

**ALLIN PROPRIETARY**

DAVID L. ALLIN, CERTIFIED PETROLEUM GEOLOGIST # 2934, A.A.P.G.  
660 NORTH COLUMBUS STREET, SLC, UT 84103 U.S.A. (801) 521-0215

May 11, 1994

**RECEIVED**

MAY 11 1994

**DIVISION OF  
OIL GAS & MINING**

R. J. Firth  
State of Utah  
Department of Natural Resources  
Division of Oil, Gas and Mining  
355 West North Temple  
Three Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

Re: Spacing Order Administrative Exception Request  
Ambra Oil & Gas Co., Inc. AMAZ 14-7  
Greater Cisco Area, Grand County, Utah

Dear Mr. Firth:

I submit this request and the substantiating information attached on behalf of my client, Ambra Oil & Gas Co., Inc. (AOGC). AOGC with the support of Willard Pease Oil & Gas Co. (WPOG) through a farmout agreement wishes to drill the AMAZ 14-7 at a location that is not allowed under the 1979 vintage spacing order in effect for the Greater Cisco Area. The proposed location is nearer than 500' to a lease line of a lease that is not held by AOGC. In fact the proposed location is within five feet of a common lease line between Bureau of Land Management (BLM) leases held by AOGC and WPOG. The proposed location complies with all other requirements of the Greater Cisco Area 10 acre spacing order with respect to distances from oil and gas wells and survey lines.

I herewith submit the following information to comply with the requirements of R649-3-3 to obtain an exception to the existing order of the board for Greater Cisco Area. The proposed location is situated on a BLM lease so the final APD will be submitted to the Moab BLM District Office following their onsite inspection on May 20th. A copy of the cover page of that APD is attached for your use in considering this request. Completed final copies will be filed in the records of the DOG&M when available. The direct and diagonal offset drilling units are held by AOGC and WPOG. A copy of the WPOG support and assent document is attached to back up this request.

The survey plat attached depicts all wells drilled within one quarter mile of the proposed exception location as well as the proposed location itself. Furthermore, the plat depicts the nearest allowable location under the current order. That was the AOGC 23-1D which was staked approximately ten years ago but never drilled in the SESE of the NENE of the NENW of Section 23, T20S, R23E, SLM. All other allowable sites in the prospective trend have been drilled with AOGC's 14-1, 14-2 and 23-1C and the WPOG 14-03.

Mr. Firth  
Page Two

AOGC and WPOG share my opinion that even though four discrete and non-communicating channel sandstones were or still are productive in the local trend, the largest recoverable volumes of oil came from the wells which intersected the top of the Dakota sandstone between elevations of 3,200' and 3,315' on the southwest flank of the Cottonwood Anticline and its intersection with the Cisco Wash Lineament. The high volume wells that define the linear trend my client wishes to exploit are the AOGC 14-1, 14-2 and 23-1. As you can see from the plat, The AOGC AMAZ 14-7 site provides the best access to an updip location in the interior of the productive trend. The AOGC 23-1D is an allowable location that has some appeal, but it is an exterior offset to the discovered trend.

Please contact me if you need any further information relative to this spacing order exception request, but direct official notifications to AOGC at their address of record with your division. Thankyou.

Faithfully submitted,



David L. Allin

Consultant to Ambra Oil & Gas Co., Inc.

DLA/tc  
Att.

cc: Kerry M. Miller, Administrator AOGC

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  
 DRILL  DEEPEN

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

2. NAME OF OPERATOR  
 Ambra Oil and Gas Company

3. ADDRESS AND TELEPHONE NO.  
 48 W. Broadway, # 307N. Salt Lake City, Utah 84101-2008

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.\*)  
 At surface 1310' FWL, 200' FSL SE 1/4 SW 1/4 SW 1/4  
 At proposed prod. zone

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

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 10'  
 18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 490'

16. NO. OF ACRES IN LEASE 520  
 19. PROPOSED DEPTH 1900'

17. NO. OF ACRES ASSIGNED TO THIS WELL 10  
 20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4690' GR  
 22. APPROX. DATE WORK WILL START\* June 1, 1994

5. LEASE DESIGNATION AND SERIAL NO.  
 UTU-44440

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

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME, WELL NO.  
 AMAZ 14-7

9. API WELL NO.

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

11. SEC., T., E., M., OR BLE. AND SURVEY OR AREA  
 Sec. 14, T.20 S., R.23 E.

12. COUNTY OR PARISH  
 Grand

13. STATE  
 Utah

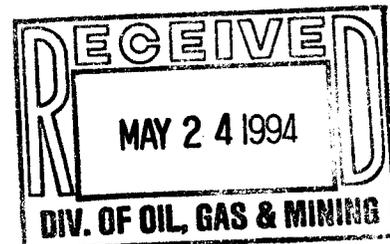
23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
11"	8 5/8	24#	160"	100 Sxs (cement to surface)
6 1/2"	4 1/2"	10.5#	1900'	175 Sxss

This well will be drilled to test the Sand Wash Formation. All shows encountered will be tested.

Pressure Control Equipment:  
 \*Shaffer Double Ram and power accumulator, 5000 psi maximum, that will be tested daily.

\*Series 900 hydrolic, type LWS, 6" 500 psi mop.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, 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. SIGNATURE [Signature] TITLE Administrator DATE 5/28/94

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

DATE: 6/15/94  
 BY: [Signature]  
 WELL SPACING Case 102-16B  
R649-3-3

(This space for Federal or State office use)

