

J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

3/23/2000

State of Utah
Division of Oil Gas and Mining
1594 West North Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114 - 5801

Attn. Drilling well permits.

RECEIVED
MARCH 23 2000
DIVISION OF
OIL, GAS AND MINING

Dear Sirs,

Attached please find Applications For Permit To Drill submitted by J. C. Thompson, Operator in the Middle Canyon Area adjacent to Westwater Field, Grand Co., UT. Both wells are on Federal Leases, and will be air-drilled, conventional rotary tests. The submitted APD's are in the BLM, Moab, UT office APD format, and are identical to those submitted to BLM Moab. We expect the BLM APD'S to be approved by April 1st, 2000 based on recent communication with Moab, with little or no modification to these submittals. We are currently in negotiations for a drilling rig contract and source of water for each drill site. I will supply details on the water source and identifying number of the approval of water use as soon as they are available. We anticipate using the same rig to drill both wells. Please contact me if there are any questions on these proposed wells.

Sincerely,



J. C. Brothers
Sr. Geologist

RECEIVED
MARCH 23 2000
DIVISION OF
OIL, GAS AND MINING

Bureau of Land Management
Moab District
Application for Permit to Drill
On-Site Inspection Checklist

Company J.C. Thompson Well No. Federal #42-24

Location: Sec. 24, T 16S, R. 23E, Lease No. UTU 72721

On-Site Inspection Date Th. 9/9/99

All operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR § 3100), Onshore Oil and Gas Orders, the approved plan of operations and the conditions of approval. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. <u>Surface Formation and Estimated Formation Tops:</u>	<u>Upper Mesaverde - surface</u>
Sego	2,155'
Castlegate	2,305'
Mancos "B"	3,020'
Frontier	5,620'
Dakota Silt	5,910'
Dakota Sands	5,985'
Cedar Mountain	6,085'
Morrison	6,215'

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

Depth/Formation
Expected Oil Zones: None
Expected Gas Zones: Mesaverde & Mancos "B" 2,300' - 3,100' (behind 7" csg). Dakota/Cedar Mtn./Morrison - 5,985' - 6,400' (behind 4 1/2" csg).
Expected Water Zones: Less than 300' (behind surf. csg.) Mesaverde to 3,000' (behind 7" csg.)
Expected Mineral Zones: None

All fresh water and prospectively valuable minerals encountered during drilling will be recorded by depth and will be cased and cemented. When possible, water flow rates will be measured and samples will be taken and analyzed with the results being submitted to BLM. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment – include schematics of the BOP and choke manifold, and describe testing procedures: See attached procedures and schematics.
-
-
-

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 in the drilling log and in the daily drilling report.

4. Casing Program and Auxiliary Equipment – include casing size, weight, grade, thread and coupling, setting depth and condition (new or acceptably reconditioned):

Surface	13 3/8"	54.5#		ST&C	0'-300'	New
Intermed.	7"	20#	J-55	ST&C	0'-3,080'	New
Production	4 1/2"	11.6#	N-80	ST&C	0'-6,400'	New

5. Cement – include the cement type, density, yield, additives and amount used in setting each casing string. Also include the anticipated cement fill-up. If stage cementing, describe techniques:

Surface-350sx 25:75 poz/g; 2% Si Ca Cl₂; .25 sk D-29 celloflake to surf.
Intermed-580sx 50:50 pozmix; 2% Si Ca Cl₂; .25 sk D-29 celloflake to surf.
Prod-150sx Thixotropic ± 800' or 1,000' above Dakota Silt

Surface casing shall be cemented back to surface. Centralizers shall be run, at a minimum, on the bottom three joints of each casing string.

6. Mud Program and Circulating Medium – include mud components and weights. When air drilling, also include: length and location of blooie line; description of the auto ignitor, description of the deduster equipment; and amounts, types and characteristics of stand-by mud: 0'-300' mud/water; 9.6#/gal; vis 50 sec./qt. 300'-6,400' TD drill with AIR. Mud up as needed w/mud weight 8.4-9.0#/gal. Details on air drilling system will be provided for specific drilling rig when drilling contract is signed.

Due to potential for contamination of usable quality water aquifers, chromates are banned from Federal leases.

Sufficient mud materials will be stored on location to maintain will control and combat lost circulation problems that might reasonably be expected.

7. Coring, Logging and Testing Program: NO DST or core anticipated. Logging program: DIL-focused w/sp & compensated neutron-formation density w/GR to be run from surface to T.D. All good gas and/or oil shows will be tested by perfling production casing.

Initial opening of drill stem test tools will be restricted to daylight hours.

8. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards – include anticipated bottomhole pressure and/or pressure gradient. Also list anticipated lost circulation zones,

EXHIBIT

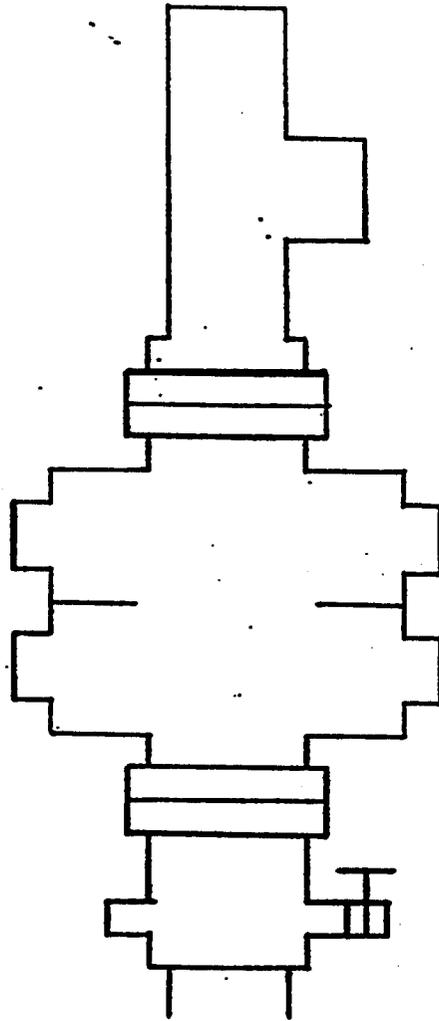
5. The Operator's Minimum Specifications for Pressure Control

EXHIBIT are schematic diagrams of the blowout preventer equipment. A 2000# blowout preventer will be installed, used, maintained, and tested in accordance with all requirements specified in Section III.A-1 of Onshore Order 2, except where variations are presented in this application.

Minimum standards outlined in Onshore Order 2 will be met for BOP, choke, manifold, accumulator, and locking devices. Hydraulic controls will be located on the rig floor. Manual controls will be handwheels. Remote control for the accumulator will be 100' – 200' from the drill hole. The kill line will not be used as a fill-up line.

Ram type preventers and associated equipment (choke manifold, kelly cocks, etc.) shall be pressure tested to 100% of their rated working pressure for a period of 10 minutes. Annular preventers shall be tested to 50% of their rated working pressure for a period of 10 minutes. Tests will be run after initial installation, prior to drilling out of each casing shoe and after use under pressure, or a minimum of once every 30 days. Pipe rams will be operationally checked each 24 hour period, as will blind rams and annular preventer each time pipe is pulled out of the hole. Annular preventers will be functionally operated at least weekly. Such checks of BOPE will be noted on daily drilling reports.

EXHIBIT

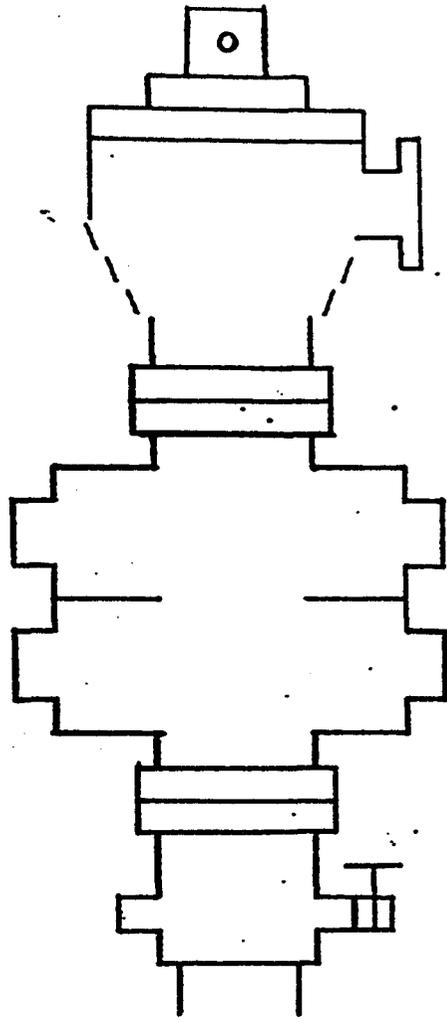


11" 2000#

DRILLING NIPPLE

HYDRAULIC DOUBLE GATE BLOWOUT PREVENTER

EXHIBIT



11" 2000#

HYDRAULIC DOUBLE GATE BLOWOUT PREVENTER

ROTATING HEAD

abnormal temperature zones and possible hydrogen sulfide bearing zones: No abnormal conditions, pressures, or hazards anticipated. No H²S anticipated or known in area.

9. Any Other Aspects of this Proposal that should be Addressed: Time frames for:
Construction: 3-4 days maximum
Drilling: 12 days
Completion: 7 days

B. THIRTEEN POINT SURFACE USE PLAN

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

1. Existing Roads:

- a. Proposed route to location (submit a map depicting access and well location).
- b. Location of proposed well in relation to town or other reference point:
Approximately 35 miles NW of Mack, CO
- c. Contact the County Road Department for use of county roads.
- d. Plans for improvement and/or maintenance of existing roads: Grand Co., National Fuel, and other companies currently maintain the existing roads
- e. Other: Existing roads are adequate for transportation of drilling rig.

2. Planned Access Roads:

- a. Location (centerline): Parallel to surface pipeline operated by Wildhorse (BLM R/W UTU 038103)
- b. Length of new access to be constructed: about 1 ¼ mile from #11-30 well
Following trail used during
- c. Length of existing roads to be upgraded: pipeline construction
- d. Maximum total disturbed width: 35'
- e. Maximum travel surface width: 18' to 20'
- f. Maximum grades: Will be kept within BLM guidelines by cut & fill as necessary

- g. Turnouts: As needed
-
- h. Surface materials: No off-site materials anticipated. Road would be constructed in gravel, rock, soil materials.
-
- i. Drainage (crowning, ditching, culverts, etc.): Anticipate flat-blading form drilling operations. Road will be upgraded as needed for erosion control and maintenance of drainage – if production established.
-
- j. Cattleguards: N/A
-
- k. Length of new and/or existing roads which lie outside the lease or unit boundary for which a BLM right-of-way is required: About 1 mile to #11-30 well will be off-lease. About ¼ mile on lease to county road #201.
-
- l. Other: A right-of-way for the road is requested as part of this APD package. The surface use plan for this APD provides pertinent information. No hazardous materials will be used or transported during the construction or maintenance of this right-of-way.

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.

If a right-of-way is necessary, no surface disturbing activities shall take place on the subject right-of-way until the associated APD is approved. The holder will adhere to conditions of approval in the Surface Use Program of the approved APD, relevant to any right-of-way facilities.

If a right-of-way is secured, boundary adjustments in the lease or unit shall automatically amend this right-of-way to include that portion of the facility no longer contained within the lease or unit. In the event of an automatic amendment to this right-of-way grant, the prior on-lease/unit conditions of approval of this facility will not be affected even though they would now apply to facilities outside of the lease/unit as a result of a boundary adjustment. Rental fees, if appropriate, shall be recalculated based on the conditions of this grant and the regulations if effect at the time of an automatic amendment.

If at any time the facilities located on public lands authorized by the terms of the lease are no longer included in the lease (due to a 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 obligations determined by the authorized officer.

If the well is productive, the access road will be rehabilitated or brought to Resource (Class III) Road Standards within 60 days of dismantling the rig. If upgraded, the access road must be maintained at these standards until the well is properly abandoned. If this time frame

cannot be met, the Area Manager will be notified so that temporary drainage control can be installed along the access road.

3. Location of Existing Wells – on a map, show the location of all water, injection, disposal, producing and drilling wells within a one mile radius of the proposed well, and describe the status of each See attached map
-
-

4. Location of Production Facilities:

a. On-site facilities: Wellhead, separator/heater and/or dehydrator, and fenced emergency water disposal pit.

b. Off-site facilities: NONE

c. Pipelines: Wildhorse 3" gathering pipeline next to access road will be utilized if gas is produced.

All permanent (in place for six months or longer) structures constructed or installed (including oil well pump jacks) will be painted a flat, nonreflective color to match the standard environmental colors, as determined by the Rocky Mountain Five-State Interagency Committee. All facilities will be painted within six months on installation. Facilities required by comply with the Occupational Safety and Health Act (OSHA) may be excluded. Colors will: match surrounding trees and rocks per BLM specifications.

All site security guidelines identified in 43 CFR § 3162.7-5 and Onshore Oil and Gas Order No. 3 shall be followed.

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.

If a tank battery is constructed on this lease, it will be surrounded by a berm of sufficient capacity to contain 1 ½ times the storage capacity of the largest tank. All loading lines and valves will be placed inside the berm surrounding the tank battery. All oil production and measurement shall conform to the provisions of 43 CFR § 3162.7-3 and Onshore Oil and Gas Order No. 4.

Production facilities on location may include a lined or unlined produced water pit as specified in Onshore Order #7. If water is produced from the well, an Onshore Order #7 application must be submitted.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from (describe location and/or show on a map): Private water source, by purchase from rancher at mouth of Middle Canyon, Grand County, UT.

A temporary water use permit for this operation will be obtained from the Utah State Engineer in Price, Utah, at (801) 637-1303.

