Survey not later than thirty (30) days after the effective date thereof any contract or evidence of other arrangement for the sale or disposal of oil, gas, natural gasoline, and other products of the leased land: *Provided*, That nothing in any such contract or other arrangement shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the Oil and Gas Operating Regulations.

(g) *Statements, plats, and reports* - At such times and in such form as lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands; and a report with respect to stockholders, investments, depreciation, and costs.

(h) *Well records* - To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof, to lessor when required. All information obtained under this paragraph, upon request of lessee, shall not be open to inspection by the public until the expiration of the lease.

(i) *Inspection* - To keep open at all reasonable times for the inspection of any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on the leased lands or under the lease. All information obtained pursuant to any such inspection, upon request of lessee, shall not be open to inspection by the public until the expiration of the lease.

(j) *Diligence, prevention of waste, health and safety of workmen* - To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by lessor; to carry on all operations in accordance with approved methods and practices as provided in the Oil and Gas Operating Regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations and for the health and safety of workmen and employees; to plug

properly and effectively all wells drilled in accordance with the provisions of this lease or of any prior lease or permit upon which the right to this lease was predicated before abandoning the same; to carry out at expense of lessee all reasonable orders of lessor relative to the matters in this paragraph, and that on failure of lessee so to do lessor shall have the right to enter on the property and to accomplish the purpose of such orders at lessee's cost: *Provided*, That lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) *Taxes and wages, freedom of purchase* - To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil and gas produced from the lands hereunder, or other rights, property or assets of lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) *Equal Opportunity Clause* - The lessee agrees that, during the performance of this lease.

(1) The lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The lessee will take affirmative action to ensure that applicants, are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the lessor setting forth the provisions of this Equal Opportunity Clause.

(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The lessee will send to each labor union or representative of workers with which lessee has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the lessor, advising the labor union or workers' representative of the lessee's commitments under this Equal Opportunity Clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the lessee's noncompliance with the Equal Opportunity Clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the lessee may be declared ineligible for further Federal Government contracts or leases in accordance with the procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of Paragraphs (1) through (7) of this subsection 2(1) in every contract, subcontract, or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or vendor. The lessee will take such action with respect to any contract, subcontract, or purchase order as the Secretary of the Interior may direct as a means of enforcing such provisions including sanctions for noncompliance; *Provided, however*, that in the event the lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary of the Interior, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

(m) *Certification of nonsegregated facilities* - By entering into this lease, the lessee certifies that lessee does not and will not maintain or provide for lessee's employees any segregated facilities at any of lessee's establishments, and that lessee does not and will not permit lessee's employees to perform their services at any location, under lessee's con-

sol, where segregated facilities are maintained. The lessee agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. Lessee further agrees that (except where lessee has obtained identical certifications from proposed contractors and subcontractors for specific time periods) lessee will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that lessee will retain such certifications in lessee's files; and that lessee will forward the following notice to such contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods).

Notice to prospective contractors and subcontractors of requirement for certification of nonsegregated facilities - A Certification of Nonsegregated Facilities, as required by the May 9, 1967 order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

(n) *Assignment of oil and gas lease or interest therein* - As required by applicable law, to file for approval by lessor any instrument of transfer made of this lease or any interest therein, including assignments of record title, operating agreements and subleases, working or royalty interests, within ninety (90) days from date of final execution thereof.

(o) *Pipelines to purchase or convey at reasonable rates and without discrimination* - If owner, or operator, or owner of a controlling interest in any pipeline or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the Act of August 7, 1947 (61 Stat. 913; 30 U.S.C. 351).

(p) *Lands patented with oil and gas deposits reserved to the United States* - To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(q) *Reserved or segregated lands* - If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(r) *Protection of the environment including the surface, other resources and improvements* - In accordance with the directives contained in the National Environmental Policy Act (83 Stat. 852; 42 U.S.C. 4321-4347), the requirements of other environmental legislation, the oil and gas leasing regulations (43 CFR 3100) and the Oil and Gas Operating Regulations (30 CFR 221).

(1) *General* - Lessee shall take such steps as required by the drilling permit, the attached stipulations, or the authorized officer to prevent activities or operations on the leased lands from: (i) causing or contributing to soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (ii) polluting soil, air, or water; (iii) creating hazards to wildlife or depriving them of the use of the natural elements of their habitat; (iv) disturbing the surface or damaging areas of scenic value or natural beauty; (v) damaging or removing improvements owned by the United States or other parties; or (vi) destroying, damaging, or removing fossils, historic or removing fossils, historic or prehistoric ruins or artifacts. Lessee shall, prior to the termination of bond liability or at any other time when required and in the manner directed by lessor, reclaim all land the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite

and onsite damage caused by lessee's activity or activities incidental thereto, restore access roads or trails to their former condition and remove structures. Lessor may prescribe, by stipulations to be subsequently included in this lease or through the authorized officer, the steps to be taken by lessee to protect or restore the environment both on and off the lands, and improvements thereon whether or not the improvements are owned by the United States.