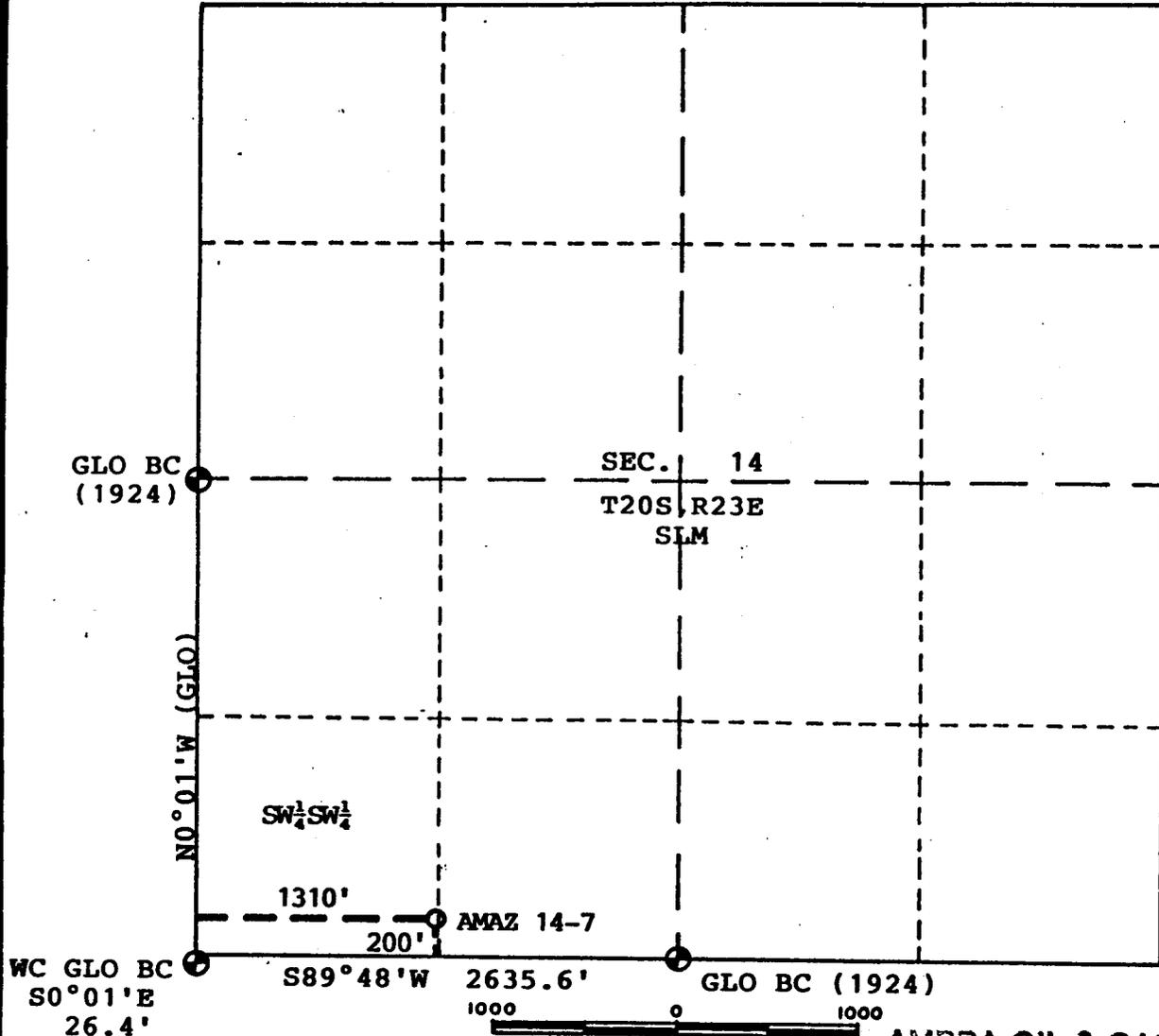
PERMIT NO. 43-019-31354

Application approval 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. CONDITIONS OF APPROVAL, IF ANY:

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_

\*See Instructions On Reverse Side

SW 1/4 SW 1/4 OF SECTION 14 IS LEASE # UTO-44440  
 PLEASE NOTE, WELL IS ON UTO-44440, OAKREY.



SCALE: 1" = 1000'

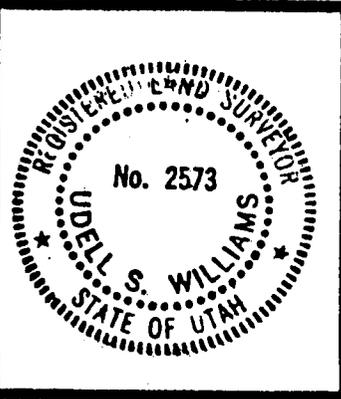
**AMAZ 14-7**

**AMBRA OIL & GAS CO.**  
 48 WEST 300 SOUTH, #307 N  
 SALT LAKE CITY, UTAH 84101  
 KERRY M. MILLER - CONTACT PERSON

Located 200 feet from South line and 1310 feet from West line of Section 14, T20S, R23E, SLM.

ELEV. 4690

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**  
 Professional Land Surveyor  
 751 Rood Avenue (303) 243-4504  
 Grand Junction, Colorado 81501

PLAT OF  
 PROPOSED LOCATION  
**AMAZ 14-7**  
 SW 1/4 SW 1/4 SEC. 14  
 T20S, R23E, SLM

SURVEYED BY: USW DATE: 4/30/94  
 DRAWN BY: USW DATE: 4/30/94



GLO BC  
(1924)

SEC. 14

T20S R23E  
SLM

NO° 01' W (GLO)

WPOG UTU-0147904  
ROGC UTU-44440

3200  
14-4 3242  
14-1

3460  
WPOG  
14-02  
3428  
WPOG  
14-03

3138 3215  
14-3 1310 14-2

AMAZ 14-7  
WPOG  
ROGC

APLN GTC  
ROGC UTU-42223

WC GLO BC  
S0° 01' E  
26.4'

S. 0° 01' E. (GLO)

3008 TXO  
CC-2  
1580  
3042  
23-2

501  
3208  
23-1C  
317  
23-1  
NE NW  
3335  
23-1B

5.614° 29' 19" W. 1169.45'  
23-1D IS NEAREST PROSPECTIVE  
LOCATION ALLOWED UNDER  
CURRENT SPACING ORDER

ROGC UTU-44440  
ROGC UTU-42223

23-11

SEC. 23

T20S R23E  
SLB&M



1000 SCALE: 1" = 1000' 1000

BUREAU OF LAND MANAGEMENT  
P.O.Box 970  
Moab,Utah 84532

RE: Amaz 14-7  
Multipoints Reqmnts.

1. Existing Roads

- a. Proposed well site is staked.
- b. Route and distance from nearest town. Well site is located approximately 10 miles north of Cisco,Utah. Travel 5.0 miles northwest,off the East Cisco exit of I-70 ,on the Cisco Springs road to the Ambra TXO 14-2 access road.Travel east past the TXO 14-2 wellhead due West to the Amaz 14-7 well pad.The access road is a very short extension of the 14-2 well pad.This new access road will be constructed according to BLM standards.
- c. Access road is dotted in red. The existing roads are solid in blue.
- d. Does not apply.
- e. As Noted above in Item 1.b.
- f. Plans for improvement and/or maintenance of existing roads. The operator will maintain existing roads according to Class III standards. No improvements to existing roads are required.

2. Planned Access Road

- a. Width: 16' travel surface, 24' disturbed width.
- b. Maximum grades: 1/2 to 3 degree. No waterbars are needed.
- c. Turn-out: No turn-outs are needed.
- d. Drainage design: small borrow pit on one side for drainage.
- e. Should production be established, the road will be upgraded to include ditch and crown.

Page 2  
Multipoint Requirements

- f. No culverts are needed in this area. No low water crossing required in this immediate area.
- g. Surfacing material: None needed. The road will be lightly scraped on the surface.
- h. Necessary gates, cattleguards, or fence cuts: None needed.
- i. New or constructed roads. Operator will make use of existing roads in the area whenever possible. The new access road will be constructed from an existing road to the West side of the 14-2 well pad 150' East to the Amaz 14-7 well pad according to BLM standards. The width will be 10' travel surface, 20' disturbed width, scraped only on the surface. The top 4 inches to topsoil will be windrowed on the uphill side of the access road. Surface disturbance will be kept to a minimum. The access road will require no major cuts or fills.

3. Location of Existing Wells

- a. See USGS topographic map.
- b. See attached Cicso Springs map.
- c. See attached Cisco Springs map.
- d. No water, disposal, or injection wells are in a one-mile radius.

4. Location of Existing and/or Proposed Facilities

- a.
  - 1. Tank batteries. If oil production is established, new tank batteries will be installed in the northeast corner of the proposed location and will be 125 feet from the wellhead.
  - 2. Production facilities. If gas production is established, new production facilities will be installed in the southwest corner of the proposed location. All the above-ground production equipment will be painted using one of the approved colors provided by BLM personnel in their concurrence letter.

Page 3  
Multipoint Requirements

3. Oil gathering lines. None - only to tank at location of oil production is established.
  4. Gas gathering lines. If the well qualifies for hook-up, we will sell the gas to Northwest Pipeline, and hook-up Northeast of this location on the Browndirt tie -in point at the Browndirt # 1 well in the NE1/4NE1/4 of Section 14.
  5. Injection lines. None.
  6. Disposal lines. None.
- b. Any new facilities required in the event of production will be located in the southwest corner of the proposed location. See the enclosed sketch of the area showing planned production facilities. All open and exposed pits will be fenced to protect livestock and wildlife, and an earthen fire bunker will be built around ant tanks to hold 110% of the tank volume. Gas lines will be surface laid or buried as BLM designates to the delivery point designated by Gasco. Facilities will be constructed within a 90 day period upon completion of the well.
- c. The reserve pit and any portion of the location and access road not needed for production or production facilities will be reclaimed as described in the rehabilitation section. All stockpiled/windrowed topsoil will be used in reclaiming unused areas.
5. Location and Type of Water Supply
    - a. Contract water haul by drilling contractor, Propetroco. from Fish Ford, using a hose screen. Water permit is applied for from Price office. It will be in place before drilling operations start.
    - b. Method of transportating water. Water tank truck.
    - c. No water well is planned or needed.
  6. Source of Construction Materials

It is anticipated that no construction materials will be required to construct the well pad. If construction materials (rock, gravel, sand, etc.) are necessary, they will be purchased through the dirt contractor. Until production is established, the road will be a surface-scraped dirt road from the existing road to the proposed well location. This is flat desert land or a Mancos

Multipoint Requirements

Shale fromation. Bladed roads that are watered and packed down are the best roads for this area.