Water obtained on private land, or land administered by another agency, will require approval from the owner or agency for use of the land.

6. Source of Construction Material:

Pad construction material will be obtained from (if the source is Federally owned, show location on a map): Native materials on site.

The use of materials under BLM jurisdiction will conform to 43 CFR § 3610.2-3.

7. Methods of Handling Waste Disposal:

Describe the methods and locations proposed for safe containment and disposal of waste material, e.g. cuttings, produced water, garbage, sewage, chemicals, etc.

The reserve pit will be lined with (native material, bentonite, synthetic material):
Native material

The reserve pit will be located: against the cut-slope of the well site; see pad diagram,
and the pit walls will be sloped at no greater than to 1.

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.

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.

8. Ancillary Facilities: NONE required. Anticipate 1 to 2 trailers for drilling personnel and logging equipment, etc.

9. Well Site Layout – depict the pit, rig, cut and fill, topsoil, etc., on a plat with a scale of at least 1" = 50'.

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

Access to the well pad: See pad layout diagram

The blooie line will be located: directed into reserve pit (Detail will be provided when drilling contract for a specific rig is signed), at least 100 feet from the well head.

To minimize the amount of fugitive dust and spray escaping from the blooie pit, the following blooie line deflection method will be employed: Blooie line directed into the base of dirt embankment at end of reserve pit.

10. Plans for Restoration of the Surface:

The top 6 inches of topsoil material will be removed from the location and stockpiled separately: from vegetation at end of wellsite.

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

Immediately upon completion of drilling, all equipment that is not necessary for production shall be removed.

The reserve pit and that portion of the location not needed for production will be reclaimed.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

All road surfacing will be removed prior to the rehabilitation of roads.

Reclaimed roads will have the berms and cuts reduced and will be closed to vehicle use.

All disturbed areas will be recontoured to replicate the natural slope.

The stockpiled topsoil will be evenly distributed over the disturbed area.

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

Seed will be broadcast or drilled between Oct 1 and Dec 31, or at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage.

The following seed mixture will be used:

Western Wheatgrass	5#/acre	Pure live seed
Indian Ricegrass	2#/acre	Pure live seed
Fourwing Saltbrush	2#/acre	Pure live seed
Bitterbrush	2#/acre	Pure live seed

The abandonment marker will be one of the following, as specified by the BLM:

- 1) at least four feet above ground level,
- 2) at restored ground level, or
- 3) below ground level.

In any case, the marker shall be inscribed with the following: operator name, lease number, well name and surveyed description (township, range, section and either quarter-quarter or footages).

Additional requirements: _____

11. Surface and Mineral Ownership: Federal surface and Federal minerals

12. Other Information:

a. Archeological Concerns: Cultural resources inventories will be completed by contracting an archaeologist approved by the BLM. See attached report.

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to 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.

b. Threatened and Endangered Species Concerns: _____

c. Wildlife Seasonal Restrictions (yes/no): _____

d. Off Location Geophysical Testing: _____

e. Drainage crossings that require additional State or Federal approval: _____

f. Other: _____

13. Lessee's or Operator's Representative and Certification

Representative:

Name: J.C. Brothers

Title: Sr. Geologist

Address: 5000 So. Quebec, #640
Denver, CO 80237

Phone Number: 303-220-7772

Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by _____

J.C. Thompson

and its contractors and subcontractors in conformity with this APD package and the terms and conditions 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 no. _____. This statement is subject to the provisions of 18 U.S.C. § 1001 for the filing of a false statement.

J.C. Brothers
Signature

SR. Geologist
Title

11/2/99
Date

COVER PAGE for the
Utah Division of State History
Preservation Office

Project Name: Class III cultural resource inventory of the proposed Fed. #13-19 and Fed. #42-24 well locations and their associated 6000-foot-long access road in Grand County, Utah, for National Fuels Corporation [GRI Proj. No. 9960]

State Proj. No.: U99-GB-0583b

Report Date: 10/15/99

Principal Investigator: Carl E. Conner

Field Supervisor(s): Carl E. Conner

Acreage Surveyed

Intensive: 33.77 acres

Recon/Intuitive: _____ acres

7.5' Series USGS Map Reference(s): PR Spring 1987 (Photorevised)

Sites Reported

Archaeological Sites

Revisits (no inventory form update) 0

Revisits (updated IMACS site inventory form attached) 0

New recordings (IMACS site inventory form attached) 0

Total Count of Archaeological Sites 0

Historic Structures (USHS 106 site info form attached) 0

Total National Register Eligible Sites 0

Paleontological Localities 0

Checklist of Required Items

1. X 1 Copy of the Final Reports
2. X Copy of 7.5' Series USGS Maps With Surveyed/Excavated Area Clearly Identified.
3. _____ Completed IMACS Site Inventory Forms, Including
_____ Parts A and B or C,
_____ the IMACS Encoding Form,
_____ Site Sketch Map,
_____ Photographs, and
_____ Copy of the Appropriate 7.5' Series USGS Map w/ the Site Location Clearly Marked and Labeled w/ the Smithsonian No.
4. _____ Paleontological locality form
5. X Completed "Cover Sheet" Accompanying Final Report and Survey Materials

U.S.
Department of the Interior
Bureau of Land Management
Utah State Office

Summary Report of
Inspection for Cultural Resources

Project U 9-G-B-0583b
Authorization No.

Report Acceptable Yes No

Mitigation Acceptable Yes No

Comments: _____

1. Report Title Federal 42-24 and Short Access

2. Development Company National Fuel Corporation

3. Report Date 15 October 1999 4. Antiquities Permit No. 99-UT-54939

5. Responsible Institution GRAND RIVER INS County Grand

6. Fieldwork Location: TWN 16S Range 23E Section(s) 24

TWN 16S Range 24E Section(s) 19

7. Resource Area GR
PO=Pony Express, BR=Bear River, WS=Warm Springs, BC=Book Cliffs, HR=House Range,
SE=Sevier River, HM=Henry Mountains, BE=Beaver River, DX=Dixie, KA=Kanab,
ES=Escalante, SJ=San Juan, GR=Grand, SR=San Raphael, DM=Diamond Mountain, PR=Price River

8. Description of Examination Procedures: A 100 percent pedestrian cultural resources inventory of the proposed well location was made by a two-person crew walking concentric circles spaced 10 meters apart around the staked center to cover a 750 feet diameter-10 acre plot. Steep slopes under 30 degrees were contoured; those over 30 degrees were avoided. The proposed existing access route was inspected by walking two parallel transects on each side of the road spaced at 10m intervals to cover a 100-foot wide corridor.

9. Linear Miles Surveyed 0.38
and/or
Definable Acres Surveyed 10
and/or
Legally Undefinable Acres Surveyed _____

10. Inventory Type I
I=Intensive
S=Statistical

11. Description of Findings (attach appendices, if appropriate)
No cultural resources were identified in the project area.

12. Number Sites found 0
(No sites = 0)

13. Collection N
(Y=Yes N=No)

14. Actual/Potential National Register Properties Affected: None.

15. Literature Search, Location/Date: BLM Moab Office / October 7, 1999

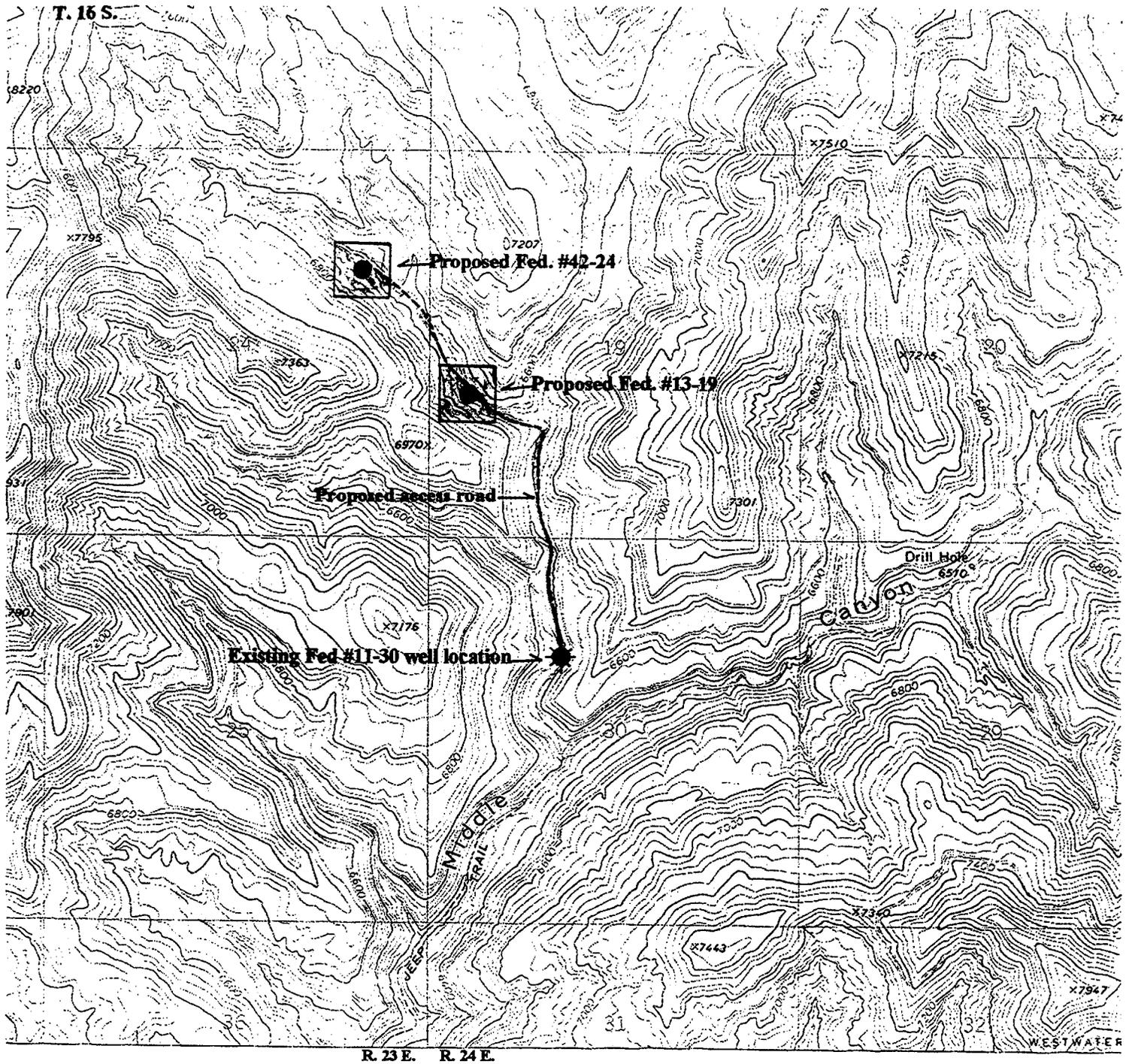
16. Conclusion/Recommendations:
No significant historic properties were identified within the area of direct impact.
Archaeological clearance is recommended.

17. Signature of Administrator & Field Supervisor: Administrator Carl E. Conner
Carl E. Conner

Field Supervisor _____

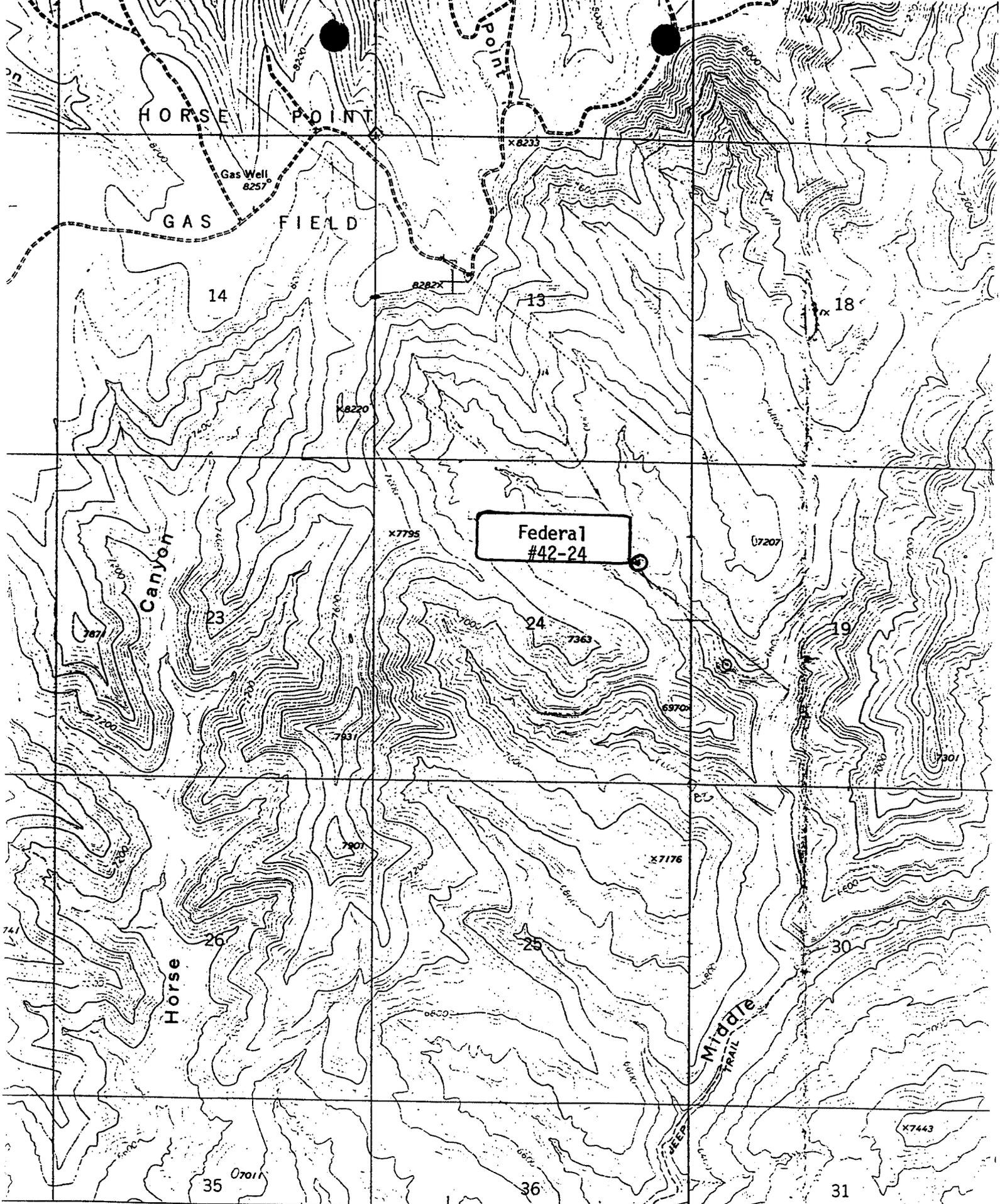
*For extra locations use additional 8100-3 forms