(2) *Use of other resources* - Timber, mineral materials, and water from public water reserves or water developed by the Bureau of Land Management or its lessees, licensees, or permittees, except water rights established under State law acquired by such lessees, licensees, or permittees may be used only with advanced authorization from and on terms and conditions imposed by the authorized officer.

(3) *Antiquities and objects of historic value*

(i) Lessee shall immediately bring to the attention of the authorized officer any and all American antiquities or other objects of historic or scientific interest including, but not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and to leave such item(s) or condition(s) intact. Failure to comply with any of the terms and conditions imposed by the authorized officer with regard to the preservation of antiquities shall constitute a violation of the Antiquities Act (16 U.S.C. 431-433).

(ii) If the authorized officer determines that archaeological values exist or may exist on the lands within the lease and that they might be impaired by oil and gas operations, lessee will engage a recognized authority on archaeology, acceptable to the Bureau of Land Management, to survey and salvage, in advance of any operations, such values on the lands involved. The responsibility for and cost of this survey and salvage will be that of lessee.

(4) *Pollution Control* - Lessee agrees that this lease is subject to all relevant pollution control legislation at the Federal, State, or local level. Such legislation includes, but is not limited to the Clean Air Act, as amended (77 Stat. 392; 42 U.S.C. 1857, et seq.), the Refuse Act of 1899 (30 Stat. 1152; 33 U.S.C. 407-409), the Federal Water Pollution Control Act (62 Stat. 1155; 33 U.S.C. 1151-1161).

(5) *Stipulations* - To comply with stipulations attached hereto which are made a part of the lease or the approved *Application for Permit to Drill*.

(s) *Overriding royalties* - Not to create overriding royalties in excess of five percent except as otherwise authorized by the regulations.

(t) *Deliver premises in case of forfeiture* - To deliver up to lessor in good order and condition the land leased including all improvements which are necessary for the preservation of producing wells.

Sec. 3. The lessor reserves:

(a) *Easements and rights-of-way* - The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the Act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Disposition of surface* - The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is unnecessary for the use of lessee in the extraction and removal of the oil and gas therein, or to dispose of any resource in such lands which will not unreasonably interfere with operations under this lease.

(c) *Monopoly and fair prices* - Full power and authority to promulgate and enforce all orders necessary to assure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) *Helium* - The ownership of helium and the right to extract or have extracted from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. If lessor elects to take the helium, lessee shall deliver all or any portion of gas containing the same to lessor, in the manner required by lessor, at any point on the leased premises or, if the area is served at the time of production by a gas-gathering system owned or operated by lessee, at any point in that system specified by lessor, for extraction of the helium by such means as lessor may provide. The residue shall be returned to lessee, with no substantial delay in the delivery of the gas produced from the well to owner or purchaser thereof. Save for the value of the helium extracted, lessee shall not suffer a diminution of the value of the gas produced from the well, or loss otherwise, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium for which he is not reasonably compensated. Lessor

reserves the right to erect, maintain and operate any and all production works necessary for extraction of helium on the leased premises. Lessee further agrees to include in any contract of sale of gas from the lands subject to this lease provisions setting forth that lessor owns, and reserves the right to extract or have extracted, any helium in the gas sold, and that lessor may take the gas from a pipeline carrier or any other gas-gathering system and extract the helium and return the gas to owner thereof, without delay other than that caused by the extraction process; save for the value of the helium, owner shall not suffer any diminution of the value of the gas from which helium has been extracted, or any other loss arising from the extraction of helium, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. It is further agreed that any rights reserved vested in lessor under this paragraph shall also run to any agent or assignee of lessor or any purchaser of the rights of lessor.

(e) *Taking of royalties* - All rights pursuant to Sec. 36 of the Act, to take royalties in amount or in value of production.

(f) *Casing* - All rights pursuant to Sec. 40 of the Act to purchase casing and lease or operate valuable water wells.

Sec. 4. Drilling and producing restrictions - It is agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal and State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production, or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify, from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

Sec. 5. Surrender and termination of lease - Lessee may surrender this lease or any legal subdivision thereof by filing in the proper BLM office, a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations.

Sec. 6. Purchase of materials, etc., on termination of lease - Upon expiration of the lease, or the earlier termination thereof pursuant to Sec. 5 above, lessee shall have the privilege at

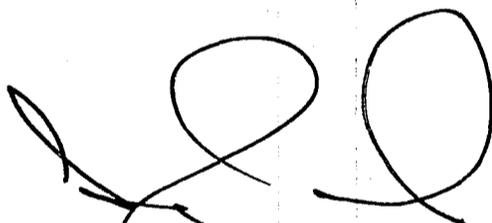
any time within a period of ninety (90) days thereafter, of removing from the premises all machinery, equipment, tools, and materials other than improvements needed for producing wells. Any materials, tools, appliances, machinery, structures, and equipment subject to removal as above provided, which are allowed to remain on the leased lands shall become the property of lessor on expiration of the 90-day period or such extension thereof as may be granted because of adverse climatic conditions throughout said period: *Provided, that* lessee shall remove any or all such property when so directed by lessor.

Sec. 7. Proceedings in case of default - If lessee shall not comply with any of the provisions of the Act or the regulations thereunder or of this lease, or shall make default in the performance or observance of any of the terms hereof this lease may be canceled or terminated in accordance with Sec. 31 of the Act. This provision shall not be construed to prevent the exercise by lessor of any legal or equitable remedy which lessor might otherwise have. Upon cancellation or termination of this lease, any casing, material, or equipment determined by the lessor to be necessary for use in plugging or preserving any well drilled on the leased land shall become the property of lessor. A waiver of any particular cause of cancellation or termination shall not prevent the cancellation or termination of this lease for any other cause of cancellation or termination, or for the same cause occurring at any other time.

Sec. 8. Heirs and successors in interest - It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 9. Unlawful interest - It is also further agreed that no Member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, or either before or after he has qualified and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4(a)(1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes of the United States, (41 U.S.C. Sec. 22) as amended, and Secs. 431, 432, and 433, Title 18 U.S.C., relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

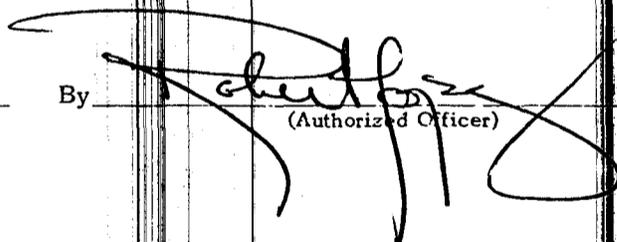
Sec. 10. Stipulations - Stipulations are attached hereto and made a part hereof. The attached stipulations appear as consecutively numbered pages commencing with page 1 hereafter. Stipulations are not attached.



(Signature of Lessee)

Ambra Oil & Gas Company
Tony Cox, President

(Signature of Lessee)



By

(Authorized Officer)

CHIEF MINERAL

(Title)

1981

(Date)

This lease is issued pursuant and subject, to the extent applicable, to the terms and provisions of Section 302 of the Department of Energy Organization Act (42 U.S.C. 7152) and to the regulations of the Secretary of Energy promulgated thereunder relating to the:

(1) fostering of competition for Federal leases (including but not limited to, prohibition on bidding for development rights by certain types of joint ventures):

(2) implementation of alternative bidding systems authorized for the award of Federal leases;

(3) establishment of diligence requirements for operations conducted on Federal leases (including, but not limited to, procedures relating to the granting or ordering by the Secretary of the Interior of suspension of operations or production as they relate to such requirements);

(4) setting rates of production for Federal leases; and

(5) specifying the procedures, terms, and conditions for the acquisition and disposition of Federal royalty interests taken in kind.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE DISTURBANCE STIPULATIONS

Area Oil and Gas Supervisor or
District Engineer (Address, include zip code)
District Oil and Gas Supervisor
Geological Survey
2000 Administration Building
1745 West 1700 South
Salt Lake City, UT 84104

Management Agency (name)

Address (include zip code)

SEE REVERSE SIDE

SEE REVERSE SIDE

1. Notwithstanding any provision of this lease to the contrary, any drilling, construction, or other operation on the leased lands that will disturb the surface thereof or otherwise affect the environment, hereinafter called "surface disturbing operation," conducted by lessee shall be subject, as set forth in this stipulation, to prior approval of such operation by the Area Oil and Gas Supervisor in consultation with appropriate surface management agency and to such reasonable conditions, not inconsistent with the purposes for which this lease is issued, as the Supervisor may require to protect the surface of the leased lands and the environment.

2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance to the District Engineer or Area Oil and Gas Supervisor, as appropriate, and will also furnish the appropriate surface management agency named above, with a copy of such map and explanation.

An environmental analysis will be made by the Geological Survey in consultation with the appropriate surface management agency for the purpose of assuring proper protection of the surface, the natural resources, the environment, existing improvements, and for assuring timely reclamation of disturbed lands.

3. Upon completion of said environmental analysis, the District Engineer or Area Oil and Gas Supervisor, as appropriate, shall notify lessee of the conditions, if any, to which the proposed surface disturbing operations will be subject.

Said conditions may relate to any of the following:

- (a) Location of drilling or other exploratory or developmental operations or the manner in which they are to be conducted;
- (b) Types of vehicles that may be used and areas in which they may be used; and
- (c) Manner or location in which improvements such as roads, buildings, pipelines, or other improvements are to be constructed.

Oil and Gas Lease - Surface Disturbance Stipulations
Surface Management Agencies

- () Cedar City District Office, Bureau of Land Management, 1579 North Main,
P.O. Box 729, Cedar City, Utah 84720
- (✓) Moab District Office, Bureau of Land Management, 125 West 2nd South,
P.O. Box 970, Moab, Utah 84532
- () Richfield District Office, Bureau of Land Management, 150 East 900 North,
P.O. Box 768, Richfield, Utah 84701
- () Salt Lake District Office, Bureau of Land Management, 2370 South 2300 West,
Salt Lake City, Utah 84119
- () Vernal District Office, Bureau of Land Management, 91 West Main,
P.O. Box F, Vernal, Utah 84078
- () Forest Supervisor, Ashley National Forest, 437 East Main, Vernal
Utah 84078
- () Forest Supervisor, Dixie National Forest, 500 South Main Street,
Cedar City, Utah 84720
- () Forest Supervisor, Fishlake National Forest, 170 North Main,
Richfield, Utah 84701
- () Forest Supervisor, Uinta National Forest, 88 West 100 North,
P.O. Box 1428, Provo, Utah 84601
- () Forest Supervisor, Manti-LaSal National Forest, 350 East Main,
Price, Utah 84501
- () Forest Supervisor, Wasatch National Forest, 4438 Federal Building,
125 South State Street, Salt Lake City, Utah 84111
- () Regional Director, Bureau of Reclamation, P.O. Box. 11568,
Salt Lake City, Utah 84147
- () Regional Director, Bureau of Reclamation, Boulder City, Nevada 89005
- () Superintendent, Uintah & Ouray Agency, Bureau of Indian Affairs,
Fort Duchesne, Utah 84026
- () Navajo Area Office, Bureau of Indian Affairs, P.O. Box 128,
Window Rock, Arizona 86515

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RENTALS AND ROYALTIES FOR OIL AND GAS LEASES

SCHEDULE "A" - NONCOMPETITIVE

RENTALS. To pay the lessor in advance on or before the first day of the month in which the lease issues a rental at the following rates:

- a. If the lands are wholly outside the known geologic structure of a producing oil or gas field. \$1.00 per acre or fraction thereof for each lease year.
- b. On leases wholly or partly within the geologic structure of a producing oil or gas field:
 1. If not committed to a cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$2 per acre or fraction thereof.

2. On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre or fraction thereof each lease year following discovery.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION. To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

SCHEDULE "B" - COMPETITIVE

ROYALTY ON PRODUCTION. To pay the lessor the following royalty on production removed or sold from the leased lands.

1. When the average production for the month in barrels per well per day is:

| OVER | NOT OVER | PERCENT OF ROYALTY | OVER | NOT OVER | PERCENT OF ROYALTY |
|------|----------|--------------------|------|----------|--------------------|
| | 50 | 12.5 | 130 | 150 | 19 |
| 50 | 60 | 13 | 150 | 200 | 20 |
| 60 | 70 | 14 | 200 | 250 | 21 |
| 70 | 80 | 15 | 250 | 300 | 22 |
| 80 | 90 | 16 | 300 | 350 | 23 |
| 90 | 110 | 17 | 350 | 400 | 24 |
| 110 | 130 | 18 | 400 | | 25 |

2. On gas, including inflammable gas, helium, carbon dioxide and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and

other liquid products obtained from gas; when the average production of gas per well per day for the month does not exceed 5,000,000 cubic feet, 12-1/2 percent; and when said production of gas exceeds 5,000,000 cubic feet, 16-2/3 percent of the amount or value of the gas and liquid products produced, said amount or value of such liquid products to be net after an allowance for the cost of manufacture.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

RENTALS. To pay the lessor in advance on or before the first day of the month in which the lease issued and for each lease year thereafter prior to a discovery of oil or gas on the leased lands, an annual rental of \$2 per acre or fraction thereof.

NOTICE

The average production per well per day for oil and gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

February 18, 1982

Ambra Oil & Gas Company
47 West 2nd South Suite 510
Salt Lake City, Utah 84101

RE: Well No. Cisco Federal 25-1
Sec. 25, 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 43-019-30919.

Sincerely,

DIVISION OF OIL, GAS AND MINING



Cleon B. Feight
Director

CBF/as
Encl.
cc: BSGS