7. Method for Handling Waste Disposal

Cutting and drilling fluids will be discharged into the reserve pit. A portable chemical toilet will be on location for sewage. Garbage and waste materials will be placed in a trash cage and hauled out when work is completed. Produced fluids (oil and water) will go into tanks and pits, respectively. The anchored blouey line will be 125 feet long, centered, and angled down into the reserve pit. The blouey line will be misted while drilling with air. The area will be free of trash and debris when the rig is moved out. If any waste material is to be burned, a burning permit will be obtained from the appropriate authorities.

8. Auxiliary Facilities

None other than a trailer and a dog house. No camp or air strip is required.

9. Well Site Layout

- a. Location is relatively flat, no cut and fill diagram will be needed. Schematic of 150' x 150' drilling pad enclosed. Disturbed area is 150' x 150'. The top 4 inches of soil material will be stockpiled on the south side of the location.
- b. Mud tank, reserve pit, and trash cage. See well pad schematic. The reserve/blouey pit will be fenced on 3 sides prior to drilling, and the fourth side will be fenced when drilling is completed. The fence will be 4 strands of barbed wire or 48' woven wire with one strand of barbed wire for support.
- c. See drawing
- d. Pits are to be unlined.

10. Restoration Plans

- a. Immediately upon completion of drilling, the location and surrounding area will be cleared of debris resulting from the operation. All trash will be disposed of in the portable trash cage and will be hauled to a local town dump. No trash well be left.

Page 5  
Multipoint Requirements

- b. The operator or his contractor will notify the Grand Resource Area BLM Office in Moab, Utah (801-259-8193) 48 hours prior to starting rehabilitation work that involves earthmoving equipment. The Grand Resource Area BLM Office will again be notified upon completion of restoration.
- c. Prior to any dirtwork restoration of disturbed areas, the reserve/blowey pit will be dry and completely free of any trash or debris. Any such trash or debris will be removed from the pit and public lands.
- d. All disturbed areas to be restored will be recontoured to blend with the surrounding area. The stockpiled topsoil will be evenly distributed over the rehabilitated area. All rehabilitated areas will be scarified on the contour to a depth of 6 inches.
- e. The rehabilitated areas will be seeded from October 15 to November 15 or any other time that the Grand Resource area approves. BLM personnel will supply the appropriate seed mixture in their concurrence letter. The seed mixture will be broadcast or drilled. If the area is broadcast seeded, it will be harrowed or dragged to assure seed cover. Any stockpiled vegetation will then be scattered evenly over the reclaimed area and walked down with a dozer. The reclaimed access road will be blocked to prevent use.
- f. If the proposed well is completed as a producer, unused areas of the well pad outside the deadmen will be reclaimed as previously described.
- g. After the rig is moved.
- h. If there is oil in the pit, we will remove it and install overhead flagging (if required).
- i. Rehabilitation of the well site area will be completed within 60 days of abandonment with the exception of reseeded following BLM instruction (October 15 to November 15). In the event the well is completed as a dry hole, rehabilitation will take place within 60 days after release of the drilling rig. In the event the well is completed as a commercial producer of oil and/or gas, unused

Page 6

Multipoint Requirements

portions of the well pad will be rehabilitated within 60 days of completion. All restoration will be as per BLM instructions.

11. Other Information

- a. The location is relatively flat and considered part of the western slope of the Colorado Rocky Mountains. Vegetation consists of shadscale, greasewood, rabbitbrush, and various grasses.
- b. The Grand Resource Area office in Moab, Utah Junction, Colorado (801-259-8193) will be contacted 48 hours prior to commencing any work on public lands.
- c. The operator's dirtwork and drilling contractors will be furnished with an approved surface-use plan and BLM stipulations prior to any work.
- d. If any subsurface cultural material is exposed during construction, work will stop immediately, and the Grand Resource Area Office will be notified. All persons in the area will be informed of possible prosecution if they disturb archaeological sites or remove artifacts.

12. Operator: Ambra Oil and Gas Company  
48 West 300 South, 307 N.  
Salt Lake City, Utah 84101-2008  
Attention: Kerry M. Miller (801) 532-6640

13. Certification: I hereby certify that I, or persons under my direct supervision, have inspected the proposed drilling site and access route; 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 Ambra Oil and Gas Company and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.

5-23-94  
-----  
Date

  
-----  
Kerry M. Miller Administrator

BUREAU OF LAND MANAGEMENT  
Grand Resource Area  
P.O.Box 970  
Moab,Utah 84532

RE: Amaz 14-7  
NTL-6 Supplementary  
Information for APD.  
9-331-C

Application for Ambra Oil & Gas Company, a Utah Corporation, to drill in the SE 1/4 SW 1/4 SW1/4 of Section 14 T.20 S.,R.23 E. Grand County, Utah, is set forth on Form 9-331-C. The purpose of this letter is to present the additional information as required by the NTL's regulation.

1. Geologic Name of Surface Formation: Cretaceous Mancos Shale

2. & 3. (as amended)  
Geological Formation Tops:

Cretaceous	Mancos Shale	Surface
	"G"Marker	1400'
	Dakota	1420'
Jurassic	Morrison Brushy Basin	1632'
	" Salt Wash	1854'
	Total Depth	1900'

4. Casing Program: See Form 9-331-C.

5. Pressure Control Equipment: BOP and manifold will be tested to 1000 psi prior to drilling out shoe joint. Pipe rams will be operational and tested daily. Blind rams will be operational and tested on trips. BOP and manifold on daily tour sheets. See BOP schematic.

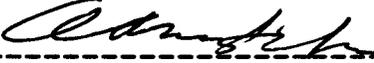
6. Drilling and Circulation Medium: Operator plans to drill with air and air mist as far as possible. A water-based drilling fluid will be used in the event formation water is encountered to control or kill oil or gas flows, and when running long string (4 1/2", 10 1/2 lb. casing). It will consist of an invert polymer-type biodegradable mud 8.2 lb. per gallon. Weight and mud to 10 lb. per gallon will be provided if required. Potassium chloride (KCL) D.G. chemical will be added as required.

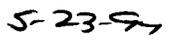
7. Auxiliary Equipment: (1) (as amended) Kelly Cocks Demco (2) Floats at the bit sub and string; and (3) Sub on floor with a full-opening valve. The fill, kill, and choke lines will be attached to the wellhead below the BOP. The following equipment will also be used:

- a. 6000 # shut off valve on the pipe stand.
  - b. One float at the bit and two string floats.
  - c. Sub 3 1/2 IF to 2" valve for controlling blowouts.
8. Testing, Logging, and coring:  
Schlumberger. No DST's programmed. Electric logs will consist of a dual induction later log (DIL), compensated neutron formation density (CNFD), bond log and gamma ray (GR) will be run. Drilling samples will be taken every 10' starting 100' above the Dakota formation. Microscope analysis will be done by a geologist.
9. The maximum bottom hole pressure expected is 1000 psi. Flexibility provisions are the BOP and high pressure fittings and couplings. No hydrogen sulfide problems are expected.
10. The approximate starting date is June 15th and drilling will take 10 to 20 days.

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 APD package are, to the best of my knowledge, true and correct; and that work associated with the operations proposed herein will be performed by Ambra Oil and Gas Company and its contractors and subcontractors under which it is approved. I also certify responsibility for the operations conducted on that portion of the leased lands associated with this application, with bond coverage being provided under BLM bond # KO 01 76 24 2, Utah # UT-0075. This statement is subject to provisions of U.S.C.\* 1001 for filing of a false statement.

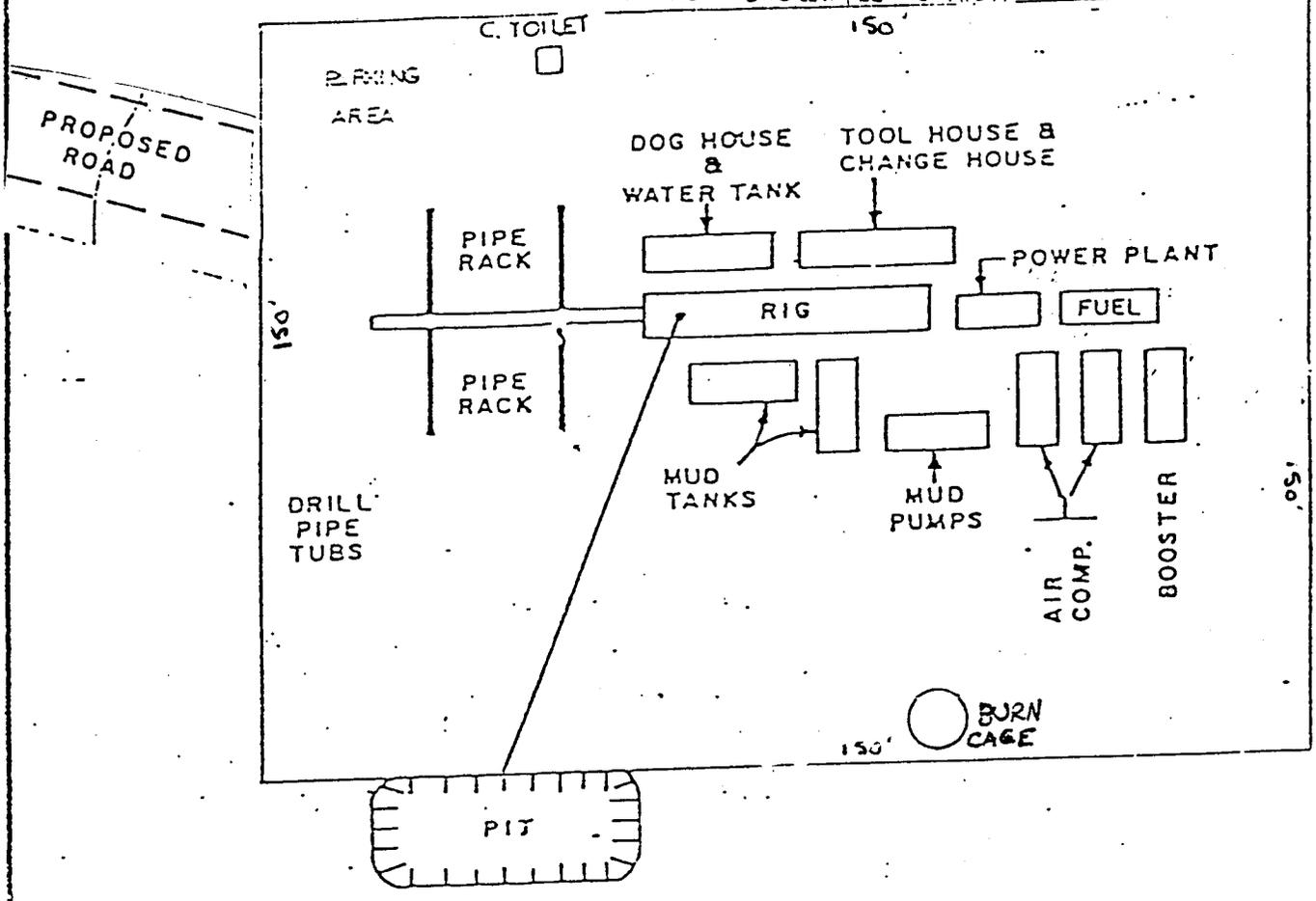
  
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Signature

  
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Title

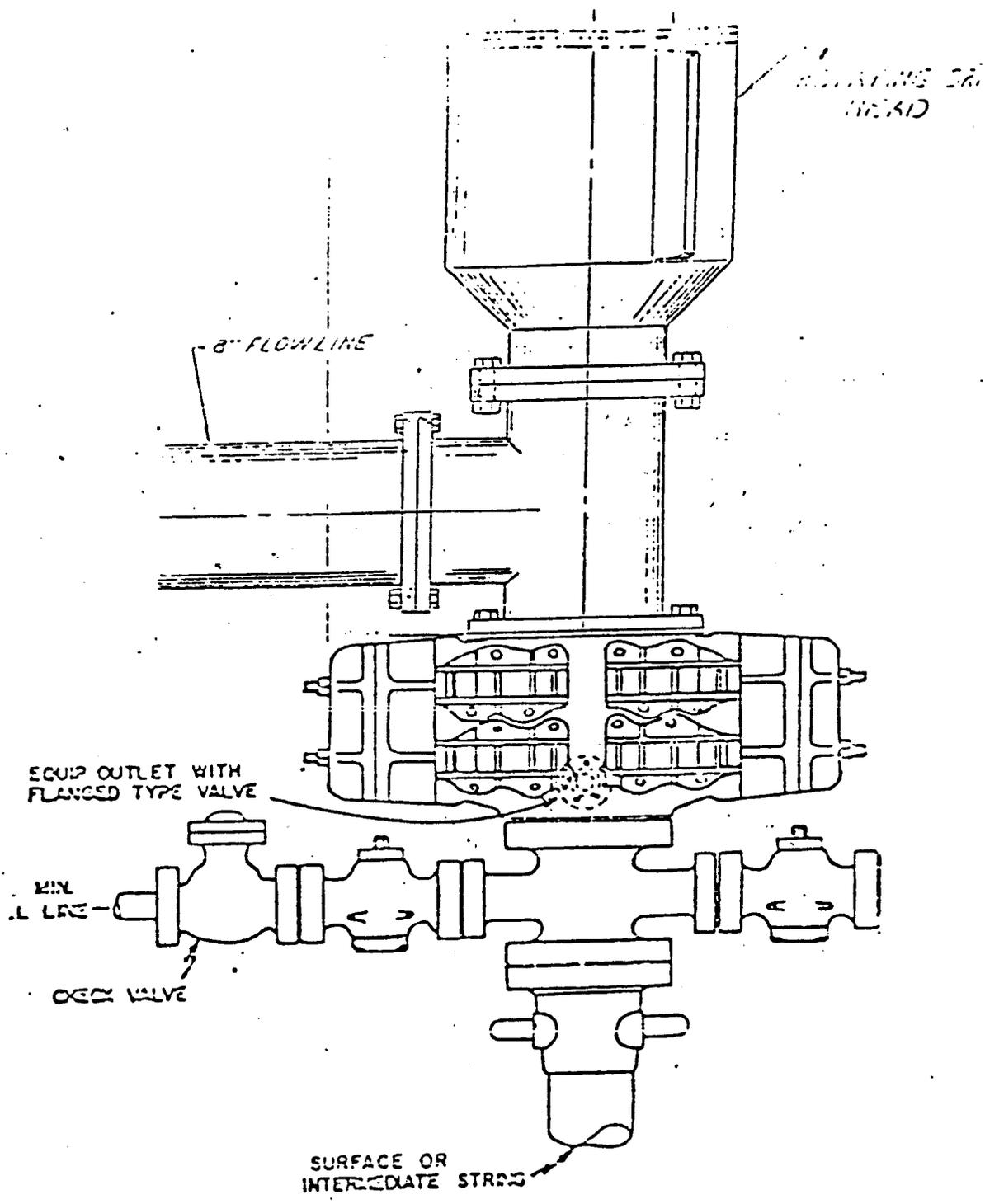
  
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Date



TOP SOIL STOCKPILE 12" HIGH

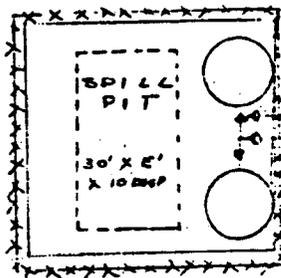


SCALE: 1" = 40'

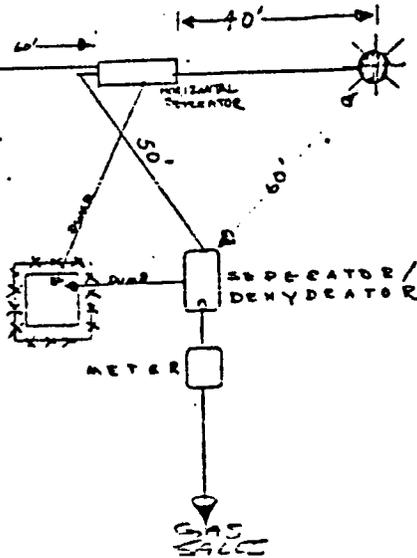


TANK BATTERY  
OIL SALES

FENCED  
AND  
FIRE  
BERMED



PIT IS  
3' X 2' X  
4" DEEP



OIL AND/OR GAS

SCALE 1" = 40'

# LEASE & WELL LOCATOR



GLO BC  
(1924)

SEC. 14  
T20S, R23E  
SLM

N0°01'W (GLO)

WPOG UTU-047904

ROGC UTU-44440

3200 3242  
14-4 14-1

3460

WPOG  
14-02

3428  
WPOG  
14-03

3138 3215  
14-3 1310 14-2

AMAZ 14-7  
WPOG  
ROGC

APLN OTC

ROGC UTU-421223

WC GLO BC  
S0°01'E  
26.4'

S.0°01'E. (GLO)

3008 TXO  
CC-2

1580  
3012  
23-2

501  
3209  
23-1C

NE + NW  
23-1 3335

23-1B

S. 64°29'19"W. 1169.45'  
23-1D IS NEAREST PROSPECTIVE  
LOCATION ALLOWED UNDER  
CURRENT SPACING ORDER

ROGC UTU-44440  
ROGC UTU-42223

23-11

SEC. 23  
T20S, R23E  
SLB&M



1000 SCALE: 1" = 1000' 1000





# Ambra Oil and Gas Company

46 West 300 South, #307-N • Salt Lake City, Utah 84101 • (801) 532-6640

## EXHIBIT "A-6" LETTER AGREEMENT

J. R. Pease, President  
Pease Oil and Gas Company  
2135 E. Main Street  
Grand Junction, Colorado 81502

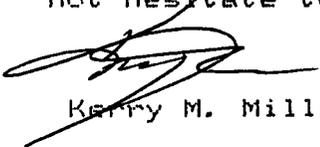
November 23, 1993

Re: Cisco Springs Farm Out  
T. 20 S., R. 23 E., Sec. 14, SWSESW  
10.00 Acres, Grand County, Utah

Dear J. R.

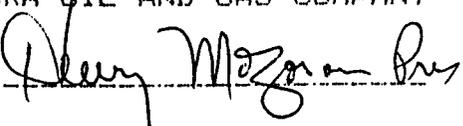
As a follow-up to our previous phone conversations referencing the above noted acreage, I am forwarding this letter agreement to set forth the terms on which we mutually consented to proceed. Ambra will farm in the above acreage on a 25% carried Working Interest <sup>through</sup> to the tanks; proportionally reduced (by proration of acreage). Drilling will commence within 180 days of the completed execution of this letter agreement and accompanying form 610, Model Operating Agreement, revised 1989 with attachments.

It is expected that the AmMaz 14-5 <sup>(14-7)</sup> well (working name) will be drilled slightly west of your lease boundary line on UTU-44440 (center right of the SESWSW, 1300' FWL, 300' FSL) since since all authorizing agencies will not permit a location on two lease boundaries. Of course you will have access to all logs, location and records at any time. We are planning on a winner here and if allowed; possibly a second location. We are going to ask for an exception hearing and propose two locations, J. R. If you have any questions at any time, please do not hesitate to call me personally. THANKS J. R.

  
Kerry M. Miller, Administrator

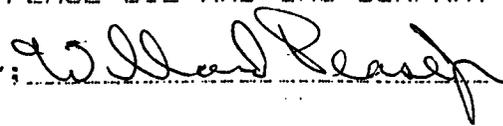
Agreed and accepted this 24 day of FEB <sup>WPS</sup> November, 1993

AMBRA OIL AND GAS COMPANY

By: 

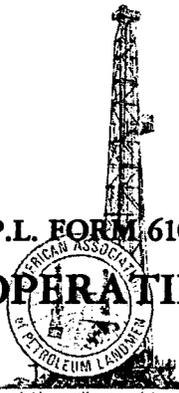
Henry Mazonow, President

PEASE OIL AND GAS COMPANY

By: 

J. R. Pease, President

A.A.P.L. FORM 610 - 1989  
MODEL FORM OPERATING AGREEMENT



Use of this identifying mark is prohibited  
except when authorized in writing by the  
American Association of Petroleum Landmen

OPERATING AGREEMENT

DATED

November 23 1993,

OPERATOR AMBRA OIL AND GAS COMPANY

CONTRACT AREA Greater Cisco (Springs) Area  
Township 20 South, Range 23 East

Section 14: SW $\frac{1}{4}$ SE $\frac{1}{4}$ SW $\frac{1}{4}$  10.00Acres (Pease)

Section 14: SE $\frac{1}{4}$ SW $\frac{1}{4}$ SW $\frac{1}{4}$  10.00Acres (Ambra)

COUNTY OR PARISH OF Grand, STATE OF Utah

A.A.P.L. FORM 610 - MODEL FORM OPERATING AGREEMENT - 198

1 IN WITNESS WHEREOF, this agreement shall be effective as of the \_\_\_\_\_ day of November/,  
2 19 93 \_\_\_\_\_  
3

4 ATTEST OR WITNESS:

5 [Signature]  
6 Kerry M. Miller, Secretary  
7

OPERATOR

AMBRA OIL AND GAS COMPANY  
By [Signature]  
Henry Mazorow  
Type or print name

Title President

Date November 23, 1993

Tax ID or S.S. No. 87-0352768

12 NON-OPERATORS



13 [Signature]  
14 \_\_\_\_\_  
15

PEASE OIL AND GAS COMPANY  
By [Signature]  
Willard Pease Jr.  
J.R. Pease  
Type or print name

Title President

Date 3-1-94

Tax ID or S.S. No. 87-0285520

18  
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30  
31

By \_\_\_\_\_

Type or print name \_\_\_\_\_

Title \_\_\_\_\_

Date \_\_\_\_\_

Tax ID or S.S. No. \_\_\_\_\_

By \_\_\_\_\_

\_\_\_\_\_

EXHIBIT "A"

1. CONTRACT ACREAGE:

Township 20 South, Range 23 East, SLBM

-----  
Section 14: SW1/4SE1/4SW1/4 (Pease)  
SE1/4SW1/4SW1/4 (Ambra)

20.00 Acres

Greater Cisco (Springs)

Grand County, Utah

2. RESTRICTIONS:

100 feet below the top of the Entrada  
Formation

3. INTEREST OF PARTIES:

Prior to Initial Production; Working Interest

Ambra Oil and Gas Co. 100%  
Pease Oil and Gas Co. 0%

At Initial Production;

Ambra Oil and Gas Co. 75% to 87.5%\*  
Pease Oil and Gas Co. 25% \*\*

*wps.*  
*not less than 12.5%*

\*Variant on Pease's Acreage Contribution  
\*\*Proportionally Reduced by Acreage Contribution  
based on 10.00 acre proration spacing for oil.

4. ADDRESSES OF THE PARTIES:

Ambra Oil and Gas Co.  
48 W. Broadway, #307 N.  
Salt Lake City, Utah 84101-2008  
Phone # 801-532-6640

Pease Oil and Gas Co.  
2135 E. Main Street  
Grand Junction, Colorado 81502  
Phone # 303-245-5917

5. LEASE NUMBERS SUBJECT TO THIS AGREEMENT:

Ambra's UTU-44440 SW1/4 Section 14 only  
Pease's UTU-0147904 " " " "

**WORKSHEET  
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 05/24/94

API NO. ASSIGNED: 43-019-31354

WELL NAME: AMAZ 14-7  
OPERATOR: AMBRA OIL & GAS COMPANY (N0030)

PROPOSED LOCATION:  
SWSW 14 - T20S - R23E  
SURFACE: 0200-FSL-1310-FWL  
BOTTOM: 0200-FSL-1310-FWL  
GRAND COUNTY  
GREATER CISCO FIELD (205)

INSPECT LOCATION BY: / /		
TECH REVIEW	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: FED  
LEASE NUMBER: UTU-44440

PROPOSED PRODUCING FORMATION: MR-SW

RECEIVED AND/OR REVIEWED:

Plat  
 Bond: Federal  State  Fee   
 (Number KD 01 26 242)  
 Potash (Y/N) LT-0095  
 Oil shale (Y/N)  
 Water permit  
 (Number \_\_\_\_\_)  
 RDCC Review (Y/N)  
 (Date: \_\_\_\_\_)

LOCATION AND SITING:

\_\_\_ R649-2-3. Unit: \_\_\_\_\_  
 \_\_\_ R649-3-2. General.  
 R649-3-3. Exception.  
 Drilling Unit.  
 Board Cause no: 102-16 B  
 Date: 9/26/94

COMMENTS: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

STIPULATIONS: ~~1. BY SURFACE BEFORE SPUD, PERMIT NUMBER REQUIRED.~~

*Ambrs Ambr 14-7*  
*No rpt of spnd:*  
*TD - 1400' P&A 9/12/94.*



**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)

June 15, 1996

**Ambra Oil and Gas Company**  
48 W. Broadway #307N  
Salt Lake City, Utah 84101-2008

Re: AMAZ 14-7 Well, 200' FSL, 1310' FWL, SW SW, Sec. 14, T. 20 S., R. 23 E.,  
Grand County, Utah

Gentlemen:

Pursuant to Utah Admin. R. 649-3-3, Exception to Location and Siting of Wells and the order issued by the Board of Oil, Gas and Mining in Cause No. 102-16B dated September 26, 1979, approval to drill the referenced well is hereby granted.

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

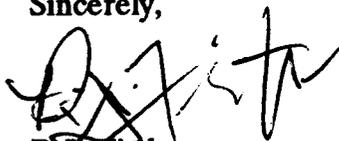
1. Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules.
2. Notification to the Division within 24 hours after drilling operations commence.
3. Submittal of Entity Action Form, Form 6, within five working days following commencement of drilling 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 K. Michael Hebertson, Reclamation Specialist, (Home) (801)269-9212.
6. Compliance with the requirements of Utah Admin. R. 649-3-20, Gas Flaring or Venting, if the well is completed for production.



**Page 2**  
**Ambra Oil and Gas Company**  
**AMAZ 14-7 Well**  
**June 15, 1994**

**This approval shall expire one year after date of issuance unless substantial and continuous operation is underway or a request for an extension is made prior to the approval expiration date. The API number assigned to this well is 43-019-31354.**

**Sincerely,**



**R.J. Firth**  
**Associate Director**

**ldc**  
**Enclosures**  
**cc: Grand County Assessor**  
**Bureau of Land Management, Moab District Office**  
**WO11**

RECEIVED  
10:45 DISTRICT OF

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

94 MAY 26 AM 9:12

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1a. TYPE OF WORK  DRILL  DEEPEN

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

2. NAME OF OPERATOR  
Ambra Oil and Gas Company

3. ADDRESS AND TELEPHONE NO.  
48 W. Broadway, # 307N. Salt Lake City, Utah 84101-2008

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface 1310' FWL, 200' FSL SE 1/4 SW 1/4 SW 1/4  
 At proposed prod. zone

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

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

16. NO. OF ACRES IN LEASE 520

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. 490'

19. PROPOSED DEPTH 1900'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 1600' GR

22. APPROX. DATE WORK WILL START\*  
June 1, 1994

5. LEASE DESIGNATION AND SERIAL NO.  
UTU-44440

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

7. UNIT AGREEMENT NAME  
N/A

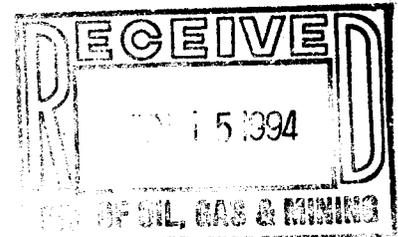
8. FARM OR LEASE NAME, WELL NO.  
AMAZ 14-7

9. AP WELL NO.

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

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
Sec. 14, T.20 S., R.23 E.

12. COUNTY OR PARISH Grand 13. STATE Utah



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

CONDITIONS OF APPROVAL ATTACHED

SIGNED [Signature] TITLE Administrator DATE 5/2/94

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

Application approval 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. CONDITIONS OF APPROVAL, IF ANY:

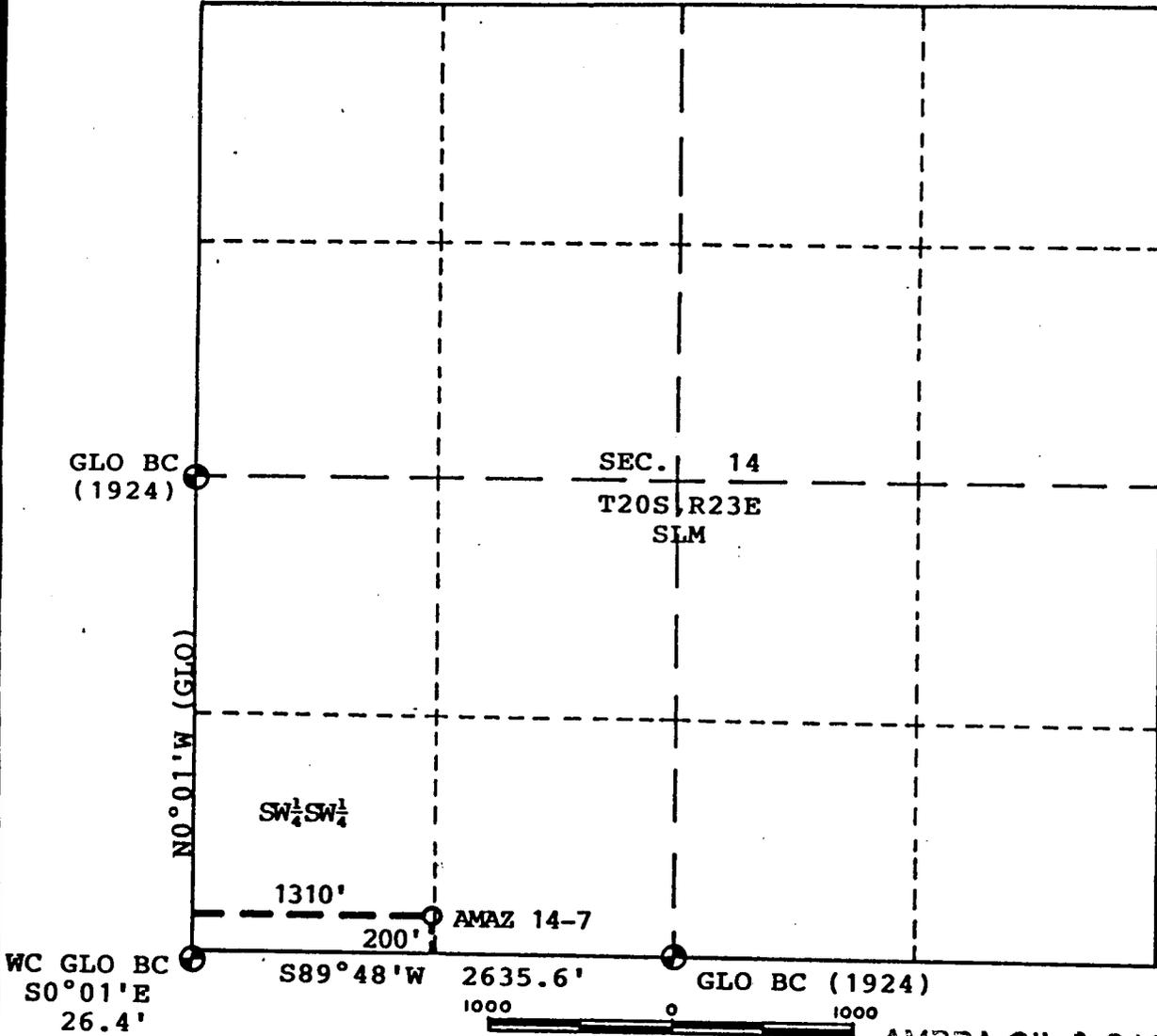
APPROVED BY /S/ WILLIAM G. SPRINGER TITLE Associate District Manager DATE JUN 10 1994

\*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 United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

DOGm

SW 1/4 SW 1/4 OF SECTION 14 IS LEASE # UTO-44440  
 PLEASE NOTE, WELL IS ON UTO-44440, ON RECY.



SCALE: 1" = 1000'

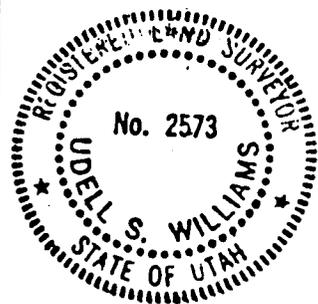
**AMAZ 14-7**

AMBRA OIL & GAS CO.  
 48 WEST 800 SOUTH, #307 N  
 SALT LAKE CITY, UTAH 84101  
 KERRY M. MILLER - CONTACT 24 HRS

Located 200 feet from South line and 1310 feet from West line of Section 14, T20S, R23E, SLM.

ELEV. 4690

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  
 Professional Land Surveyor  
 751 Rood Avenue (303) 243 4594  
 Grand Junction, Colorado 81501

PLAT OF  
 PROPOSED LOCATION

**AMAZ 14-7**  
 SW 1/4 SW 1/4 SEC. 14  
 T20S, R23E, SLM

SURVEYED BY: USW DATE: 4/30/94

DRAWN BY: USW DATE: 4/30/94

Ambra Oil and Gas Company  
AMAZ 14-7  
Lease U-44440  
SWSW Sec 14, T20S, R23E  
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 Ambra Oil and Gas Company 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 UT 0075 (Principal - Ambra Oil and Gas Company) 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. 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. This action requires concurrent approval from the State of Utah, Division of Oil, Gas and Mining (DOGM).
2. The proposed 2M BOP system is adequate. A 1000 psi test of the BOP system will be adequate. The system shall be maintained in accordance with Onshore Oil and Gas Order No. 2.
3. A choke manifold diagram was not included in the APD package. A typical 2M choke manifold diagram has been included as part of these conditions of approval. Any deviation from the diagram must be approved prior to drilling out the surface casing shoe.
4. If a gas meter run is constructed, it will be located on lease within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and will be buried downstream of the meter until it leaves the pad. Meter runs will be housed and/or fenced. The gas meter shall be calibrated prior to first sales and shall be calibrated quarterly thereafter. All gas production and measurement shall comply with the provisions of 43 CFR § 3162.7-3, Onshore Oil and Gas Order No. 5, and American Gas Association (AGA) Report No. 3.

**B. SURFACE USE PLAN**

1. The use of water from Fish Ford has been identified as a water depletion to the Colorado River and potentially affecting the T&E fish species. The impacts from the depletion will be offset with the one-time contribution of \$12.34 per acre-foot of water to:

National Fish and Wildlife Foundation  
The Bender Building  
1120 Connecticut Avenue, N.W., Suite 900  
Washington, D.C. 20036

Payments should be accompanied by a cover letter that identifies the project and biological opinion (ES/6 UT-94-F-008) that is requiring the payment, the amount of the payment enclosed, check number, the balance of payment still due, the name and address of the payor, the name and address of the BLM office authorizing the project, and the address of the FWS office issuing the biological opinion. This information will be used by the Foundation to notify the payor, the BLM, and FWS when payment has been received.

2. Pumping water at Fish Ford will not be authorized between 8 p.m. and 9 a.m. from June through September to avoid larval drift of threatened and endangered fish species. The hose from the water pump will be put off-channel or in the main current to avoid slow moving water.
3. Cross-country traffic will be suspended during periods of wet weather to reduce soil rutting and soil compaction.
4. 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.
5. In the event the well pad or road is graveled or surfaced, the material will be removed prior to recontouring the surface for rehabilitation.

### C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

Building Location- Contact the Resource Area, Natural Resource Protection Specialist at least 48 hours prior to commencing construction of location.

Spud- The spud date will be reported to the Resource Area Office 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 24 hours after spudding, regardless of whether spud was made with a dry hole digger or big rig.

Daily Drilling Reports- Daily drilling reports shall detail the progress and status of the well and shall be submitted to the District Office on a weekly basis.

Monthly Reports of Operations- In accordance with Onshore Oil and Gas Order No. 1, this well shall be reported on Minerals Management Service (MMS) Form 3160, "Monthly Report of Operations," starting the month in which operations commence and continuing each month until the well is physically plugged and abandoned. This report will be filed directly with MMS.

Sundry Notices- There will be no deviation from the proposed drilling and/or workover program without prior approval. "Sundry Notices and Reports 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.

Drilling Suspensions- Operations authorized by this permit shall not be suspended for more than 30 days without prior approval of the District Office. All conditions of this approval shall be applicable during any operations conducted with a replacement rig.

Undesirable Events- 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 District Office 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 into production.

A first production conference will be scheduled as soon as the productivity of the well is apparent. This conference should be coordinated through the Resource Area Office. The Resource Area Office shall be notified prior to the first sale.

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. When requested, samples (cuttings and/or samples) will be submitted to the District Office.

Venting/Flaring of Gas- Gas produced from this well may not be vented/flared beyond an initial, authorized test period of 30 days or 50 MMcf, whichever first occurs, without the prior, written approval of the authorized officer. Should gas be vented or flared without approval beyond the authorized test period, the well may be ordered shut-in until the gas can be captured or approval to continue the venting/flaring as uneconomic is granted. In such case, compensation to the lessor shall be required for that portion of the gas that is vented/flared without approval and which is determined to have been avoidably lost.

Produced Water- Produced waste water may be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period, an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted to the District Office for approval pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the District Office for off-lease measurement, off-lease storage and/or commingling (either down-hole or at the surface).

Plugging and Abandonment- If the well is completed as a dry hole, plugging instructions must be obtained from the District Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the District Office 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.

NOTIFICATIONS

Notify Rich McClure or Jack Johnson of the Grand Resource Area in Moab, Utah, at (801) 259-8193 for the following:

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

1 day prior to spudding;

3 hours prior to testing BOPE

If the person at the above number cannot be reached, notify the Moab District Office at (801) 259-6111. If unsuccessful, contact the person 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:

Eric Jones, Petroleum Engineer

Office: (801) 259-6111  
Home: (801) 259-2214



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, 1994

CERTIFIED MAIL  
P 074 975 070

Ambra Oil and Gas Company  
48 W. Broadway #307N  
Salt Lake City, Utah 84101-2008

Re: AMAZ 14-7 Well, Sec. 14, T. 20 S., R. 23 E., API No.(43-019-31354) Grand County, Utah - Reporting Requirements

Gentlemen:

The Division of Oil, Gas and Mining (the "Division") issued its approval to Ambra Oil and Gas Company ("Ambra") for the drilling of the referenced well on June 15, 1994. The Division was recently advised by the Bureau of Land Management Moab District office, that the well has recently been drilled to T.D. and plugged. As of this date, the Division has received no information or any other indication of Ambra's compliance with the drilling approval stipulations issued to Ambra by the Division.

This letter is written as a reminder that certain reporting requirements must be adhered to by all operators conducting oil and gas well drilling in the state. The Oil and Gas Conservation General Rules, R649-3-6, R649-3-24, and R649-8-9 include the following specific requirements:

- Drilling operations shall be conducted according to the drilling program submitted on the original APD and approved by the division. Any change of plans shall be submitted to the division for approval.
- The spudding of a well shall be reported to the division within 24 hours.
- The operator shall file Form 6, Entity Action Form with the division within five working days of the spudding in of a well.
- The operator shall notify the division 24 hours in advance of all testing to be performed on the blowout preventor equipment.
- The operator shall submit a monthly status report for each drilling well.



Page 2

Ambra Oil and Gas Company  
AMAZ 14-7 Well  
September 16, 1994

- The operator shall notify the division 24 hours in advance of all casing tests performed.
- The operator shall report to the division all fresh water sand encountered during drilling.
- Before operations are commenced to plug and abandon any well, the owner or operator shall submit a notice of intent to plug and abandon to the division for its approval.
- Within 30 days after the plugging of any well has been accomplished, the owner or operator shall file a subsequent report of plugging with the division.
- The operator shall file a Well Completion or Recompletion Report and Log and a copy of the electric and radioactivity logs, if run, within 30 days after plugging a well.

Please submit all required reports for this well immediately. Failure to comply with the administrative rules and the stipulations regarding drilling activities may jeopardize the approval and permitting of any future Ambra wells by the Division. Further, if compliance is not achieved in a reasonable time, the Division will recommend to the Board of Oil, Gas and Mining (the "Board") that it issue an Order to Show Cause for Ambra to appear at the next regularly scheduled Board hearing. If you have further questions regarding these requirements, please call Frank Matthews or me at 538-5340.

Sincerely,



Don Staley  
Administrative Manager  
Oil & Gas

cc: R.J. Firth  
F. R. Matthews  
Well File  
Compliance File

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

Instructions on reverse side

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

OCT 5 1994

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

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

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

2. NAME OF OPERATOR  
AMBRA OIL & GAS CO.

3. ADDRESS OF OPERATOR  
48 W. 3000th, 4307N, SLC UT, 84101-2008

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*  
At surface 1310' FWL, 200' FSL, SE 1/4 SW 1/4 SW 1/4  
At top prod. interval reported below  
At total depth

14. PERMIT NO. 43-019-3/354  
DATE ISSUED 6/10/94

5. LEASE DESIGNATION AND SERIAL NO. U-44440  
6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
7. UNIT AGREEMENT NAME  
8. FARM OR LEASE NAME TXO  
9. WELL NO. 14-7 AMAZ  
10. FIELD AND POOL, OR WILDCAT GREATER CIRCLE  
11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA T. 20S. R. 23 E. SEC. 14  
12. COUNTY OR PARISH GRAND  
13. STATE UTAH

15. DATE SPUNDED 8/14/94  
16. DATE T.D. REACHED 8/30/94  
17. DATE COMPL. (Ready to prod.) PEA  
18. ELEVATIONS (DF, RKB, RT, OR, ETC.)\* 4690 GR  
19. ELEV. CASINGHEAD 4790 GR

20. TOTAL DEPTH: MD & TVD 1766 TVD  
21. PLUG, BACK T.D., MD & TVD PEA  
22. IF MULTIPLE COMPL., HOW MANY\*  
23. INTERVALS DRILLED BY 0-1766' CABLE TOOLS 0

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* N/A  
25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN CDN, GR. DIL 10-5-94  
27. WAS WELL CORED

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	9.5	165'	11"	CIRCULATED	

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)

31. PERFORATION RECORD (Interval, size and number) PEA

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33. PRODUCTION

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

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 LOGS AS NOTED ABOVE

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records  
SIGNER [Signature] TITLE ADMINISTRATOR DATE 10/4/94

\*(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	TOP	
					MEAS. DEPTH	TRUE VERT. DEPTH
MAUCOS	0	1334				
DAKOTA S1G	1334	1403				
DAKOTA	1403	1432				
1ST 1" BENCH	1432	1532				
CEDE MOUNTAIN	1532	1645				
<del>BRADY BATH</del> MORRISON BERRY BATH	1645	1766				



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)

October 7, 1994

CERTIFIED MAIL  
P 074 975 071

*Letter returned unclaimed by  
operator (in compliance file).  
2<sup>nd</sup> attempt dated 11-3-94.  
DTS  
11-3-94*

Ambra Oil and Gas Company  
48 W. Broadway #307N  
Salt Lake City, Utah 84101-2008

Re: AMAZ 14-7 Well, Sec. 14, T. 20 S., R. 23 E., API No. 43-019-31354, Grand County,  
Utah - Reporting Requirements

Gentlemen:

Thank you for submitting the Well Completion Report and logs for the subject well. In review of these documents, and in compliance with R649-3-24, the division's drilling permit approval letter dated June 15, 1994, and my previous request for reports dated September 16, 1994, it is requested that the following be submitted:

1. The plugging date for the subject well (omitted from the Well Completion Report dated 10/4/94),
2. The following plugging information:
  - The plugging program approved by the appropriate federal agency,
  - A subsequent report of plugging detailing the following:
    - The manner in which the plugging work was carried out, including the nature and quantities of materials used in plugging and the location, nature, and extent by depths, of the plugs;
    - Records of any tests or measurements made;
    - The amount, size, and location, by depths of any casing left in the well;
    - A statement of the volume of mud fluid used;
    - A complete report of the method used and the results obtained, if an attempt was made to part any casing.

Additionally, our engineers, observing that both of the Phoenix Surveys Inc. logs that you submitted were run on September 8, 1994, were puzzled by the time delay between the running of the logs and the August 30, 1994 "Total Depth Reached" date you reported on



Page 2  
Ambra Oil and Gas Company  
AMAZ 14-7 Well  
October 7, 1994

your Well Completion Report. Please review the reported TD date to assure its accuracy and amend if necessary.

Thank you for your assistance with this matter. If you have further questions regarding these requirements, please call Frank Matthews or me at 538-5340.

Sincerely,



Don Staley  
Administrative Manager  
Oil & Gas

cc: R.J. Firth  
F.R. Matthews  
Well File  
Compliance File



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

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801-359-3940 (Fax)  
801-538-5319 (TDD)

November 3, 1994

CERTIFIED MAIL  
P 074 975 072

*2<sup>nd</sup> Attempt*  
*Letter dated 10-7-94*  
*Unclaimed by operator*  
*BTS*  
*11-3-94*

Ambra Oil and Gas Company  
48 W. Broadway #307N  
Salt Lake City, Utah 84101-2008

Re: AMAZ 14-7 Well, Sec. 14, T. 20 S., R. 23 E., API No. 43-019-31354, Grand County, Utah - Reporting Requirements

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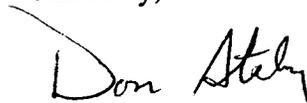


Page 2  
Ambra Oil and Gas Company  
AMAZ 14-7 Well  
November 3, 1994

your Well Completion Report. Please review the reported TD date to assure its accuracy and amend if necessary.

Thank you for your assistance with this matter. If you have further questions regarding these requirements, please call Frank Matthews or me at 538-5340.

Sincerely,

A handwritten signature in black ink that reads "Don Staley". The signature is written in a cursive style with a long horizontal stroke at the beginning.

Don Staley  
Administrative Manager  
Oil & Gas

cc: R.J. Firth  
F.R. Matthews  
**Well File**  
Compliance File