UT 8100-3
(2/85)



**PR Spring Quadrangle/Utah – Grand County
 1970/1987 – USGS 7.5' Series (topographic)
 Scale 1:24000 / Contour interval 40 feet
 T. 16S., R. 23E. and R. 24E., SLBM**

Location map for the Class III cultural resource inventory of the proposed Fed. #13-19 and Fed. #42-24 well locations and their associated 6000-foot-long access road in Grand County, Utah, for National Fuels Corporation. Area surveyed for cultural resources is highlighted. [GRI Proj. No. 9960 10/15/99]



Federal
#42-24

HORSE POINT

GAS FIELD

Canyon

Horse

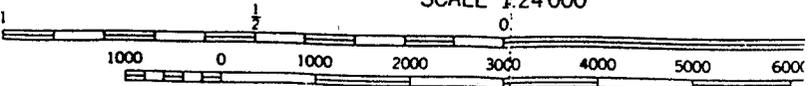
Middle
TRAIL

DEEP

Gas Well
8253

Geological Survey

from aerial
1970



SCALE 1:24 000

642 2 610 000 FEET 20' 644 R. 23 E. R. 24 E. (DRY CANYON) 4162 N SE 646

R 23 E

R 24 E

R 25 E

Well
Location

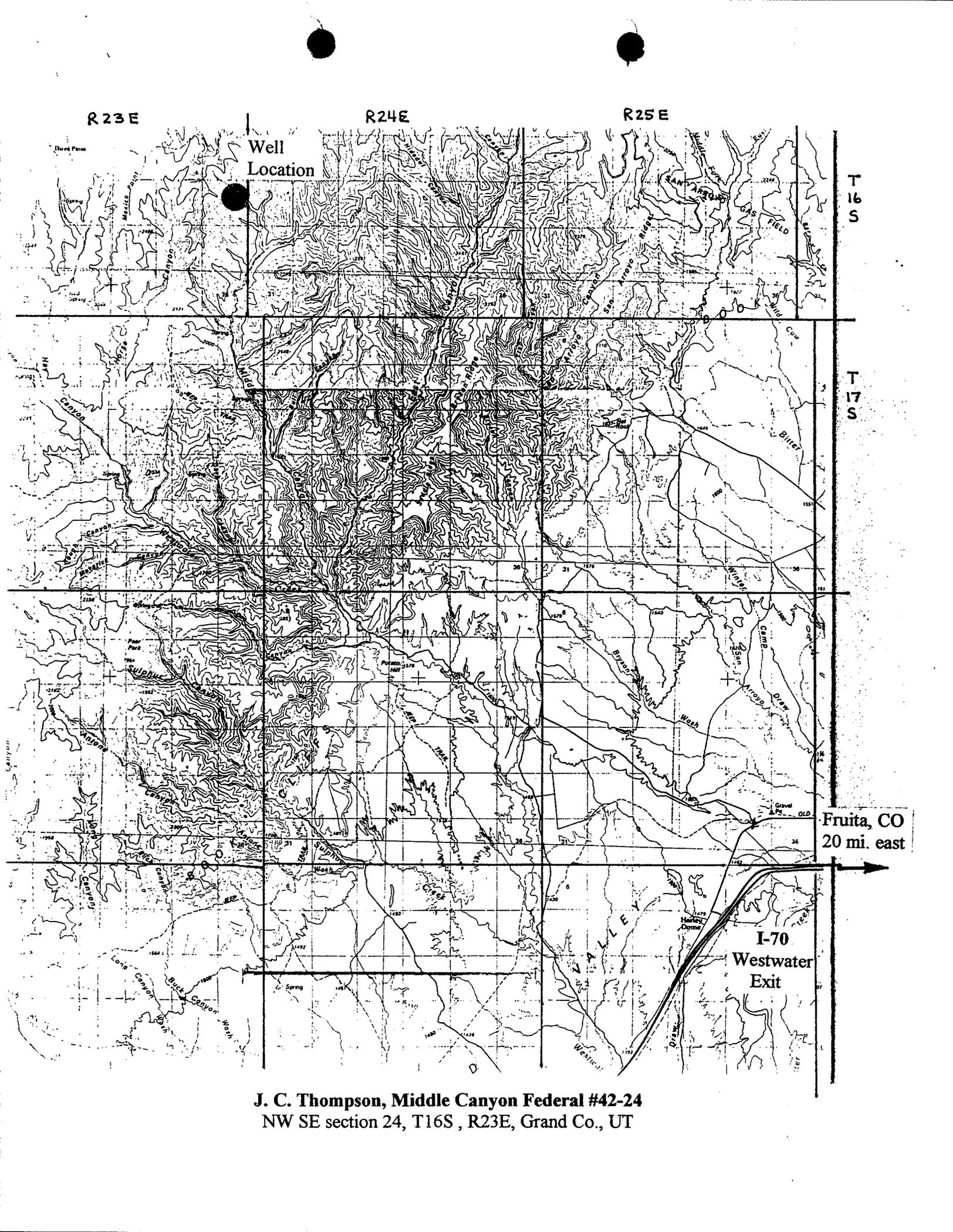
T 16 S

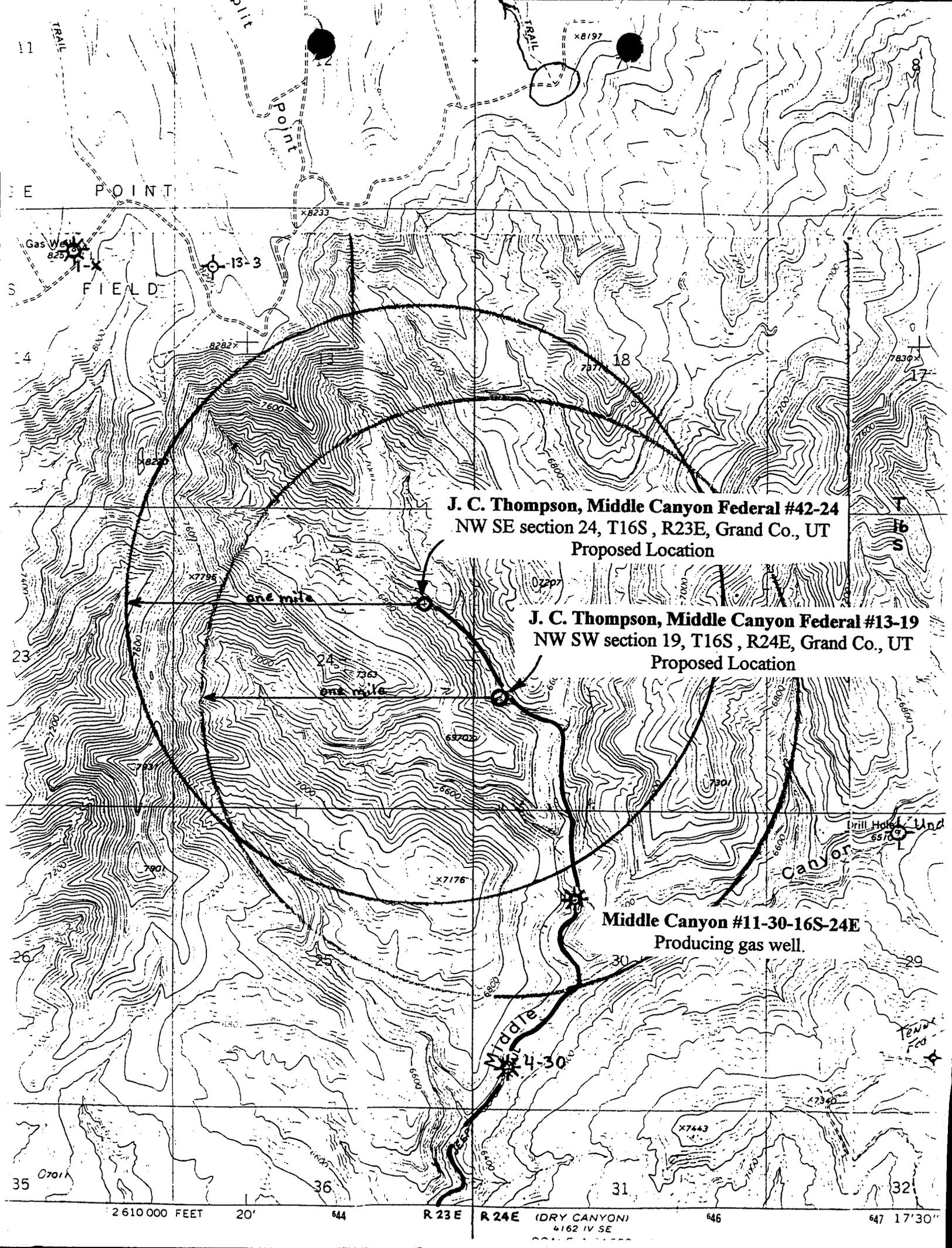
T 17 S

Fruita, CO
20 mi. east

I-70
Westwater
Exit

J. C. Thompson, Middle Canyon Federal #42-24
NW SE section 24, T16S , R23E, Grand Co., UT





J. C. Thompson, Middle Canyon Federal #42-24
NW SE section 24, T16S, R23E, Grand Co., UT
Proposed Location

J. C. Thompson, Middle Canyon Federal #13-19
NW SW section 19, T16S, R24E, Grand Co., UT
Proposed Location

Middle Canyon #11-30-16S-24E
Producing gas well.

**WORKSHEET
APPLICATION FOR PERMIT TO DRILL**

APD RECEIVED: 03/27/2000

API NO. ASSIGNED: 43-019-31378

WELL NAME: FEDERAL 42-24
 OPERATOR: THOMPSON, J C (N1240)
 CONTACT: J C BROTHERS

PHONE NUMBER: 303-220-7772

PROPOSED LOCATION:

SENE 24 160S 230E
 SURFACE: 1677 FNL 0873 FEL
 BOTTOM: 1677 FNL 0873 FEL
 GRAND
 UNDESIGNATED (2)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LEASE TYPE: 1-Federal
 LEASE NUMBER: UTU-72721
 SURFACE OWNER: 1-Federal

PROPOSED FORMATION: DK-CM

RECEIVED AND/OR REVIEWED:

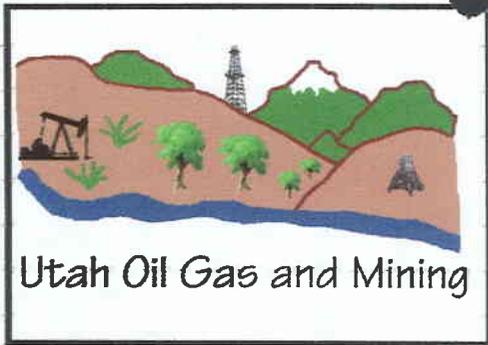
- Plat
- Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 862E9818)
- Potash (Y/N)
- Oil Shale (Y/N) *190 - 5 (B)
- Water Permit
(No. Private / Lee Elmgren)
- RDCC Review (Y/N)
(Date: _____)
- Fee Surf Agreement (Y/N)

LOCATION AND SITING:

- R649-2-3. Unit _____
- R649-3-2. General
- Siting: _____
- R649-3-3. Exception
- Drilling Unit
- Board Cause No: _____
- Eff Date: _____
- Siting: _____
- R649-3-11. Directional Drill

