

MASTER PETROLEUM & DEVELOPMENT CO

Complete Oil and Gas Land Management
Production Development

814 South 7th Street
Grand Junction, Colorado 81501
(303) 241-4213

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AUG 30 1989

DIVISION OF
OIL, GAS & MINING

August 26, 1989

Utah Division of Oil, Gas & Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah
84180-1203

Re: Spacing Variance Request
Enclosed Application to Drill
MC #1 & MPD 15-3

Dear Arlyne,

Enclosed are two "Applications to Drill" for the referenced wells. During our staking and surveying process we have discovered a need to request a variance for both wells. Our firm holds the adjoining lease in which the proposed well sites would intrude upon. We are willing to allow these variances.

The first well, MC #1, is to be located on lease # U-30956A. During our survey we discovered that the Federal #1 oil well is not where it was originally stated to be on the well completion report. This well was originally permitted 492' FSL, 1922' FEL, section 10, T21S, R23E. Our survey shows it to be 611' FSL and 1954' FEL. This lease was originally part of our existing lease, U-30956 which adjoins U-30956A on the West. The location of the proposed well is 611' FSL, 2354' FEL. This will allow 400 feet between the proposed well and the existing Federal #1 and will allow 286' from the West lease boundary. The requested variance does not interfere with the existing wells spacing and allows more than 200 feet from the quarter quarter. Also due to a drainage wash west of the proposed location it is unlikely that we would want to drill close to the boundary separating the leases.

The second well, MPD 15-3, located on lease # U-0148172 is only 404' FNL. This lease also adjoins lease # U-30956. A large drainage wash exists to the South of the proposed location which necessitates the variance.

Thank you for your assistance in this matter. If I may be of further assistance please do not hesitate to contact me at our offices 1-303-241-4213.

Sincerely,



Tom Kucel

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

2. NAME OF OPERATOR
 Master Petroleum & Development Co., Inc.

3. ADDRESS OF OPERATOR
 814 South 7th St., Grand Junction, Colorado

4. LOCATION OF WELL (Report location clearly and in accordance with any State regulations)
 At surface: 404' FNL, 1956' FWL, section 15, T21S, R23E, SLM & B
 At proposed prod. zone: NE/NW

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 approx 5 miles Northwest of Cisco, Utah

10. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 404'

16. NO. OF ACRES IN LEASE
 360

17. NO. OF ACRES ASSIGNED TO THIS WELL
 10

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4000'

19. PROPOSED DEPTH
 1060' Salt Wash

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4385 Gr

22. APPROX. DATE WORK WILL START*
 11-2-89

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5. LEASE DESIGNATION AND SERIAL NO.
 U-0148172

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.
 MPD 15-3

10. FIELD AND POOL, OR WILDCAT
 Greater Cisco (205)

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 SLM & B section 15, T21S, R23E

12. COUNTY OR PARISH
 Grand

13. STATE
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 1/2"	7"	20#	160'	23 sxs
6 1/2"	4 1/2"	10.5#	1060'	35 sxs

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

24. SIGNED [Signature] TITLE President DATE 8-26-89

(This space for Federal or State office use)

PERMIT NO. 43-019-31294 APPROVAL DATE _____

APPROVED BY _____ TITLE _____

CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY THE STATE
 OF UTAH DIVISION OF
 OIL, GAS, AND MINING
 DATE: 9-13-89
 BY: John R. Bay
 WELL SPACING: Cause No. 102-16B

BLM BC
(1964)

(BLM)
N. 89° 38' W. 40.17

BLM BC (1964)

N. 0° 07' E. (BLM)

1956'

404'

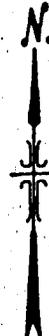
NE 1/4 NW 1/4

S. 60° 13' 30" W. 804.5'

SEC. 15

T21S, R23E

SLM



SCALE: 1" = 1000'

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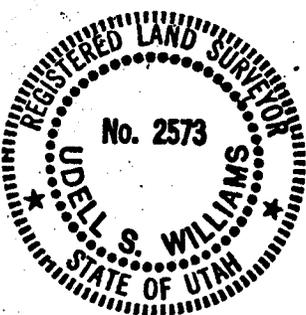
~~MC NO. 3~~ MPD 15-3

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Located 404 feet from the North line and 1956 feet from the West line of Section 15, T21S, R23E, SLM.

Elev. 4385

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 RLS No. 2573



UDELL S. WILLIAMS
751 Rood Avenue
Grand Junction, Colorado 81501

PLAT OF
PROPOSED LOCATION

~~MC NO. 3~~ MPD 15-3
NE 1/4 NW 1/4 SECTION 15
T21S, R23E, SLM

SURVEYED BY: USW DATE: 8/23/89
DRAWN BY: USW DATE: 8/24/89

MOAB DISTRICT

404 FWL
1956 FWL

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company Master Petroleum & Development Co., Inc. Well No. MPD 15-3

Location Sec. 15 T 21S R 23E Lease No. U-0148172

Onsite Inspection Date _____

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops: _____

0- 680' Mancus

Dakota 680'

Morrison 910

Salt Wash 1060

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones Are Expected to be Encountered:

	<u>Formation</u>	<u>Zone</u>
Expected oil zones:	Salt Wash 1060	
Expected gas zones:	Morrison (Brushy Basin) - 910	
Expected water zones:	Dakota 680	
Expected mineral zones:	_____	_____

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: Regan "Torus" 3000 psi. BOP will be flanged to the cemented surface casing. BOP will be equipt with dual choke lines

_____ and tested daily during operations.

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BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventer controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventors will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventors will be pressure-tested before drilling casing cement plugs. The Resource Area will be notified 2 days in advance when pressure tests are to be conducted.

4. Casing Program and Auxiliary Equipment: 7" surface casing will be cemented to surface. 4½" production casing will be cemented from the producing formation to at minimum of 50 feet above the productive zone, production casing has been tested and inspected.

Anticipated cements tops will be reported as to depth, not the expected number of sacks. The Resource Area (will/will not) be notified 1 days in advance when running casing strings and cement.

5. Mud Program and Circulating Medium: Well shall be air drilled to T.D.. Brine (10#) shall be used to kill the well in the event of production. Mud tank and Gaso mud pump shall be on location for this purpose.

Bloolie line will be misted to reduce fugitive dust when air drilling.

6. Coring, Logging, and Testing Program: No logs are anticipated. Productive formations will be tested as they are encountered. Samples shall be taken in ten foot intervals beginning at 600'

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cutting, fluids, and/or gases) will be submitted when requested by the Moab District Manager.

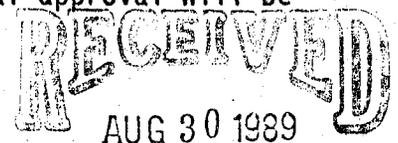
7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards:

Maximum anticipated well pressure is less than 500 psi. BOP is of sufficient size to allow for complete control of this pressure. (3000 psi rating).

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8. Anticipated Starting Dates and Notification of Operations:

- a. The operator will contact the GRAND Resource Area at 1-801-259-8193, forty-eight (48) hours prior to beginning any dirt work on this location.
- b. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the District Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.
- c. The spud date (will/will not) ~~XXXXXXXXXX~~ be reported orally to the Area Manager within a minimum of twenty-four (24) hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within twenty-four (24) hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.
- d. In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report will be filed directly with the BLM District Office, P.O. Box 970, Moab, Utah 84532.
- e. Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Resource Area in accordance with requirements of NTL-3A.
- f. If the replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed for prior approval of the District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations, verbal approval to bring on a replacement rig will be approved by the District Petroleum Engineer.
- g. Should the well be successfully completed for production, the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) business days following the date on which the well is placed on production.
- h. A first production conference will be scheduled within fifteen (15) days after receipt of the first production report. The Resource Area Office will coordinate the field conference.
- i. No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be



obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Manager within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Manager or his representative, or the appropriate surface managing agency.

J Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MMCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

K Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The marker will be constructed as follows: 4½" casing will be secured to the well, approx. 5' above Gr., bearing the appropriate description.
The top of the marker will be closed or capped.

L The following minimum information will be permanently placed on the marker plate, cap or beaded-on with a welding torch:

M "Fed" or "Ind", as applicable, "Well Number, location by 1/4 1/4 section, township and range". "Lease Number".

N Other: _____

B. THIRTEEN-POINT SURFACE USE PLAN

1. Existing Roads:

a. Location of proposed well in relation to town or other reference point: Approximately 4 miles Northwest of Cisco, Utah.

b. Proposed route to location: Exit Hwy. 6 & 50 at a point East of Cisco onto a county road to operators Right of Way # U-54703 to location .

c. Plans for improvement and/or maintenance of existing roads: Operator presently maintains the existing roads as required. No new improvements are needed to access the location other than a short (400± ft.) location access point.

d. Other: All new ground disturbance shall be minimal. In the event the well is productive any new improvements shall be upgraded as required.

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2. Planned Access Roads:

a. The maximum total disturbed width will be 12 feet.

b. Maximum grades: none

c. Turnouts: none

d. Location (centerline): _____

e. Drainage: _____

f. Surface Materials: minimal surface disturbance. there will not be a need to stockpile any surface material

g. Other: _____

h. Surface disturbance and vehicular travel will be limited to the approved location and access road. Any additional area needed will be approved by the Area Manager in advance.

i. The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells: MPD 15-1 - SWNE sec.15, MPD 15-2-NWSW sec.15 15-5-80 NWNE sec.15, 15-3-SENE sec.15.

4. Location of Tank Batteries and Production Facilities:

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows: Slate grey or as required

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- l If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.
- c All loading lines and valves will be placed inside the berm surrounding the tank battery.
- b All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.
- c All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.
- e All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
- c Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.
- k The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from:
Colorado River at Fish Ford.

A temporary water use permit for this operation will be obtained from the Utah State Engineer _____
 Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from: N/A

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The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Source of construction material (will/will not) be located on lease.

7. Methods of Handling Water Disposal:

- a. The reserve pit (will/~~will not~~) be lined" All cuttings and drilling fluids shall be discharged in to a reserve pit and buried upon well completion. Trash and other waste shall be contained in a trash cage and removed from location.

- b. Three sides of the reserve pit will be fenced with 4' stock fencing before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.

- c. All trash must be contained and disposed of by: Master Petroleum & Development Co., Inc.

- d. If burning is required, a permit will be obtained from the State Fire Warden _____.

- e. Produced waste water will be confined to a (~~lined~~/unlined) pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

Other: _____

8. Ancillary Facilities:

Camp facilities (~~will~~/will not) be required. They will be located:

9. Well Site Layout:

The reserve pit will be located: 120 feet East Southeast of the drill hole

The top _____ inches of soil material will be removed from the location and stockpiled separately on _____

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Topsoil along access road will be reserved place adjacent to the road.

Access to the well pad will be from: Hwy 6 & 50 from Cisco, West on county road to Operators R/W # 54703 to location

The trash pit will be located: Trash bin will be located next to the dog house and removed when operations cease.

10. Plans for Restoration of Surface:

a. Immediately upon completion of drilling, the location, and surrounding areas will be cleared of all remaining debris, materials, trash, and junk not required for production.

b. Before any dirt work to restore the location and surrounding area will be cleared of all remaining debris, materials, trash and junk not required for production.

c. The operator or his contractor (will/will not) notify the Resource Area at forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

d. All disturbed areas will be recontoured to the approximate natural contours.

e. The stockpiled topsoil will be evenly distributed over the disturbed areas.

f. Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

g. Seed will be broadcast or drilled at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

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The following seed mixture will be used: _____

The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed. _____

Additional Requirements: _____

11. Surface and Mineral Ownership:

Master Petroleum & Development is the Lessee of record of this federal Lease.

12. Other Information:

a There will be no deviation from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.2.

b "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

c The dirt contractor will be provided with an approved copy of the surface use plan.

d A cultural resource clearance (will/will not) be required before any construction begins. If any cultural resources area found during construction, all work will stop and the Area Manager will be notified.

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This permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

13. Leessee's Operator's Representative and Certification

Representative:

Name: Tom Kucel

Address: 814 South 7th St.
Grand Junction, Colorado, 81501

Phone No.: 303-241-4213, home 303-434-5220

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 currently 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: Master Petroleum & Development Co., Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

8-26-89
Date

Thomas A. Kucel, Pres
Name and Title

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B. SURFACE USE PROGRAM

The operator will contact the Grand Resource Area at (801) 259-8193, forty-eight (48) hours prior to beginning any dirt work on this location.

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

The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling of the drilling rig. If this time frame cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

Immediately upon completion of drilling, the location, and surrounding areas will be cleared of all remaining debris, materials, trash, and junk not required for production.

Produced waste water will be confined to a (lined/unlined) pit for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1-1/2 times the storage capacity of the battery.

All loading lines and valves will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.

Gas meter runs for each well will be located within five hundred (500) feet of the wellhead. The gas flowline will be buried from the wellhead to the meter along with any other sections occurring on the pad. Meter runs will be housed and/or fenced.

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The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three (3) months on new meter installations and at least quarterly thereafter. The Area Manager will be provided with a date and time for the initial meter calibration and all future meter-proving schedules. A copy of the meter calibration reports will be submitted to the Resource Area Office. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

All permanent (onsite for six (6) months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective, earth tone color to match the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will be as follows:

The operator or his contractor will notify the Grand Resource Area at (801) 259-8193 forty-eight (48) hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

The following seed mixture will be used:

<u>Species</u>		<u>lbs/acre</u>
<u>Grasses</u>		
Agropyron spicatum	Bluebunch wheatgrass	1
Hilaria jamesii	Galleta (Curlygrass)	1
Oryzopsis hymenoides	Indian ricegrass	1
<u>Forbs</u>		
Melilotus officinalis	Yellow sweetclover	1/2
Medicago sativa	Alfalfa (Spreador II, Nomad, Ladak)	1/2
<u>Shrubs</u>		
Eurotia lanata	Winterfat (Whitesage)	<u>2</u>
		6 lbs/acre

Broadcast seed will be applied at double the above rate.

Final location release will be issued when the seeding is shown to be successful (when perennial vegetation is established).

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C. J. B. & M. W. G.

3704

REGAN FORGE & ENGINEERING COMPANY

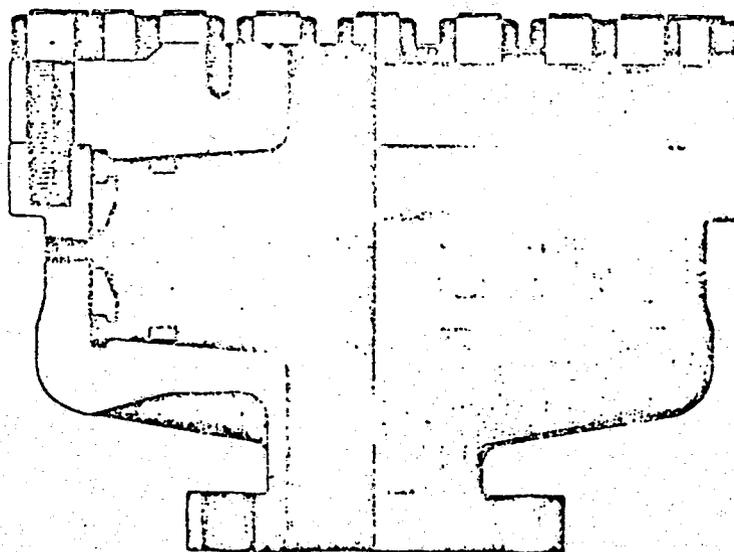
San Pedro, Calif.

REGAN BLOWOUT PREVENTERS

The Regan Torus Blowout Preventer is used primarily on production and workover rigs for well control up to 3000 PSI working pressure

DESIGN FEATURES

- The Torus Preventer is designed for minimum height to facilitate its use with production and workover rigs.
- The rubber packer will conform to any ob- in the well bore. Sealing ability is not affected by minor damage to the inner bore.
- The packer will seal an open hole at full working pressure.
- The dual packer design increases the reliability of the preventer since the outer rubber is never exposed to the well bore. Under ordinary service, the outer packer is rarely replaced.



TORUS BLOWOUT PREVENTER
PATENTED

SPECIFICATIONS

Nominal Size	Test Pressure (psi)	DIMENSIONS (in.)			Weight (lb.)	End Flanges (1)	R/RX Ring Grooves	Side Out (2" L.P.)
		Outside Diameter	Thru Bore	Overall Height				
6	3000 4250	27 26 1/2	2 1/4 2 1/2	19 1/2 21 1/2	1360 1440	Nom. 6 Inn. 6	45 45	Non 2" L.P.

(1) Bottom flange holes elongated for use with either 2000 or 3000 psi API-6B flange. (Also can be used with obsolete Ser. 400 API flange.) Top flange normally standard for 3000 psi API-6B flange unless otherwise noted.

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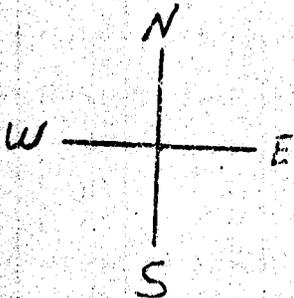
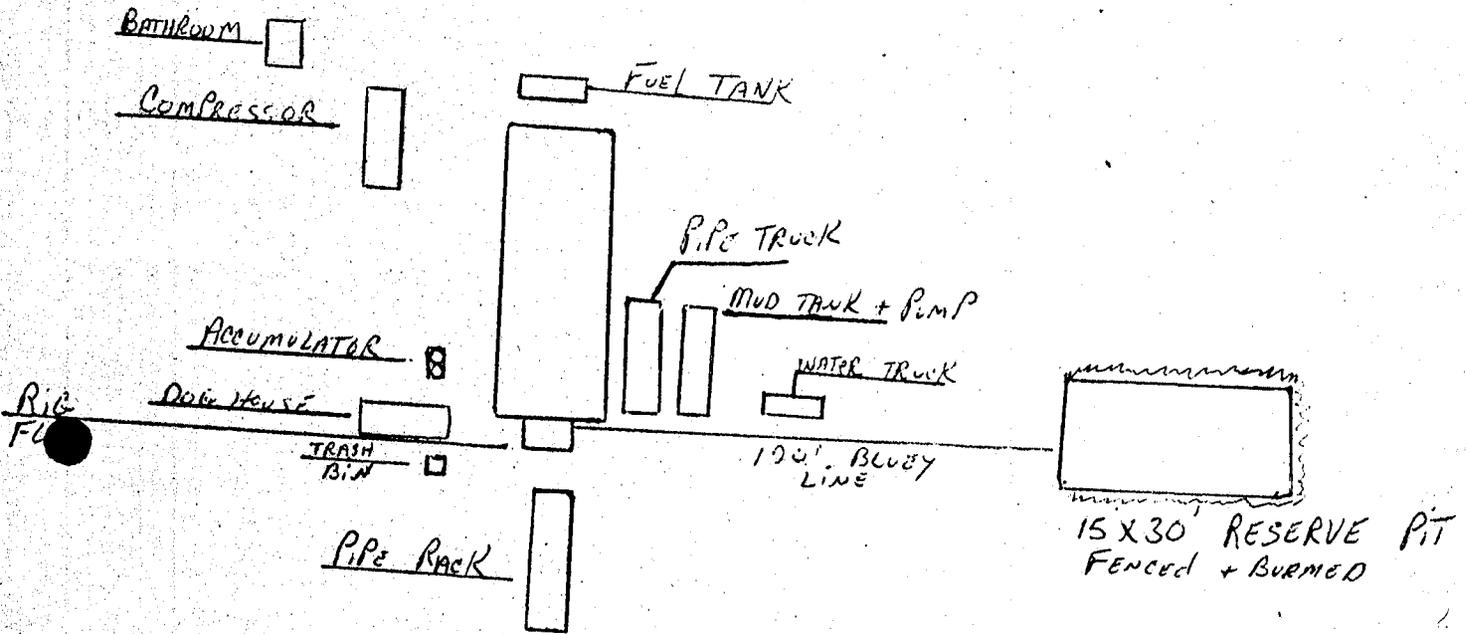
DIVISION OF
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WELLSITE SCHEMATIC

RIG LAY OUT

ACCESS ROAD

PARKING AREA



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United States Department of the Interior

IN REPLY REFER TO

3104
(U-942)

BUREAU OF LAND MANAGEMENT
UTAH STATE OFFICE
324 SOUTH STATE, SUITE 301
SALT LAKE CITY, UTAH 84111-2303

DEC 18 1984

DECISION

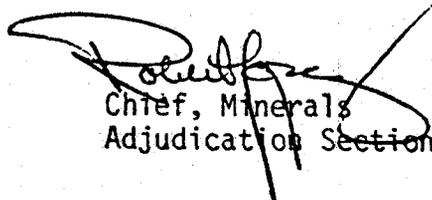
Master Petroleum and Development	:	\$25,000 Statewide
Company, Inc.	:	Oil and Gas Bond
814 S. 7th Street	:	
Grand Junction, Colorado 81501	:	

Bond Accepted

A \$25,000 statewide oil and gas bond, No. 43-45-57, was filed in this office December 7, 1984. The bond was executed October 29, 1984, with Master Petroleum and Development Company, Inc. as principal and New Hampshire Insurance Company as surety.

This bond constitutes coverage in the State of Utah for obligations under oil and gas leases held or hereafter acquired by the principal, including lease offers, assignments, operating agreements, etc., issued under the authority of the Minerals Leasing Act of 1920, as amended, and the Mineral Leasing Act for Acquired Lands, as amended. The bond is satisfactory and is hereby accepted effective December 7, the date of filing.

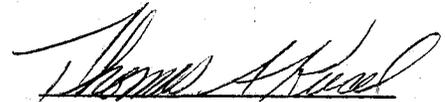
Coverage under your statewide bond will not, however, extend to include additional principals, and the coverage does not extend to any lands where the principals are or become the unit operator but do not own the record title or operating rights in such lands either solely or jointly with others whose interests are likewise covered by appropriate bonds.


 Chief, Minerals
 Adjudication Section

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 AUG 30 1989

OPERATORS CERTIFICATION

I, Thomas A. Kucel, as president and registered agent of Master Petroleum & Development Co., Inc. hereby certify that Master Petroleum & Development Co., Inc. is the Lessee of record and the Operator of the lease and wells described in this information package. Master Petroleum & Development is insured and bonded in the state of Utah to conduct all operations associated with Oil & Gas lease development.



Thomas A. Kucel, pres.
Master Petroleum & Development
Co., Inc.

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AUG 30 1989

OPERATOR Master Petroleum & Dev. Co. (N9675) DATE 9-1-89

WELL NAME MPD 15-3

SEC NENW 15 T 21S R 23E COUNTY Grand

43-019-31294
API NUMBER

Federal
TYPE OF LEASE

CHECK OFF:

PLAT

(Statewide)
 BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Cause No. 102-16B
Need water Permit
Exception to "500' from any property or lease line" requested,
Master Petroleum holds the adjoining lease.

APPROVAL LETTER:

SPACING: R615-2-3 N/A R615-3-2
UNIT

102-16B 11-15-79 R615-3-3
CAUSE NO. & DATE

STIPULATIONS:

1. Water Permit



Norman H. Bangerter
Governor
Dee C. Hansen
Executive Director
Dianne R. Nielson, Ph.D.
Division Director

State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

September 13, 1989

Master Petroleum & Development Co., Inc.
814 South 7th Street
Grand Junction, Colorado 81501

Gentlemen:

Re: MPD 15-3 - NE NW Sec. 15, T. 21S, R. 23E - Grand County, Utah
404' FNL, 1956' FWL

Approval to drill the referenced well is hereby granted in accordance with the Order of Cause No. 102-16B dated November 15, 1979, subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-019-31294.

Sincerely,



R. J. Fifth
Associate Director, Oil & Gas

lcr
Enclosures
cc: Bureau of Land Management
D. R. Nielson
J. L. Thompson
WE14/1-2

FILING FOR WATER IN THE STATE OF UTAH

Rec. by _____

Fee Rec. _____

Receipt # _____

Microfilmed _____

Roll # _____

APPLICATION TO APPROPRIATE WATER

For the purpose of acquiring the right to use a portion of the unappropriated water of the State of Utah, application is hereby made to the State Engineer, based upon the following showing of facts, submitted in accordance with the requirements of Title 73, Chapter 3 of the Utah Code Annotated (1953, as amended).

* WATER RIGHT NO. 01 - 1066

* APPLICATION NO. A T64217

1. PRIORITY OF RIGHT: _____ * FILING DATE: _____

2. OWNER INFORMATION

Name(s): Master Petroleum & Development Co., Inc. * Interest: _____ %

Address: 814 South 7th St.

City: Grand Junction State: Colorado Zip Code: 81501

Is the land owned by the applicant? Yes _____ No x
(If "No", please explain in EXPLANATORY section.)

3. QUANTITY OF WATER: 0 - .1 cfs and/or 0 - 20 ac-ft

4. SOURCE: Colorado River & Nash Wash * DRAINAGE: _____

which is tributary to _____

which is tributary to _____

POINT(S) OF DIVERSION: _____ COUNTY: Grand

Nash Wash - approx. 2475' South and 870' East of the NW corner of Section 32, T20S, R22E SIM & B, Colorado River - approx. 2300' FWL, 990 FSL section 26, T21S, R24E, SIM & B.

Description of Diverting Works: none needed

* COMMON DESCRIPTION: _____

5. POINT(S) OF REDIVERSION

The water will be rediverted from N/A at a point: _____

Description of Rediverting Works: _____

6. POINT(S) OF RETURN

The amount of water consumed will be 0 - .1 cfs or 0 - 20 ac-ft

The amount of water returned will be none cfs or _____ ac-ft

The water will be returned to the natural stream/source at a point(s): _____

7. STORAGE

Reservoir Name: N/A Storage Period: from _____

Capacity: _____ ac-ft. Inundated Area: _____

Height of dam: _____ feet

Legal description of inundated area by 40 acre tract(s): _____

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DIVISION OF OIL, GAS & MINING

* These items are to be completed by the Division of Water Rights

8. List any other water rights which will supplement this application _____

9. NATURE AND PERIOD OF USE

Irrigation:	From _____	to _____
Stockwatering:	From _____	to _____
Domestic:	From _____	to _____
Municipal:	From _____	to _____
Mining:	From _____	to _____
Power:	From _____	to _____
Other: Drilling	From 9-15-89	to 9-15-90

10. PURPOSE AND EXTENT OF USE

Irrigation: _____ acres. Sole supply of _____ acres.
 Stockwatering (number and kind): _____
 Domestic: _____ Families and/or _____ Persons
 Municipal (name): _____
 Mining: _____ Mining District in the _____ Mine
 Ores mined: _____
 Power: Plant name: _____ Type: _____ Capacity: _____
 Other (describe): drilling and completion of 4-5 oil or gas wells

11. PLACE OF USE

Legal description of place of use by 40 acre tract(s): NE 1/4 Section 7, T21S, R22E, SLM & B (Nash Wash) and SE 1/4 Section 10, NE 1/4 Section 15, NW 1/4 Section 2, T21S, R23E, SLM & B (Colorado River)
Heite 7-1 MPD 15-3
MC #2
MC #1

12. EXPLANATORY

The following is set forth to define more clearly the full purpose of this application. (Use additional pages of same size if necessary): Applicant proposes to conduct drilling activities on the described acreage. Water shall be used for cementing and misting. Acreage is leased from the State of Utah and Federal government by applicant.

The applicant(s) hereby acknowledges that he/she/they are a citizen(s) of the United States of America or intends to become such a citizen(s). The quantity of water sought to be appropriated is limited to that which can be beneficially used for the purposes herein described. The undersigned hereby acknowledges that even though he/she/they may have been assisted in the preparation of the above-numbered application through the courtesy of the employees of the Division of Water Rights, all responsibility for the accuracy of the information contained herein, at the time of filing, rests with the applicant(s).

James A. Reed, Pres.
 Signature of Applicant(s)

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 SINGLE ZONE MULTIPLE ZONE

2. NAME OF OPERATOR
 DIVISION OF OIL, GAS & MINING
 Master Petroleum & Development Co., Inc.

3. ADDRESS OF OPERATOR
 814 South 7th St., Grand Junction, Colorado, 81501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 404' FNL, 1956' FWL, section 15, T21S, R23E, SLM & B
 At proposed prod. zone NE/NW

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 approx 5 miles Northwest of Cisco, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 404'
 16. NO. OF ACRES IN LEASE 360

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 4000'
 19. PROPOSED DEPTH 1060'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4385 Gr

5. LEASE DESIGNATION AND SERIAL NO.
 U-0148172
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 7. UNIT AGREEMENT NAME
 8. FARM OR LEASE NAME
 9. WELL NO.
 MPD 15-3
 10. FIELD AND POOL, OR WILDCAT
 Greater Cisco
 11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA SLM & B section 15, T21S, R23E
 12. COUNTY OR PARISH Grand
 13. STATE Utah

17. NO. OF ACRES ASSIGNED TO THIS WELL 10

20. ROTARY OR CABLE TOOLS
 Rotary

22. APPROX. DATE WORK WILL START*
 11-2-89

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
8 1/2"	7"	20#	160'	23 sxs
6 1/2"	4 1/2"	10.5#	1060	35 sxs

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

24. SIGNED [Signature] TITLE President DATE 8-26-89

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY /s/ Kenneth V. Rhea TITLE ACTING DISTRICT MANAGER DATE SEP 28 1989

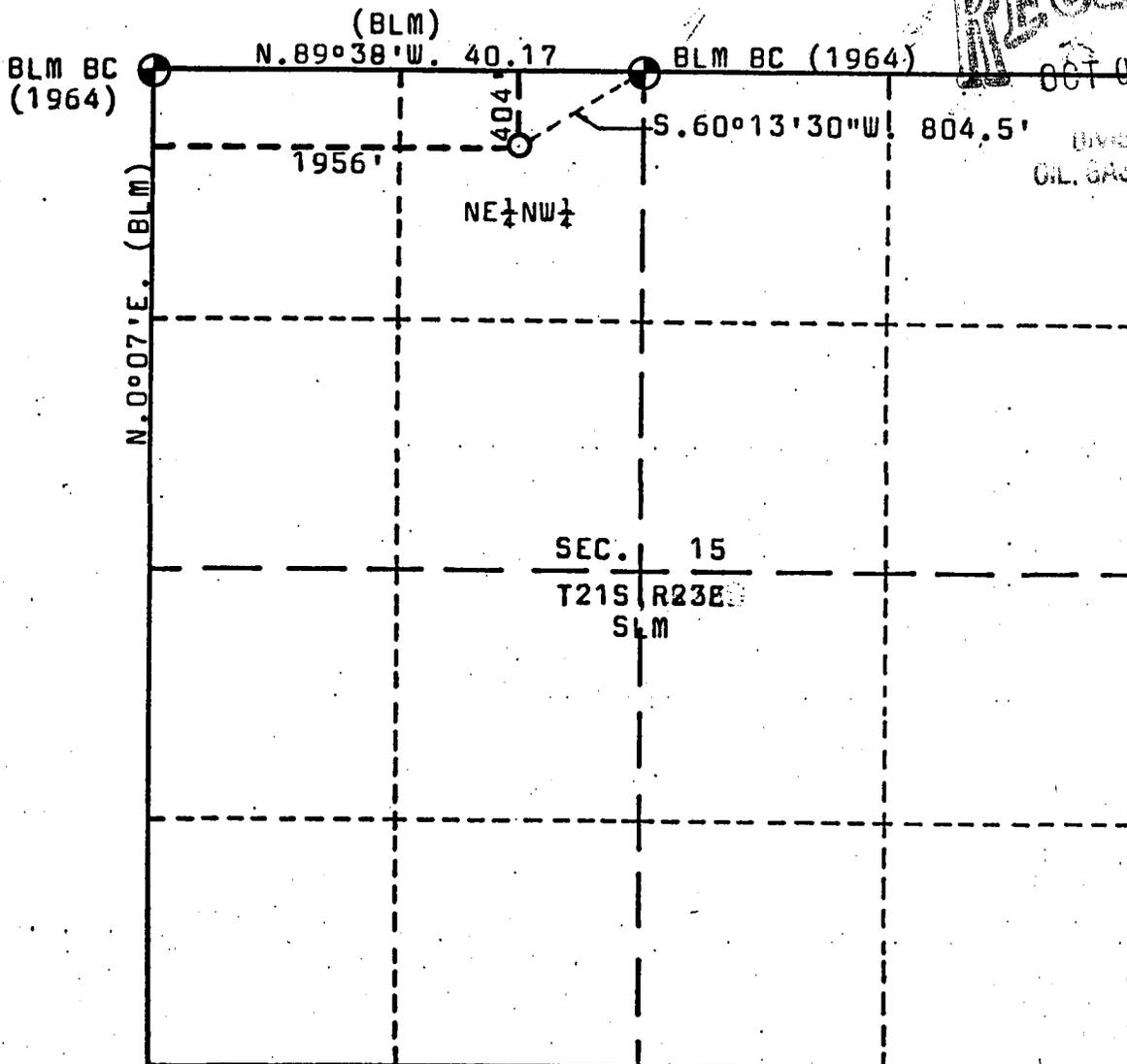
CONDITIONS OF APPROVAL, IF ANY: _____

CONDITIONS OF APPROVAL ATTACHED

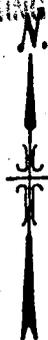
FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A
 Dated 1/1/80

DOGm

RECEIVED
OCT 02 1989



DIVISION OF
OIL, GAS & MINING



SCALE: 1" = 1000'

MPD 15-3 MC NO. 3

Located 404 feet from the North line and 1956 feet from the West line of Section 15, T21S, R23E, SLM.

Elev. 4385

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 RLS No. 2573



UDELL S. WILLIAMS
751 Rood Avenue
Grand Junction, Colorado 81501

PLAT OF
MPD 15-3 PROPOSED LOCATION
~~MC NO. 3~~
NE 1/4 NW 1/4 SECTION 15
T21S, R23E, SLM

SURVEYED BY: USW DATE: 8/23/89
DRAWN BY: USW DATE: 8/24/89

Master Petroleum & Development Co., Inc.
Well No. MPD 15-3
Sec. 15, T. 21 S., R. 23 E.
Grand County , Utah
Lease U-0148172

CONDITIONS OF APPROVAL

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

Be advised that Master Petroleum & Development Co., Inc., is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by UT0140 (Principal - Master Petroleum & Development Co., Inc.) as provided for in 43 CFR 3104.3.

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

A. DRILLING PROGRAM

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, Onshore Oil and Gas Order No. 2, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.

STIPULATIONS TO BE ADDED TO THE
THE SURFACE USE PLAN

MASTER PETROLEUM & DEVELOPMENT CO, INC.

APD: 15-3

- 1) The area of operation and disturbance is limited to the dimensions of 150 x 150 feet inclusive of the reserve pit.
- 2) Vehicular travel will be limited to a single track.
- 3) Six inches of topsoil will be removed from the pit area and stockpiled separately from the diggings.
- 4) A seed mixture will be perscribed by the Grand Resource Area office upon request for abandonment.
- 5) After the initial reclamation has been accepted, final abandonment release will be issued when the seeding is shown to be successful. This will be determined by an Authorized Officer from the Grand Resource Area office.

B. Additional Requirements According To Onshore Oil and Gas Order No. 2

- 2000 psi BOP & BOPE:

Annular preventer, or double rams, or two rams with one being blind and one being a pipe ram

Kill line (2 inch minimum)

1 kill line valve (2 inch minimum)

1 choke line valve

2 chokes

Upper kelly cock valve with handle available

Safety valve and subs to fit all drill strings in use

Pressure gauge on choke manifold

2 inch minimum choke line

Fill-up line above the uppermost preventer

- If repair or replacement of the BOPE is required after testing, this work shall be performed prior to drilling out the casing shoe.
- When the BOPE cannot function to secure the hole, the hole shall be secured using cement, retrievable packer or bridge plug packer, bridge plug or other acceptable approved methods to assure safe well conditions.

- Choke Manifold Equipment:

All choke lines shall be straight lines unless turns use tee blocks or are targeted with running tees, and shall be anchored to prevent whip and reduce vibration.

All valves (except chokes) in the kill line, choke manifold and choke line shall be a type that does not restrict the flow (full opening) and that allows a straight through flow.

Pressure gauges in the well control system shall be a type designed for drilling fluid service.

- 2000 psi system - Accumulator Equipment:

Accumulator shall have sufficient capacity to close all BOP's and retain 200 psi above precharge. Nitrogen bottles that meet manufacturer's specifications may be used as the backup to the required independent power source.

Accumulator precharge pressure test: This test shall be conducted prior to connecting the closing unit to the BOP stack and at least once every 6 months.

Power for the closing unit pumps shall be available to the unit at all times so that the pumps shall automatically start when the closing unit manifold pressure has decreased to a pre-set level.

Each BOP closing unit shall be equipped with sufficient number and sizes of pumps so that, with the accumulator system isolated from service, the pumps shall be capable of opening the hydraulically-operated gate valve (if so equipped), plus closing the annular preventer on the smallest size drill pipe to be used within 2 minutes, and obtain a minimum of 200 psi. above specified accumulator precharge pressure.

A manual locking device (i.e., hand wheels) or automatic locking devices shall be installed on all systems of 2M or greater. A valve shall be installed in the closing line as close as possible to the annular preventer to act as a locking device. This valve shall be maintained in the open position and shall be closed only when the power source for the accumulator system is inoperative.

- BOP Testing:

Pressure tests on ram type preventers shall be maintained for at least 10 minutes or until requirements of test are met, whichever is longer. If a test plug is utilized, no bleed off of pressure is acceptable. For a test not utilizing a test plug, if a decline in pressure of more than 10 percent in 30 minutes occurs, the test shall be considered to have failed. Valve on casing head below test of BOP stack.

Annular BOP pressure tests shall be maintained at least 10 minutes or until provisions of test are met, whichever is longer.

As a minimum, the above tests shall be performed:

- **When initially installed;
- **Whenever any seal subject to test pressure is broken;
- **Following related repairs; and
- **At 30 day intervals.

Valves shall be tested from working pressure side during BOPE tests with all down stream valves open.

- Special Drilling Operations:

In addition to the equipment already specified elsewhere in Onshore Order No. 2 , the following equipment shall be in place and operational during air/gas drilling:

- Properly lubricated and maintained rotating head;
- Spark arresters on engines or water cooled exhaust;
- Blooie line discharge 100 feet from well bore and securely anchored;
- Straight run on blooie line unless otherwise approved;
- Deduster equipment;
- All cuttings and circulating medium shall be directed into a reserve or blooie pit;
- Float valve above bit;
- Automatic igniter or continuous pilot light on the blooie line;
- Compressors located in the opposite direction from the blooie line a minimum of 100 feet from the well bore;
- Mud circulating equipment, water, and mud materials (does not have to be premixed) sufficient to maintain the capacity of the hole and circulating tanks or pits.

NOTIFICATIONS

Notify Jeff Robbins of the Grand Resource Area, at (801) 259-8193 for the following:

2 days prior to commencement of dirt work, construction, or reclamation;

1 day prior to spudding;

1 day prior to running and cementing surface casing;

1 day prior to pressure testing of surface casing.

Notify the Moab District Office, Branch of Fluid Minerals, at (801) 259-6111 for the following:

No well abandonment operations will be commenced without the prior approval of the District Manager. In the case of newly drilled dry holes, and emergency situations, verbal approval can be obtained by calling the following individuals, in the order listed:

Dale Manchester, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-6239

Eric Jones, Petroleum Engineer Office Phone: (801) 259-6111

Home Phone: (801) 259-2214

If unable to reach the above individuals, including weekends, holidays, or after hours, please call the following:

Lynn Jackson, Office Phone: (801) 259-6111

Chief, Branch of Fluid Minerals

Home Phone: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS.

DIVISION OF OIL, GAS AND MINING

SPODDING INFORMATION 43-019-31294

NAME OF COMPANY: MASTER PETROLEUM

WELL NAME: MPD 15-3

SECTION NENW 15 TOWNSHIP 21S RANGE 23E COUNTY GRAND

DRILLING CONTRACTOR LEECH

RIG # 1

SPODDED: DATE 9/30/89

TIME AM

How ROTARY

DRILLING WILL COMMENCE 9/30/89

REPORTED BY TOM KUCEL

TELEPHONE # 303-241-4213

DATE 10/16/89 SIGNED TAS TAKEN BY: FM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Form approved,
Budget Bureau No. 1004-0137
Expires August 31, 1985

LEASE DESIGNATION AND SERIAL NO.

U-0148172

IF INDIAN ALLOTTEE OR TRIBE NAME

UNIT AGREEMENT NAME

FARM OR LEASE NAME

WELL NO.

MPD 15-3

FIELD AND POOL, OR WILDCAT

Greater Cisco

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

Section 15, T21S, R23E
SLM & B

COUNT OR PARISH

Grand

STATE

Utah

GR, ETC.*

Grand

ELEV. CASINGHEAD

4385 GR

ROTARY TOOLS

1300'

CABLE TOOLS

no

25. WAS DIRECTIONAL SURVEY MADE

no

27. WAS WELL CORED

no

WELL COMPLETION OR RECOMPLETION REPORT

RECEIVED
OCT 23 1989

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

b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP EN PLUG BACK DIFF. RENVR. Other _____

2. NAME OF OPERATOR: Master Petroleum & Development Co., Inc. DIVISION OF OIL, GAS & MINING

3. ADDRESS OF OPERATOR: 814 South 7th St., Grand Junction, Colorado, 81501

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 404' FNL, 1956' FWL, NE/NW Section 15, T21S, R23E SLM & B
At top prod. interval reported below
At total depth _____

14. PERMIT NO. 43-019-31294 DATE ISSUED 9-3-89

15. DATE SPUDDED 9-30-89 16. DATE T.D. REACHED 10-10-89 17. DATE COMPL. (Ready to prod.) 10-17-89 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 4385 GR

20. TOTAL DEPTH, MD & TVD 1300' 21. PLUG, BACK T.D., MD & TVD _____ 22. IF MULTIPLE COMPL., HOW MANY* 0 23. INTERVALS DRILLED BY _____

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

26. TYPE ELECTRIC AND OTHER LOGS RUN
none

29. CASING RECORD (Report all strings set in well)					
CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	20#	160'	8 1/2"	25 SXS	0

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

31. PERFORATION RECORD (Interval, size and number)		32. ACID, SHOT, FRACTIONURE, CEMENT SQUEEZE, ETC.	
		DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
none		878'-728'	28 sxs cement
		210-110	10 sxs cement
		50'-0'	3 sxs cement

33.* PRODUCTION							
DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (P—producing or shut-in)	
		none encountered				P & A	
DATE OF TEST	HOURS TESTED	CHOKER SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	

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

35. LIST OF ATTACHMENTS

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

SIGNED Thomas A. Russell TITLE Pres DATE 10-18-89

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

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.	NAME	MEAS. DEPTH	TOP
Dakota	745	780	Very tight sand; dry, 745-760 Water 778 to 780	"C" marker	722	
Morrison	840	880	Tight, Dry sand, Brushy Basin 858-866			
Salt Wash	1220	1240	no sand development			

OIL AND GAS	
DRN	RJF
JRB	GLH
DTS	SLS
1-TAS	
2-	MICROFILM ✓
3-	FILE

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RECEIVED

INDIVIDUAL WELL RECORD

AUG 18 1997

15

T. 21 S.
R. 23 E.
SLB& Mer.

		15	

FEDERAL

Date October 23, 1989

Ref. No. _____

State Utah

Dupe

Lease No. 0148172

County Grand

Lessee American States Prod. 50%

Operator Master Petroleum & Development 50%

Field Greater Cisco

Operator Master Petroleum & Development Co., Inc. Unit/CA _____

Well Name & No. MPD 15-3

District Moab

A.P.I. Well No. 43-019-31294

Sec 15 T21S R23E

Subdivision NENW

Location 404' FNL and 1956' FWL

Date Drilling Approved September 28, 1989

Well Elevation 4385 GR Feet

Date Drilling Commenced September 30, 1989

Total Depth 1300 Feet

Date Drilling Ceased October 10, 1989

Initial Production 0

Plugged & Abandon October 17, 1989

Date Abandonment Approved (Final) FAN 7-10-92

Gravity A.P.I. _____
Initial Reservoir Pressure _____

GEOLOGIC FORMATIONS

PRODUCTIVE HORIZONS

SURFACE	LOWEST TESTED	NAME	DEPTHS	CONTENTS
<u>Mancos</u>	<u>Salt Wash</u>			
SURFACE MANAGEMENT AGENCY	<u>BLM</u>			
MINERAL OWNERSHIP	<u>BLM</u>			
LEASE EXPIRATION	<u>1/31/76</u>			

WELL STATUS

YEAR	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
1989									SPUD	P&A		

First Production Memorandum 4/1/77 Lease Extension Memorandum 5/19/76 Confirmation _____

Remarks _____

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
OMB No. 1004-0135
Expires July 31, 1996

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Serial No. See Attached List.

6. If Indian, Allottee or Tribe Name -

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

8. Well Name and No. See Attached

9. API Well No. See Attached

10. Field and Pool, or Exploratory Area Greater Cisco Area

11. County or Parish, State Grand, Utah

SUBMIT IN TRIPLICATE - Other Instructions on reverse side 2:18

1. Type of Well
 Oil Wells Gas Wells Other Right-of-Ways

2. Name of Operator Falcon Energy, LLC

3a. Address 4103 So. 500 W. Salt Lake City, Utah 84123

3b. Phone No. (include area code) 801-269-0701

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

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

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

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

Change of Operator Effective 11/29/2000

Falcon Energy, LLC is taking over operations of the attached list of wells and rights-of-way.

Falcon Energy, LLC is responsible under the terms and conditions of the leases for operations conducted on the leased lands or rights-of-way or portions thereof.

Bond coverage for the wells will be provided by BLM Bond No. UT1049

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Douglas H. Powell Title Manager

Signature Douglas H. Powell Date 12-6-00

RECEIVED
FEB 08 2001
DIVISION OF OIL, GAS AND MINING

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by William Struzic Title Assistant Field Manager Date 2/2/01

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

Office Division of Resources

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

(Instructions on reverse)

CONDITIONS OF APPROVAL ATTACHED

Falcon Energy, LLC
Well Nos: List Attached
Leases: List Attached
Grand County, Utah

CONDITIONS OF APPROVAL

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

Be advised that Falcon Energy, LLC is considered to be the operator of the attached list of wells and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for these wells is provided by UT1049 (Principal - Falcon Energy, LLC) via surety consent as provided for in 43 CFR 3104.2.

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

Falcon Energy, LLC is already recognized as the operator of wells 9-3, 9-5 and 9-6 on lease UTU42223.

Falcon is already recognized as the operator of well 9-1, which is located on lease UTU75536; not UTU44440 as referenced on the attached list. Lease UTU75536 was created effective August 1, 1996, by segregation out of lease UTU44440, and is held by Great West Natural Gas of Grand Junction, Colorado.

Pursuant to a conversation between representatives of Falcon Energy, LLC and BLM, Falcon also assumes operations of well M6-130 on lease UTU58207.

The transfer of all rights-of-way will be addressed separately, and are not included in this approval.

Listing of wells by lease, well name, API number, and percentage of well ownership by Saturn Resources and Ray Lynn Dempsey as reflected in Grand County Court, Utah, records.

<u>Lease #</u>	<u>Well Name</u>	<u>API Well #</u>	<u>Oil/Gas</u>	<u>Ownership</u>
Ownership - Ray Lynn Dempsey				
UTU-012362-B	Chase Grossman #1 <i>Sec. 31, T. 19S., R. 24 E.</i>	430191501400S01	Gas	100 %
Ownership - Saturn Resources				
UTU-30956	<i>Sec. 9</i> MPD 9-2	430193121600S01	Oil	100%
	<i>Sec. 9</i> MPD 9-2B	430193128100S01	Gas	100 %
	<i>Sec. 10</i> MPD 10-2C <i>T. 21S., R. 23E.</i>	430193127600S01	Gas	70 %
UTU-30956A	Cisco Fed #1 <i>Sec. 10, T. 21S., R. 23E</i>	430193047500S01	Oil	100 %
UTU-6355-B	Fed 1-355	430193011500S01	Gas	100%
	Fed 1-355-A	430193126500S01	Gas	100%
	Fed 3-355 <i>Sec. 9, T. 20S., R. 23 E.</i>	430193012300S01	Gas	100%
UTU-011879-A	Swanson Fed 31-72 <i>Sec. 31, T. 20S., R. 24E</i>	430191577100S01	Gas	100%
UTU-27403	Fed 30-88X	430193000600S01	Gas	100%
	Martha #4	430193121200S01	Gas	100%
	Martha #1 <i>Sec. 30, T. 20S., R. 24 E.</i>	430193102400S01	Gas	100%
UTU-148172	MPD 15-2 <i>Sec. 15, T. 21S., R. 23 E.</i>	430193127700S01	Oil/Gas	100%
UTU-17245-A	Fed Cisco #3	430193040400S01	Gas	100%
	Fed Cisco #1 <i>Sec. 27, T. 20S., R. 23 E.</i>	430193045600S01	Oil/Gas	100%
UTU-7623	<i>Sec. 24</i> Fed 24-1	430193051000S01	Gas	100%
	<i>Sec. 8</i> Thompson Fed #8	430193014800S01	Gas	100%
	<i>Sec. 25</i> Jacobs Fed 1-25	430193048600S01	Oil	80%
	<i>Sec. 13</i> Thompson 2-A	430193118200S01	Gas	100%
	<i>Sec. 13</i> Len 13-3	430193121700S01	Oil	100%
	<i>Sec. 24</i> Cisco Springs 24-3	430193117900S01	Gas	97%
	<i>Sec. 24</i> Len 24-4 <i>T. 20S., R. 23E</i>	430193122300S01	Gas	97%
UTU-17309	W K #1	430193026600S01	Oil	100%
	W.K. #2	430193027000S01	Gas	100%
	W.K. #3	430193026700S01	Oil	100%
	W.K. 1-13	430193042000S01	Oil	100%
	1-14	430193029900S01	Oil	100%
	CP 1-5	430193067400S01	Gas	100%
	CP 1-4 <i>Sec. 1, T. 21S., R. 23 E.</i>	430193067100S01	Oil	100%

<u>Lease #</u>	<u>Well Name</u>	<u>API Well #</u>	<u>Oil/Gas</u>	<u>Ownership</u>
UTU-58207	Robin G 24-4	430193126100S01	Oil	100%
	Robin G 24-1	430193125500S01	Gas	100%
	MW-130	4301931346		
	Sec. 24, T. 20S., R. 23 E.			

Wells on leases held by other companies:

UTU- ⁷⁵⁵³⁶ 44440 *	TXO Springs 9-1	430193071300S01	Gas	75%
	Sec. 9, T. 20S., R. 23 E.			
UTU-042223*	Inland Fuels 9-6	430193114200S01	Gas	50%
	Inland Fuels 9-5	430193108500S01	Gas	50%
	Cisco SS 9-3	430193104800S01	Gas	70%
	Sec. 9, T. 20S., R. 23 E.			
UTU-6791**	Mustang 3-1	430193112800S01	Oil/Gas	90%
	Sec. 3, T. 20S., R. 23 E.			

* Lessee of Record - Ambra Oil & Gas

** Lessee of Record - Amoco

TRUSTEE'S DEED AND BILL OF SALE

This indenture, made this 29th day of November, 2000, between Janice D. Loyd as Trustee appointed for Saturn Resources, Inc., debtor in case number BK-97-15213-BH and Ray Lynn Dempsey, debtor in case number BK-99-16587-BH in the United States Bankruptcy Court for the Western District of Oklahoma, parties of the first part and Falcon Energy, L.L.C., 4103 S. 500 West, Salt Lake City, Utah, 84123, party of the second part, and pursuant to Rule 6004 of the Federal Rules of Bankruptcy Procedure authorize the execution of this document.

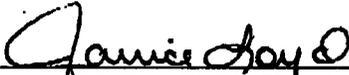
NOW THEREFORE, know ye that I, Janice D. Loyd, Trustee, by virtue of the power and authority in me vested, as aforesaid, and in consideration of the sum of Ten Dollars (\$10.00) and other valuable consideration, to me in hand paid, the receipt of which is hereby acknowledged, do hereby quit claim, grant, bargain, sell and convey unto the said party of the second part all my right, title, interest, estate and every claim and demand, both at law and equity, in and to the following described property, free and clear of the known liens and encumbrances, to-wit:

See Exhibit "A" attached

together with all and singular tenements, hereditaments and appurtenances thereunto belonging.

To have and to hold the said above described premises unto party of the second part, its successors and assigns forever, so that neither Janice D. Loyd, Trustee, said party of the first part nor any person in her name or on her behalf, shall or will hereafter claim or demand any right or title to the said premises or any part thereof; that they and everyone of them shall by these presents be excluded and forever barred.

IN WITNESS WHEREOF, the party of the first part has hereunto set her hand and seal this 29th day of November, 2000.



JANICE D. LOYD, Trustee,
and only as Trustee, of the
Estate of Saturn Resources, Inc.
BK-97-15213-BH and Ray Lynn
Dempsey, BK-99-16587-BH

BELLINGHAM, COLLINS &
Loyd, P.C.
2000 Oklahoma Tower
210 Park Avenue
Oklahoma City, Okla.
73102

RECEIVED

FEB 08 2001

DIVISION OF
OIL, GAS AND MINING

FF

STATE OF OKLAHOMA)
) SS:
 COUNTY OF OKLAHOMA)

On this 29th day of November, 2000, before me the undersigned notary public in and for the county and state aforesaid, personally appeared Janice D. Loyd, Trustee to me known to be the identical person who signed the name of the maker thereof to the within and foregoing instrument, as trustee of the estates of Saturn Resources, Inc., case number BK-97-15213-BH and Ray Lynn Dempsey, case number BK-99-16587-BH, and acknowledged to me that she executed the same as her free and voluntary act for the use and purposes therein set forth.

Given under my hand and seal the day and year first above written.

Sheilah Treuberg

 Notary Public

My Commission Expires:
5-16-01

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH		4-KAS ✓
2. CDW ✓		5- SA ✓
3. JLT		6-FILE

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **11-29-2000**

FROM: (Old Operator): SATURN RESOURCES CORPORATION Address: P. O. BOX 372 SPRINGBORO, OH 45066 Phone: 1-(937)-438-3243 Account N1090
--

TO: (New Operator): FALCON ENERGY LLC Address: 55 SOUTH HIGHWAY 89 NORTH SALT LAKE, UT 84054 Phone: 1-(801)-936-2222 Account N6710

CA No.

Unit:

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
CHASE GROSSMAN 1	43-019-15014	8174	31-19S-24E	FEDERAL	GW	S
FEDERAL 1-355	43-019-30115	240	09-20S-23E	FEDERAL	OW	S
FEDERAL 1-355A	43-019-31265	10941	09-20S-23E	FEDERAL	GW	S
FEDERAL 3-355	43-019-30123	10947	09-20S-23E	FEDERAL	GW	S
THOMAS FEDERAL 8	43-019-30148	565	13-20S-23E	FEDERAL	GW	S
THOMAS 2-A	43-019-31182	572	13-20S-23E	FEDERAL	GW	S
LEN 13-3	43-019-31217	572	13-20S-23E	FEDERAL	GW	S
M6-130	43-019-31346	12343	24-20S-23E	FEDERAL	GW	TA
FEDERAL 24-1	43-019-30510	569	24-20S-23E	FEDERAL	GW	S
JACOBS FEDERAL 1-25	43-019-30486	568	25-20S-23E	FEDERAL	OW	P
CISCO 3	43-019-30404	4500	27-20S-23E	FEDERAL	GW	S
FEDERAL CISCO 1	43-019-30456	4500	27-20S-23E	FEDERAL	GW	S
FEDERAL 30-88X	43-019-30006	9659	30-20S-24E	FEDERAL	GW	S
MARTHA 4	43-019-31212	9655	30-20S-24E	FEDERAL	GW	S
MARTHA 1	43-019-31024	9655	30-20S-24E	FEDERAL	GW	S
SWANSON FEDERAL UTI 31-72	43-019-15771	9653	31-20S-24E	FEDERAL	GW	S
MPD 9-2	43-019-31216	9801	09-21S-23E	FEDERAL	GW	S
MPD 9-2B	43-019-31281	9801	09-21S-23E	FEDERAL	GW	S
MPD 10-2C	43-019-31276	9801	10-21S-23E	FEDERAL	OW	S
MPD 15-2	43-019-31277	11003	15-21S-23E	FEDERAL	GW	S

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 02/08/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 02/08/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/12/2001

4. Is the new operator registered in the State of Utah: YES Business Number: 2022926-0160
5. If **NO**, the operator was contacted on: _____
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 12/06/2000
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A
9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: _____

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 03/13/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/13/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

1. State well(s) covered by Bond No.: N/A

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed has furnished a bond: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

FILMING:

1. All attachments to this form have been **MICROFILMED** on: APR 05 2001 APR 25 2001

FILING:

1. **ORIGINALS/COPIES** of all attachments pertaining to each individual well have been filed in each well file on: _____

COMMENTS:

