

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

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 C. S. V. Oil Exploration Company

3. Address of Operator 2005 South 300 West Salt Lake City, Utah 84115

4. Location of Well (Report location clearly and in accordance with any State requirements.)*
At surface 872' FNL; 1897' FEL
At proposed prod. zone same

14. Distance in miles and direction from nearest town or post office*
Approximately 22 miles northwest of Mack, Colorado

15. Distance from proposed location* to nearest property or lease line, ft. (Also to nearest drig. line, if any) 743 feet

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft. 2010 feet

21. Elevations (Show whether DF, RT, GR, etc.) 5350 Ground

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
12 7/8 inches	8 5/8"	24#	300 feet	circulate to surface
7 7/8 inches	4 1/2"	10.5#	4000 feet	265 sacks RCF or equiv.

Attachments:

- Well location survey plat
- Designation of Operator
- Drilling Plan
- BLM 13-pt. surface use plan
- Appropriate exhibits
- Reference to Division of Water Rights Approval

RECEIVED

OCT 28 1991

DIVISION OF OIL GAS & MINING

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

24. I hereby certify that this report is true and complete to the best of my knowledge.
Signed: J. Dan Powell Agent for Title C.S.V. Oil Exploration Co. Date 25 October 1991

(This space for Federal or State office use)

API NO. 43-019-31307

Approval Date

Approved by _____
Conditions of approval, if any:

Title

APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

DATE: 10-6-91
BY: J.M. Matthews
WELL SPACING: 13-6 (2)

*See Instructions On Reverse Side

COMPANY/OPERATOR: C.S.V. OIL EXPLORATION, INC.

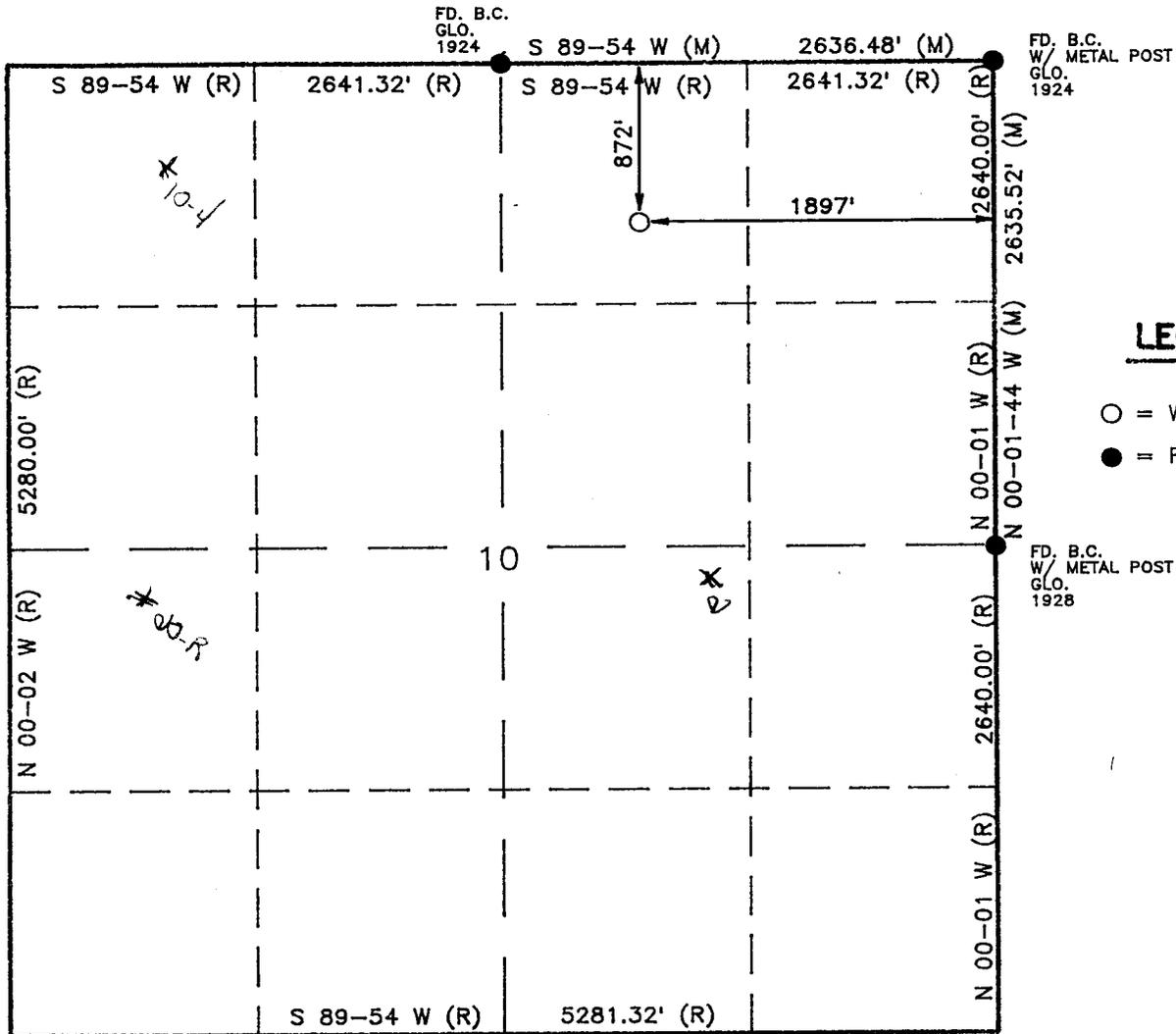
WELL NAME & NO. _____ FEDERAL NO. 10-2

FOOTAGE: 872 FNL, 1897 FEL

SEC.: 10, TWN: T.17 S., RNG: R.25 E., SLM

GRAND COUNTY, UTAH.

GROUND ELEVATION 5350



LEGEND

- = WELL FLAG
- = FD. AS NOTED

NOTE:

1. BASIS OF BEARING: GLO. RECORD BEARING EAST LINE OF THE NE/4 SEC.10, T.17 S., R.25 E., S.L.M. BEARS: N 00-01-00 W.
2. BASIS OF ELEVATION: GROUND ELEVATION AT EXISTING WELL HEAD HANCOCK FEDERAL NO.1. ELEV.= 5575
3. DATE OF COMPLETION OF FIELD SURVEY: OCTOBER 11, 1991.
4. THERE PRESENTLY EXISTS NO VISIBLE IMPROVEMENTS WITHIN 200 FEET OF THIS WELL FLAG LOCATION OTHER THAN THOSE SHOWN HEREON.
5. CERTIFICATION UNDER TITLE 58-22-10 (2) AND 58-22-10 (3) OF THE PROFESSIONAL ENGINEERS AND LAND SURVEYORS LICENSING ACT. UTAH CODE ANNOTATED, 1993 AS AMENDED BY SESSION LAWS 1988.

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

[Signature]
LICENSED LAND SURVEYOR NO. 18974
STATE OF UTAH

10/12/91
DATE



1" = 1000'
0 500 1000

C. S. V. Oil Exploration Co.

2005 SOUTH 300 WEST - SALT LAKE CITY, UTAH 84115

October 15, 1991

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

Re: Proposed C.S.V. Fed. 10-2
Lease U-04055
Sec. 10: NWNE
T. 17 S., R. 25 E., SLM
Grand County, Utah

Gentlemen:

C.S.V. Oil Exploration Company hereby designates J. DAN POWELL as its
authorized AGENT for the permitting and drilling of the above referenced well.

His address is : P. O. Box 11478
Aspen, Colorado 81612-9560

Telephone: (303) 923-3448

Sincerely,

C.S.V. OIL EXPLORATION COMPANY


Paul S. Callister
President

ATTACHMENTS TO Form 3160-3

C. S. V. Oil Exploration Company
Federal #10-2
Section 10, T.17 S., R.15 E.
Grand County, Utah

1. SURFACE FORMATION: Mancos Shale

2. ESTIMATED FORMATION TOPS:

Dakota silt	3539'
First Dakota sand	3630'
2nd Dakota sand	3700'
Cedar Mountain sand	3750'
Morrison sand	3870'
Total Depth	4000'

3. ESTIMATED DEPTH AT WHICH GAS OR WATER BEARING ZONES ARE EXPECTED TO BE ENCOUNTERED:

Neglegible amounts of water @ 60'-180'

Expected gas zone:	First Dakota	3539'
	2nd Dakota	3630'
	Cedar Mtn.	3750'
	Morrison	3870'

(Additional Cedar Mountain or Morrison sands could be found to be gas-bearing).

4. CASING PROGRAM AS PER FORM 3160-3, attached

5. PRESSURE CONTROL EQUIPMENT:

After surface casing is set, a double gate blowout preventer with blind and pipe rams, with minimum working pressure of 3000 psi (greater than the anticipated bottomhole pressure of 1950 psi), will be installed. SEE EXHIBIT 1.

A choke control, fill & kill lines with minimum working pressure of 2000 psi will be installed. SEE EXHIBIT 1.

A rotating pack-off head will be installed above the blowout preventer to control flow while drilling with air.

BOP and choke control equipment will be tested to 2000 psi before drilling out surface casing cement; BOP to be tested to 3000 psi daily & during trips.

6. DRILLING FLUIDS PROGRAM:

0-300' Air or mist. If necessary, using spud mud at approx. 9#/gal.

300'-TD Air or mist. If necessary, using 3% KCl mud at approx. 9#/gal.
& vis. 28-32 sec. API.

7. AUXILLIARY EQUIPMENT:

Kelly cock to be kept in drill string at all times.

Float valve to be run in drill string, above the bit.

A sub with full opening valve to be kept on derrick floor to stab into drill pipe when kelly is not in use.

8. LOGGING, CORING, TESTING PROGRAM PLAN:

Anticipate dual laterologs with gamma ray and neutron/density logs to be run from surface casing to TD.

No DST's are anticipated.

9. ABNORMAL CONDITIONS:

No abnormal pressures or temperatures are anticipated.

No hazardous gases (e.g., H₂S) are expected.

While drilling with air or mist, returns will be directed to the blow pit via the 100'-long blooie line. No open fires or ignition sources will be allowed on location while drilling within potential gas zones. However, a pilot flame will be maintained at the downstream end of the blooie line to insure ignition of flammable return gases.

10. ANTICIPATED STARTING DATES:

Begin location construction about	November 18, 1991
Spud date	November 21, 1991
Complete drilling phase	November 28, 1991
Completed, ready for pipeline	?January, 1992

11. Productive zones will be perforated, tested and treated as necessary. Gas will be flared during testing. Produced water will be contained in the unlined drilling reserve pit. A completion procedure will be furnished for your approval (Sundry Notice) after setting production casing.

C.S.V. Oil Exploration Company
Federal # 10-2

THIRTEEN POINT SURFACE USE PROGRAM PLAN

Lease: U-04055 (Federal)

Please note: The final program will incorporate stipulations from the Bureau of Land Management.

C.S.V. or its agent will contact the Grand Resource Area Office in Moab, Utah at (801) 259-8193 at least 48 hours before beginning construction work on public land. The construction contractor will be furnished with an approved copy of the surface use plan, along with any stipulations from BLM.

1. EXISTING ROADS

- a. Proposed well site and access road shown on Survey Plat and Exhibits 2 and 3.
- b. Location is approximately 22 miles northwest of Mack, Colorado. Route to location is from Mack westward on old U.S. HWY 6 about 9 miles to Mesa County Road Two, thence NW about 9.5 miles via Bitter Creek Road. See map (Exhibit 3).
- c. No improvement or other modification of existing roads will be needed, and none anticipated. However, roads will be maintained as needed for traffic related to drilling and completing well.

2. PLANNED ACCESS ROAD

An access road of about 300 feet length will be constructed as shown on Exhibit 2. The access road will be bladed over essentially flat (grades of less than 1%) ground with a minimum of disturbance. If shown to be needed, road will be ditched and drained and soil will be stockpiled adjacent to roadway for future reclamation. Running surface will be 12 feet wide.

3. LOCATION OF EXISTING WELLS

- a. No water, abandoned, disposal, currently drilling, shut-in, or injection wells exist within one mile of the proposed location.
- b. Producing wells within one mile of the proposed location are:

CSV Hancock Fed #2	NW/SE 10, 17s, 25e	Gas only
*Lone Mountain Bar-X Fed #17	NW/SW 11, 17s, 25e	Gas only
Hancock #1 Federal	SE/SE 3, 17s, 25e	" "
*Lone Mountain Fed #3-14	SW/SE 3, 17s, 25e	" "
Beartooth Hancock Fed. 3-8	SE/NE 3, 17s, 25e	" "
Hancock Fed #3-4	NW/NW3, 17s, 25e	" "

LOCATION OF EXISTING WELLS (Continued)

Hancock Gov't. #10-A NE/SE 4, 17s, 25e	Gas only
*Hancock Fed #10-4 NW/NW 10, 17s, 25e	" "
Hancock Gov't #20 NE/SE 9, 17s, 25e	" "
*Lone Mountain Hancock Fed 20-R NW/SW 10, 17s, 25e	" "
Lone Mountain Hancock Fed 15-3 NE/NW 15, 17s, 25e	" "

* Wells on adjacent Federal leases that have been drilled within the last two (2) years. These wells are shown in blue highlight on Exhibit 2.

4. LOCATION OF EXISTING AND PROPOSED FACILITIES

- a. On well pad: Exhibit 4 shows anticipated production facilities for the proposed location.
- b. Off well pad: Proposed surface gas transmission line is shown by red dashed line on Exhibit 2. Line is proposed to connect with existing production facilities on C.S.V. Hancock #2 well location about 2000 feet south of proposed location.
- c. Anticipated production facilities on pad will include a pit for retention of any produced water, a christmas tree, and a separator/treater if necessary, and a meter and meter house. All set up and connection work will be done by qualified oil field service personnel.

All above ground facilities will be painted using one of the BLM approved paints.

- d. Water production pits and other facilities will be fenced or otherwise set up to protect wildlife and livestock.

5. LOCATION AND TYPE OF WATER SUPPLY

No water use is anticipated during the drilling of this well. Should water be required, it will be supplied by truck from Mack, Colorado, at a private source and will be hauled by qualified oil field water transporters over access shown in Exhibit 3.

6. CONSTRUCTION MATERIALS

No construction materials are expected to be necessary for pad construction, other than soil moved or stock piled during building of location.

7. METHODS OF HANDLING WASTE DISPOSAL

- a. Drill cutting will be contained and disposed of in the reserve pit.
- b. Drilling fluids will be contained and disposed of in the reserve pit. While drilling with air, a dust arresting device will be installed on the bloopie line for dust suppression.

7. METHODS OF HANDLING WASTE DISPOSAL (Continued)

- c. Any possible fluids produced during testing of well or fracturing will be contained in the reserve pit for evaporation, or will be hauled to a BLM-approved disposal site.
- d. Sewage will be contained in and disposed of using a portable chemical toilet which will be on location during operations.
- e. Garbage and other trash will be contained in a metal trash receptacle and removed to a sanitary land fill upon completion of the well.
- f. Fencing on three sides of the reserve and blow pits will be erected before drilling and on a fourth side after rig removal. Fencing will be with 36-inch high wire mesh topped by a single strand of barbed wire, all attached to metal fence posts. Fences will be maintained until reserve pit, etc., are reclaimed.
- g. After completion of drilling and set up for production, all trash and other refuse will be removed to sanitary land fill.

8. ANCILLARY FACILITIES

No ancillary facilities are anticipated.

9. WELL SITE LAYOUT

- a. Layout of drilling facilities is shown on Exhibit 5. Cross-sections and cut/fill diagrams of pad are shown as attached to survey plat.
- b. Reserve pits, trash/toilet facilities, etc. are shown on Exhibit 5.
- c. Rig orientation and parking area: refer to Exhibit 5.
- d. Reserve pit will be unlined.
- e. Location will be approximately 270' long and from 180' to 225' wide. Irregularity of pad dimensions is an accommodation to the near proximity of drill hole/facilities to dry wash on the west, and an attempt to diminish surface disturbance.

10. PLANS FOR RESTORATION OF SURFACE

- a. After well is completed, location and surrounding area will be cleaned of debris from the operation. Debris will be disposed of in trash bin and hauled to landfill. No trash will be left in the reserve pit.
- b. C.S.V. or its agent will contact Grand Resource Area Office in Moab, Utah 48 hours prior to commencement of work that involves earthmoving equipment, and again on completion of rehabilitation. All trash will have been removed and pits will be dry prior to start of rehabilitation earth work.

10. PLANS FOR RESTORATION OF SURFACE (continued)

- c. Restored areas of the drill pad that are not needed for production facilities will be recontoured consistent with adjacent terrain, and stockpiled soil will be distributed over the area. Scarification parallel to contour will be effected to a depth of 8 inches.
- d. The following seed mixture will be drilled, if possible, at the prescribed rate:
To be specified by BLM
- e. After reseeding, any stockpiled trees or brush will be distributed over the area to help control erosion.
- f. If the well is not commercially productive, recontouring and seeding will be carried out over the entire location, along with appropriate parts of the access road, and according to BLM specifications.
- g. Timing for commencement and completion of rehabilitation operations:
It is anticipated that drilling and completion of the well will be accomplished by end of December, 1991. Rehabilitation will commence as soon as weather permits thereafter, and should be completed in 6-9 months. •

11. SURFACE OWNERSHIP

All surface over which access road and drill site are located is owned by the U. S. Government and managed by the BLM.

12. OTHER INFORMATION

The terrain surrounding the proposed location is essentially flat, desert floor area with adjacent dry washes. The location is approximately one mile from the base of the Book Cliffs and is not appreciably affected by the cliffs. Soil is derived entirely from the Mancos shale interval and is composed largely of alkali-rich clays. Vegetation is entirely composed of scattered, solitary shrub and clump grasses typical of the area. No juniper is present on the location or the near vicinity. No agricultural, archaeological, or human habitation sites are known to exist at or near the location.

The primary use of the adjacent lands is for gas production.

No major water courses, other than intermittent washes of minor extent are located in the immediate vicinity.

No natural, cultural, or archaeological site, if found during operations, will be disturbed. Any evidence of subsurface cultural material will be reported immediately to BLM, Grand Resource Area Office, and all work will stop until cleared to proceed by relevant authority. No artifacts will be removed or disturbed, if found.

13. OPERATOR'S REPRESENTATIVE

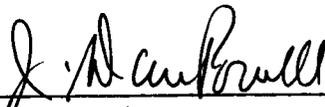
Operator's field representative and agent who is responsible for assuring compliance with the approved surface use and operations plan:

J. Dan Powell
Post Office Box 11478
Aspen, Colorado 81612-9560
(303) 923-3448

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access roads; that I am familiar with the conditions which presently exist; and 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 C. S. V. Oil Exploration Company and its contractors & subcontractors in conformity with this plan and the terms and conditions under which it is approved.

Date: October 16, 1991



J. Dan Powell
Registered Professional Geologist,
Agent for C. S. V. Oil Exploration Co.

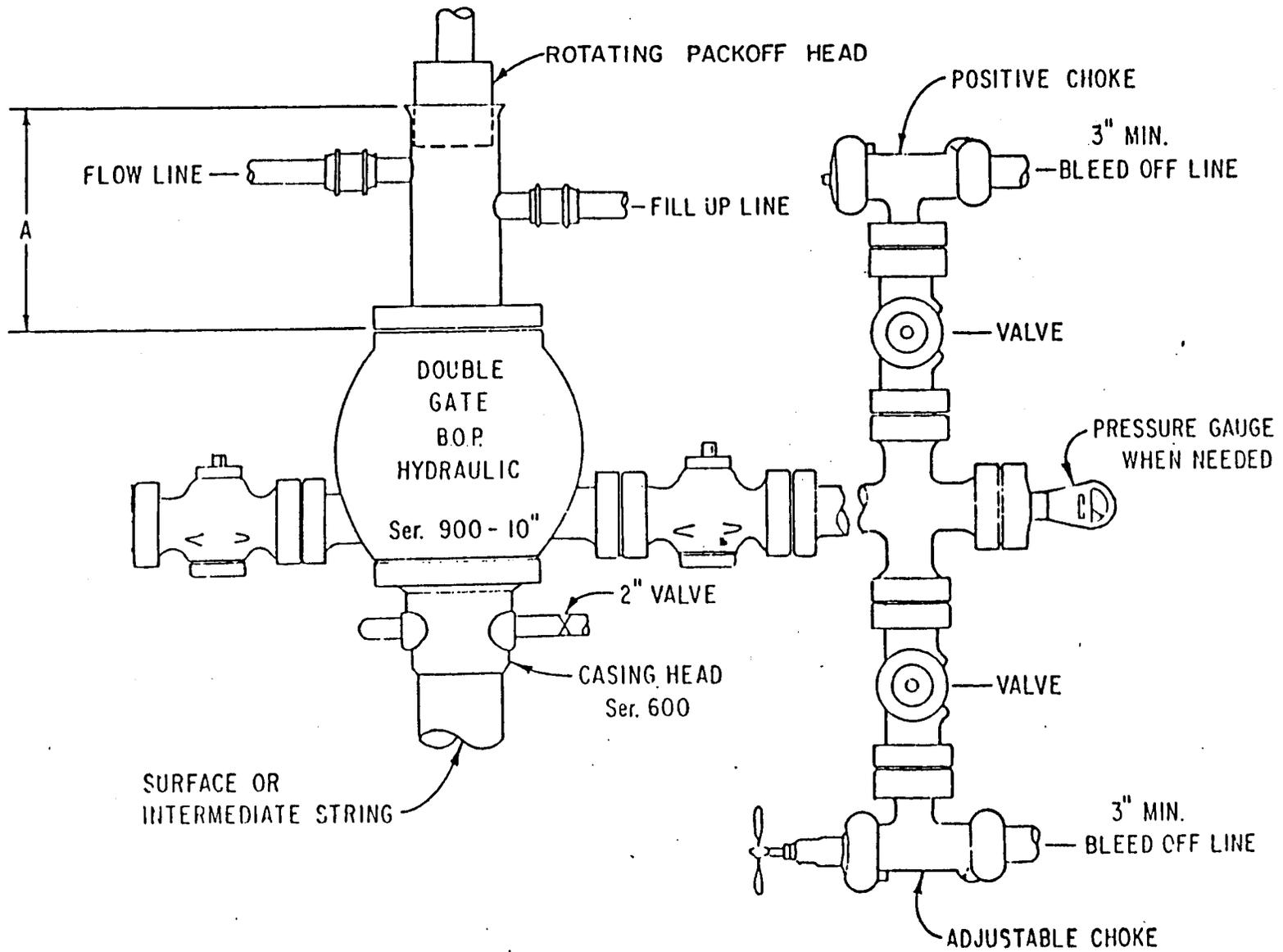
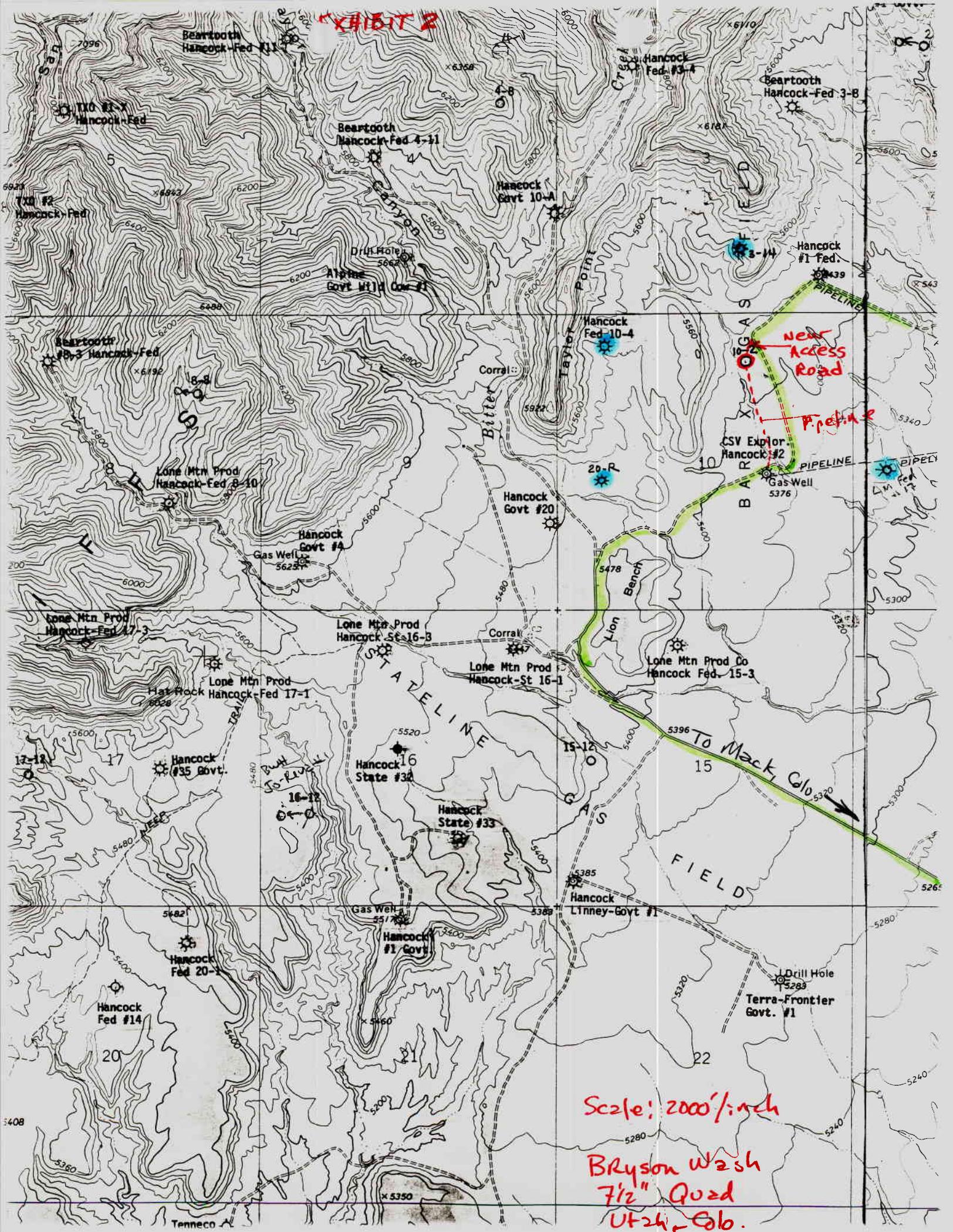


EXHIBIT I

Blowout Preventer and Choke Manifold Diagram

EXHIBIT 2

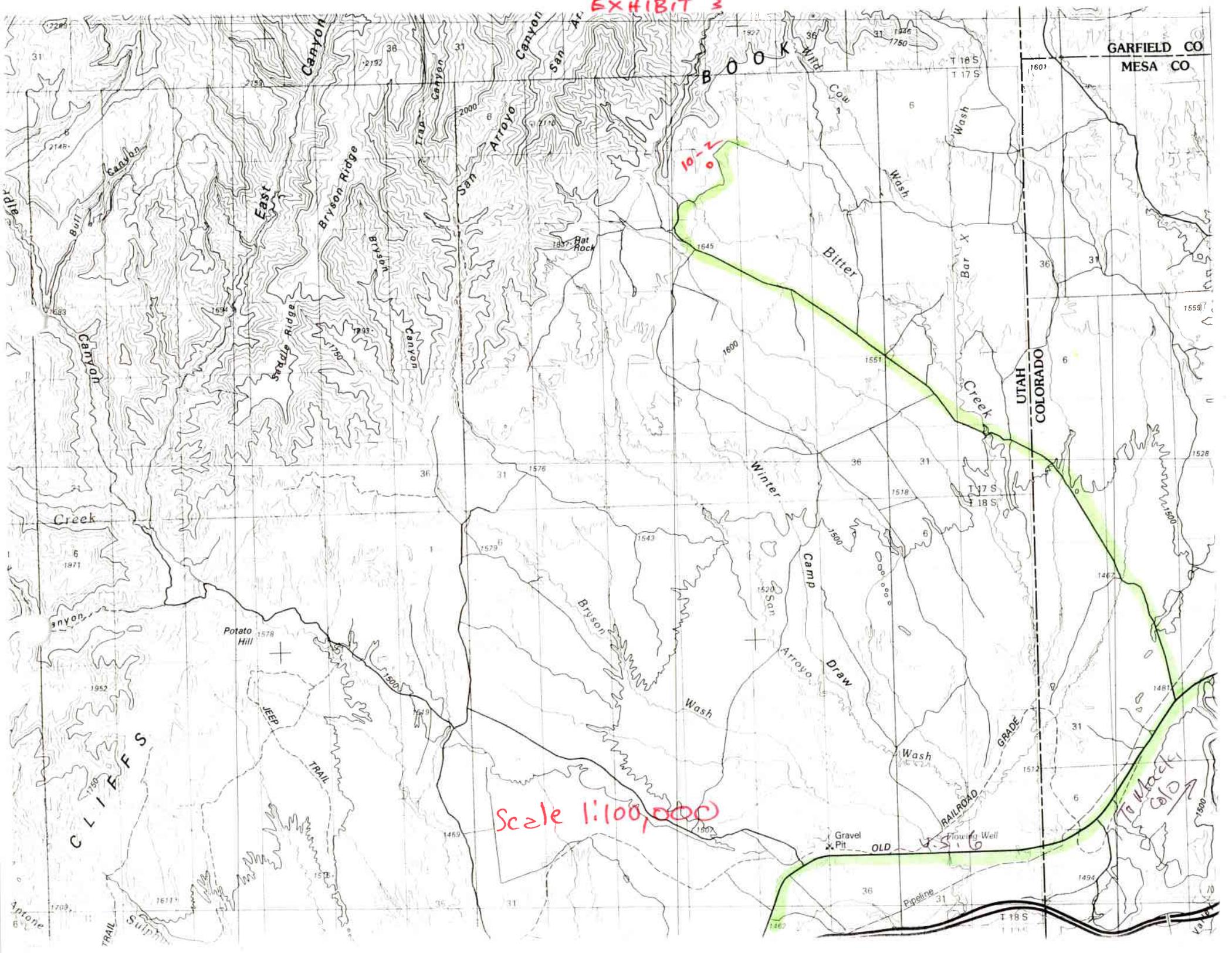


Scale: 2000'/inch

Bryson Wash
7 1/2" Quad
Utah - Colo.

EXHIBIT 3

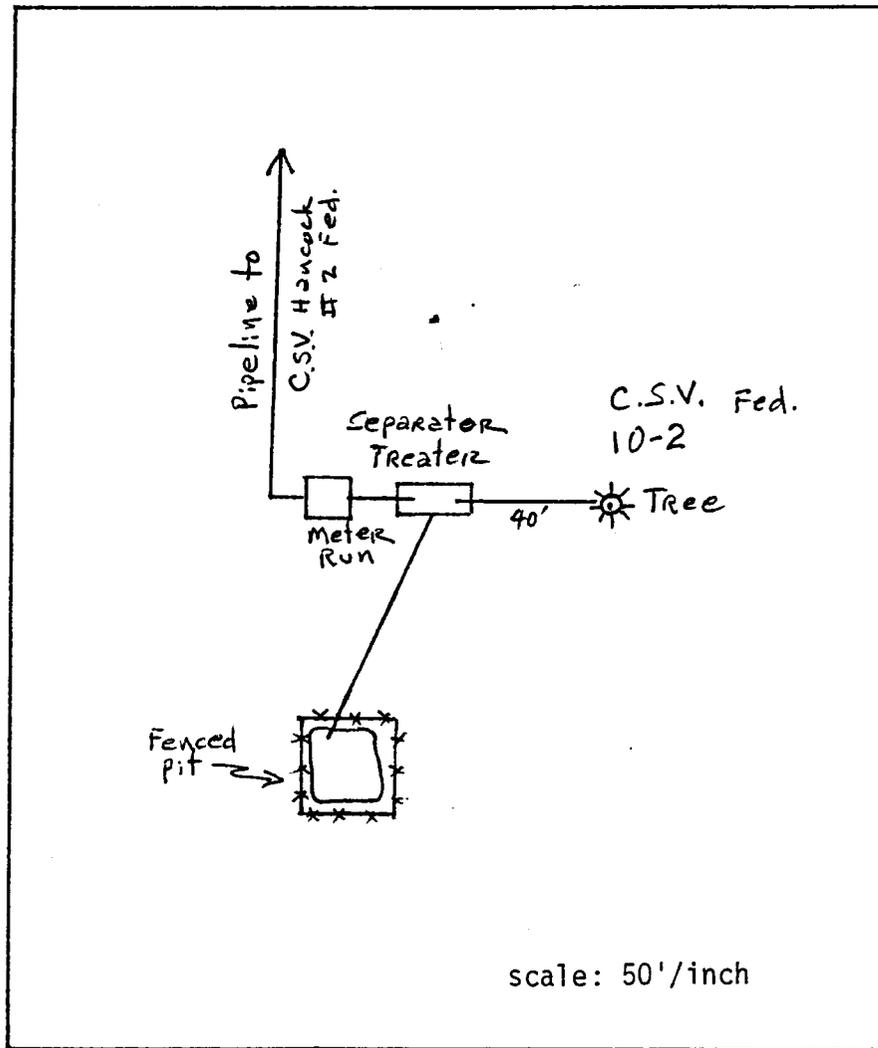
GARFIELD CO
MESA CO



Scale 1:100,000

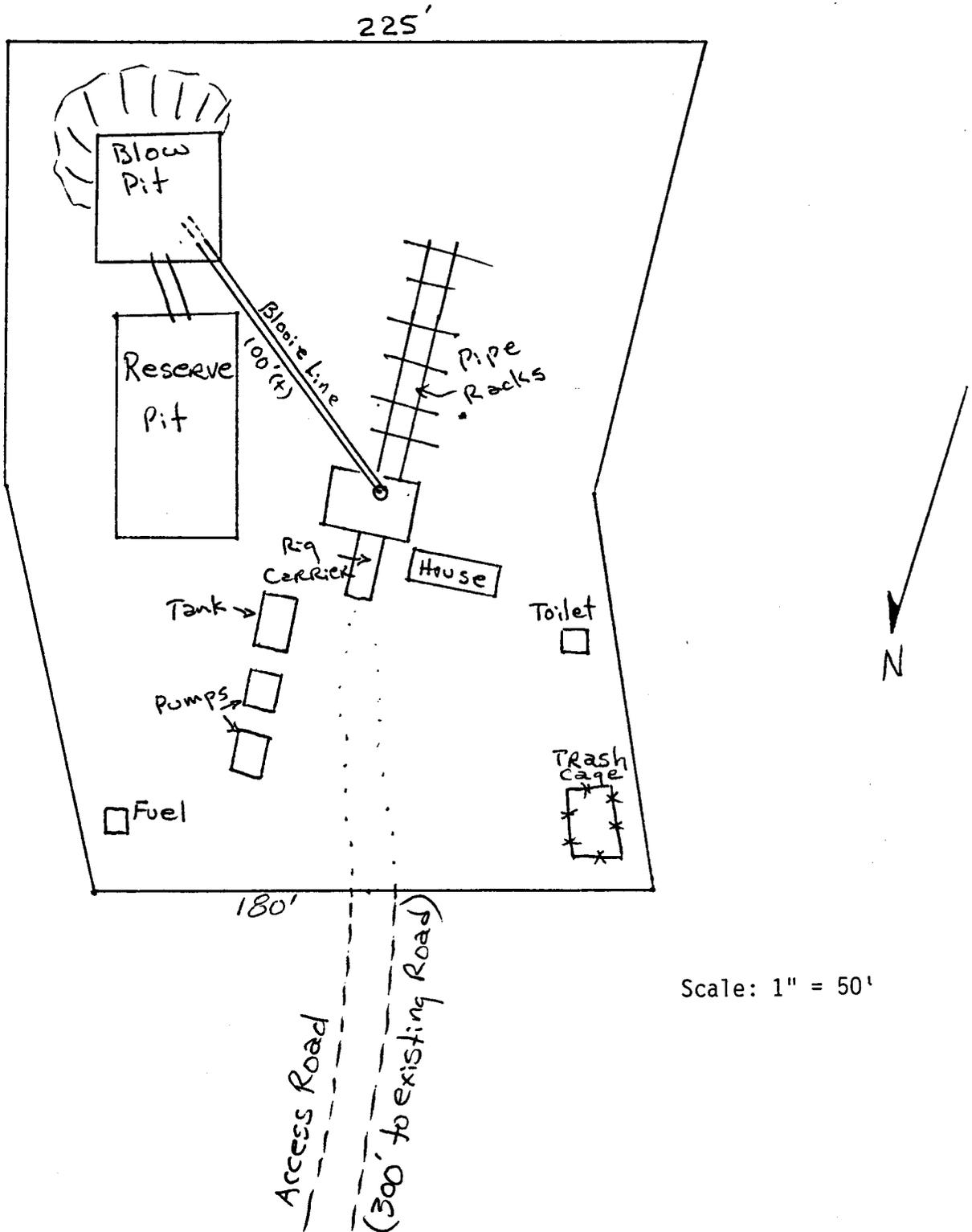
To Mack 6/10

Anticipated Production Facilities



C.S.V. Oil Exploration Company
Federal # 10-2

Drill Pad Layout



Scale: 1" = 50'

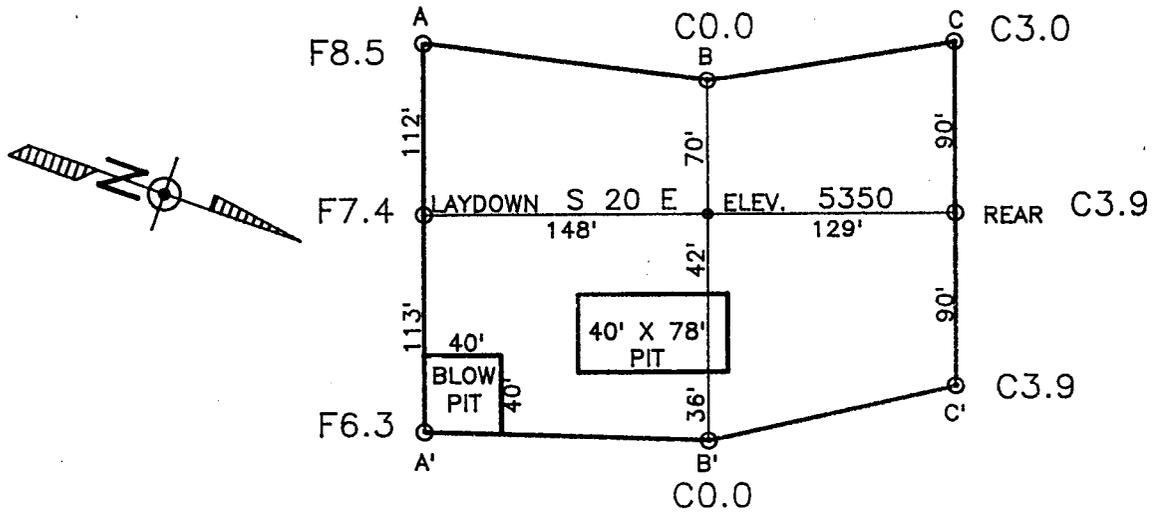
COMPANY: C.S.V. OIL EXPLORATION, INC.

LEASE: FEDERAL NO. 10-2

FOOTAGE: 872 FNL, 1897 FEL

SEC.: 10, TWN: T.17 S., RNG: R.25 E., SLM

ELEVATION: 5350



A-A'

ELEV.					
5380	-----	-----	-----	-----	
5370	-----	-----	-----	-----	
5360	-----	-----	-----	-----	
5350	-----	-----	-----	-----	
5340	-----				-----
5330	-----	-----	-----	-----	

B-B' C/L

ELEV.					
5380	-----	-----	-----	-----	
5370	-----	-----	-----	-----	
5360	-----	-----	-----	-----	
5350	-----	-----	-----	-----	
5340	-----				-----
5330	-----	-----	-----	-----	

C-C' C/L

ELEV.					
5380	-----	-----	-----	-----	
5370	-----	-----	-----	-----	
5360	-----	-----	-----	-----	
5350	-----				-----
5340	-----	-----	-----	-----	
5330	-----	-----	-----	-----	

J. Dan Powell
Consulting Geologist

Mining
Petroleum
Colorado 1041 Reports

Post Office Box 11478
Aspen, Colorado 81612-9560
(303) 923-3448

October 25, 1991

Utah Division of Oil, Gas and Mining
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203

Re: Division of Water Rights Approval

Gentlemen:

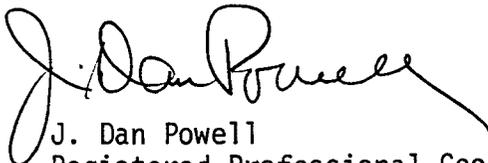
The gas well, as referenced in the attached APD, will be drilled with air from top to bottom. No water use is anticipated to occur in the reservoir or at any higher zone in the well. No water use is anticipated other than a small amount during drilling of surface hole and in preparing hole for logging. All water used during drilling and completion of this well will be brought to the site from Mack, Colorado, from a private source.

When I asked the Division of Water Rights about their required approval, they responded that no permit/approval was necessary under the stated circumstances.

I understand that if the well is completed by hydrofracturing, or if the well is logged in water-based fluid, a few barrels of water may be used. Fracturing fluids produced during production testing, if any, will be removed from the site and disposed of at a BLM-approved site.

Thank you; if more information is required, please let me know.

Yours faithfully,



J. Dan Powell
Registered Professional Geologist
Agent for C.S.V. Oil Exploration Co.

Pursuant to Paragraph G of the Order signed September 26, 1986, in this matter, the hearing upon the Amended Petition, insofar as it covered the W $\frac{1}{2}$ W $\frac{1}{2}$ of Section 2, Section 3, E $\frac{1}{2}$ Section 4, E $\frac{1}{2}$ NE $\frac{1}{2}$ Section 8, NW $\frac{1}{2}$ Section 9, and Section 10, all in Township 17 South, Range 25 East, S.L.M., was continued without date.

On January 12, 1987, Petitioners Lone Mountain Production Company and Burton W. Hancock filed a "Second Amended Petition Concerning Lands not Covered by Order dated September 26, 1986." The Second Amended Petition requested a hearing date for the lands mentioned in the above Paragraph G. In addition, relief was requested for lands not a part of the original petition. Pursuant to the Second Amended Petition, a hearing was held on Thursday, February 26, 1987 at 10:00 a.m. in the Board Room of the Division of Oil, Gas & Mining, 355 West North Temple, 3 Triad Center, Suite 301, Salt Lake City, Utah. The following Board Members were present:

Gregory P. Williams, Chairman
James W. Carter
John M. Garr
Charles R. Henderson
Richard B. Larsen
Judy F. Lever

The Board was represented by Mark C. Moench, Esq.,
Assistant Attorney General for the State of Utah.

Appearances for the Division of Oil, Gas & Mining were
made by:

Dr. Dianne Nielson, Director
Division of Oil, Gas & Mining

Ronald J. Firth, Associate
Director, Oil & Gas

John R. Baza, Petroleum Engineer

The Division was represented by Barbara W. Roberts,
Assistant Attorney General for the State of Utah.

The Petitioners were represented by John A. Harja, Esq.,
1170 East 1300 South, Salt Lake City, Utah 84105.

NOW, THEREFORE, the Board having considered the testi-
mony adduced and the exhibits reviewed in all said hearings, and
being fully advised in the premises, now makes and enters the
following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and pur-
pose of the February 26 hearing was given to all interested par-
ties as required by law and the rules and regulations of the
Board. The parties specifically served with notice are listed in
Exhibit "1" attached to the original Petition, as updated for the
1987 hearing, which names represent all persons who own the right
to explore for and produce hydrocarbons from the subject lands
and all lands immediately adjacent to and cornering upon the sub-
ject lands in Utah.

2. The Board has jurisdiction over the subject matter
of the Second Amended Petition and over all parties interested
therein and has jurisdiction to make and promulgate the order
hereinafter set forth.

3. The Second Amended Petition in this matter is a request to modify previously existing drilling/spacing units for the Dakota and Morrison formations in parts of Grand County, Utah so as to authorize additional wells to be drilled within the existing units (increased well density or "infill"). The Second Amended Petition requests that existing wells be designated the current initial production well for the infill units. Additional wells would be drilled, at the operator's option, within the opposite government quarter section from the existing well at a point not less than 500 feet from the unit boundaries and 2,000 feet from other wells producing from the same formations, with a 200 foot tolerance to each requirement to be administratively approved pursuant to Rule 302.1 of the General Oil and Gas Rules for the State of Utah.

In addition, the Second Amended Petition requests that other lands in Grand County be spaced for production from the Dakota and Morrison formations. One well would be authorized for each unit. New wells would be drilled at a point not less than 500 feet from the unit boundaries and not less than 2,000 feet from other wells producing from the same formations with a 200 foot tolerance to each requirement to be administratively approved pursuant to Rule 302.1 of the General Oil and Gas Rules for Utah. Certain of these units so established would then be modified to allow for three production wells per unit.

4. The Board has previously entered an Order in Cause Number 107-1 which established a drilling/spacing unit con-

sisting of Section 16, Township 16 South, Range 26 East, S.L.M. This section is an irregular 320 acre (approximate) section which borders Colorado. Pursuant to oral motion made at the hearing, the Second Amended Petition was further amended to request authorization for an additional production well for this unit, rather than the original request to establish two 160 acre units.

5. Information obtained from the Bureau of Land Management (BLM) after the Second Amended Petition was filed, demonstrated that both sections 21 and 28, Township 16 South, Range 26 East, S.L.M., lie within the federal San Arroyo Operational Unit. Because of this, Petitioners' motion to delete these lands from the Second Amended Petition was granted.

6. This Board has previously entered an Order (Cause No. 165-11) which allows for two production wells in each of the following 480 acre drilling/spacing units:

- a) Township 17 South, Range 25 East, S.L.M.
Section 1: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

- b) Township 17 South, Range 26 East, S.L.M.
Section 6: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Petitioners have requested authorization for an additional production well (total of three) for each of these units.

7. The federal Winter Camp Operational Unit has been terminated by the Bureau of Land Management (BLM) effective December 31, 1986. Petitioners have requested that the Board

establish drilling/spacing units for the lands previously embraced by the Winter Camp Unit.

8. The following 480 acre (approx.) drilling/spacing units were created in Cause No. 4:

Township 17 South, Range 25 East, S.L.M.

- a) Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$
- b) Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$
- c) Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$
- d) Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$
- e) Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$
- f) Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

(See more accurate descriptions under Zones 2 and 3 of Field Rule 4-4, Cause No. 4)

These drilling/spacing units were vacated in Cause No. 4-2 because said units had become part of the then new Winter Camp Unit. These lands have been developed upon a 480 acre basis. Valid 480 acre Communitization Agreements still exist covering some of these same (since vacated) units.

9. All previous testimony related to the geology, reservoir characteristics, and the like of the Dakota and Morrison formations was incorporated into the record of the February 26, 1987, hearing. Geologic evidence indicates that the Dakota and Morrison formations extend under the following unspaced lands, and, as such, constitute a common source of supply of (principally) natural gas:

a) Township 17 South, Range 25 East, S.L.M.

Section 7: All

Section 8: N $\frac{1}{2}$

Section 9: NW $\frac{1}{4}$

b) Township 17 South, Range 25 East, S.L.M.

Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$

Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$

Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

10. Paragraph D of the Order dated September 26, 1986 in this matter established 160 acre units for the W $\frac{1}{2}$ of Section 4 and E $\frac{1}{2}$ of Section 9, both in Township 17 South, Range 25 East, S.L.M. In order to establish drilling/spacing units of uniform size on this area, these units should be modified as ordered below.

11. Paragraph F of the Order dated September 26, 1986 in this matter established 160 acre units for the SE $\frac{1}{4}$ of Section 8 and SW $\frac{1}{4}$ of Section 9, both in Township 17 South, Range 25 East, S.L.M., provided that the Communitization Agreement then in effect covering the W $\frac{1}{2}$ of Section 9 and E $\frac{1}{2}$ E $\frac{1}{2}$ of Section 8, Township 17 South, Range 25 East, S.L.M. was terminated prior to the production of any well drilled in the SE $\frac{1}{4}$ of Section 8. Said Communitization Agreement was terminated effective February 1, 1987.

12. Currently available geologic evidence indicates that one well will not drain the natural gas reserves underlying a spaced area 280 acres in size or larger. The geologic evidence indicates that one well will drain approximately 160 acres, and that a 160 acre drainage is not smaller than the maximum area that can be efficiently and economically drained by one well.

13. Due to the presence of existing communitization agreements and other factors, and in order to protect the correlative rights of the various interest owners, the geographic extent of several of the existing drilling/spacing units can not be altered. Increased well density authorization is appropriate for these units. Additional wells upon existing units are authorized to be drilled only at the option of the operator of each separate unit, such drilling decision to be based upon geologic and engineering data indicating that the well will recover additional hydrocarbons in an economically feasible manner. Economically feasible means that a prudent operator would have a reasonable opportunity to recover the costs of drilling, completing, producing and operating the well, plus a reasonable profit.

14. It is not the intent of this Order to change, amend or otherwise alter any existing contractual rights or relationships, express or implied, between any parties who share in the production (or proceeds therefrom) from previously spaced drilling units or tracts pooled or unitized for purposes of deve-

loping and producing wells (upon the lands not spaced at the date of hearing on this matter). It is not the intent of this Order to alter any interests based on previously existing communitization or participation agreements.

15. The various types of relief ordered by the Board in this matter will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

CONCLUSIONS OF LAW

1. The Dakota and Morrison formations underlying the subject lands are a "common source of supply" as that term is defined in U.C.A. §40-6-2(a) (1953, as amended).

2. The Board has the authority, pursuant to U.C.A. §40-6-6(3), (1953, as amended) to modify previous spacing orders to include additional areas which are underlain by a common source of supply.

3. The Board has the authority, pursuant to U.C.A. §40-6-6(4), (1953, as amended) to modify existing drilling/spacing units to permit additional wells to be drilled within established units.

4. The various types of relief ordered by the Board in this matter will prevent the drilling of unnecessary wells, prevent waste, and protect correlative rights.

Sufficient evidence now being available upon which to reach a decision, the Board issues the following:

ORDER

IT IS HEREBY ORDERED THAT:

A. NEW DRILLING/SPACING UNITS

1) The following drilling/spacing units are hereby established for production from the Dakota and Morrison formations:

a) 160 acre units

Township 17 South, Range 25 East, S.L.M.

Section 7: All

Section 8: N $\frac{1}{2}$

Section 9: NW $\frac{1}{4}$

b) 480 acre units (more or less)

Township 17 South, Range 25 East, S.L.M.

i) Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

ii) Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$

iii) Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

iv) Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

v) Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$

vi) Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

2) Each of the above 160 acre units shall be composed of and equivalent to a regularly surveyed quarter section or lots corresponding thereto.

3) One well is authorized upon each of the above established units, said well to be located anywhere within the unit that is not less than 500 feet from the unit boundaries

(with a 200 foot tolerance to be administratively granted pursuant to Rule 302.1 for geologic, topographic, cultural or other reasons) and not less than 2,000 feet from other wells producing from the same formations (with a 200 foot tolerance to be administratively approved pursuant to Rule 302.1 for geologic, topographic, cultural and other reasons).

B. INFILL AUTHORIZATION

1) Additional wells are authorized for production from the Dakota and Morrison formations within the following previously established drilling/spacing units:

a) Two Production Wells

Township 16 South, Range 26 East, S.L.M.

Section 16

b) Three Production Wells

i) Township 17 South, Range 25 East, S.L.M.

Section 1: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

ii) Township 17 South, Range 26 East, S.L.M.

Section 6: Lots 1, 2, 3, 4, S $\frac{1}{2}$ N $\frac{1}{2}$, N $\frac{1}{2}$ S $\frac{1}{2}$

Township 17 South, Range 25 East, S.L.M.

iii) Section 2: E $\frac{1}{2}$, E $\frac{1}{2}$ W $\frac{1}{2}$

iv) Section 2: W $\frac{1}{2}$ W $\frac{1}{2}$ plus Section 3: E $\frac{1}{2}$

v) Section 3: W $\frac{1}{2}$ plus Section 4: E $\frac{1}{2}$ E $\frac{1}{2}$

vi) Section 4: W $\frac{1}{2}$ E $\frac{1}{2}$, W $\frac{1}{2}$

vii) Section 9: E $\frac{1}{2}$ plus Section 10: W $\frac{1}{2}$ W $\frac{1}{2}$

viii) Section 10: E $\frac{1}{2}$ W $\frac{1}{2}$, E $\frac{1}{2}$

2) Existing wells capable of production from the Dakota/Morrison formations in the units stated in paragraph "B(1)" above are the authorized current initial wells per unit. Additional wells shall be located no less than 500 feet from the unit boundaries and no less than 2,000 feet from other wells producing from the same formations (with a 200 foot tolerance for each distance requirement to be administratively granted pursuant to Rule 302.1 for geologic, topographical, cultural or other reasons).

3) Said additional wells may be drilled only at the option of the operator of each separate drilling unit, based upon the criteria stated in Finding of Fact No. 13 above.

4) It is not the intent of this Order that existing contractual rights or relationships, express or implied, between all parties who share in the production, or proceeds therefrom, from any of the established drilling units stated in paragraph "B(1)" above be altered by virtue of this order.

C. All previous Orders of this Board which are inconsistent with this Order, are hereby vacated, to the extent of such inconsistency only.

D. The Board retains exclusive and continuing jurisdiction over all matters covered by this Order and over all parties affected thereby and particularly reserves exclusive and continuing jurisdiction to make further orders as appropriate and as authorized by statute and regulation.

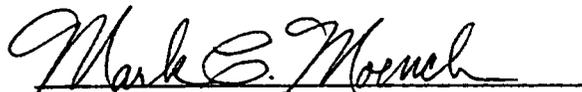
DATED this 26th day of March, 1987.

STATE OF UTAH
BOARD OF OIL, GAS & MINING



Gregory P. Williams, Chairman

Approved as to form:



Mark C. Moench
Assistant Attorney General

OPERATOR C.S.V. Oil Field Co N-0170 DATE 11-7-91

WELL NAME Federal 10-0

SEC NWNE 10 T 175 R 05E COUNTY Grand

13-019-31307
API NUMBER

Federal (1)
TYPE OF LEASE

CHECK OFF:

PLAT.

BOND

NEAREST WELL

LEASE

FIELD SLOM

POTASH OR OIL SHALE

PROCESSING COMMENTS:

falls within spacing guidelines
water permit see file

APPROVAL LETTER:

SPACING:

R615-2-3

N/A
UNIT

R615-3-2

13-6(2) 26 Mar 1987
CAUSE NO. & DATE

R615-3-3

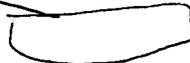
STIPULATIONS:

CSV OIL EXPLORATION Co.
FEDERAL #10-2
SEC 10 T17S R95E
PGW

U-04055
43-019-31327

↑ SOUTH

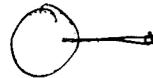
LINED WATER
PIT



HEATED
SEPARATOR

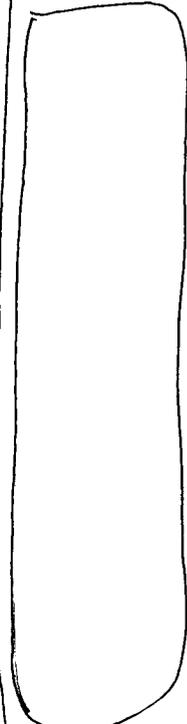


GAS
SALES
METER w/SHEP



WELLHEAD + FLOWLINE

FENCED RESERVE
PIT



ENTRANCE



42,381 50 SHEETS 5 SQUARE
42,382 100 SHEETS 5 SQUARE
42,389 200 SHEETS 5 SQUARE





State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

November 6, 1991

C.S.V. Oil Exploration Company
2005 South 300 West
Salt Lake City, Utah 84115

Gentlemen:

Re: Federal 10-2 Well, 872 feet from the north line, 1897 feet from the east line, NW 1/4 NE 1/4, Section 10, Township 17 South, Range 25 East, Grand County, Utah

Pursuant to Utah Code Ann. § 40-6-6, (1953, as amended) and the order issued by the Board of Oil, Gas and Mining in Cause No. 13-6(2) dated March 26, 1987, approval to drill the referenced well is hereby granted.

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

1. Compliance with the requirements of Utah Admin. R. 615-1 et seq., Oil and Gas General Rules.
2. Notification within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling operations and whenever a change in operations or interests necessitates an entity status change.
4. Submittal of the Report of Water Encountered During Drilling, Form 7.
5. Prompt notification prior to commencing operations, if necessary, to plug and abandon the well. Notify Frank R. Matthews, Petroleum Engineer, (Office) (801)538-5340, (Home) (801)476-8613, or R.J. Firth, Associate Director, (Home) (801)571-6068.
6. Compliance with the requirements of Utah Admin. R. 615-3-20, Gas Flaring or Venting, if the well is completed for production.

Page 2
C.S.V. Oil Exploration Company
Federal 10-2 Well
November 6, 1991

Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site should be submitted to the local health department. These drilling operations and any subsequent well operations should 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 Department of Environmental Quality, Division of Drinking Water/Sanitation, telephone (801)538-6159.

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 43-019-31327.

Sincerely,



R.J. Firth
Associate Director, Oil and Gas

ldc
Enclosures
cc: Bureau of Land Management
J.L. Thompson
WO11

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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
 C. S. V. Oil Exploration Company

3. ADDRESS OF OPERATOR
 2005 South, 300 West Salt Lake City, Utah 84115

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface 872 FNL, 1897 FEL
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 22 miles northwest of Mack, Colorado

10. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 743 feet

16. NO. OF ACRES IN LEASE 320

17. NO. OF ACRES ASSIGNED TO THIS WELL 160

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 2010'

19. PROPOSED DEPTH 4,000 feet

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 Ground 5350 feet

22. APPROX. DATE WORK WILL START*
 November 18, 1991

5. LEASE DESIGNATION AND SERIAL NO.
 U-04055

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 CH None 14-08-001-4727

8. FARM OR LEASE NAME
 Federal

9. WELL NO.
 #10-2

10. FIELD AND POOL, OR WILDCAT
 Bar-X

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 NW/4, NE/4 10-17S-25E, SLM

12. COUNTY OR PARISH
 Grand

13. STATE
 Utah

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/2 "	8 5/8"	24#	300 feet	circulate to surface
7 7/8"	4 1/2"	10.5#	4000 feet	265 sacks RCF or equiv.

RECEIVED

JUN 17 1992

DIVISION OF
OIL GAS & MINING

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

24. SIGNED J. Dan Powell TITLE Agent for C.S.V. Oil Expl. Co. DATE October 16, 1991

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE JUN 15 1992
/S/ WILLIAM C. STRINGER Assistant District Manager
 for Minerals DATE _____

CONDITIONS OF APPROVAL, IF ANY:

FLARING OR VENTING OF
GAS IS SUBJECT TO NTL 4-A

CONDITIONS OF APPROVAL ATTACHED

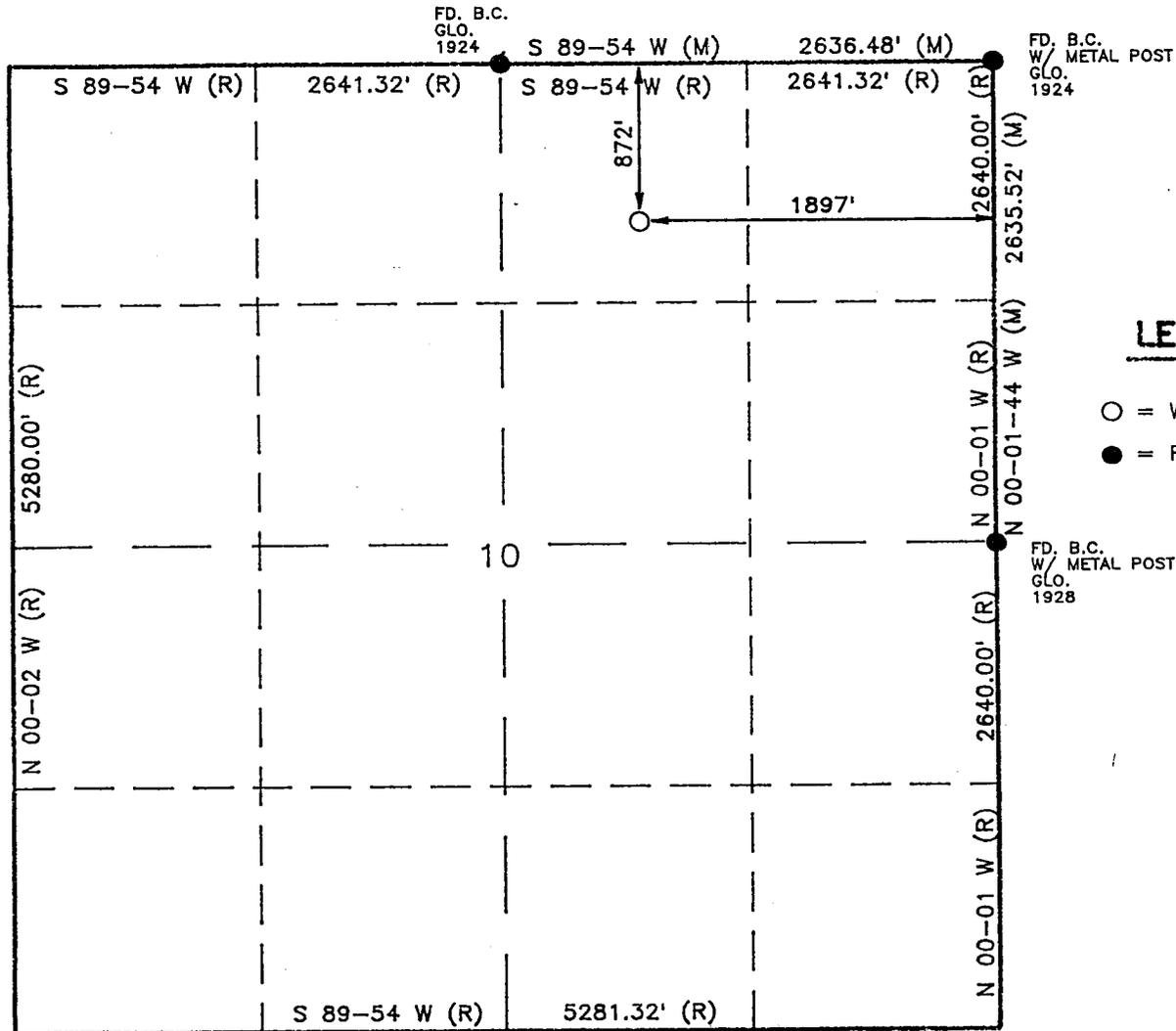
11/1/80

*See Instructions On Reverse Side

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

Doc in

COMPANY/OPERATOR: C.S.V. OIL EXPLORATION, INC.
 WELL NAME & NO. _____ FEDERAL NO. 10-2
 FOOTAGE: 872 FNL, 1897 FEL
 SEC.: 10, TWN: T.17 S., RNG: R.25 E., SLM
 GRAND COUNTY, UTAH.
 GROUND ELEVATION 5350



LEGEND

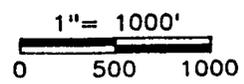
- = WELL FLAG
- = FD. AS NOTED

NOTE:

1. BASIS OF BEARING: GLO. RECORD BEARING EAST LINE OF THE NE/4 SEC.10, T.17 S., R.25 E., S.L.M. BEARS: N 00-01-00 W.
2. BASIS OF ELEVATION: GROUND ELEVATION AT EXISTING WELL HEAD HANCOCK FEDERAL NO.1. ELEV.= 5575
3. DATE OF COMPLETION OF FIELD SURVEY: OCTOBER 11, 1991.
4. THERE PRESENTLY EXISTS NO VISIBLE IMPROVEMENTS WITHIN 200 FEET OF THIS WELL FLAG LOCATION OTHER THAN THOSE SHOWN HEREON.
5. CERTIFICATION UNDER TITLE 58-22-10 (2) AND 58-22-10 (3) OF THE PROFESSIONAL ENGINEERS AND LAND SURVEYORS LICENSING ACT. UTAH CODE ANNOTATED 1957 AS AMENDED BY SESSION LAWS 1988.

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

[Signature]
 LICENSED LAND SURVEYOR NO. 18974 DATE 10/12/91
 STATE OF UTAH



CSV Oil Exploration Company
Well No. Federal 10-2
NWNE Sec. 10, T. 17 S., R. 25 E.
Grand County, Utah
Lease U-04055

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 Global Natural Resources Corporation of Nevada 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 bond no. UT0564 (Principal -Global Natural Resources Corporation of Nevada) 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.

This permit will be valid for a period of one year from the date of approval. A one-time, 90 day extension of this period may be granted. After permit termination, a new application must be filed for approval.

All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Orders, lease terms, notices to lessees, 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 field representatives to insure compliance.

A. DRILLING PROGRAM

1. There will be no deviation from the proposed drilling and/or workover program without prior approval from the Assistant District Manager. "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 3162.3-2. Safe drilling and operating practices must be observed.

2. Daily drilling and completion progress reports shall be submitted to the District office on a weekly basis.

3. The BLM shall be kept apprised of all fluids entering or leaving the pit, through either weekly drilling reports or a final status report, submitted with the completion report. Either of which shall be submitted prior to reclamation of the pits.

4. No trivalent or hexavalent chromate additives shall be used in the mud system. Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

5. BOP systems will be consistent with API RP 53 and Onshore Oil and Gas Order No. 2. Pressure tests of the surface casing and all BOP equipment potentially subject to pressure will be conducted before drilling the surface casing shoe. Blowout preventer controls will be installed prior to drilling the surface casing shoe and will remain in use until the well is completed or abandoned. Ram preventers shall be inspected and operated each trip (no more than once a day is necessary), and annular preventers shall be inspected and operated weekly to ensure good mechanical working order. These inspections shall be recorded on the daily drilling report.

6. Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the Authorized Officer. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

7. When the completion program is determined, a sundry notice describing the completion shall be submitted to this office for approval.

8. Should the well become productive, the BLM, District Office must be notified no later than five business days after production begins. Notification shall be by letter or sundry notice, or orally to be followed by a letter or sundry notice.

9. Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 Mmcf following its completion, whichever comes first, without prior written approval of the Authorized Officer.

10. Surface casing shall be equipped with a centralizer on each of the bottom three joints, and shall be cemented to the surface.

11. Cement behind the production casing must be brought up to at least 500 feet above the top of the highest potentially productive horizon.

B. SURFACE USE PLAN

1. In order to protect big game winter range, no drilling will be allowed from 12/1 to 4/15. The limitation does not apply to maintenance and operation of producing wells. Exceptions to this limitation may be specified in writing by the authorized officer.
2. The dirt contractor will be furnished with an approved copy of the surface use plan and any additional BLM stipulations prior to starting any work.
3. Surface disturbance and vehicular travel will be limited to the approved location and access route. Any additional area needed will be approved in advance.
4. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.
5. Produced water will be confined in unlined pits for a period not to exceed ninety (90) days after initial production. During the ninety (90) day period, an application for approval of permanent disposal method and location, along with the required water analysis, will be submitted for the Assistant District Manager's approval pursuant to NTL-2B.
6. At the end of drilling operations and prior to reclamation of the reserve pit, the fourth side of the pit will be fenced and the top of the pit will be covered with netting of one inch or less to prevent access by birds.
7. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the largest tank in the battery. All loading lines and valves will be placed inside the berm surrounding the tank battery.
8. All site security guidelines identified in 43 CFR 3162.7-5 regulations will be followed.
9. All off-lease storage, off-lease measurement, or commingling (on-lease or off-lease) shall have prior written approval from the Assistant District Manager.

B. SURFACE USE PLAN

1. The dirt contractor will be provided with an approved copy of the surface use plan of operations before initiating construction.

2. All wells, whether drilling, producing, suspended, or abandoned, will be identified in accordance with 43 CFR 3162.6.

3. A cultural resource clearance will be required before any construction begins. The operator is responsible for informing all persons in the area who are associated with this project that they will be subject prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming in situ preservation is not necessary); and,
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

4. The reserve pit shall be located in cut material, with at least 50% of the pit volume being below original ground level. Three sides of the reserve pit will be fenced before drilling starts. The fourth side will be fenced as soon as drilling is completed, and shall remain until the pit is dry. As soon as the reserve pit has dried all areas not needed for production will be rehabilitated.

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

6. Trash must be contained in a trash cage and hauled away to an approved disposal site as necessary but no later than at the completion of drilling operations.

7. If the well is productive, cattle guards will be installed on the access road at fence crossings. The access road will be rehabilitated or brought to Resource (Class III) Road Standards within sixty (60) days of dismantling 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.

8. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 150% of the storage capacity of the largest tank in the battery. All loading lines and valves will be placed inside the berm surrounding the tank battery.

9. All permanent (on-site for six (6) months or longer) structures constructed or installed (including oil well pumping units) shall be painted a flat, nonreflective, earth tone color to blend with the local environment, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities shall be painted within six (6) months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors shall be coordinated with the Price River Resource Area office prior to initiating painting.

10. All off-lease storage, off-lease measurement, or commingling (on-lease or off-lease) shall have prior written approval from the Assistant District Manager.

11. Pipeline construction activity is not authorized under this permit.

12. Copies of all water analysis required by the State of Utah in relation to surface discharge of produced water will be submitted to the Moab District Office, Bureau of Land Management.

13. Produced waste water will be confined to an 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 Assistant District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

14. If at any time the facilities located on public land authorized by the terms of the lease are no longer included in the lease (due to contraction in the unit or other lease or unit boundary change) the BLM will process a change in authorization to the appropriate statute. The authorization will be subject to appropriate rental, or other financial obligation determined by the authorized officer (AO).

15. When the well is abandoned, the abandonment marker must be at least four feet above restored ground level and must be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

C. REQUIRED NOTIFICATIONS AND APPROVALS

Required verbal notifications are summarized in Table 1, attached.

Spud- 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 (regardless of whether spud was made with a dry hole digger or big rig). If the spudding occurs on a weekend or holiday, the written report will be submitted on the following work day.

Undesirable Events/Immediate Reports- Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be immediately reported to the Resource Area in accordance with requirements of NTL-3A.

Cultural Resources- If cultural resources are discovered during construction, work that might disturb the resources is to stop, and the Area Manager is to be notified.

First Production- Should the well be successfully completed for production, the Assistant District Manager, Minerals Division will be notified when the well is placed in producing status. Such notification may be made by phone, but must be followed by a sundry notice or letter not later than five (5) business days following the date on which the well is placed on production.

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.

Well Completion Report- 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 3162.4-1. 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 (cuttings, fluids, and /or gas) will be submitted when requested by the Assistant District Manager.

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the BLM, Moab District Office prior to initiating plugging operations. Table 1 of this document provides the after-hours phone numbers of personnel who are authorized to give plugging instructions.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Assistant District Manager, Minerals Division 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. Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. 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.

Venting/Flaring of Gas- NTL-4A allows venting/flaring of gas during the initial well evaluation period not to exceed 30 days or 50 Mmcf. Venting/flaring beyond the initial test period threshold must be approved by the District Office.

NOTIFICATIONS

Notify Elmer Duncan or Jack Johnson 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;

50 feet prior to reaching surface casing and intermediate casing depths;

3 hours prior to testing BOPE;

If the person at the above number cannot be reached, notify Fred Oneyear in the Moab District Office at (801) 259-6111 or at home (801) 259-5937. If unsuccessful, notify one of the people listed below.

Well abandonment operations require 24 hour advance notice and prior approval. In the case of newly drilled dry holes, verbal approval can be obtained by calling the Moab District Office, Branch of Fluid Minerals at (801) 259-6111. If approval is needed after work hours, you may contact the following:

Dale Manchester, Petroleum Engineer	Office: (801) 259-6111
	Home: (801) 259-6239

Eric Jones, Petroleum Engineer	Office: (801) 259-6111
	Home: (801) 259-2214

If unable to reach the above individuals, please call the following:

Lynn Jackson,	Office: (801) 259-6111
Chief, Branch of Fluid Minerals	Home: (801) 259-7990

24 HOURS ADVANCE NOTICE IS REQUIRED FOR ALL ABANDONMENTS

Division of Oil, Gas and Mining
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File CSU Explanation 10-2 Suspense Other
(Return Date) _____
(Location) Sec 10 Twp 125 Rng 25 E (To - Initials) _____
(API No.) 43-019-31327 _____

1. Date of Phone Call: 9-23-92 Time: 8:00 AM

2. DOGM Employee (name) Zed Smith (Initiated Call)
Talked to:
Name FRM (Initiated Call) - Phone No. ()
of (Company/Organization) DOGm.

3. Topic of Conversation: CSU Explanation 10-2 well.

4. Highlights of Conversation: Location has been visited.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

5. Lease Designation and Serial No.

U-04055

6. If Indian, Allottee or Tribe Name

7. If Unit or CA, Agreement Designation

8. Well Name and No.

Federal #10-2

9. API Well No.

43-019-31327

10. Field and Pool, or Exploratory Area

Bar-X

11. County or Parish, State

Grand County, Utah

SUBMIT IN TRIPLICATE

1. Type of Well

Oil Well Gas Well Other

2. Name of Operator

C. S. V. Oil Exploration Company

3. Address and Telephone No.

2005 South 300 West Salt Lake City, Utah 84115 (801) 487-4721

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

872' FNL, 1897' FEL, Sec. 10, T. 17 S., R. 25 E., SLM

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

TYPE OF SUBMISSION

- Notice of Intent
 Subsequent Report
 Final Abandonment Notice

TYPE OF ACTION

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

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

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

C.S.V. requests a 90-day extension for the APD on this well. We desire to drill the 10-2 well consecutively with two wells to be drilled by Lone Mountain Production Company in the same area. This will save mobilization costs and reduce the traffic, road dust, and possibly other undesirable separate results of remobilization of the drilling rig.

ACCEPTED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING

RECEIVED

JUN 11 1993

DATE: 6-17-93

BY: J.A. Matthews

DIVISION OF
OIL, GAS & MINING

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

Signed

J. Dan Powell

Title

Agent for C.S.V. Oil Expl. Co. Date June 9, 1993

(This space for Federal or State office use)

Approved by _____

Title _____

Date _____

Conditions of approval, if any:

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: CSV OIL EXPLORATION 43-019-31327

WELL NAME: FEDERAL 10-2

Section 10 Township 17S Range 25E County GRAND

Drilling Contractor VECO

Rig # 2

SPUDDED: Date 8/30/93

Time 10:00 PM

How ROTARY

Drilling will commence

Reported by DAN POWELL

Telephone #

Date 8/31/93 SIGNED FRM

43-019-31327



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 16, 1993

Jan Callister
CSV Oil Exploration Company
2005 South 300 West
Salt Lake City, Utah 84115

Re: Request for Completed Entity Action Form - Federal 10-2
NWNE Sec. 10, T. 17S, R. 25E - Grand County, Utah

Dear Ms. Callister:

This is written to remind you that all well operators are responsible for sending an Entity Action Form to the Division of Oil, Gas and Mining within five working days of spudding a new well. This office was notified that your company spudded the Federal 10-2 well, API Number 43-019-31327, on August 30, 1993. At this time, we have not received an Entity Action Form for this well.

Please review the instructions on the back of the enclosed form. Make sure you choose the proper Action Code to show whether the well will be a single well with its own sales facilities (Code A), a well being added to an existing group of wells having the same tank battery and common division of royalty interest (Code B - show existing Entity Number to which well should be added), or a well being drilled in the participating area of a properly designated unit (Code B). Complete the form and return it to us by September 30, 1993.

Your attention to this matter is appreciated. If we can be of assistance to you, please feel free to call Lisha Cordova at the above number.

Sincerely,

Don Staley
Administrative Supervisor

lec
Enclosure
cc: R. J. Firth
File

OPERATOR C.S.V. Oil Exploration Company OPERATOR ACCT. NO. N 0/170
 ADDRESS 2005 So. 300 West
Salt Lake City, Utah 84115

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11524	43-019-31327	Fed. 10-2	NWNE	10	175	25E	Grand	8/29/93	
WELL 1 COMMENTS: Entity added 9-24-93-fee											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

RECEIVED

SEP 22 1993

DIVISION OF
OIL, GAS & MINING

[Signature]
 Signature
 V. Res.
 Title
 9/21/93
 Date
 Phone No. (801) 487-4721

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. LEASE DESIGNATION AND SERIAL NO.
U-04055

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

5. FARM OR LEASE NAME
Federal

8. WELL NO.

10-2

10. FIELD AND POOL, OR WILDCAT
Bar-X

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

Sec 10, T17S., R25E.
SLM

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

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

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

2. NAME OF OPERATOR
C. S. V. Oil Exploration Company

3. ADDRESS OF OPERATOR
2005 South 300 West Salt Lake City, Utah 84119

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface NW/4, NE/4 872' FNL 1897' FEL
At top prod. interval reported below same
At total depth same

RECEIVED
NOV 18 1993

DIVISION OF
OIL, GAS & MINING

14. API NO. 43-019-31327 DATE ISSUED

12. COUNTY Grand 13. STATE Utah

15. DATE SPUNDED 8-29-93 16. DATE T.D. REACHED 9-3-93 17. DATE COMPL. (Ready to prod.) 11-6-93 (Plug & Abd.) 18. ELEVATIONS (DF, KB, RT, GR, ETC.) 5433 KB 19. ELEV. CASING HEAD

20. TOTAL DEPTH, MD & TVD 3810' 21. PLUG BACK T.D., MD & TVD 3758' 22. IF MULTIPLE COMPL., HOW MANY 23. INTERVALS DRILLED BY ALL ROTARY TOOLS CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 3684-3705 KB Morrison Formation 25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RDM DLL/MSFL G/LDT/CNL CBL 27. WAS WELL CORED YES NO (Submit analysis) DRILL STEM TEST YES NO (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT POLLED
8 5/8"	24#	300 feet	12 1/4"	circ to surface	
4 1/2"	10.5#	3758 feet	7 7/8"	350 sacs	

29. LINER RECORD 30. TUBING RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
					2 3/8"	3721' KB	

31. PERFORATION RECORD (Interval, size and number) 1 spf3683-3700', 3702-3704 (21)

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

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

33. PRODUCTION

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

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11-6-93	1	1/2"					
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
150 psig				697	None	None	

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

35. LIST OF ATTACHMENTS

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

SIGNED J. Dan Powell TITLE Agent for CSV DATE 11-9-93

See Spaces for Additional Data on Reverse Side

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

SUBMIT ~~IN~~ TRIPPLICATE*
(Other instructions on reverse side)

5. LEASE DESIGNATION AND SERIAL NO.
U-04055
INDIAN, ALLOTTEE OR TRIBE NAME

SUNDRY NOTICES AND REPORTS ON WELLS

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



1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR
C.S.V. Oil Exploration Company

3. ADDRESS OF OPERATOR
2005 South 300 West, Salt Lake City, Utah 84115

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface
872' FNL 1,897' FEL

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
Federal

9. WELL NO.
10-2

10. FIELD AND POOL, OR WILDCAT
Bar-X

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec. 10, T17S, R25E, SLM

14. PERMIT NO.
43-019-31327

15. ELEVATIONS (Show whether DF, RT, GR, etc.)
5424 GR

12. COUNTY OR PARISH
Grand

13. STATE
Utah

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

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) <u>Placed on Production</u>	
(Other) <input type="checkbox"/>		(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)	

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

The above well was placed on production 01/4/94 at 12:10PM. Gas production is from a gas zone in the Brushy Basin member of the Morrison FM. Initial production calculated at 417 MCF.

18. I hereby certify that the foregoing is true and correct
SIGNED [Signature] TITLE V. Pres DATE Jan. 4, 1994

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

UTAH DIVISION OF OIL, GAS AND MINING EQUIPMENT INVENTORY

Operator: CSV OIL EXPLORATION Lease: State: Federal: Y Indian: Fee:

Well Name: FEDERAL #10-2 API Number: 43-019-31327

Section: 10 Township: 17E Range: 25E County: GRAND Field: BAR X

Well Status: PGW Well Type: Oil: Gas: Y

PRODUCTION LEASE EQUIPMENT: Y CENTRAL BATTERY:

Y Well head Boiler(s) Compressor Y Separator(s)
 Dehydrator(s) Shed(s) Line Heater(s) Y Heated Separator
 VRU Heater Treater(s)

PUMPS:

 Triplex Chemical Centrifugal

LIFT METHOD:

 Pumpjack Hydraulic Submersible & Y Flowing

GAS EQUIPMENT:

Y Gas Meters N Purchase Meter Y Sales Meter

TANKS: NUMBER

SIZE

<u>N</u> Oil Storage Tank(s)	_____	BBLS
<u>N</u> Water Tank(s)	_____	BBLS
<u>N</u> Power Water Tank	_____	BBLS
<u>N</u> Condensate Tank(s)	_____	BBLS
<u>N</u> Propane Tank	_____	

REMARKS: WELLHEAD & TREE; HEATED SEPARATOR W/VENT LINE TO LINED PIT. ORIFICE SALES METER W/SHED.

Location central battery: Qtr/Qtr: Section: Township: Range:

Inspector: DENNIS L. INGRAM Date: 5/4/94

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

SUNDRY NOTICES AND REPORTS ON WELLS

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

1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER		5. LEASE DESIGNATION AND SERIAL NO. U-04055
2. NAME OF OPERATOR C.S.V. Oil Exploration Co.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR 2005 South 300 West, Salt Lake City, Utah 84115		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 872' FNL 1,897' FEL		8. FARM OR LEASE NAME Federal
14. PERMIT NO. 43-019-31327		9. WELL NO. Federal 10-2
15. ELEVATIONS (Show whether DF, RT, OR, etc.) 5424' GR		10. FIELD AND POOL, OR WILDCAT Bar-X
		11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA Sec. 10, T17S, R25E, SLM
		12. COUNTY OR PARISH 18. STATE Grand Utah

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

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

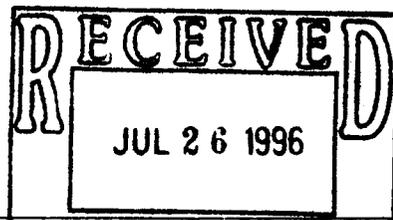
(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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

The Federal 10-2 Well has had a rapid decline of gas production since it was placed on production in January, 1994. This is due to a limited reservoir in the Morrison Formation. A proposal to re-complete the well in the Dakota Formation in the later part of 1994 was not accomplished due to declining gas prices and the high cost of a proposed "Nitrogen-Foam Frac".

It is now proposed to re-complete the well in the Dakota Formation by using a "Cross-Link Borate" fracture treatment. This treatment is considerably less money and has been used by Lone Mountain Production in the Bar-X Field to some success.

Attached is a copy of a schedule of re-completion as prepared by Lone Mountain Production Co. who will be "over-seeing" the project. It is anticipated that the work will begin in the last part of August or early September, 1996.



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

SIGNED [Signature] TITLE Asst. Dir. DATE July 23, 1996

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

CSV FEDERAL 10-2
NWNE SEC. 10, T17S-R25E
GRAND COUNTY, UTAH

Recompletion to the Dakota

JUSTIFICATION:

The CSV Federal 10-2 was drilled and completed in the Morrison formation (3,692'-712') in November 1993. Upon completion the well tested 697 MCFD at 98 psi FTP on a 1/2" choke. However, due to the limited reservoir extent, productivity has rapidly declined to the point at which it is barely economic to produce.

The purpose of this workover is to abandon the Morrison interval beneath a bridge plug and open up to the Dakota intervals from 3,270'-3,318', 3,348'-82', 3,418'-23'. Although the Dakota appears tight on the logs, a frac job may enhance both production rate and ultimate recovery.

ELEVATIONS:	5424	5433
	5,310' GL	5,319' KB
TD/PBTD:	3,810' / 3,749'	
PRODUCTION CASING:	4 1/2", 10.5#, J-55 set @ 3,789' and cemented to 3,250'	
PRODUCTION TUBING:	2 3/8" TUBING @ 3,730'	

PROCEDURE:

1. MIRU service unit and frac tanks. Blow well down. ND wellhead and NU frac spool and BOP.
2. POOH with tubing string. RIH on wireline and set CIBP at \pm 3,600'. Dump bail 3 sxs Class G + 2% CaCl on top. POOH w/ wireline. Load hole with water, pressure test casing, wellhead, and BOP's to 4,000 psi.
3. TIH with 2 3/8" tbg. and SN to 3550'. Swab well down to 3250'. COH w/ tbg.
4. Perforate Dakota as follows with casing guns: 3,295'-3,315', 1spf, 21 shots total; 3,350'-3,360', 1spf, 11 shots total; 3,370'-3,380', 1spf, 11 shots total; and 3,418'-3,422', 1spf, 5 shots total. Rig down wireline truck.
5. RIH with SN, one jt. 2 3/8" tubing, tension set retrievable packer and 2 3/8" tubing to \pm 3,265'. Acidize all perfs with 750 gals of 15% HCL plus additives and 100 1.1 s.g. ball sealers spaced evenly throughout the job. Swab to clean up. Release packer and run through perfs to knock off balls and TOOH with packer.

6. RU Dowell and frac Dakota intervals with 52,000 gallons cross linked borate fluid plus additives containing 80,000# of 20/40 mesh sand and 30,000# of 16/30 mesh sand. Flush with 2115 gallons. Maintain rate of 30 bpm. Maximum pressure is 4,000 psi. Flow back as per service company recommendation.
7. TIH with 2³/₈" tbg. and SN to 3450' to check for sand fill. Pull tbg tail above perforations and swab to clean up and test.
8. ND frac spool and BOP and NU wellhead. Flange up with tbg. @ ± 3430. RDMO service rig. Return well to production down sales line.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

<p>SUNDRY NOTICES AND REPORTS ON WELLS (Do not use this form for proposals to drill or to deepen or plug back to a different reservoir. Use "APPLICATION FOR PERMIT—" for such proposals.)</p>		<p>5. LEASE DESIGNATION & SERIAL NO. U-04055</p>
<p>1. OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER</p>		<p>7. UNIT AGREEMENT NAME</p>
<p>2. NAME OF OPERATOR C.S.V. Oil Exploration Co.</p>		<p>8. FARM OR LEASE NAME Federal</p>
<p>3. ADDRESS OF OPERATOR 2005 South 300 West, Salt Lake City, Utah 84115</p>		<p>9. WELL NO. 10-2</p>
<p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 872' FNL, 1,897' FEL At proposed prod. zone</p>		<p>10. FIELD AND POOL, OR WILDCAT Bar-X</p>
<p>14. API NO. 43-019-31327</p>		<p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10, T17S, R25E</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 5424 GR</p>		<p>12. COUNTY Grand</p>
		<p>13. STATE Utah</p>

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

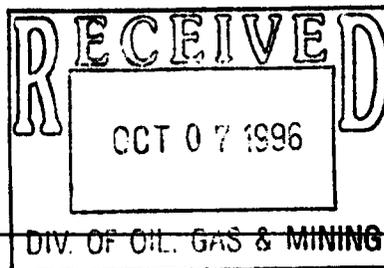
NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	PULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input checked="" type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>	(Other) _____	(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)
(Other) _____		DATE OF COMPLETION _____	
APPROX. DATE WORK WILL START _____			

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

* Must be accompanied by a cement verification report.

The above well was drilled and completed in the Morrison Formation in November, 1993. Because of the rapid decline in gas production, it is now proposed to re-complete the well in the Dakota Fm. by using a "Barate Cross-Link" fracture treatment. A bridge plug will be set above the Morrison Formation and the Dakota Formation opened up by perforation intervals from 3,270'-3,318', 3,348'-82', 3,418'-23'..

Attached is a copy of a schedule of re-completion as prepared by Lone Mountain Production Co. Lone Mountain will be "over-seeing" the project. It is anticipated that the work will be completed in October, 1996.



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

SIGNED

[Signature]

TITLE V. Pres

(This space for Federal or State office use)

APPROVED BY

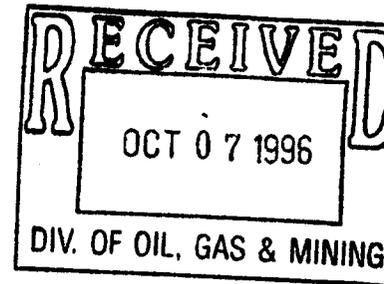
TITLE

CONDITIONS OF APPROVAL, IF ANY:

Accepted by the
Utah Division of
Oil, Gas and Mining
10/4/96

FOR RECORD ONLY

CSV FEDERAL 10-2
NWNE SEC. 10, T17S-R25E
GRAND COUNTY, UTAH



Recompletion to the Dakota

JUSTIFICATION:

The CSV Federal 10-2 was drilled and completed in the Morrison formation (3,692'-712') in November 1993. Upon completion the well tested 697 MCFD at 98 psi FTP on a 1/2" choke. However, due to the limited reservoir extent, productivity has rapidly declined to the point at which it is barely economic to produce.

The purpose of this workover is to abandon the Morrison interval beneath a bridge plug and open up to the Dakota intervals from 3,270'-3,318', 3,348'-82', 3,418'-23'. Although the Dakota appears tight on the logs, a frac job may enhance both production rate and ultimate recovery.

ELEVATIONS:	5424 5,310' GL	5433 5,319' KB
TD/PBTD:	3,810' / 3,749'	
PRODUCTION CASING:	4 1/2", 10.5#, J-55 set @ 3,789' and cemented to 3,250'	
PRODUCTION TUBING:	2 3/8" TUBING @ 3,730'	

PROCEDURE:

1. MIRU service unit and frac tanks. Blow well down. ND wellhead and NU frac spool and BOP.
2. POOH with tubing string. RIH on wireline and set CIBP at \pm 3,600'. Dump bail 3 sxs Class G + 2% CaCl on top. POOH w/ wireline. Load hole with water, pressure test casing, wellhead, and BOP's to 4,000 psi.
3. TIH with 2 3/8" tbg. and SN to 3550'. Swab well down to 3250'. COH w/ tbg.
4. Perforate Dakota as follows with casing guns: 3,295'-3,315', 1spf, 21 shots total; 3,350'-3,360', 1spf, 11 shots total; 3,370'-3,380', 1spf, 11 shots total; and 3,418'-3,422', 1spf, 5 shots total. Rig down wireline truck.
5. RIH with SN, one jt. 2 3/8" tubing, tension set retrievable packer and 2 3/8" tubing to \pm 3,265'. Acidize all perms with 750 gals of 15% HCL plus additives and 100 1.1 s.g. ball sealers spaced evenly throughout the job. Swab to clean up. Release packer and run through perms to knock off balls and TOOH with packer.

6. RU Dowell and frac Dakota intervals with 52,000 gallons cross linked borate fluid plus additives containing 80,000# of 20/40 mesh sand and 30,000# of 16/30 mesh sand. Flush with 2115 gallons. Maintain rate of 30 bpm. Maximum pressure is 4,000 psi. Flow back as per service company recommendation.
7. TIH with 2³/₈" tbg. and SN to 3450' to check for sand fill. Pull tbg tail above perforations and swab to clean up and test.
8. ND frac spool and BOP and NU wellhead. Flange up with tbg. @ ± 3430. RDMO service rig. Return well to production down sales line.

C.S.V. Oil Exploration Company
Well No. Federal 10-2
NWNE Sec. 10, T. 17 S., R. 25 E.
Grand County, Utah
NRM 4727 (Lease UTU04055)

CONDITIONS OF APPROVAL

1. Notify Jack Johnson, Bureau of Land Management at (801) 259-2129, a minimum of 24 hours prior to intialing recompletion work.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

RECEIVED
NOV 19 1996

3. LEASE DESIGNATION AND SERIAL NO. 104055
6. IF INDIAN, ALLOTTEE OR TRIBE NAME

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other
1b. TYPE OF COMPLETION: NEW WELL WORK OVER DEEP-EN PLUG BACK DIFF. RESVR. Other **Re-completion**

DIV. OF OIL, GAS & MINING

2. NAME OF OPERATOR
C.S.V. Oil Exploration Co

3. ADDRESS OF OPERATOR
2005 South 300 West, Salt Lake City, Utah 84115

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)
At surface 872' FNL 1,897' FEL
At top prod. interval reported below
At total depth

7. UNIT AGREEMENT NAME
8. FARM OR LEASE NAME Federal
9. WELL NO. 10-2
10. FIELD AND POOL, OR WILDCAT Bar-X
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA Sec, 10, T17S, R25E, S1M

13. DATE SPUNDED 8/29/93
16. DATE T.D. REACHED 9/3/93
17. DATE COMPL. (Ready to prod.) 11/6/93 (Plug & Abd.)
14. API NO. 43-219-31327
DATE ISSUED
18. ELEVATIONS (DP, RES, RT, GR, ETC.) 5433' KB
19. ELEV. CASINGHEAD 5425'
10-31-96 Per Attachment
11-6-96 Per Attachment

20. TOTAL DEPTH, MD & TVD 3810'
21. PLUG BACK T.D., MD & TVD 3600'
22. IF MULTIPLE COMPL., HOW MANY
23. INTERVALS DRILLED BY
24. PRODUCING INTERVAL(S) OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD) 3295-3422' KB Dakota Fm
25. WAS DIRECTIONAL SURVEY MADE No

26. TYPE ELECTRIC AND OTHER LOGS RUN GRN/LDT DLL/MFL CBL 2-10-94
27. WAS WELL CORED YES NO (Submit analysis)
DRILL STEM TEST YES NO (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	300'	12 1/4"	Circ to Surface	
4 1/2"	10.5#	3758'	7 7/8"	350 Sks	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT	SCREEN (MD)

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
3 3/8"	3406.84	

31. PREPARATION RECORD (Interval, size and number)

INTERVAL	SIZE	NUMBER
3-1/8"	SCS	
21 Shots	3295-3315'	11
11	3350-3360'	5
	3370-3380'	
	3418-3422'	

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
3295-3422'	750 Gal 15% HCL
" "	Rrac'd Crosslink Borate Sand

33. PRODUCTION

DATE FIRST PRODUCTION 11/6/96
PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Flowing
WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
11/6/96	24	1/2"			500		

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
480 psig	580 psig			500		

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

35. LIST OF ATTACHMENTS
Engineer's Re-Completion Report

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records
SIGNED [Signature] TITLE DATE 11/18/96

See Spaces for Additional Data on Reverse Side

CSV OIL EXPLORATION COMPANY

Completion report for Federal 10-2 well
NWNE Sec 10-T17S-R25E
Grand County, Utah

10/31/96 Move and rig up Monument Well Service Rig #8. Spot pump and tank. Nipple down tree. Nipple up BOP. Trip out with 116 joints 2-3/8" tubing with Seating nipple on bottom. Tally on 116 joints was 3727.94'. Shut in over night.

Daily cost: \$1,288

11/1/96 Rig up wireline truck. Ran junk basket-gauge ring to 3650'. Set CIBP at 3600'. Dump bail 2 sx cement on top. Ran tubing to 3400'. Pressure tested to 3000 psi and failed. Trip out and pickup tension packer. Tested casing every 10 stands to 3400'. Tested entire casing string to 3600 psi. Tested good. Began swabbing down well. Shut in for night.

Daily Cost: \$4,153

Cumulative Cost: \$5,441

11/2/96 Swabbed well dry to 3500'. Trip out with tubing. Perforate well with 3-1/8" HSC gun from 3418-22', 3370-80', 3350-60', and 3295-3315' with 1 SPF, 48 shots total, 12 gram charges, EHD=0.31". Well built to 80 psi in 90 minutes. Blew well down and trip in the tension packer. Set tubing tail at 3269'. Shut well in and prepare to frac on Monday.

Daily Cost: \$10,358

Cumulative Cost: \$15,799

11/4/96 Shut in tubing pressure 720 psi. Tested on 1/4" plate to atmosphere for 1 hour. Rate not stabilized at end of hour. Flowrate was 20 psig for a rate of 44 MCFD. Acidized well with 750 gallons of 15% HCl and 100 1.3 s.g. ball sealers. Treated at 4 BPM and 2100 psi average. Good balling action through out job. Displaced with 15 bbls 2% KCl water. Total job load was 33 bbls. Lowered packer through perfs and swabbed back 22 bbls of water and spent acid. Trip out with packer. Frac'd well with crosslinked borate fluid down the 4-1/2" casing. Average treating rate was 30 BPM. Average treating pressure was 2000 psi. Staged 2 to 5 ppg 20/40 sand (80,000 lbs total) and tailed with 30,000 lbs 15/30 sand at 5 ppg. Total fluid load was 1288 bbls. ISIP = 1750 psi. Initiated forced closure on 20/64" choke 2 minutes after ISIP. Flowed back 40 bbls in 45 minutes and well quit flowing. Trip in and tagged sand at 3340'. Trip out and shut well in overnight.

Daily Cost: \$32,600

Cumulative Cost: \$48,399

11/5/96 Ran hydrostatic bailer and tagged sand at 3230'. Bailed sand to 3324'. Trip out and dump sand. Second run on bailer tagged sand at 3320' and bailed to 3420'. Trip out and dump sand. Well began to flow up casing. Flowed to pit over night on 1/2" choke.

Daily Cost: \$2,656

Cumulative Cost: \$51,055

11/6/96 Well flowing at 100 psi on 1/2" choke. Blew well down and trip in with tubing to wash sand out with well gas. Tagged sand at 3405'. Rig up stripping rubber and washed sand out to 3600' Lay down 6 joint tbg and flanged up well. Tubing string in well:

Elevation	12.00
106 joints 2-3/8" tbg	3406.84
Seat nipple w/ Notched collar	1.35

Tubing tail at 3420.19'

Rig down and move off well. Turned well on to sales line at 4:30 PM at a rate of 500 MCFD. Tbg pressure 480 psig. Casing pressure 580 psig.

FINAL REPORT.

Daily Cost: \$2,605

Cumulative Cost: \$53,660