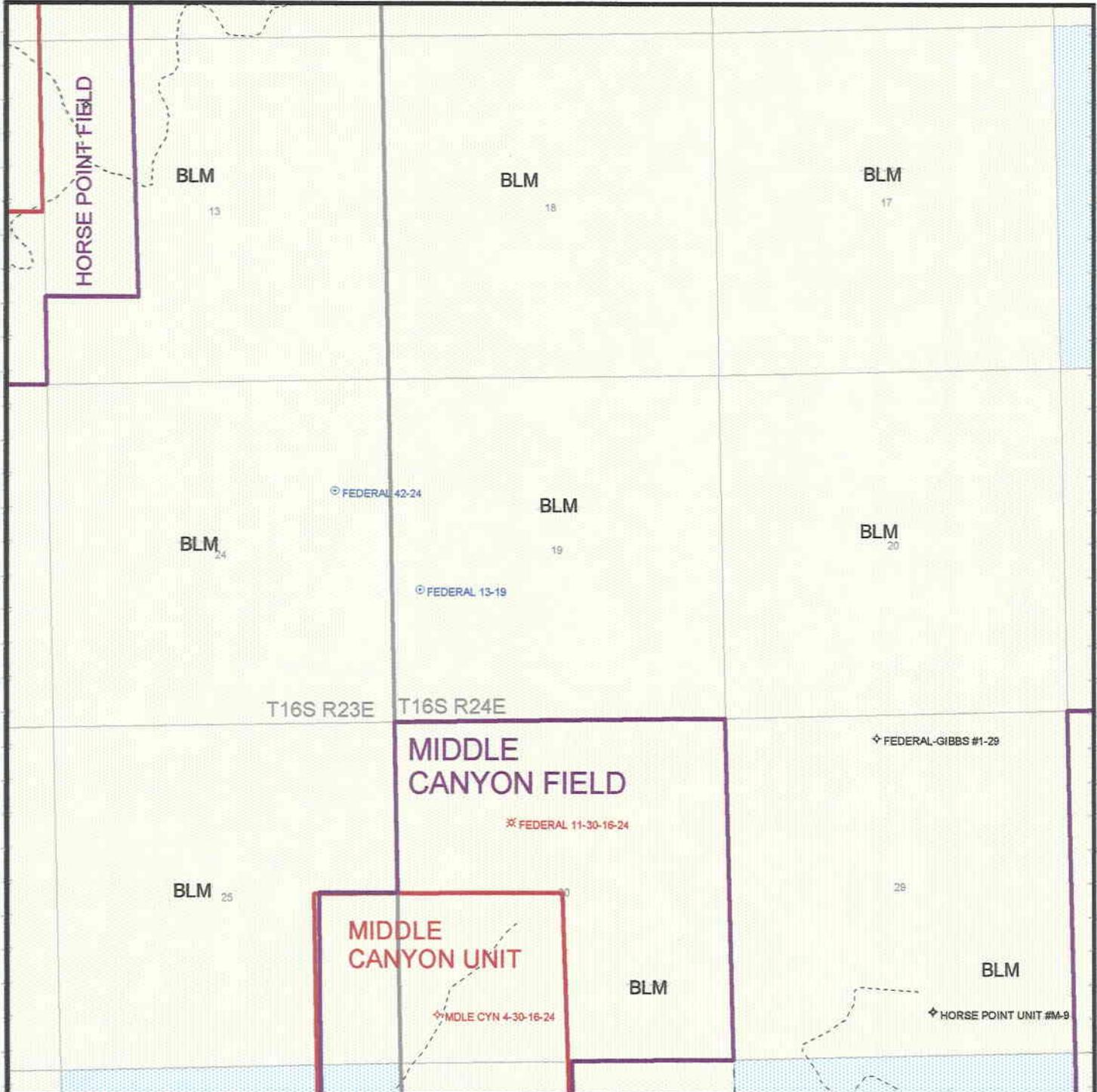
COMMENTS: Need add'l info. "Ex.Loc." (Rec'd 4-7-00)
BLM aprv. 6-15-00.

STIPULATIONS: ① FEDERAL APPROVAL



OPERATOR: J C THOMPSON (N1240)
 FIELD: UNDESIGNATED (002)
 SEC. 24, T 16 S, R 23 E, & 19, T 16 S, R 24 E
 COUNTY: GRAND STATE SPACING

Serving the Industry, Protecting the Environment



PREPARED
 DATE: 30-Mar-2000

J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

RECEIVED

4/4/2000

Lisha Cordova
State of Utah
Division of Oil, Gas, and Mining
1594 West north Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114 - 5801

APR 07 2000

DIVISION OF
OIL, GAS AND MINING

RE: Our phone conversation of 4/3/2000 on J. C. Thompson APD's for Middle Canyon wells 13-19 and #42-24, Grand Co., UT.

Dear Lisha,

Enclosed is information you requested to complete the APD's on the following wells:
J. C. Thompson, Middle Canyon Federal #13-19, NW SW, sec. 19-T16S-R24E
J. C. Thompson, Middle Canyon Federal #42-24, NW SE NE, sec. 19-T16S-R24E.
Both wells in Grand Co., UT.

Oil and Gas Statewide Operator's Bond #862E9818 in the name of J. C. Thompson covers the two locations.

Source for the water used on both wells will be from Westwater Creek, NW NW NE sec. 5-T18S-R24E and SW SE SW sec. 32-T17S-R24E. I will supply you with the Water Permit information and number as soon as we obtain it from the new landowner.

APD Form 3, 1st page to correct typo on qtr/qtr section location (Item #11). Please replace original with this corrected version.

Also included are Requests for Exception to General State Spacing for each well.

Please contact me if there are any questions pertaining to these APD's or exception requests.

Sincerely,



J. C. Brothers
Senior Geologist

STATE OF UTAH
DIVISION OF OIL, GAS and MINING

APPLICATION FOR PERMIT TO DRILL OR DEEPEN

1A. Type of Work
 DRILL DEEPEN

B. Type Of Well OIL GAS OTHER: SINGLE ZONE MULTIPLE ZONE

2. Name of Operator
 J.C. Thompson

3. Address of Operator
 5000 S. Quebec, Suite 640, Denver, CO 80237

4. Location of Well (Footages)
 At Surface: 1677' fnl & 873' fel
 At Proposed Producing Zone: Same

5. Lease Designation and Serial Number:
 UTU 72721

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Farm or Lease Name:
 Federal

9. Well Number:
 42-24

10. Field and Pool, or Wildcat:
 Middle Canyon

11. Qtr/Qtr, Section, Township, Range, Meridian:
 SE NE Sec. 24, T16S, R23E

12. County:
 Grand

13. State:
 Utah

14. Distance in miles and direction from nearest town or post office:
 Approximately 35 miles NW of Mack, CO

15. Distance to nearest property or lease line (feet):
 873' fel

16. Number of acres in lease:
 2,240 ac

17. Number of acres assigned to this well:
 240 ac

18. Distance to nearest well, drilling, completed, or applied for, on this lease (feet):
 none on lease

19. Proposed Depth:
 6,400'

20. Rotary or cable tools:
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 6,630' GR

22. Approximate date work will start:
 Summer, 2000

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	GRADE, SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	300'	350 sx
9 5/8"	J-55, 7"	20#	3,080'	580 sx
6 1/2"	N-80, 4 1/2"	11.6#	6,400'	150 sx

DESCRIBE PROPOSED PROGRAM: If proposal is to deepen, give data on present productive zone and proposed 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.

Move in rotary rig and drill 17 1/2" hole to 300' depth and run 300', 13 3/8" surface casing set with 350 sx regular cement. Circulate cement and fill to surface. Drill 9 5/8" hole to 3,080 using air. Run 3,080', 7" intermediate casing and set with 580 sx 50-50 pozmix cement circulated to surface. Drill 6 1/2" hole to 6,400' TD using air. Run 4 1/2" production casing to 6,400' and cement with 150 sx thixotropic cement (cement top approx 1,000' above Dakota Silt). Perforate Dakota/Cedar Mountain for production. Connect to existing 3" gathering line adjoining location.

RECEIVED

APR 07 2000

DIVISION OF
OIL, GAS AND MINING

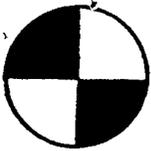
24. Name & Signature: J.C. Brothers *J.C. Brothers* Title: Sr. Geologist Date: 3/23/00

(This space for State use only)

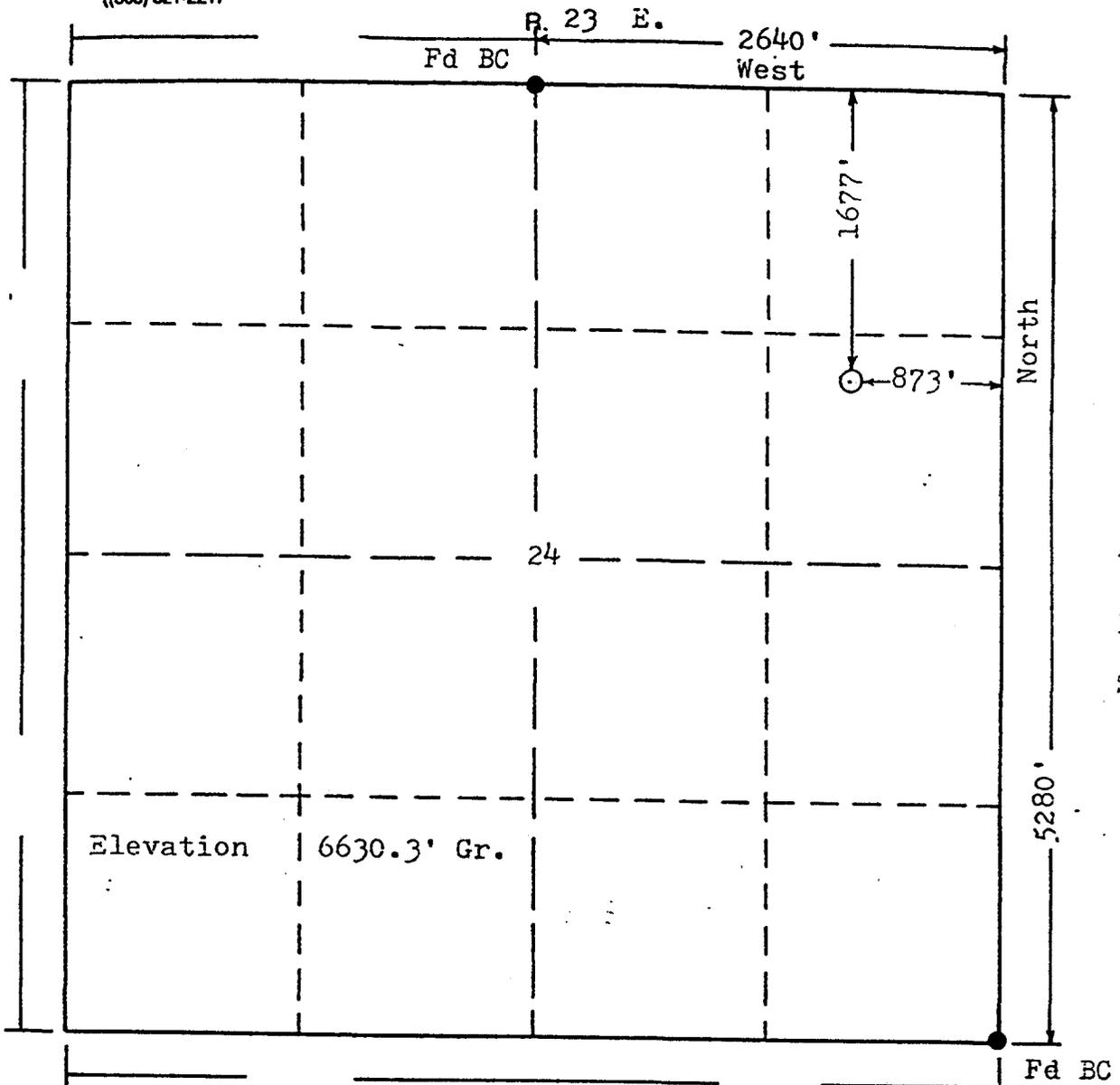
API Number Assigned: 43-019-31378 Approval:

Approved by the
Utah Division of
Oil, Gas and Mining
 Date: 8/21/00
 By: *[Signature]*

Federal Approval of this Action is Necessary



Basis of Bearing: East line sec 24 GLO



T. 16 S.

500 0 500 1000 1500 2500



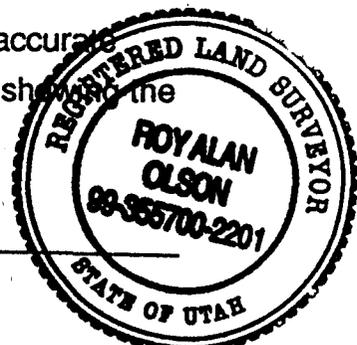
SCALE IN FEET

Powers Elevation Co., Inc. of Denver, Colorado has in accordance
 with a request from Andy Busch for National Fuel Corp.
 determined the location of #42-24 Federal
 to be 1677'FN & 873'FE Section 24, Township 16 S.
 Range 23 E. of the Salt Lake Principal Meridian,
 Grand County, Utah

I hereby certify that this plot is an accurate
 representation of a correct survey showing the
 location of #42-24 Federal

Date: 9-18-99

Roy A. Olson
 Licensed Land Surveyor No.
 State of Utah



J. C. THOMPSON
INDEPENDENT OIL OPERATOR
5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237

4/4/2000

State of Utah
Division of Oil, Gas, and Mining
1594 West north Temple, Suite 1210
P. O. Box 145801
Salt Lake City, UT 84114 – 5801

RE: Request Exception to General State Spacing – Middle Canyon Federal #42-24,
NW SE NE Sec. 24 – T16S – R23E, Grand Co., UT.

Dear Sirs,

J. C. Thompson, Operator requests an exception to general state spacing for the Middle Canyon Federal #42-24, NW SE NE Sec. 24 – T16S – R23E, Grand Co., UT. The #42-24 is a proposed 6400' gas well on Federal Lease #UTU 72721, offsetting Westwater Field. Topographic constraints on the physical well location force us to request this spacing exception. As can be seen on the attached map, the location is in the widest part of a narrow canyon.

The proposed well location is 873' west of the east lease line (Federal Lease UTU 72721, owned and operated by J. C. Thompson). We request the spacing exception for this distance. The adjoining lease to the east, 873' from the #42-24 Location is Federal Lease #U 15889, also owned and operated by J. C. Thompson. All other lease boundaries are over 1800' from the proposed location.

Please contact me if there are any questions pertaining to this exception request.

