

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE WATER SANDS LOCATION INSPECTED OIL SUB. REPORT/abd.

* Location Abandoned - Well never drilled - 11-12-82

DATE FILED 3-5-82

LAND: FEE & PATENTED STATE LEASE NO. PUBLIC LEASE NO. U-17610 INDIAN

DRILLING APPROVED: 3-10-82

SPUDDED IN:
COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.
GOR:

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION: 4623' GR

DATE ABANDONED: LA 11-12-82

FIELD: 3/4 GRATER CISCO AREA

UNIT:

COUNTY: GRAND

WELL NO. HOPE #2-A API NO. 43-019-30929

LOCATION 922 FT. FROM (N) ~~X~~ LINE. 1334 FT. FROM (E) ~~X~~ LINE. ~~NE~~ NW 1/4 - 1/4 SEC. 24

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
				<u>20S</u>	<u>23E</u>	<u>24</u>	<u>CLAYTON INVESTMENTS</u>

APPLICATION FOR PERMIT TO DRILL

FOR

CLAYTON INVESTMENT COMPANY

HOPE #2-A

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

GRAND COUNTY, UTAH

RECEIVED
MAR 05 1982
DIVISION OF
OIL, GAS & MINING

Prepared by:

Linda W. Wright

Armstrong & Associates, Inc.

861 Rood Avenue

Grand Junction, Colorado 81501

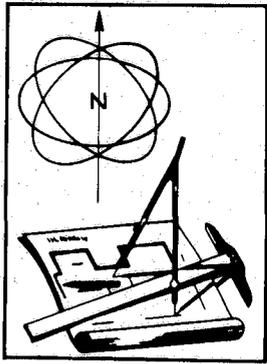
(303) 245-3861

Job # 823765

March, 1982

ARMSTRONG & ASSOCIATES, INC.

ENGINEERS-ARCHITECTS



ARMSTRONG ENGINEERS and ASSOCIATES, INC.

861 Rood Avenue - Grand Junction, Colorado 81501 - (303) 245-5866

RECEIVED
 MAR 05 1982
 DIVISION OF
 OIL, GAS & MINING

To: State of Utah
 Division of Oil, Gas & Mining
 4241 State Office Building
 Attn: Salt Lake City, Utah 84101
 Attn: Debbie Beauregard

Date: 3/2/82
 Job No. 823765
 Re: APD Hope #2-A

Gentlemen:

I am sending you Attached
 Under separate cover

Sent by: Mail
 Messenger

Copies	Date	Description
1	3/2	APD for Clayton Investment Co. Hope #2-A

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: A letter will be sent under separate cover regarding this APD for Hope #2-A.

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

Signed *Linda W. Wright*
 Linda W. Wright

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, NM 87401

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 921.9 Ft. S.N.L., 1333.5 Ft. W.E.L. NW NE
 At proposed prod. zone 1334
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 6 miles North of Cisco, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 400'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 440'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 Gr. 4623'

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2	9 5/8	54#	120 Ft.	Circ. cement to surface
8 3/4	7	23#	1100 Ft.	50 SX Class G
6 1/2	4 1/2	11.6#	1830 Ft.	50 SX Class G

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
 Ari-Mex
 9. WELL NO.
 Hope #2-A
 10. FIELD AND POOL, OR WILDCAT
 Greater Cisco Area
 Danish Flat
 11. SEC., T., R., M., OR BLEK. AND SURVEY OR AREA
 NW 1/4 NE 1/4 Sec. 24,
 T20S, R23E, SLB&M
 12. COUNTY OR PARISH
 Grand
 13. STATE
 Utah
 17. NO. OF ACRES ASSIGNED TO THIS WELL
 12
 19. PROPOSED DEPTH
 1830' Entrada
 20. ROTARY OR CABLE TOOLS
 Rotary
 22. APPROX. DATE WORK WILL START*
 April 1, 1982

ATTACHMENTS

- Well Location Plat
- 10 Point Plan
- Blowout Preventer Diagram
- Surface Use and Operations Plan
- Drawings
- Water Use Authorization
- Designation of Operator
- Designation of Agent
- 200' Stipulation

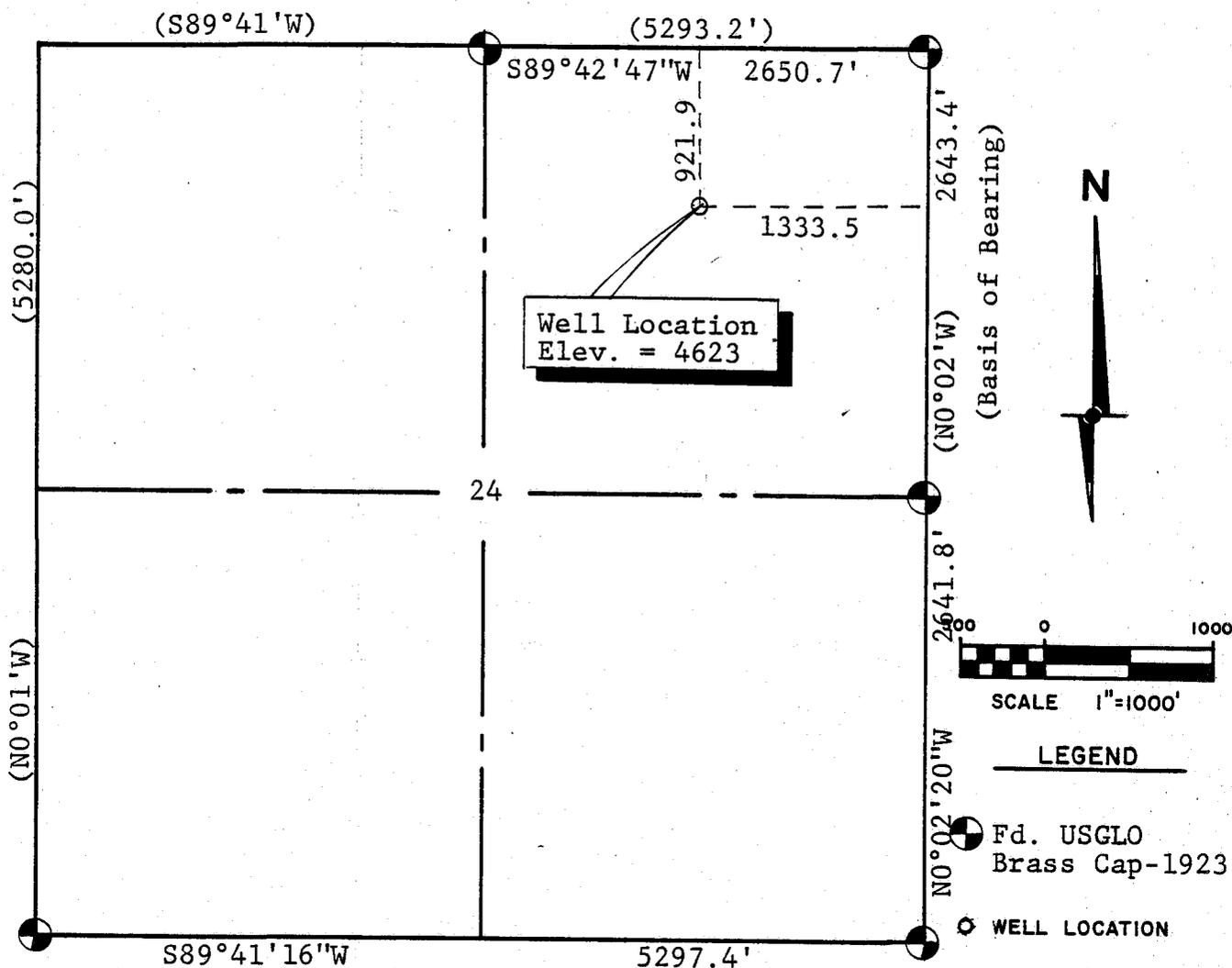
RECEIVED
 MAR 05 1982

APPROVED BY THE STATE DIVISION OF OIL, GAS, AND MINING
 DATE 3/10/82
 BY: OK [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 John A. Bare, Agent TITLE Executive Vice President DATE 3/2/82
 (This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____
 APPROVED BY _____ TITLE _____ DATE _____
 CONDITIONS OF APPROVAL, IF ANY:



WELL LOCATION

921.9 Ft. F.N.L. - 1333.5 Ft. F.E.L.
 Sec. 24, T.20S., R.23E., S.L.B.&M.
 Grand County, Utah

- LEGEND**
- Fd. USGLO Brass Cap-1923
 - WELL LOCATION
 - GLO Calls in parentheses

SURVEYOR'S CERTIFICATE

I, James R. Allen a registered land surveyor in the State of Colorado, do hereby certify that this survey was made under my direct supervision and that this plat represents said survey.



James R. Allen
 James R. Allen (Colo. LS 9175)
 Utah - Title 58 Chapter 22-21 (b) Utah LS Pending

	ARMSTRONG ASSOCIATES, INC. ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS 861 Rood Avenue-Grand Junction, Colorado 81501-(303) 245-3861	
	SCALE 1"=1000'	Clayton Investment Co. Hope 2-A
	DATE 2/11/82	
	DRAWN BY RJP	JOB NUMBER
CHECKED BY JEA	FIGURE 1	823765
DATE OF SURVEY 2-9-82		

10 POINT PLAN

Clayton Investment Company - Hope #2-A

1. Geologic Name of Surface Formation

The surface formation is the Mancos Formation.

2. Estimated Tops of Important Geologic Markers

Dakota	935
Entrada	1780
Total Depth	1830

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

Oil 1780 feet to total depth. No water or other minerals are anticipated.

4. Proposed Casing Program

- (a) Set 9-5/8 inch new 54#, K-55, ST&C, to 120 feet in 12¼ 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 6¼ 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.

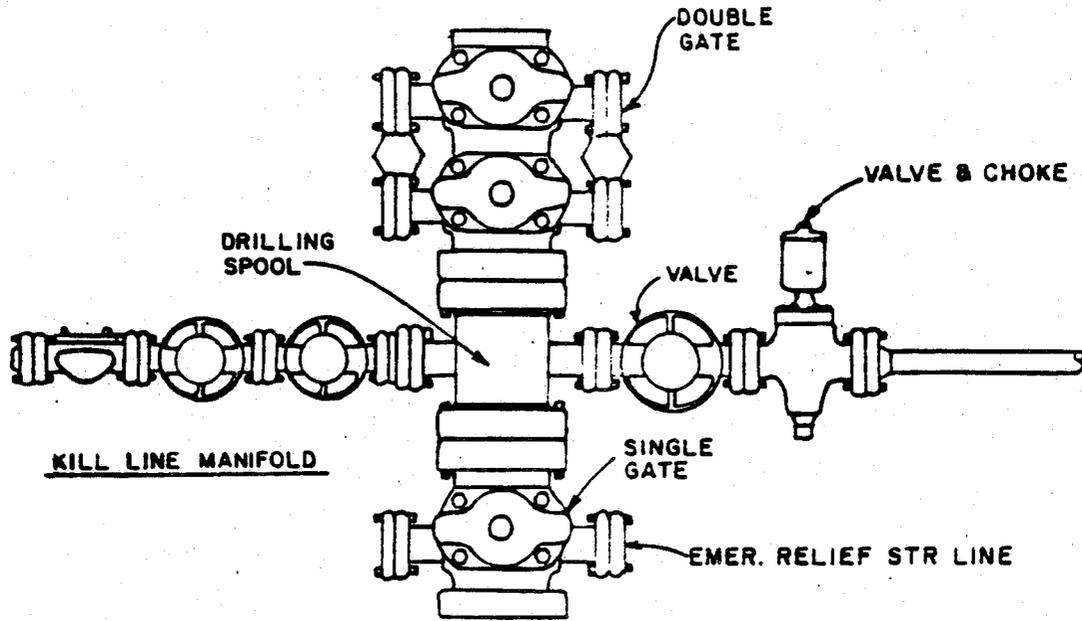
No hydrogen sulfide or other hazardous fluids or gasses are expected.

10. Anticipated Starting Date and Duration

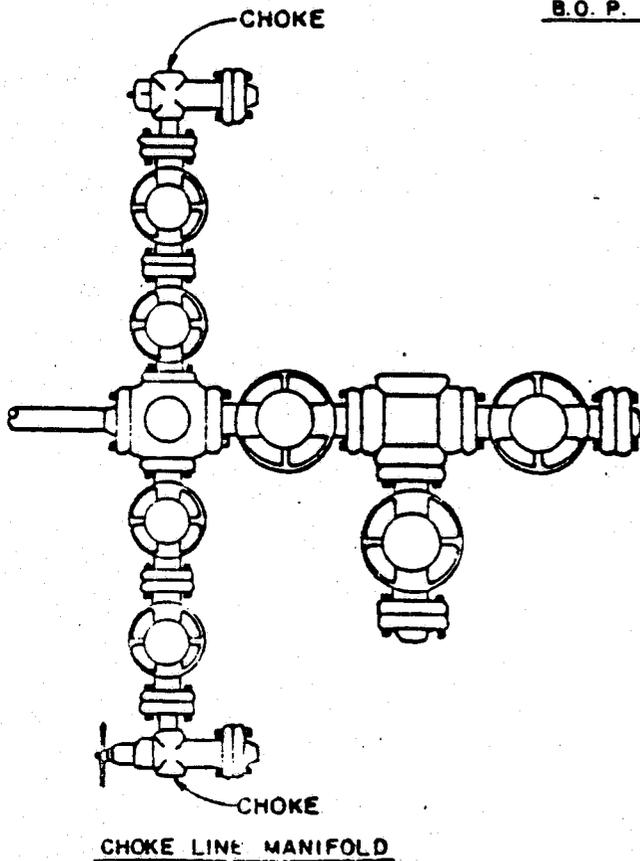
The anticipated starting date for this well is 1 April 1982 or as soon thereafter as possible depending upon the availability of a drilling rig and approval of the permit to drill.

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



	ARMSTRONG & ASSOCIATES, INC. ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS 861 Rood Avenue-Grand Junction, Colorado 81501-(303)245-3861		
	SCALE N.T.S.	CLAYTON INVESTMENT CO. Hope #2-A	
	DATE 2/23/82		
	DRAWN BY E.A.G.	FIGURE 1A	
	CHECKED BY T.W.W.		
DATE OF SURVEY 2/23/82	JOB NUMBER 823765		

SURFACE USE AND OPERATIONS PLAN
CLAYTON INVESTMENT COMPANY - HOPE #2-A

1. Existing Roads

The proposed well is located approximately 6 miles North of Cisco, Utah, see attached drawing.

The route to be used for access to the proposed well is as follows:

from Cisco, Utah exit on I-70 go North approximately 0.1 mile; turn left at the "T" intersection near the end of the blacktop; continue North on County Road 38A approximately 2.5 miles to a "Y" intersection; turn left on a bladed dirt road approximately 0.15 mile to Clayton Investment Company Hope #2 well which will be the beginning of the new road to be constructed; then East approximately 440 feet to the proposed well site.

The surface, condition, and load capacity of all roads within a 1 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, 18 ft. travel surface, 30 ft. total disturbed width.

2. Planned Access Road

The new road to be constructed for Hope #2-A will be approximately 440 feet in length, native dirt surfacing, 18 foot travel surface, 30 foot total disturbed width, crowned and ditched with a maximum grade of 4%. See the attached drawing entitled "Planned Access Road".

3. Existing Wells

Within a 1 mile radius of the proposed well, there are several producing wells, see the attached drawing entitled "Existing Wells".

4. Existing and Proposed Facilities

Clayton Investment Company owns or controls the following wells:

- a. Clayton #1
NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24, T.20S., R.23E.
- b. Hope #2
NW $\frac{1}{4}$ NE $\frac{1}{4}$ Sec. 24, T.20S., R.23E.
- c. Kathy #1
NW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24, T.20S., R.23E.
- d. Nicole #1
SW $\frac{1}{4}$ SE $\frac{1}{4}$ Sec. 24, T.20S., R.23E.

All proposed production facilities For Clayton #2 are shown on the attached drawing entitled "Production Facilities".

To protect livestock and wildlife, all pits will be enclosed by a stock-tight fence. 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

Drilling water for the proposed well will come from Cisco Spring (SW $\frac{1}{4}$ Sec. 4, T20S, R23E, SLB&M). A water use authorization is attached. Water will be transported by truck over existing public roads and the proposed access road. No other access roads or pipelines will be constructed for transporting water.

6. Source of Construction Materials

Construction materials for the proposed well pad and access road will be native borrow material accumulated during construction.

If additional material such as sand or gravel should become necessary, it will be obtained from the nearest commercial pit and will be hauled to the work area via existing public roads and the proposed access road.

7. Methods for Handling Waste Disposal

Cuttings, drilling fluids, and produced fluids will be disposed of in the reserve pit.

Dust produced during drilling operations will be suppressed by water misting.

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. The trash cage will be hauled away by truck for disposal at an approved disposal site. Upon completion of drilling, the trash cage will be removed and all waste material will be cleaned up and removed from the well location.

8. Ancillary Facilities

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

9. Well Site Layout

See attached drawings entitled "Pad Topography", "Cross Sections", and "Rig Layout".

10. Plans for Restoration of the 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 above.

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 4%. After rehabilitation, the well pad will be restored to a slope of 4% 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 areas. All disturbed areas will be reseeded.

The reserve pit will be fenced on three sides prior to the start of drilling and will be fenced on the fourth side prior to rig release. All other pits will be fenced and will be so maintained until final cleanup.

All above ground facilities will be painted to blend with surrounding vegetation.

The proposed timetable for rehabilitation operations is as follows:

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.

11. Other Information

The surface ownership for the well location and for all lands to be crossed by newly constructed or upgraded roads are:

- a. Bureau of Land Management

b. Patsantaras Land & Livestock Company
3112 A½ Road
Grand Junction, CO 81501

Surface use activities in the area of the proposed well are winter livestock grazing, petroleum production, and recreation.

The topography of the area is shown on the Danish Flat, Utah Quadrangle; USGS 7.5 minute series, Grand County, Utah.

Soils in the area are light brown sandy silt (Type ML) with numerous small wind polished rocks on the surface.

Vegetation in the area is of the semi-desert type, dominated by saltbrush and rabbitbrush.

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 plants or animals in the subject area.

All construction and rehabilitation will be done in accordance with "Additions to the Multipoint Surface Use Plan and Reclamation Procedures" and BLM specifications.

12. Authorized Representative

Clayton Investment Company's authorized field representative responsible for assuring compliance with this surface use and operations plan is F. L. Stark whose address is: P.O. Box 1367, Farmington, NM 87401, telephone number: (505) 327-5156.

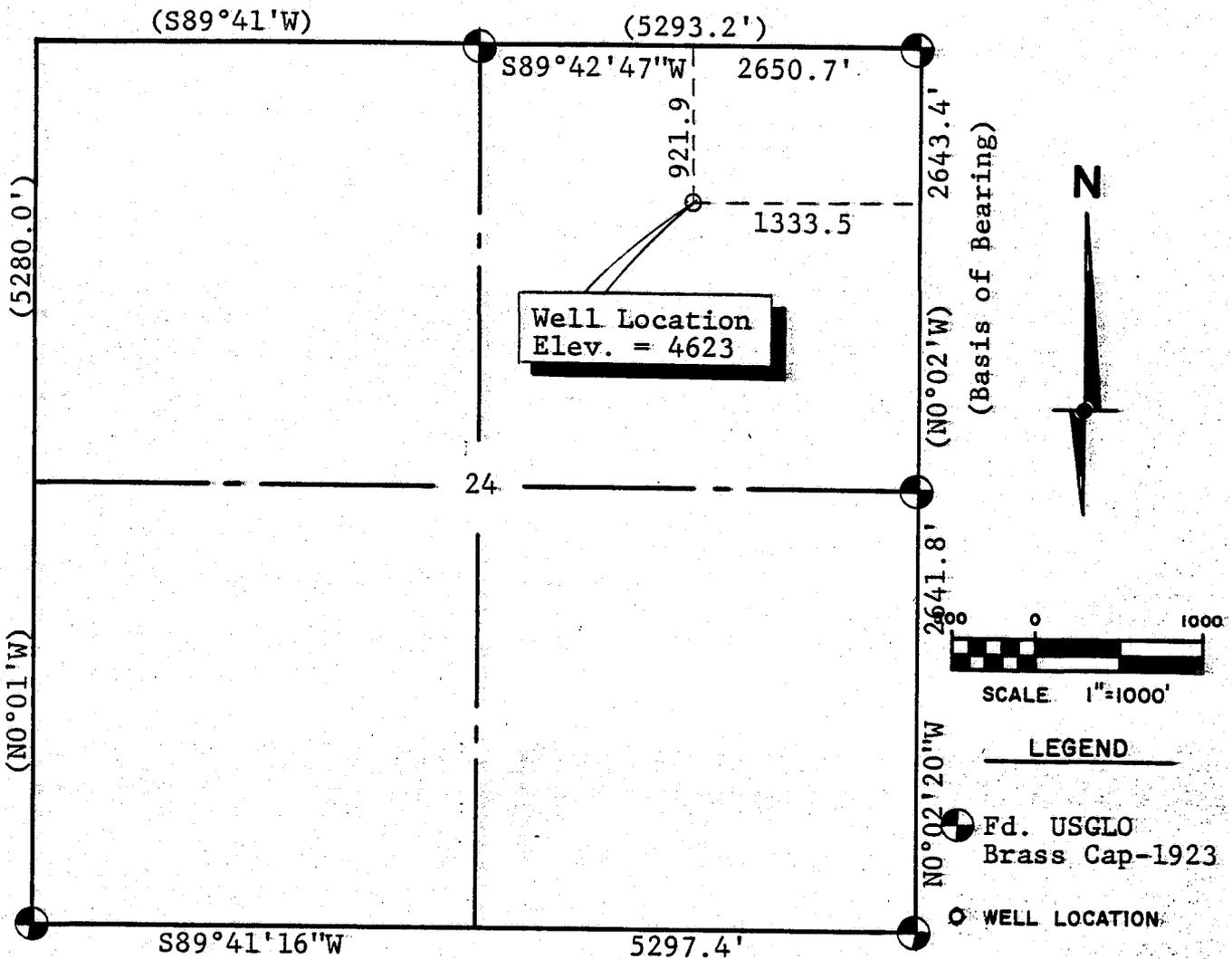
13. Certification

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.

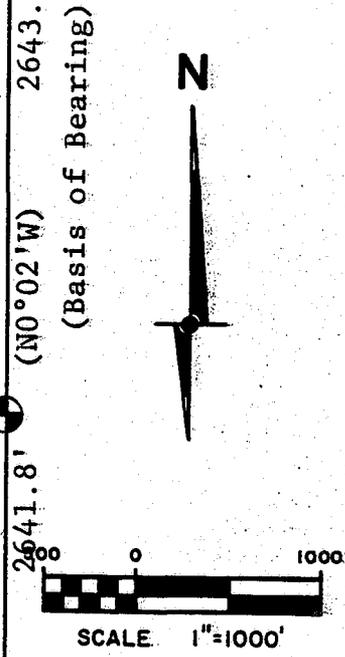
3/2/82

Date

John A. Base, Agent
for F. L. Stark



Well Location
Elev. = 4623



- LEGEND**
- Fd. USGLO Brass Cap-1923
 - WELL LOCATION

GLO Calls in parentheses

WELL LOCATION

921.9 Ft. F.N.L. - 1333.5 Ft. F.E.L.
Sec. 24, T.20S., R.23E., S.L.B.&M.
Grand County, Utah

SURVEYOR'S CERTIFICATE

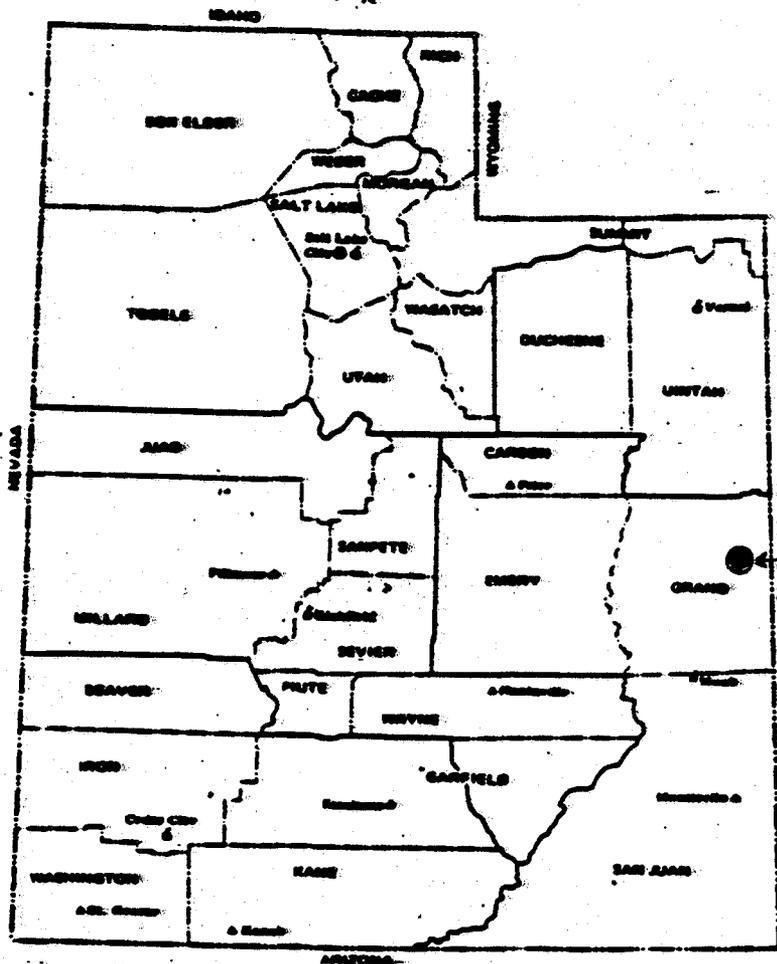
I, James R. Allen, a registered land surveyor in the State of Colorado, do hereby certify that this survey was made under my direct supervision and that this plat represents said survey.



James R. Allen
James R. Allen (Colo. LS 9175)
Utah - Title 58 Chapter 22-21 (b) Utah LS Pending

	ARMSTRONG ASSOCIATES, INC. ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS 861 Rood Avenue-Grand Junction, Colorado 81501-(303) 245-3861	
	SCALE 1"=1000' DATE 2/11/82 DRAWN BY RJP	Clayton Investment Co. Hope 2-A
	CHECKED BY JEA DATE OF SURVEY 2-9-82	FIGURE 1
	JOB NUMBER 823765	

AREA MAP



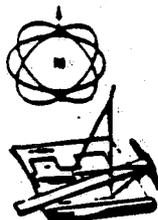
Proposed Well Location



UTAH

LEGEND

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



ARMSTRONG & ASSOCIATES, INC.

ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS

881 Road Avenue-Grand Junction, Colorado 81501-(303)245-3861

SCALE 1"=50MI
 DATE 7/22/82
 DRAWN BY LJW
 CHECKED BY
 DATE OF SURVEY 7/19/82

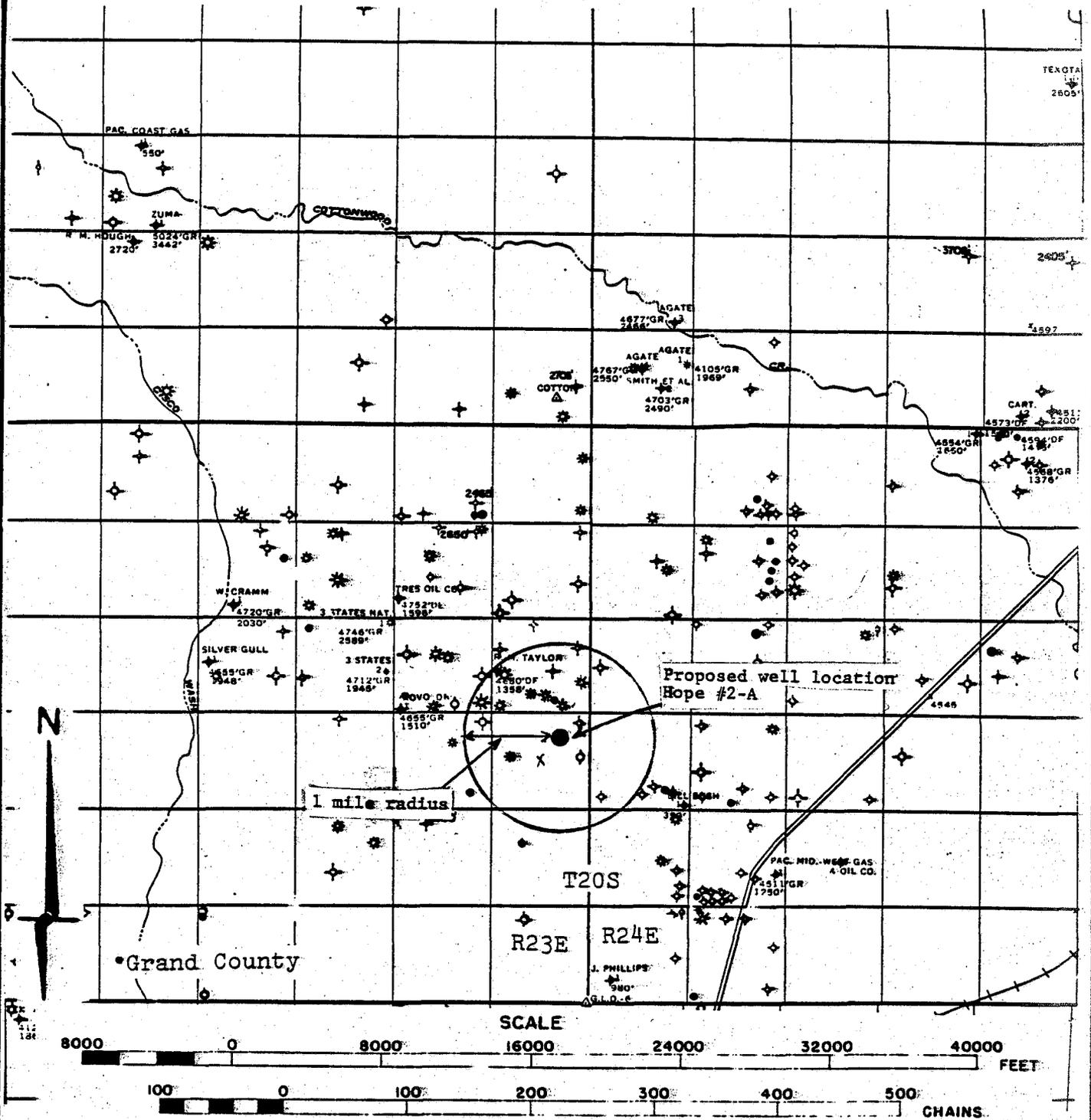
Clayton Investment Co.

Hope #2-A

Figure 2

JOB NUMBER
823765

EXISTING WELLS



LEGEND

- | | |
|----------------------|-----------------------|
| ○ LOCATION | * OIL & GAS WELL |
| ⊖ DRY HOLE | * ABANDONED OIL & GAS |
| ● OIL WELL | * GAS WELL |
| ⊕ ABANDONED OIL WELL | * ABANDONED GAS WELL |
| ⊙ WATER WELL | |



ARMSTRONG & ASSOCIATES, INC.

ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS
881 First Avenue - Grand Junction, Colorado 81501 - (303) 245-3881

SCALE shown
DATE 2/22/82
DRAWN BY WW
CHECKED BY JAB
DATE OF SURVEY 2/19/82

CLAYTON INVESTMENT CO.

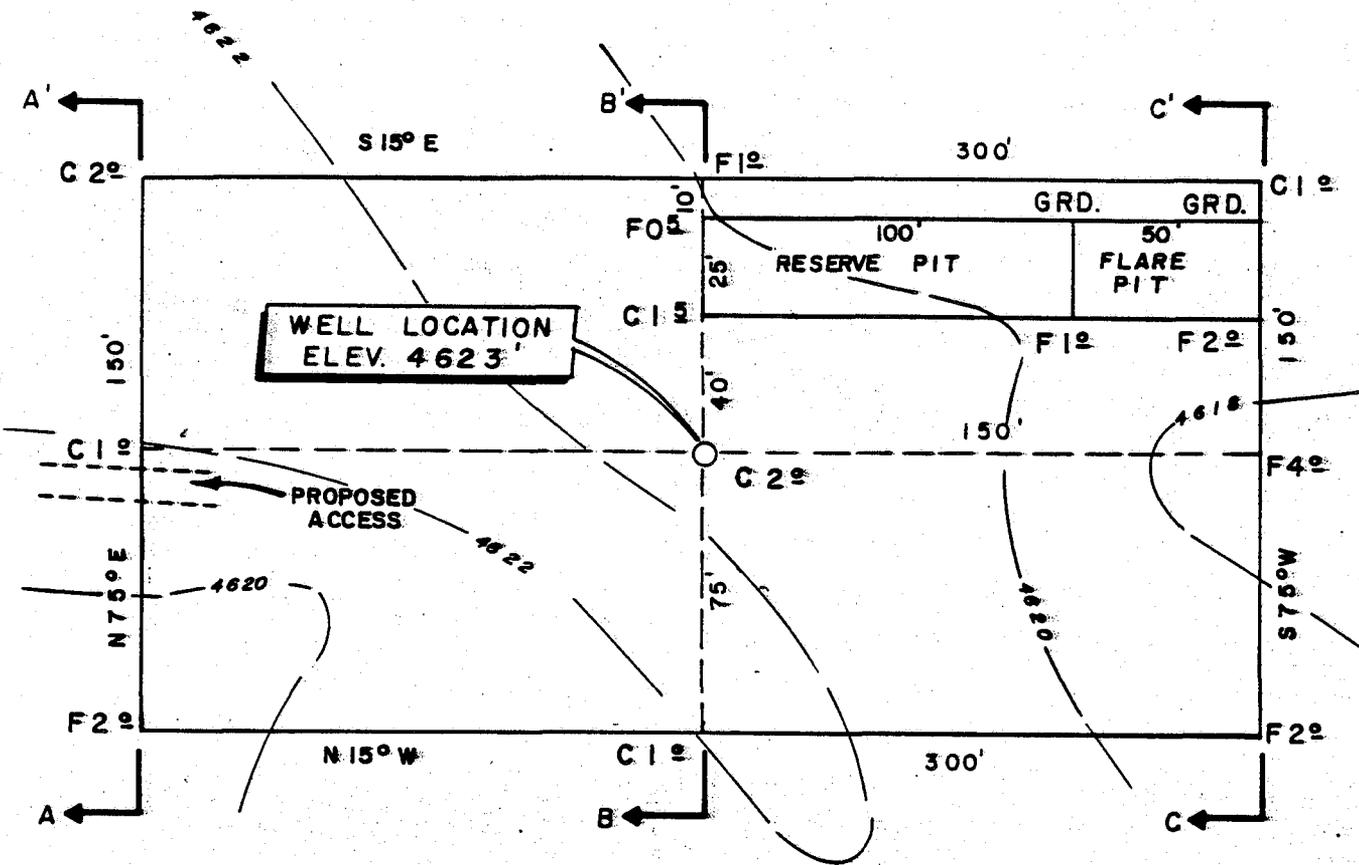
Hope #2-A

Figure 4A

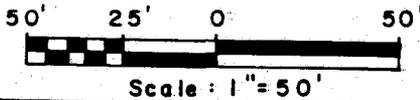
JOB NUMBER

823765

PAD TOPOGRAPHY

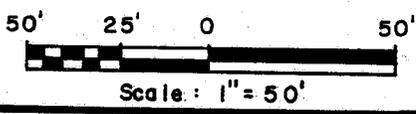
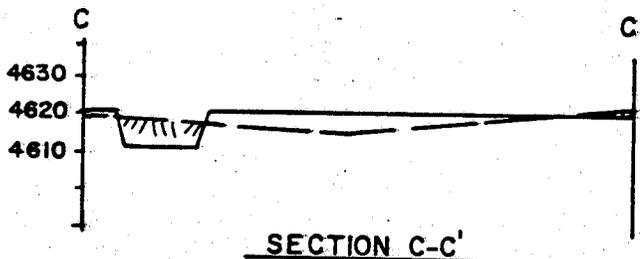
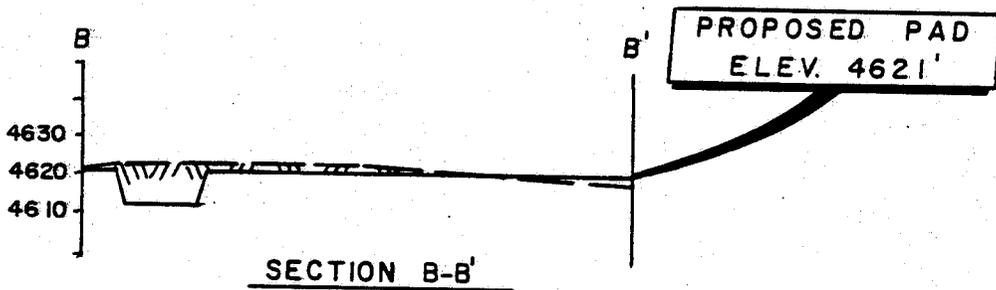
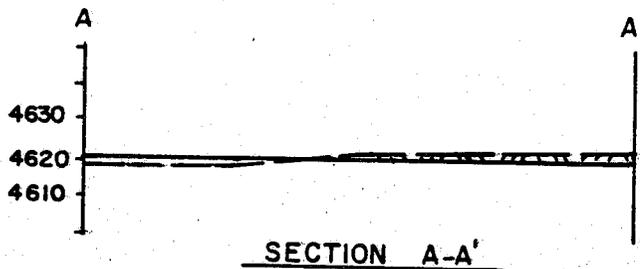


REF. PT. 200' NORTH ELEV. 4624
 REF. PT. 200' EAST ELEV. 4621
 REF. PT. 200' WEST ELEV. 4620



	ARMSTRONG ENGINEERS and ASSOCIATES, INC. ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING 861 ROOD AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3861	
	1" = 50' 2-11-82 EAG EDW 2-9-82	CLAYTON INVESTMENT CO. HOPE # 2 A
	FIGURE 5	JOB NUMBER: 823765

CROSS SECTIONS



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

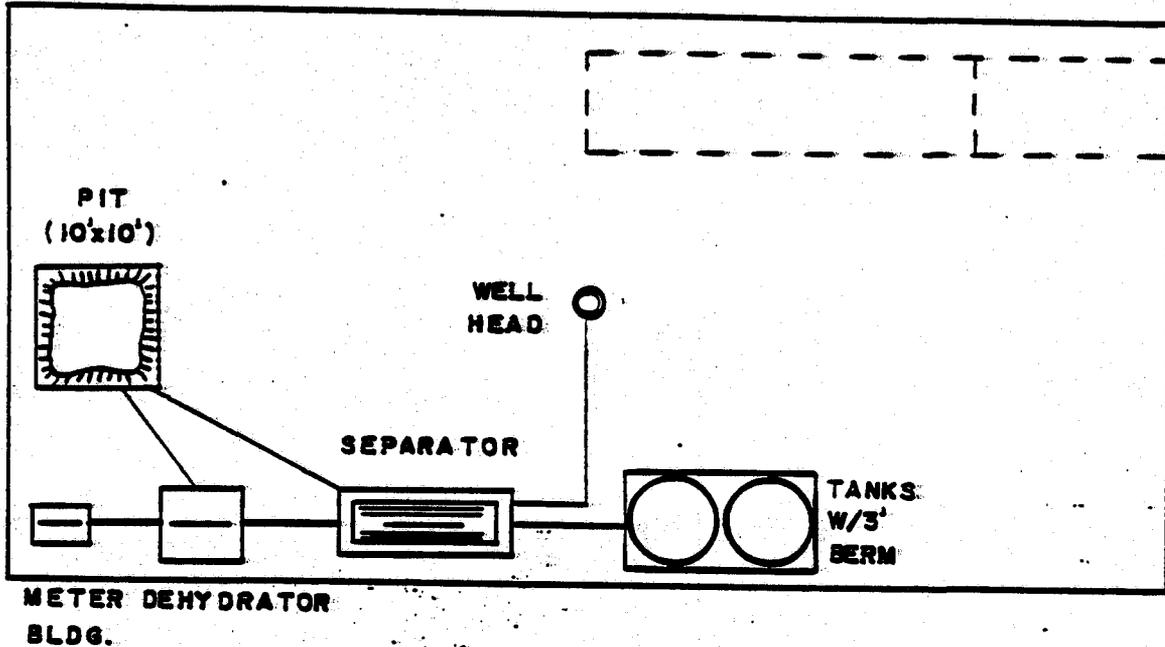
1" = 50'
 2-11-82
 E. A. G.
EAG
 2-9-82

CLAYTON INVESTMENT CO.
 HOPE # 2A

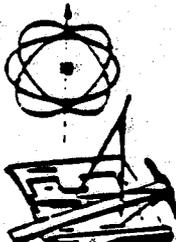
FIGURE 6

JOB NUMBER
823765

PRODUCTION FACILITIES



NOTE: Do not install these facilities in the center of the well pad or over the rig anchors as they will be used in the future by a work over rig. Separator must be located 75' (min.) from well head.



ARMSTRONG ENGINEERS and ASSOCIATES, INC.
 ENGINEERING • SURVEYING • SOILS AND CONCRETE TESTING
 951 200D AVENUE - GRAND JUNCTION, COLORADO 81501 - (303) 245-3261

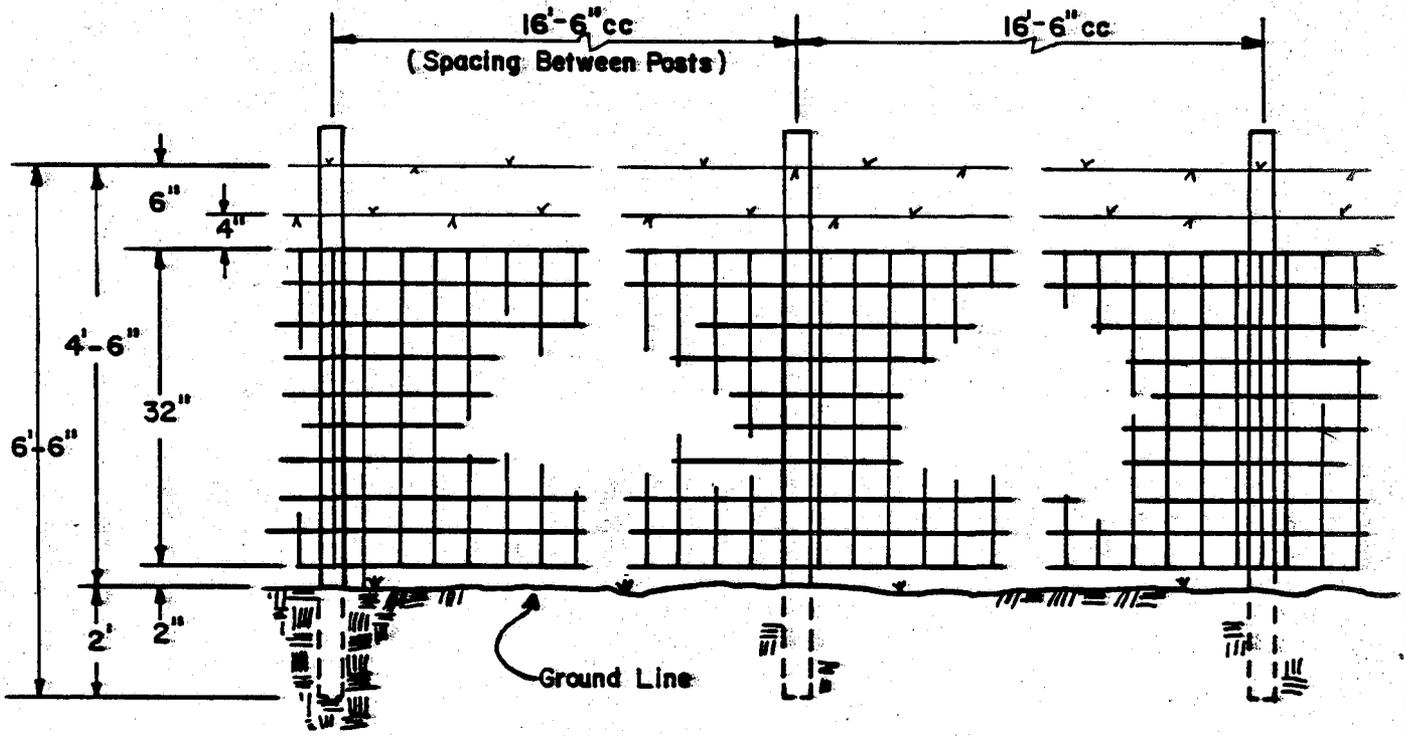
NO SCALE
 LWL
 2/23/82
 J.A. BARE
 2/9/82

Clayton Investment Co.
 Hope #2-A

FIGURE 8

JOB NUMBER
 823765

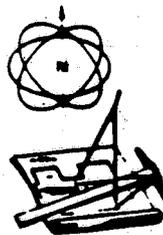
PIT FENCE DIAGRAM



CORNER POSTS SHALL BE BRACED

Reserve Pit to be Fenced 3 sides
Prior to Drilling. 4th Side Must be
Completed Before Rig Release.

Overhead Flagging or Netting Must
be Placed on All "Permanent" Pits.



ARMSTRONG & ASSOCIATES, INC.

ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS

881 Road Avenue-Grand Junction, Colorado 81501-(303)245-3861

SCALE
NOT TO SCALE

DATE 7/23/82

DRAWN BY

CHECKED BY

DATE OF SURVEY

2/9/82

Clayton Investment Co.
Hope #2-A

Figure 9

JOB NUMBER

823765

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 made 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 S $\frac{1}{2}$ 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. NE $\frac{1}{4}$ SE $\frac{1}{4}$, NE $\frac{1}{4}$ NW $\frac{1}{4}$ 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-foot 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 explanatory text.

(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

Handwritten signature of applicant over a line.

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

Handwritten signature of notary public over a line.

Notary Public

(SEAL)

JENBOLWBA

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 EP
2. Priority of Application brought down to, on account of
3. 10.1.81 Application fee, \$ 15.00, 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 EP
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 EP
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 rejection 56 & 101A
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.
21. Time for making Proof of Appropriation extended to

Dee C. Hansen
Dee C. Hansen, P.E., State Engineer
22. Proof of Appropriation submitted.
23. Certificate of Appropriation, No., issued

TEMPORARY

Application No. 56986

01-154

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.: 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

T20S, R23E, SLMER, Sec. 24 N 1/2 NE 1/4, SE 1/4 NE 1/4

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.

Note: This document supersedes any previous designation of operator document submitted.

THRIFTWAY COMPANY

By: _____

ARI-MEX OIL & EXPLORATION, INC.

By: *James Lightgale*
(Signature of lessee)

P. O. Box 249, Moab, UT 84532

(Date)

(Address)

Eugene M. Sussex

DESIGNATION OF AGENT

The undersigned operator hereby designates ARMSTRONG & ASSOCIATES, INC. of 861 Rood Avenue, Grand Junction, Colorado 81501 as his local agent with authority to act in his behalf in the acquisition of rights of way and permits including but not limited to County, State, and Federal permits and rights of way.

It is understood that this designation of agent does not relieve the operator of responsibility for compliance with the terms of the lease and the operating regulations. It is also understood that this designation of agent does not constitute an assignment of any interest in the lease or any operating rights.

Dated this 23rd day of February, 1982.

By: J. L. Stark
F. L. Stark

NAME OF OPERATOR

Clayton Investment Company

ADDRESS

P. O. Box 1367

Farmington, New Mexico 87401

RECEIVED

MAR 1 1982

ARMSTRONG ASSOCIATES

SUBMIT IN TRIPLICATE

Rule 30 CFR 221.20 requires well shall not be drilled closer than 200 feet from the lease boundary, or 200 feet from any legal subdivision, without adequate reasons or consent.

District Oil and Gas Engineer
U. S. Geological Survey
Conservation Division
2000 Administration Building
1745 West 1700 South
Salt Lake City, UT 84104

Re: Stipulation

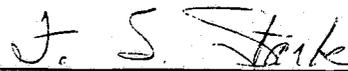
Dear Sir:

Clayton Investment Company is the owner of U. S. Oil and Gas Lease U-17610, and proposes to drill a well on the leased premises to test for oil and gas at a location in the SE ¼ NW ¼ NE ¼, Section 24, Township 20S, Range 23E, S.L.B. & Meridian, Grand County, State of Utah, 922 Ft. from North line, and 1334 from each line of Section 24.

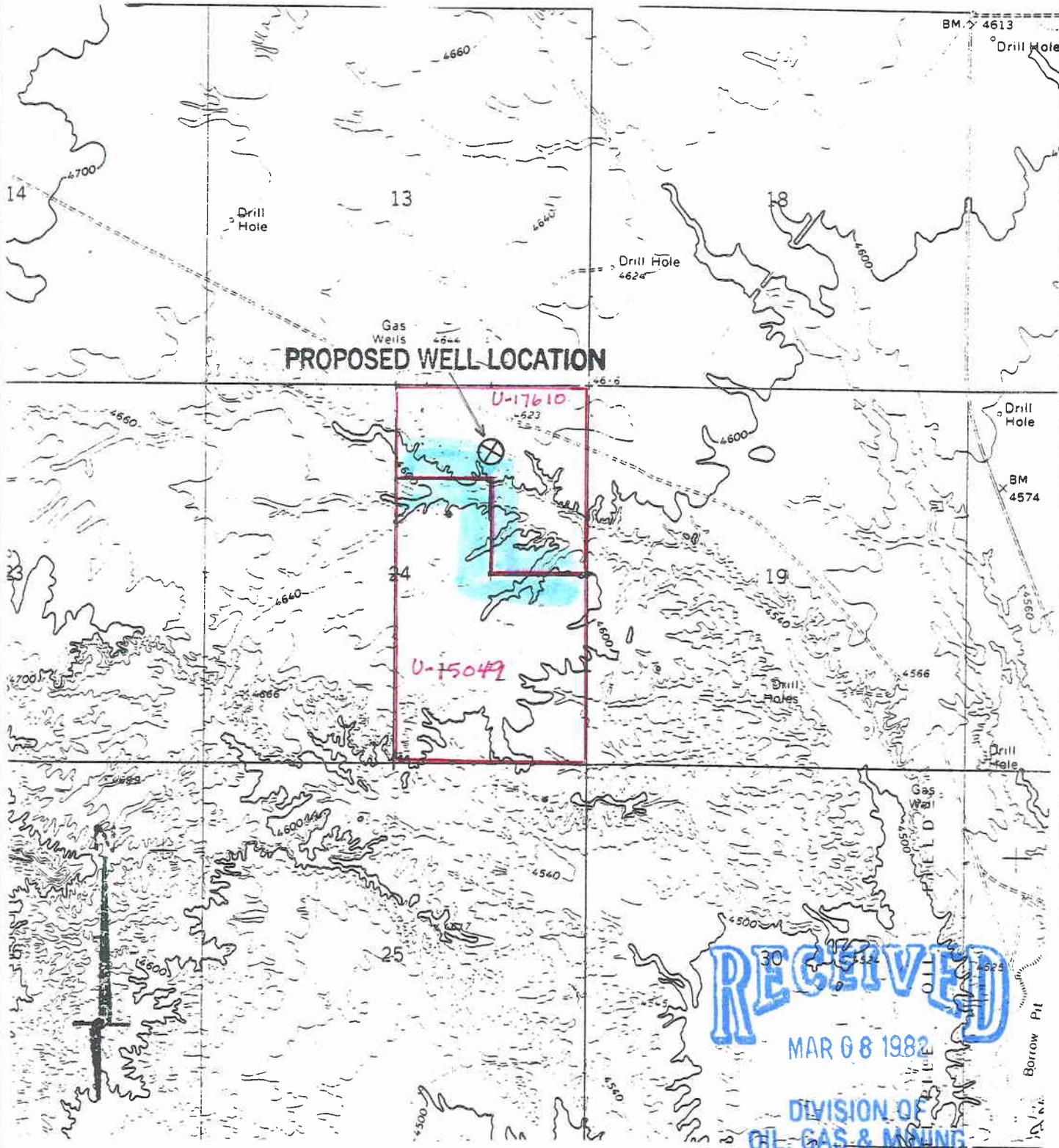
Section 221.20 of the Federal Oil and Gas Regulations requires that no well be drilled less than 200 feet from the boundary of any legal subdivision without the written consent of the Supervisor, United States Geological Survey. The proposed location is approximately 10 FT from the east boundary line of the NW ¼ NE ¼ of Section 24, but is considered to be necessary because of State of Utah spacing order 102-16B which will not allow the proposed well to be closer than 400 ft. from the existing Hope #2 well which is located 920 S.N.L., 1774 W.E.L., and the Hope #4 well which is located 504 S.N.L., 720 W.E.L. of Section 24.

Therefore, Clayton Investment Lessee, requests the consent of the Supervisor to the drilling of the proposed well at the above-described location. In consideration of such consent, Clayton Investment, Lessee, hereby expressly covenants and agrees that he will make no separate assignments of the NE ¼ NE ¼, and the NW ¼ NE ¼, Section 24, Township 20S, Range 23E, S.L.B. & Meridian, and that he will keep the two described subdivisions under joint assignment until the above-mentioned well has been plugged and abandoned with the approval of the Supervisor.

Sincerely Yours,



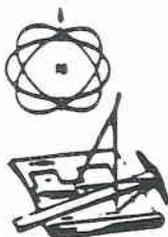
Mr. F. L. Stark



DANISH FLAT, UTAH
N3900—W10915/7.5

1970

AMS 4162 III SE—SERIES V897



ARMSTRONG & ASSOCIATES, INC.

ENGINEERS • SURVEYS • U.S. MINERAL SURVEYORS

881 Road Avenue—Grand Junction, Colorado 81501-(303)245-3881

SCALE=2000'

DATE 5/82

DRAWN BY

CHECKED BY

DATE OF SURVEY

Clayton Investment Co.
Hope #2-A

JOB NUMBER

823765

** FILE NOTATIONS **

DATE: 3-8-82

OPERATOR: Clayton Investment Co.

WELL NO: Hope # 2-A

Location: Sec. 24 T. 20S R. 23E County: Grand

File Prepared:

Entered on N.I.D:

Card Indexed:

Completion Sheet:

API Number 43-019-30729

CHECKED BY:

Petroleum Engineer: _____

Director: _____

Administrative Aide: As per order below
(Letter enclosed requesting exception) ask if they need to come
in for hearing. Also on other oil or gas wells.

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. 102-16 B 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 Sub

Plotted on Map

Approval Letter Written

Hot Line

P.I.

ARMSTRONG & ASSOCIATES, INC.

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

March 5, 1982

Division of Oil, Gas & Mining
4241 State Office Building
Salt Lake City, UT 84114

RE: Job #823765
APD Hope #2-A

Dear Sirs:

Clayton Investment Company of Farmington, New Mexico proposes to drill an oil well 922 feet south of the north line and 1334 feet west of the east line of Section 24, T.20S., R.23E., SLB&M.

Since the proposed location does not conform to the spacing order 102-16B, please accept this letter as our application for an exception to the spacing order.

A request has been submitted to the Bureau of Land Management to consolidate two leases, U-17610 and U-15049, held by assignment by Clayton Investment Company. These two leases adjoin in the East 1/2 of Section 24, causing a 1000 ft. wide corridor which is closed to drilling because of the spacing order. The proposed well, Hope #2-A, is located within lease U-17610.

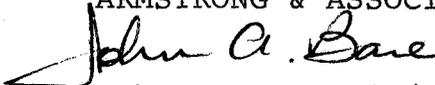
An Application for Permit to Drill has been sent to your office and the Minerals Management Services. Since we have requested a consolidation of these leases in order to maximize development of this area, we feel an exception to the spacing order for this well would be beneficial to all concerned. The location of Hope #2-A and the two leases mentioned are shown on the attached map.

Please process this application for exception as soon as possible since we have filed an APD on this well as of March 2, 1982.

Thank you for your assistance in this matter.

Sincerely,

ARMSTRONG & ASSOCIATES, INC.



John A. Bare, SR/WA
Project Manager, Land & Permits

cc: Mr. F. L. Stark

RECEIVED

MAR 08 1982

DIVISION OF
OIL, GAS & MINING

ENGINEERS-ARCHITECTS

March 11, 1982

Clayton Investment Company
P. O. Box 1367
Farmington, New Mexico 87401

RE: Well No. Hope #2-A,
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. However, this is conditional upon the Mineral Management Service (USGS) waiving or approving an exception to the 200 foot from the Qtr. Qtr. section line.

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
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- 019-30929.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Cleon B. Feight
Cleon B. Feight
Director

CBF/db
CC: Minerals Management Service
Enclosure

Oil and Gas Operations
2000 Administration Building
1745 West 1700 South
Salt Lake City, Utah 84104

October 29, 1982

Clayton Investment Company
P.O. Box 1367
Farmington, New Mexico 87401

Re: Return Applications for Permit
to Drill
Well No. Hope 2-A ✓
Lease No. U-17610
Well No. Clayton 2 ✓
Lease No. U-15049
Section 24-T20S-R23E
Grand County, Utah

Gentlemen:

The Applications for Permit to Drill the referenced wells were received in this office March 5 and March 1, 1982, respectively.

In our letter to you dated August 19, 1982, it was stated that the applications would have to be brought administratively complete within 45 days. Since this has not been accomplished, we are returning the applications unapproved.

If you again desire to drill at these locations, new complete packages must be submitted.

If you have any questions, please feel free to call this office.

Sincerely,

E. W. Guynn
District Oil & Gas Supervisor

bcc: SMA
State O&G ✓
MMS-Vernal
Well File
APD Control

DH/dh



STATE OF UTAH
NATURAL RESOURCES & ENERGY
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Cleon B. Feight, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

November 10, 1982

Clayton Investment Company
~~P. O. Box 1367~~ 710 E 20th St
Farmington, New Mexico 87401 7

Re: See attached page

Gentlemen:

In reference to the above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan to drill these locations at a later date, please notify as such.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS AND MINING

Cari Furse

Cari Furse
Clerk Typist

CF/cf

Well No. Jane #1
Sec. 24, T. 20S, R. 23E.
Grand County, Utah

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

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

Well No. Ari-Mex Hope #2-B
Sec. 24, T. 20S, R. 23E.
Grand County, Utah

Well No. Clayton #3
Sec. 24, T. 20S, R. 23E.
Grand County, Utah

Shuttle #1
Sec. 19, T. 20S, R. 24E.
Grand County, Utah

November 12, 1982

Clayton Investment Company
P. O. Box 1367
Farmington, New Mexico 87401

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

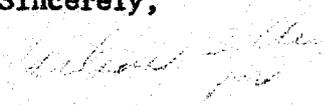
Well No. Clyton 2 ✓
Sec. 24, T.20S, R.23E
Grand County, Utah

Gentlemen:

Approval of Application for Permit to Drill the above referenced wells are rescinded without prejudice as of the above date in concert with action taken by Minerals Management Service.

If you intend to drill this location at a future date, a new application for permit to drill may be submitted for State approval.

Sincerely,


Norm Stout
Administrative Assistant

NS/as

CLAYTON INVESTMENT COMPANY

710 East 20th St.
Farmington, New Mexico 87401
(505) 327-5156

November 16, 1982

State of Utah
Department of Oil, Gas, and Mining
4241 State Office Building
Salt Lake City, UT 84114

Att: Cari Furse

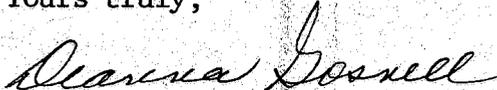
RE: Jane #1, Clayton #2, Hope #2-A, Hope #2-B, Clayton #3
Sec. 24, T20S, R23E, Grand County, UT
Shuttle #1, Sec. 19, T20S, R24E, Grand County, UT

Dear Ms. Furse;

We do have plans to drill on the above locations in the future;
however, we cannot furnish you with projected dates at this time.

Approval of our Application for Permit to Drill on the Clayton #2
and the Hope #2-A has been rescinded by the State of Utah and the
Minerals Management Service. We will submit new applications on
these two locations when we have more definite plans for drilling
them.

Yours truly,



Deanna Gosnell
Production Clerk

dg
enclosure

RECEIVED
NOV 18 1982

DIVISION OF
OIL, GAS & MINING