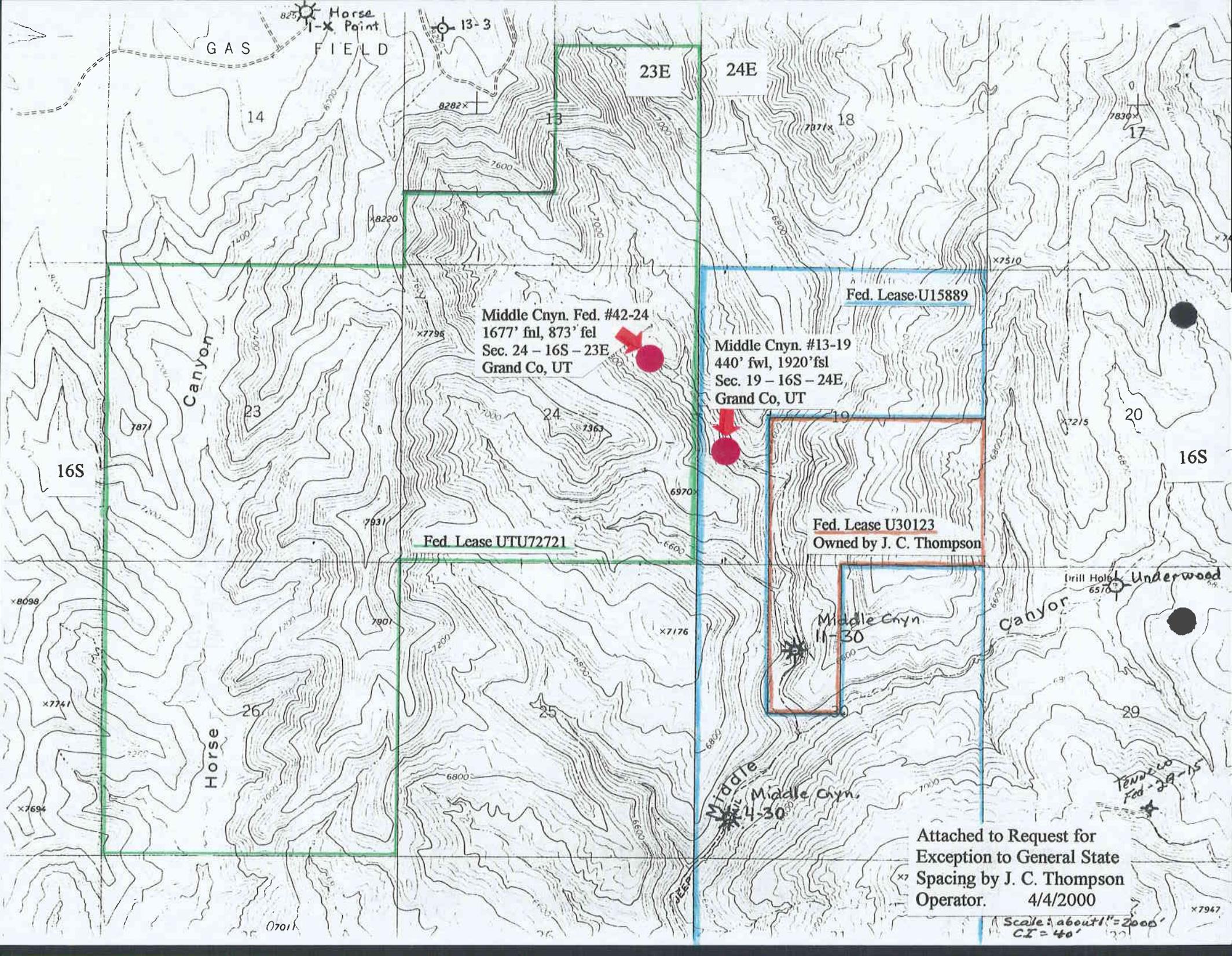
Sincerely,



J. C. Brothers
Senior Geologist

RECEIVED
APR 07 2000
DIVISION OF
OIL, GAS AND MINING

RECEIVED
APR 07 2000
DIVISION OF
OIL, GAS AND MINING



GAS FIELD

Horse Point

23E

24E

14

13

18

17

Middle Cyn. Fed. #42-24
1677' fwl, 873' fsl
Sec. 24 - 16S - 23E
Grand Co, UT

Fed. Lease U15889

Middle Cyn. #13-19
440' fwl, 1920' fsl
Sec. 19 - 16S - 24E,
Grand Co, UT

16S

Canyon

23

24

19

20

16S

Fed. Lease UTU72721

Fed. Lease U30123
Owned by J. C. Thompson

Middle Cyn.
#11-30

Drill Hole Underwood

Horse

26

25

29

Middle Cyn.
#14-30

Attached to Request for
Exception to General State
Spacing by J. C. Thompson
Operator. 4/4/2000

Scale: about 1" = 2000'
CI = 40'

x7947

99-151

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

RECEIVED

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK
 DRILL DEEPEN PLUG BACK 1999 NOV 5 11 40

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

2. NAME OF OPERATOR
 J.C. Thompson

3. ADDRESS OF OPERATOR
 5000 S. Quebec, Suite 640, Denver, CO 80237

4. LOCATION OF WELL (Report location clearly and in accordance with any state requirements.)
 At Surface 1,677' fml & 873' fel
 NWSE Sec. 24
 At proposed prod. zone SENE Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 Approximately 35 miles NW of Mack, CO

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 873' (FEL)

16. NO. OF ACRES IN LEASE 2,240

17. NO. OF ACRES ASSIGNED TO THIS WELL 320 ac.

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED OR APPLIED FOR, ON THIS LEASE, FT. None on lease

19. PROPOSED DEPTH 6,400'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 6,630' GR

22. APPROX. DATE WORK WILL START* Oct., 1999

5. LEASE DESIGNATION AND SERIAL NO.
 UTU 72721

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 Federal

9. WELL NO.
 42-24

10. FIELD AND POOL, OR WILDCAT
 Middle Canyon

11. SEC., T., RL, M., OR BLK. AND SURVEY ON AREA
 Sec. 24, T16S, R23E

12. COUNTY OR PARISH
 Grand

13. STATE
 UT

PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13 3/8"	54.5#	300'	350 SX
9 5/8"	7" J-55	20#	3,080'	580 SX
6 1/2"	4 1/2" N-80	11.6#	6,400'	150 SX

Move in rotary rig and drill 17 1/2" hole to 300' depth and run 300' 13 5/8" surface casing set with 350 sx regular cement. Circulate cement and fill to surface. Drill 9 5/8" hole to 3,080' using air. Run 3,080' 7" intermediate casing and set with 580 sx 50-50 pozmix cement circulated to surface. Drill 6 1/2" hole to 6,400' TD using air. Run 4 1/2" production casing to 6,400' and cement with 150 sx thixotropic cement (cement top approx 1,000' above Dakota Silt). Perforate Dakota/Cedar Mountain for production. Connect to existing 3" gathering line adjoining location.

RECEIVED

JUN 19 2000

FLARING OR VENTING OF
 GAS IS SUBJECT TO NTL 4-A
 11/80

DIVISION OF OIL, GAS AND MINING
 CONDITIONS OF APPROVAL ATTACHED

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.C. Patton TITLE Sr. Geologist DATE 11/2/99

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

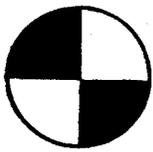
APPROVED BY /S/ WILLIAM C. STRINGER TITLE Assistant Field Manager, Division of Resources DATE JUN 15 2000

CONDITION OF APPROVAL, IF ANY: _____

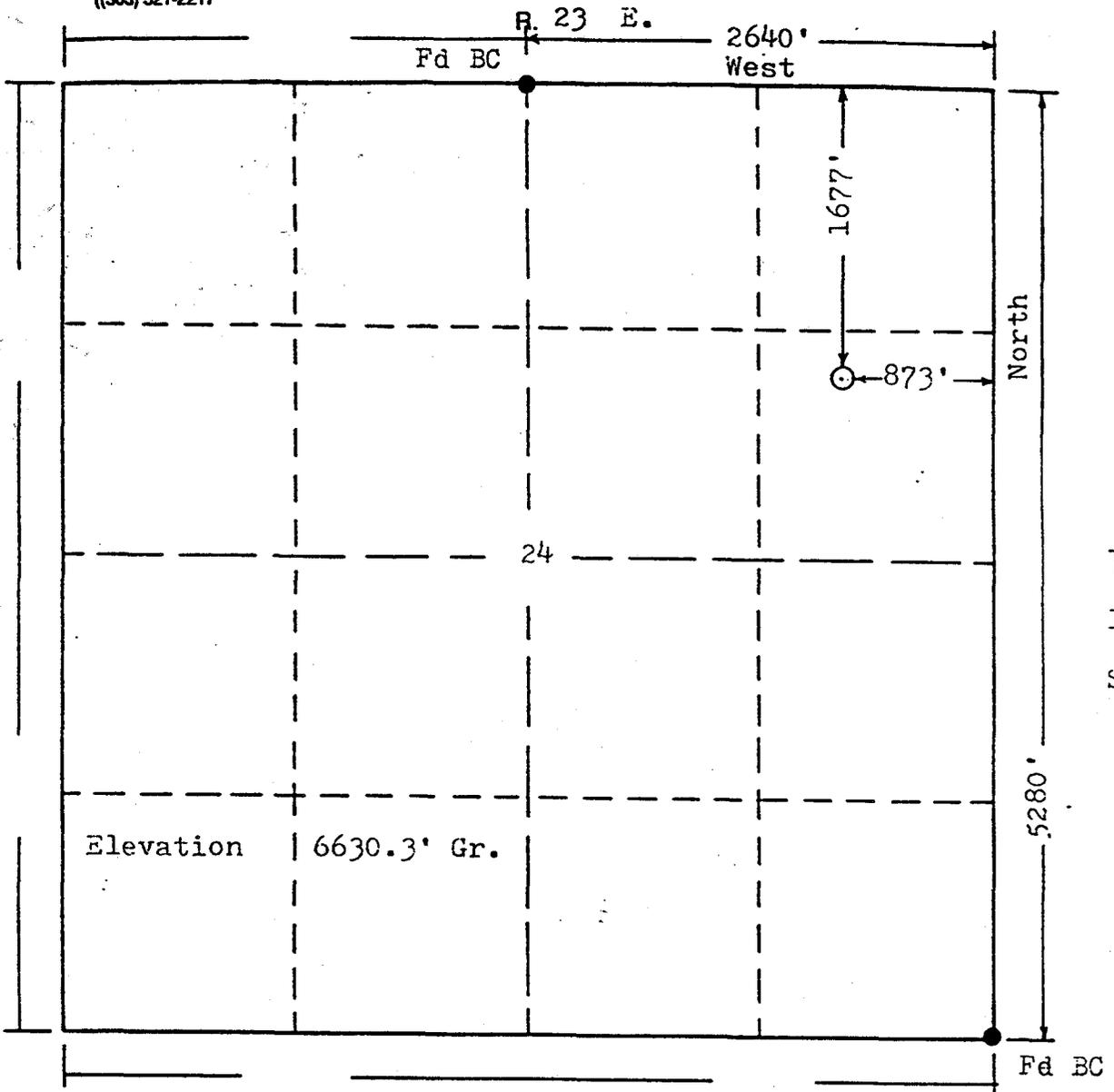
*See Instructions On Reverse Side

POWERS ELEVATION CO., INC.
P.O. Box 440889
Aurora, CO 80044
(303) 321-2217

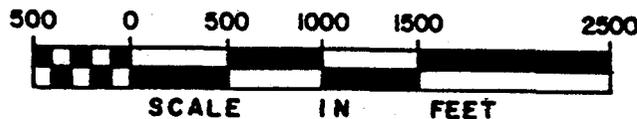
All POWERS ELEVATION CO., INC.
elevations originate from
accepted U.S. Benchmarks



Basis of Bearing: East line sec 24 GLO



N
T.
16
S.



Powers Elevation Co., Inc. of Denver, Colorado has in accordance
 with a request from Andy Busch for National Fuel Corp.
 determined the location of #42-24 Federal
 to be 1677'FN & 873'FE Section 24, Township 16 S.
 Range 23 E. of the Salt Lake Principal Meridian,
 Grand County, Utah

I hereby certify that this plot is an accurate
 representation of a correct survey showing the
 location of #42-24 Federal

Date: 9-18-99

Roy A. Olson
 Licensed Land Surveyor No.
 State of Utah



J. C. Thompson
Federal No. 42-24
Lease U-72721
SENE Section 24 T16S, 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 J. C. Thompson 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 0068 (Principal - J. C. Thompson) 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. The proposed BOPE is in a 2M configuration, and is adequate for this depth in this area. Installation, testing and operation of the system shall be in conformance with Onshore Oil and Gas Order No. 2.
2. Concurrent APD approval from the State of Utah, Division of Oil, Gas & Mining is required before conducting any surface disturbing activities.
3. While air drilling, the requirements of Onshore Oil and Gas Order No. 2, Special Drilling Operations, shall be observed.

B. SURFACE USE PLAN

1. The operator will contact Wildhorse Energy 48 hours prior to initiating road construction. Pipeline Right-of-Way UTU-038103 is located parallel to the proposed road route and will be avoided or protected, as specified by Wildhorse Energy personnel, during road construction and maintenance operations.
2. The reserve pit will be lined with synthetic material adequate to prevent leakage of fluids. Prior to initiating construction of the well site, the operator will provide specifications on the liner to be used, techniques for padding under the liner, and the installation procedures to be used.

The Moab Field Office (Rich McClure at 435-259-2127) will be notified 48 hours in advance of installing the synthetic liner. BLM will inspect the pit construction and installation procedures to verify the integrity of the liner.

The lined reserve pit will be used to contain fluids during drilling, cementing, and testing operations. When drilling operations are finished, the fluids in the reserve pit will be hauled to an authorized disposal site.

A blooie pit will constructed at the end of the reserve pit. After fluids have been removed from the reserve pit and the pit has dried, the lined reserve pit will be covered with stockpiled soil materials and reclaimed.

3. In order to eliminate the need for a pit during production operations; a tank, surrounded by a berm of soil, will be used to contain produced water.
4. Prior to spraying weeds on public lands, the operator will submit a Pesticide Use Proposal (PUP) to BLM for review and approval of the herbicide and methods to be used.

C. REQUIRED APPROVALS, REPORTS AND NOTIFICATIONS

Required verbal notifications are summarized in Table 1, attached.

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

Spud- The spud date will be reported to BLM 24-hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the Moab Field 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 Moab Field 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, with the Moab Field Office, for approval of all changes of plans and subsequent 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 Moab Field 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 BLM 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 Moab Field Office is to be notified.

First Production- Should the well be successfully completed for production, the Moab Field 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 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 Moab Field Office. The Moab Field 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 Moab Field Office not later than thirty-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 Moab Field 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 Moab Field Office. 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 water from a newly completed well may be temporarily disposed into the reserve pit for a period of up to 90 days if use of the pit was approved as part of an APD. An application for water disposal beyond this period shall be submitted to the Moab Field Office pursuant to Onshore Oil and Gas Order No. 7.

Off-Lease Measurement, Storage, Commingling- Prior approval must be obtained from the Moab Field 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 Moab Field Office prior to initiating plugging operations.

A "Subsequent Report of Abandonment" (Form 3160-5) will be filed with the Moab Field Office within thirty-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 Moab Field Office or the appropriate surface managing agency.

TABLE 1

NOTIFICATIONS

Notify Jack Johnson at 435-259-2129 or Rich McClure at 435-259-2127 of the Moab Field Office for the following:

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

1 day prior to spudding;

50 feet prior to reaching the surface casing setting depth

If the people above cannot be reached, notify the Moab Field Office at (435) 259-2100. 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 Field Office at (435) 259-2100. If approval is needed after work hours, you may contact the following:

Eric Jones, Petroleum Engineer Office: (435) 259-2117
Home: (435) 259-2214

AREA CODE 303
PHONE 220-7772

FAX
220-7773

National Fuel Corporation

5000 SOUTH QUEBEC, SUITE 640
DENVER, COLORADO 80237



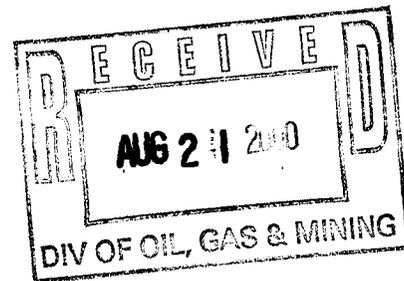
FACSIMILE TRANSMITTAL SHEET

DATE: 8/21/2000

TO: LISHA CORDOVA

FAX NO.: 801 - 359 - 3940

FROM: JIM BROTHERS
National Fuel Corporation
5000 South Quebec St., Suite. 640
Denver, CO 80237



FAX NO.: (303) 220-7773

VOICE: (303) 220-7772

SUBJECT: Water Purchase Agreements

NO. OF PAGES, INCLUDING THIS PAGE: 4

COMMENTS: Lisha,

Here are Water Purchase Agreements for APD's as follows:

National Fuel Corp. - MOON RIDGE FEDERAL #13-11 Sec. 11-T16S-R21E
(operator)

MOON RIDGE FEDERAL #31-21 sec. 21-T16S-R21E

Both in Grand Co., UT - administered by Vernal BLM office

✓ J.C. Thompson - Middle Canyon Federal #42-24 Sec. 24-T16S-R23E
(operator) Grand Co., UT - administered by Moab BLM office

This agreement will be applied to the Middle Canyon #18-19 when it is eventually drilled.

J.C. Thompson owns National Fuel Corp., & uses both J.C. Thompson & National Fuel as operating agents in Utah. I do geology & permitting, etc. for both.

Thanks for your help.

Jim Brothers

WATER PURCHASE AGREEMENT

J.C. Thompson +
NATIONAL FUEL CORPORATION, 5000 So. Quebec, #640, Denver, CO 80237 agrees to pay
LEE ELMGREEN the
sum of 20th PER 100 GAL LOAD for water to be used for the
drilling and 20th PER 100 GAL LOAD for completion of National
Fuel's Middle Canyon #42-24 well, located in the SE NE of Section 24
16 Township 16 South, Range 23 East, Grand County, Utah. Water will be
hauled from a stream diversion and check dam owned by LEE ELMGREEN
at National Fuel's Expense.

EXECUTED this 14th day of AUGUST, 2000

NATIONAL FUEL CORPORATION

By: Andy Bush
Andy Bush
Production Superintendent

Lee E. Elmgreen

By: _____

Lisha,
This Water Purchase Agreement
is for the Middle Canyon
#42-24 (+ #13-19 when/if it
is drilled). It will be
operated under J.C. Thompson,
not National Fuel. Both are
under the same ownership, &
we use both as operators in
UTAH - mostly for accounting
purposes. Jim BROTHERS



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

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210

PO Box 145801

Salt Lake City, Utah 84114-5801

801-538-5340

801-359-3940 (Fax)

801-538-7223 (TDD)

August 21, 2000

J. C. Thompson
5000 S. Quebec, Suite 640
Denver, CO 80237

Re: Federal 42-24 Well, 1677' FNL, 873' FEL, SE NE, Sec. 24, T. 16 South, R. 23 East,
Grand County, Utah

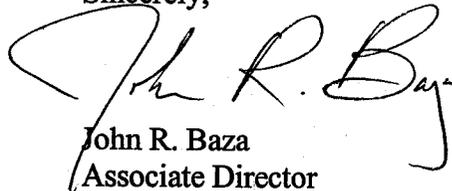
Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-019-31378.

Sincerely,



John R. Baza
Associate Director

er

Enclosures

cc: Grand County Assessor
Bureau of Land Management, Moab District Office

Operator: J. C. Thompson
Well Name & Number Federal 42-24
API Number: 43-019-31378
Lease: UTU 72721

Location: SE NE Sec. 24 T. 16 South R. 23 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338
- Contact Robert Krueger at (801) 538-5274.

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget No. 1004-0135
Expires September 30, 1990

SUNDRY NOTICE 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

SUBMIT IN TRIPLICATE

<p>1. Type of Well</p> <p style="text-align: center;">Oil Gas</p> <p><input type="checkbox"/> WELL <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other</p>	<p>5. Lease Designation and Serial No. UTU 72721</p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or C.A., Agreement Designation</p> <p>8. Well Name and No. MIDDLE CANYON FEDERAL 42-24</p>
<p>2. Name of Operator EOG Resources, Inc.</p>	<p>9. API Well No. 43-019-31378</p>
<p>3. Address and Telephone No. P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331</p>	<p>10. Field and Pool or Exploratory Area MIDDLE CANYON</p>
<p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1677' FNL - 873' FEL (SE/NE) SECTION 24, T16S, R23E</p>	<p>11. County State GRAND, UTAH</p>

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input type="checkbox"/> OTHER
	<input checked="" type="checkbox"/> CHANGE OF PLANS
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> NON-ROUTINE FRACTURING
	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> CONVERSION TO INJECTION

(Note: Report results of multiple completion on Well Completions 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).

EOG Resources, Inc. proposes to revise the drilling program for the subject well as follows:

1. Drill 12-1/4" hole to 300'± with air. Set 9-5/8", 36.0#, J-55 casing @ 300'± and cement to surface with 125 sx Class "G" cement plus 2% CaCl.
2. Drill 8-3/4" hole from 300'± to 3080'± with air/mist and aerated 4% KCL water. Set 7", 23.0#, J-55 @ 3080'±. Cement with lightweight cement and 50/50 Pozmix plus additives to base of surface casing.
3. Drill 6-1/8" hole from 3080'± to 6400'± with air and/or aerated 4% KCL water. Gelled fresh or salt mud will be utilized as necessary for well control. Cement with 150 sx 50/50 Pozmix cement plus additives.

RECEIVED

JUN 13 2001

DIVISION OF
OIL, GAS AND MINING

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

COMMENT TO OPERATOR
By: 07-23-01
Initials: CHD

*NOTE: EOG Resources, Inc. will be using Nationwide Bond #NM 2308

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

SIGNED Katy Carlson TITLE Regulatory Analyst DATE 6/11/2001

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

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.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUNDRY NOTICE 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
SUBMIT IN TRIPLICATE

FORM APPROVED
Bureau No. 1004-0135
Expires September 30, 1990

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG Resources, Inc.

3. Address and Telephone No.
P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1677' FNL - 873' FEL (SE/NE)
SECTION 24, T16S, R23E**

5. Lease Designation and Serial No.
UTU 72721

6. If Indian, Allottee or Tribe Name

7. If Unit or C.A., Agreement Designation

8. Well Name and No.
MIDDLE CANYON FEDERAL 42-24

9. API Well No.
43-019-31378

10. Field and Pool or Exploratory Area
MIDDLE CANYON

11. County State
GRAND, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input checked="" type="checkbox"/> OTHER
	<input type="checkbox"/> CHANGE OF PLANS
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> NON-ROUTINE FRACTURING
	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> CONVERSION TO INJECTION
	<input type="checkbox"/> CHANGE OPERATOR

(Note: Report results of multiple completion on Well Completions 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).

Please be advised that EOG Resources, Inc. is now considered to be the operator of the Middle Canyon Federal 42-24 SE/NE of Section 24, Township 16 South, Range 21 East, Grand County, Utah, Lease UTU 72721 and is responsible under the terms and conditions of the Lease for the operations conducted upon the leased land. Bond coverage is provided by Nationwide Bond #NM 2308.

RECEIVED

JUN 13 2001

DIVISION OF
OIL, GAS AND MINING

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

SIGNED *Raty Carlson* TITLE Regulatory Analyst DATE 6/11/2001

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FOR APPROVED
Budget Bureau No. 1004-0135
Expires September 30, 1990

SUNDRY NOTICE 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
SUBMIT IN TRIPLICATE

1. Type of Well
 Oil WELL Gas Well Other

2. Name of Operator
EOG Resources, Inc.

3. Address and Telephone No.
P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1677' FNL - 873' FEL (SE/NE)
SECTION 24, T16S, R23E**

5. Lease Designation and Serial No.
UTU 72721

6. If Indian, Allottee or Tribe Name

7. If Unit or C.A., Agreement Designation

8. Well Name and No.
MIDDLE CANYON FEDERAL 42-24

9. API Well No.
43-019-31378

10. Field and Pool or Exploratory Area
MIDDLE CANYON

11. County State
GRAND, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input checked="" type="checkbox"/> OTHER
	<input type="checkbox"/> CHANGE OF PLANS
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> NON-ROUTINE FRACTURING
	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> CONVERSION TO INJECTION
	<input type="checkbox"/> CHANGE OPERATOR

(Note: Report results of multiple completion on Well Completions 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).

Please be advised that EOG Resources, Inc. is now considered to be the operator of the Middle Canyon Federal 42-24 SE/NE of Section 24, Township 16 South, Range 21 East, Grand County, Utah, Lease UTU 72721 and is responsible under the terms and conditions of the Lease for the operations conducted upon the leased land. Bond coverage is provided by Nationwide Bond #NM 2308.

RECEIVED
JUN 21 2001
DIVISION OF
OIL, GAS AND MINING

RECEIVED
MOAB FIELD OFFICE
2001 JUN 13 A 10:01
DEPT OF THE INTERIOR
BUREAU OF LAND MGMT

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

SIGNED *Faty Carlson* TITLE Regulatory Analyst DATE 6/11/2001

(This space for Federal or State office use)

APPROVED BY **ACCEPTED** TITLE Division of Resources DATE JUN 18 2001
Mojab Field Office

CONDITIONS OF APPROVAL, IF ANY:

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.

cc: UDOGSM
JC Thompson 6/18/01

Conditions Attached

EOG Resources, Inc.
Well No. Middle Canyon 42-24
SENE Sec. 24, T. 16 S., R. 23 E.
Lease UTU72721
Grand County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance 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 EOG Resources, Inc. is considered to be the operator of the above well and is responsible under the terms and conditions of the lease for the operations conducted on the leased lands.

Bond coverage for this well is provided by NM2308 (Principal - EOG Resources, Inc.) 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.

RECEIVED

JUN 21 2001

DIVISION OF
OIL, GAS AND MINING

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget Item No. 1004-0135
Expires September 30, 1990

SUNDRY NOTICE 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
SUBMIT IN TRIPLICATE

<p>1. Type of Well</p> <p style="text-align: center;">Oil Gas</p> <p><input type="checkbox"/> WELL <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other</p>	<p>5. Lease Designation and Serial No. <i>UTU 72721</i></p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or C.A., Agreement Designation</p>
<p>2. Name of Operator EOG Resources, Inc.</p>	<p>8. Well Name and No. MIDDLE CANYON FEDERAL 42-24</p>
<p>3. Address and Telephone No. <i>P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331</i></p>	<p>9. API Well No. <i>43-019-31378</i></p>
<p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <i>1677' FNL - 873' FEL (SE/NE) SECTION 24, T16S, R23E</i></p>	<p>10. Field and Pool or Exploratory Area MIDDLE CANYON</p> <p>11. County State <i>GRAND, UTAH</i></p>

12. CHECK APPROPRIATE BOX(S) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<p><input checked="" type="checkbox"/> NOTICE OF INTENT</p> <p><input type="checkbox"/> SUBSEQUENT REPORT</p> <p><input type="checkbox"/> FINAL ABANDONMENT NOTICE</p>	<table style="width:100%;"> <tr> <td style="width:50%; vertical-align: top;"> <p><input type="checkbox"/> ABANDONMENT</p> <p><input type="checkbox"/> RECOMPLETION</p> <p><input type="checkbox"/> PLUGGING BACK</p> <p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> ALTERING CASING</p> <p><input type="checkbox"/> OTHER</p> </td> <td style="width:50%; vertical-align: top;"> <p><input checked="" type="checkbox"/> CHANGE OF PLANS</p> <p><input type="checkbox"/> NEW CONSTRUCTION</p> <p><input type="checkbox"/> NON-ROUTINE FRACTURING</p> <p><input type="checkbox"/> WATER SHUT-OFF</p> <p><input type="checkbox"/> CONVERSION TO INJECTION</p> </td> </tr> </table>	<p><input type="checkbox"/> ABANDONMENT</p> <p><input type="checkbox"/> RECOMPLETION</p> <p><input type="checkbox"/> PLUGGING BACK</p> <p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> ALTERING CASING</p> <p><input type="checkbox"/> OTHER</p>	<p><input checked="" type="checkbox"/> CHANGE OF PLANS</p> <p><input type="checkbox"/> NEW CONSTRUCTION</p> <p><input type="checkbox"/> NON-ROUTINE FRACTURING</p> <p><input type="checkbox"/> WATER SHUT-OFF</p> <p><input type="checkbox"/> CONVERSION TO INJECTION</p>
<p><input type="checkbox"/> ABANDONMENT</p> <p><input type="checkbox"/> RECOMPLETION</p> <p><input type="checkbox"/> PLUGGING BACK</p> <p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> ALTERING CASING</p> <p><input type="checkbox"/> OTHER</p>	<p><input checked="" type="checkbox"/> CHANGE OF PLANS</p> <p><input type="checkbox"/> NEW CONSTRUCTION</p> <p><input type="checkbox"/> NON-ROUTINE FRACTURING</p> <p><input type="checkbox"/> WATER SHUT-OFF</p> <p><input type="checkbox"/> CONVERSION TO INJECTION</p>		

(Note: Report results of multiple completion on Well Completions 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).

EOG Resources, Inc. proposes to revise the drilling program for the subject well as follows:

HOLE SIZE	CASING	WEIGHT	DEPTH	CEMENT
14-3/4"	10-3/4"	40.5# J-55	300'	250 sx Class "G" plus 2% CaCl
9-7/8"	7"	23.0# J-55	3080'	50/50 Pozmix to base of surface casing

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

RECEIVED
JUL 10 2001
DIVISION OF
OIL, GAS AND MINING

*NOTE: EOG Resources, Inc. will be using Nationwide Bond #NM 2308

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

SIGNED *Raty Carlson* TITLE Regulatory Analyst DATE 7/05/2001

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

OPERATOR CHANGE WORKSHEET

ROUTING

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

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **6-11-2001**

FROM: (Old Operator):
NATIONAL FUEL CORPORATION
Address: 7720 EAST BELLEVIEW AVE STE B-300
ENGLEWOOD, CO 80111
Phone: 1-(303)-220-7772
Account N8060

TO: (New Operator):
EOG RESOURCES INC
Address: P. O. BOX 250
BIG PINEY, WY 83113
Phone: 1-(307)-276-3331
Account N9550

CA No.

Unit:

WELL(S)

NAME	API NO.	ENTITY NO.	SEC. TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
MIDDLE CANYON FEDERAL 42-24	43-019-31378	99999	24-16S-23E	FEDERAL	GW	APD

OPERATOR CHANGES DOCUMENTATION

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 06/25/2001
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 06/21/2001
- The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 07/11/2001
- Is the new operator registered in the State of Utah: YES Business Number: 966901-0143
- If **NO**, the operator was contacted on: N/A
- Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 06/18/2001
- Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
- Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 07/11/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 07/11/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

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

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

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

FILMING:

1. All attachments to this form have been **MICROFILMED** on:

FILING:

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

COMMENTS:

OPERATOR: EOG Resources, Inc.
ADDRESS: P.O. BOX 250
BIG PINEY, WYOMING 83113

FAX: JIM THOMPSON
(801) 359-3940

N9550

ENTITY ACTION FORM - FORM 6

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	LOCATION				COUNTY	SPUD DATE	EFFECTIVE DATE
					QQ	SEC.	TP	RG			
B	99999	4905	43-047-34032	CHAPITA WELLS UNIT 613-12N	SE/NE	12	9S	22E	UINTAH	8/01/2001	8-29-01
8-29-01 CONFIDENTIAL											
B	99999	4905	43-047-33939	CHAPITA WELLS UNIT 629-24	SE/NW	24	9S	22E	UINTAH	8/23/2001	8-29-01
8-29-01 CONFIDENTIAL											
B	99999	4905	43-047-33941	CHAPITA WELLS UNIT 634-23	NE/NE	23	9S	22E	UINTAH	8/24/2001	8-29-01
8-29-01 CONFIDENTIAL											
B	99999	4905	43-047-33942	CHAPITA WELLS UNIT 635-15	SW/NE	15	9S	22E	UINTAH	8/27/2001	8-29-01
8-29-01 CONFIDENTIAL											
A	99999	13272	43-019-31378	MIDDLE CANYON FED. 42-24	SE/NE	24	16S	23E	GRAND	7/8/2001	8-29-01
8-29-01											

ACTIONS 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.

Katy Carls

 Signature
 Regulatory Analyst
 Title

 Date
 7/29/2001

 Date

 Phone No. (307) 276-3331

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

SUNDRY NOTICE 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

SUBMIT IN TRIPLICATE

FORM APPROVED

Budget Item No. 1004-0135

Expires September 30, 1990

<p>1. Type of Well</p> <p style="text-align: center;">Oil Gas</p> <p><input type="checkbox"/> WELL <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other</p>	<p>5. Lease Designation and Serial No. <i>UTU 72721</i></p>
<p>2. Name of Operator EOG Resources, Inc.</p>	<p>6. If Indian, Allottee or Tribe Name</p>
<p>3. Address and Telephone No. <i>P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331</i></p>	<p>7. If Unit or C.A., Agreement Designation</p>
<p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) <i>1677' FNL - 873' FEL (SE/NE) SECTION 24, T16S, R23E</i></p>	<p>8. Well Name and No. MIDDLE CANYON FEDERAL 42-24</p>
	<p>9. API Well No. <i>43-019-31378</i></p>
	<p>10. Field and Pool or Exploratory Area MIDDLE CANYON</p>
	<p>11. County State GRAND, UTAH</p>

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input checked="" type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input checked="" type="checkbox"/> OTHER
	<input type="checkbox"/> CHANGE OF PLANS
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> NON-ROUTINE FRACTURING
	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> CONVERSION TO INJECTION
	SPUD DATE

(Note: Report results of multiple completion on Well Completions 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).

EOG Resources, Inc. spud 12-1/4" surface hole at the subject location 7/08/2001. The contractor was Dall Cook's Air Drilling. Ed Forsman of the Vernal BLM District office and Carol Daniels of the Utah Division of Oil, Gas & Mining were notified of spud 7/08/2001.

RECEIVED
AUG 03 2001
DIVISION OF
OIL, GAS AND MINING

*NOTE: EOG Resources, Inc. will be using Nationwide Bond #NM 2308

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

SIGNED *Daty Carlson* TITLE Regulatory Analyst DATE 7/30/2001

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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.

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT**

FORM APPROVED
Budget No. 1004-0135
Expires September 30, 1990

SUNDRY NOTICE 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

SUBMIT IN TRIPLICATE

<p>1. Type of Well</p> <p style="margin-left: 40px;">Oil Gas</p> <p style="margin-left: 40px;"><input type="checkbox"/> WELL <input checked="" type="checkbox"/> Well <input type="checkbox"/> Other</p>	<p>5. Lease Designation and Serial No. UTU 72721</p> <p>6. If Indian, Allottee or Tribe Name</p> <p>7. If Unit or C.A., Agreement Designation</p> <p>8. Well Name and No. MIDDLE CANYON FEDERAL 42-24</p> <p>9. API Well No. 43-019-31378</p> <p>10. Field and Pool or Exploratory Area MIDDLE CANYON</p> <p>11. County State GRAND, UTAH</p>
<p>2. Name of Operator EOG Resources, Inc.</p>	
<p>3. Address and Telephone No. P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331</p>	
<p>4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1677' 833' 1709' FNL - 855' FEL SECTION 24, T16S, R23E</p>	

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

TYPE OF SUBMISSION	TYPE OF ACTION
<p><input checked="" type="checkbox"/> NOTICE OF INTENT</p> <p><input type="checkbox"/> SUBSEQUENT REPORT</p> <p><input type="checkbox"/> FINAL ABANDONMENT NOTICE</p>	<p><input type="checkbox"/> ABANDONMENT</p> <p><input type="checkbox"/> RECOMPLETION</p> <p><input type="checkbox"/> PLUGGING BACK</p> <p><input type="checkbox"/> CASING REPAIR</p> <p><input type="checkbox"/> ALTERING CASING</p> <p><input type="checkbox"/> OTHER</p> <p style="text-align: right;"><input checked="" type="checkbox"/> EXTEND THE APD</p>
<p>(Note: Report results of multiple completion on Well Completions or Recompletion Report and Log Form.)</p>	

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).

EOG Resources, Inc. proposes changing the Intermediate casing point and cement. The primary reasons are to isolate the water zones above the top of the Mancos formation and allow for a better geological evaluation of the Mancos "B". The Intermediate casing will be set approximately 270' into the Mancos formation. Setting depth is 2665' which will be above the Mancos "B". Verbal permission was given by Eric Jones, BLM.

Set 7", 20.0#, J-55 @ 2665'.

CEMENT WITH:

LEAD: 190 sx (30% excess) Hi-Lift
Yield: 3.89 ft3/sx
Water: 24.6 gal/sx
Weight: 11.0 ppg

TAIL: 100 sx 50/50 Pozmix
Yield: 1.35 ft3/sx
Water: 5.46 gal/sx
Weight: 14.1 ppg

COPY SENT TO OPERATOR
Date: 8-14-01
By: LHO

**Federal Approval Of This
Action Is Necessary**

**Accepted by the
Utah Division of
Oil, Gas and Mining**

Date: 8/13/01
By: Doolk Oest

RECEIVED

AUG 13 2001

**DIVISION OF
OIL, GAS AND MINING**

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

SIGNED Daty Carlson TITLE Regulatory Analyst DATE 8/10/2001

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

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.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:
UTU 72721

6. If Indian, Allottee or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number
MIDDLE CANYON FEDERAL 42-24

9. API Well Number:
43-019-31378

10. Field and Pool, or Wildcat:
MIDDLE CANYON

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
NATIONAL FUEL CORPORATION

3. Address and Telephone Number:
7720 E. Belleview Ave. Suite B-300; Englewood CO 80111 (303)220-7772

4. Location of Well
Footages: **1677' FNL - 873' FEL (SE/NE)**
County: **GRAND**
QQ, Sec., T., R., M.: **SECTION 24, T16S, R23E**
State: **UTAH**

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other **CHANGE OPERATOR**
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work).

Please be advised that National Fuel Corporation is now considered to be the operator of the Middle Canyon Federal 42-24 SE/NE of Section 24, Township 16 South, Range 23 East, Grand County, Utah, Lease UTU 72721 and is responsible under the terms and conditions of the Lease for the operations conducted upon the leased land. Bond coverage is provided by Statewide Bond #04021517. *Rev Operator effective*

date 9/27/01

RECEIVED

OCT 15 2001

DIVISION OF
OIL, GAS AND MINING

13
Name & Signature: **Brenda K. Mayland** *Brenda K Mayland* Title: **Treasurer** Date: **10/4/01**

(This space for State use only)

AREA CODE 303
PHONE 220-7772

FAX
220-7773

National Fuel Corporation

7720 EAST BELLEVIEW AVENUE, #B-300
ENGLEWOOD, COLORADO 80111



October 12, 2001

State of Utah
Division of Oil, Gas & Mining
1594 West North Temple; Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

To Whom It May Concern:

Enclosed is a completed subsequent report for the Middle Canyon Federal 42-24, Lease UTU72721. We are requesting that you return one approved copy to us. I have enclosed a SASE for your convenience. If you have any questions please contact me at (303)220-7772.

Sincerely,

A handwritten signature in cursive script that reads "Reagan Cooper".

Reagan Cooper

RECEIVED

OCT 17 2001

DIVISION OF
OIL, GAS AND MINING

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

5. Lease Designation and Serial Number:

UTU 72721

SUNDRY NOTICES AND REPORTS ON WELLS

6. If Indian, Allottee or Tribe Name:

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

7. Unit Agreement Name:

HORSEPOINT

1. Type of Well: OIL GAS OTHER:

8. Well Name and Number

MIDDLE CANYON # 42-24

2. Name of Operator:
NATIONAL FUEL CORPORATION

9. API Well Number:

43-019-31378

3. Address and Telephone Number:
7720 E. Belleview Ave. Suite B-300; Englewood CO 80111 (303)220-7772

10. Field and Pool, or Wildcat:

MIDDLE CANYON

4. Location of Well
Footages: ¹⁶⁷⁷ ⁸⁷³
~~1709~~' FNL ~~855~~' FEL (SE/NE)

County: GRAND

QQ, Sec., T., R., M.: SECTION 24, T16S, R23, ELEV 6630'

State: UTAH

11 CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon *
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other 1st PRODUCTION
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Approximate date work will start _____

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work).

This sundry notice is being submitted for notification of first production for the Middle Canyon #42-24. Well started producing September 27th at 12:40 pm. Starting flow rate was 900 mcf/d.

RECEIVED

OCT 17 2001

DIVISION OF
OIL, GAS AND MINING

13 Name & Signature Brenda K. Mayland *Brenda K Mayland* Title: Treasurer Date: 10/10/01

(This space for State use only)

Accepted by the
Utah Division of
Oil, Gas and Mining

COPIED TO OPERATOR
Date: 10-17-01
Initials: CHO

(4/94) (See Instructions on Reverse Side)

Date: 10/17/01
By: Don R. Deert

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

SUBMIT IN TRIPLICATE

1. Type of Well <input type="checkbox"/> Oil Well <input checked="" type="checkbox"/> Gas Well <input type="checkbox"/> Other	5. Lease Designation and Serial No. UTU 72721
2. Name of Operator NATIONAL FUEL CORPORATION	6. If Indian, Allottee or Tribe Name
3. Address and Telephone No. 7720 E. BELLEVIEW AVE; SUITE B-300; ENGLEWOOD, CO 80111 (303)220-7772	7. If Unit or CA, Agreement Designation
4. Location of Well (Footage, Sec., T., R., M., or Survey Description) 1677' FNL - 873' FEL (SE/NE) SECTION 24, T16S, R23E	8. Well Name and No. MIDDLE CANYON FEDERAL 42-24
	9. API Well No. 43-019-31378
	10. Field and Pool, or Exploratory Area MIDDLE CANYON
	11. County or Parish, State GRAND, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Abandonment
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Plugging Back
	<input type="checkbox"/> Casing Repair
	<input checked="" type="checkbox"/> Altering Casing
	Other <u>CHANGE OPERATOR</u>
	<input type="checkbox"/> Change of Plans
	<input type="checkbox"/> New Construction
	<input type="checkbox"/> Non-Routine Fracturing
	<input type="checkbox"/> Water Shut-Off
	<input type="checkbox"/> Conversion to Injection
	<input type="checkbox"/> 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). *

Please be advised that National Fuel Corporation is now considered to be the operator of the Middle Canyon Federal 42-24 SE/NE of Section 24, Township 16 South, Range 23 East, Grand County, Utah, Lease UTU 72721 and is responsible under the terms and conditions of the Lease for the operations conducted upon the leased land. Bond coverage is provided by Statewide Bond #04021517 UT 1183

eff. 9/27/01

RECEIVED
OCT 22 2001
DIVISION OF
OIL, GAS AND MINING

RECEIVED
MID FIELD OFFICE
2001 OCT 15 P 1:10
DEPT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

Signed <u>Brenda K Mayland</u> Title <u>Treasurer</u> Date <u>10/4/01</u>
Approved by <u>ACCEPTED</u> Title <u>Division of Resources Moab Field Office</u> Date <u>OCT 15 2001</u>

Conditions of Acceptance Attached

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.

cc: UDOGm 10/15/01

* See Instructions on Reverse Side

National Fuel Corporation
Well No. 42-24
SENE Sec. 24, T. 16 S., R. 23 E.
Lease UTU72721
Grand County, Utah

CONDITIONS OF ACCEPTANCE

Acceptance 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 National Fuel Corporation is considered to be the operator of the above well effective September 27, 2001, 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 UT1183 (Principal -National Fuel Corporation) 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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.

UTU 72721

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
MIDDLE CANYON FEDERAL

9. WELL NO.
42-24

10. FIELD AND POOL OR WILDCAT
WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY
SECTION 24, T16N, R3E

12. COUNTY OR PARISH
GRAND, UTAH

14. PERMIT NO.
43-019-31378

DATE PERMIT ISSUED
8/21/2000

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 DEEPEN PLUG BACK DIFF. RES. OTHER

2. NAME OF OPERATOR
EOG Resources, Inc.

3. ADDRESS OF OPERATOR
P.O. BOX 250 BIG PINEY, WYOMING 83113

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*
At surface 1677 FNL - 813 FEL (SE/NE)
At top prod. interval reported below SAME
At total depth SAME

15. DATE SPUDDED 7/08/2001 16. DATE T.D. REACHED 8/17/2001 17. DATE COMPL. (Ready to prod.) 9/27/2001 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 6646' KB 19. ELEV. CASINGHEAD 6630' PREP. GL.

20. TOTAL DEPTH, MD & TVD 6400' 21. PLUG, BACK T.D., MD & TVD 6380' 22. IF MULTIPLE COMPLETIONS, HOW MANY? 1 23. ROTARY TOOLS ROTARY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION- TOP, BOTTOM, NAME (MD AND TVD)* CEDAR MOUNTAIN 6180' - 6225'

25. WAS DIRECTIONAL SURVEY MADE? NO

26. TYPE ELECTRIC AND OTHER LOGS RUN 8-23801 9-601
Compensated Neutron, Triple Litho Density, GR, Array Induction w/Linear Correlation, GR & Cement Bond Log, GR, CCL 27. WAS WELL CORED? NO

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
10-3/4"	40.5# H-40	332'	17-1/2"	250 sx Class "G" cement.	NONE
7"	23.0# J-55	2665'	8-3/4"	190 sx Hi Lift & 100 sx 50/50 Pozmix.	NONE
4-1/2"	11.6# L-80	6397'	6-1/8"	150 sx 50/50 Pozmix.	NONE

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-3/8"	6251'	

31. PERFORATION RECORD (Interval, size and number)

Cedar Mountain 6180-82', 6188-6210' & 6222-25' w/3 SPF

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping-size and type of pump)	WELL STATUS (Producing or shut-in)					
9/27/2001	FLOWING	PRODUCING					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR	OIL-BBL.	GAS-MCF.	WATER-BBL.	GAS-OIL RATIO
10/18/2001	24	16/64"		0 BO	863 MCFD	0 BW	
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED	OIL-BBL.	GAS-MCF.	WATER-BBL.	OIL GRAVITY-API (CORR.)	
FTP 660 psig	CP 720 psig		0 BO	863 MCFD	0 BW		

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)
SOLD

TEST WITNESSED BY
JAY ORR

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 Dale Carlson TITLE Regulatory Analyst DATE 10/22/2001

RECEIVED

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

OCT 29 2001

DIVISION OF
OIL, GAS AND MINING

INSTRUCTIONS

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

Item 4: If there are no applicable State requirements, locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local State or Federal office for specific instructions.

Item 18: Indicate which elevation is used as reference (where not otherwise shown) for depth measurements given in other spaces on this form and in any attachments.

Items 22 and 24: If this well is completed for separate production from more than one interval zone (multiple completion), so state in item 22, and in item 24 show the producing interval, or intervals, top(s), bottom(s) and name(s) (if any) for only the interval reported in item 33. Submit a separate report (page) on this form, adequately identified, for each additional interval to be separately produced, showing the additional data pertinent to such interval.

Item 29: "net": Attached supplemental records for this well should show the details of any multiple stage cementing and the location of the cementing tool.

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

PRIVACY ACT

The Privacy Act of 1974 and the regulation in 43 CFR 2.48(d) provide that you be furnished the following information in connection with information required by this application.

AUTHORITY: 30 U.S.C. 181 et. seq., 25 U.S.C. et. seq., 43 CFR 3160

PRINCIPLE PURPOSE: The information is to be used to evaluate the actual operations performed in the drilling of an oil or gas well on a Federal or Indian lease.

ROUTINE USES: (1) Evaluate the equipment and procedures used during the drilling of the well. (2) The review of geologic zones and formation encountered during drilling. (3) Analyze future applications to drill in light of data obtained and methods used. (4)(5) Information from the record and/or the record will be transferred to appropriate Federal, State, local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecutions.

EFFECT OF NOT PROVIDING INFORMATION: Filing of this report and disclosure of the information is mandatory once an oil or gas well is drilled.

The Paperwork Reduction Act of 1980 (44 U.S.C. 3501, et. seq.) requires us to inform you that:

This information is being collected to allow evaluation of the technical, safety, and environmental factors involved with drilling and producing oil and gas on Federal and Indian oil and gas leases. This information will be used to analyze operations and compare equipment and procedures actually used with the proposals applied for. Response to this request is mandatory once an oil or gas well is drilled.

SUMMARY OF POROUS ZONES: (Show all important zones of porosity and contents thereof; core intervals; and all arm-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.	TOP		
				NAME	MEAS. DEPTH	TRUE VERT. DEPTH
				Dakota Silt	5998'	
				Dakota "B"	6090'	
				Cedar Mountain	6176'	
				Morrison	6234'	

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICE 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

SUBMIT IN TRIPLICATE

FORM APPROVED
Budget No. 1004-0135
Expires September 30, 1990

1. Type of Well
 Oil Well Gas Well Other
CONFIDENTIAL

2. Name of Operator
EOG Resources, Inc.

3. Address and Telephone No.
P.O. BOX 250, BIG PINEY, WY 83113 (307) 276-3331

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
**1677' FNL - 873' FEL (SE/NE)
SECTION 24, T16S, R23E**

5. Lease Designation and Serial No.
UTU 72721

6. If Indian, Allottee or Tribe Name

7. If Unit or C.A., Agreement Designation

8. Well Name and No.
MIDDLE CANYON FEDERAL 42-24

9. API Well No.
43-019-31378

10. Field and Pool or Exploratory Area
MIDDLE CANYON

11. County State
GRAND, UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION
<input type="checkbox"/> NOTICE OF INTENT	<input type="checkbox"/> ABANDONMENT
<input checked="" type="checkbox"/> SUBSEQUENT REPORT	<input type="checkbox"/> RECOMPLETION
<input type="checkbox"/> FINAL ABANDONMENT NOTICE	<input type="checkbox"/> PLUGGING BACK
	<input type="checkbox"/> CASING REPAIR
	<input type="checkbox"/> ALTERING CASING
	<input checked="" type="checkbox"/> OTHER
	<input type="checkbox"/> CHANGE OF PLANS
	<input type="checkbox"/> NEW CONSTRUCTION
	<input type="checkbox"/> NON-ROUTINE FRACTURING
	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> CONVERSION TO INJECTION

(Note: Report results of multiple completion on Well Completions 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).

EOG Resources, Inc. requests authorization for disposal of produced water from the referenced well to any of the following locations:

1. Natural Buttes Unit 21-20B SWD
2. Ace Disposal
3. EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit)

**Accepted by the
Utah Division of
Oil, Gas and Mining
FOR RECORD ONLY**

RECEIVED
OCT 29 2001
DIVISION OF
OIL, GAS AND MINING

*NOTE: EOG Resources, Inc. will be using Nationwide Bond #NM 2308

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

SIGNED *Saty Carbo* TITLE Regulatory Analyst DATE 10/22/2001

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill or to re-enter an abandoned well. Use form 3160-3 (APD) for such proposals.

FORM APPROVED
OMB NO. 1004-0135
Expires: November 30, 2000

5. Lease Serial No.
UTU 72721

6. If Indian, Allottee or Tribe Name

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

SUBMIT IN TRIPLICATE - Other instructions on reverse side.

8. Well Name and No.
MIDDLE CANYON FED. 42-24

9. API Well No.
43-019-31378

10. Field and Pool, or Exploratory
MIDDLE CANYON

11. County or Parish, and State
GRAND COUNTY, UT

1. Type of Well
 Oil Well Gas Well Other

2. Name of Operator
EOG RESOURCES, INC. Contact: KATY CARLSON
E-Mail: Kathleen_Carlson@EOGResources.com

3a. Address
P.O. BOX 250
BIG PINEY, WY 83113

3b. Phone No. (include area code)
Ph: 307.276.4842

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
Sec 24 T16S R23E SENE 1677FNL 873FEL

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

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

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

Please be advised that National Fuel Corporation is now the operator of the Middle Canyon Federal 42-24 well and is responsible under the terms and conditions of the Lease for the operations conducted upon the leased land. All further correspondence should be sent to National Fuel Corporation at 5000 South Quebec, Suite #640, Denver, Colorado 80237.

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

Electronic Submission #8204 verified by the BLM Well Information System For EOG RESOURCES, INC., will be sent to the Moab

RECEIVED

OCT 30 2001

DIVISION OF

OIL, GAS AND MINING

Name (Printed/Typed) KATY CARLSON

Signature (Electronic Submission)

Title AGENT

Date 10/24/2001

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved By _____

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

Title

Date

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make 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.

**** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ** DRAFT ****

OPERATOR CHANGE WORKSHEET

ROUTING

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

Enter date after each listed item is completed

X Change of Operator (Well Sold)

Designation of Agent

Operator Name Change (Only)

Merger

The operator of the well(s) listed below has changed, effective: **9-27-2001**

FROM: (Old Operator):
EOG RESOURCES INC
Address: P O BOX 250
BIG PINEY, WY 83113
Phone: 1-(307)-276-4842
Account N9550

TO: (New Operator):
NATIONAL FUEL CORPORATION
Address: 7720 E BELLEVIEW AVE STE B-300
ENGLEWOOD, CO 80111
Phone: 1-(303)-220-7772
Account N8060

CA No.

Unit:

WELL(S)

NAME	API NO	ENTITY NO	SEC TWN RNG	LEASE TYPE	WELL TYPE	WELL STATUS
MIDDLE CANYON FEDERAL 42-24	43-019-31378	13272	24-16S-23E	FEDERAL	GW	P

OPERATOR CHANGES DOCUMENTATION

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 10/15/2001
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 10/30/2001
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 10/30/2001
4. Is the new operator registered in the State of Utah: YES Business Number: 966901-0143
5. If **NO**, the operator was contacted on: N/A
6. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the (merger, name change, or operator change for all wells listed on Federal or Indian leases on: 10/15/2001
7. **Federal and Indian Units:** The BLM or BIA has approved the successor of unit operator for wells listed on: N/A
8. **Federal and Indian Communization Agreements ("CA"):** The BLM or the BIA has approved the operator change for all wells listed involved in a CA on: N/A

9. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: N/A

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 10/30/2001
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 10/30/2001
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE BOND VERIFICATION:

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

FEDERAL BOND VERIFICATION:

1. Federal well(s) covered by Bond No.: UT-1183

INDIAN BOND VERIFICATION:

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

FEE WELLS - BOND VERIFICATION/LEASE INTEREST OWNER NOTIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond No: N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A
3. (R649-2-10) The **FORMER** operator of the Fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: _____

FILMING:

1. All attachments to this form have been **MICROFILMED** on: _____

FILING:

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

COMMENTS:

