

# Bonneville Fuels Corporation

A Subsidiary of Bonneville Pacific Corporation

September 19, 1988

**RECEIVED**  
SEP 22 1988

Division of  
OIL, GAS & MINING

Utah Division of Oil, Gas and Mining  
355 W. N. Temple, Suite 350  
Salt Lake City, UT 84180-1203

Re: APD #3-1 Federal well  
Kane County, Utah

Gentlemen:

We submit herewith an application for Permit to Drill the captioned.

Please process this application as expeditiously as possible and please let us know what else you may need in this regard.

Very truly yours,

BONNEVILLE FUELS CORPORATION

  
Brian H. Wert  
Land Manager

BHW/ds  
encl.

DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

August 31, 1988

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK   
 B. TYPE OF WELL  
 OIL WELL       GAS WELL       OTHER undetermined      SINGLE ZONE       MULTIPLE ZONE

2. NAME OF OPERATOR  
 Bonneville Fuels Corporation

3. ADDRESS OF OPERATOR  
 1600 Broadway, Suite 1110, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
 At surface  
 662' FNL, 1968' FEL  
 At proposed prod. zone      *NWNE*  
 as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 35 miles east, northeast of Kanab, Utah

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. salt line, if any)      662'  
 16. NO. OF ACRES IN LEASE      1320.64

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.      N/A  
 19. PROPOSED DEPTH      3550'

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

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	400' -	Circ. to surface
7 7/8"	4 1/2"	10.6#	3550'	7505 x/additives

5. LEASE DESIGNATION AND SERIAL NO.  
 U-61649  
 6. IF INDIAN, ALLOTTEE OR TRIBE NAME  
 N/A  
 7. UNIT AGREEMENT NAME  
 N/A  
 8. FARM OR LEASE NAME  
 Federal  
 9. WELL NO.  
 #3-1  
 10. FIELD AND POOL, OR WILDCAT  
 Wildcat  
 11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA  
 3, T42S, R2W, S.L.M.  
 12. COUNTY OR PARISH      13. STATE  
 Kane      Utah  
 20. ROTARY OR CABLE TOOLS  
 Rotary  
 22. APPROX. DATE WORK WILL START\*  
 October 1, 1988

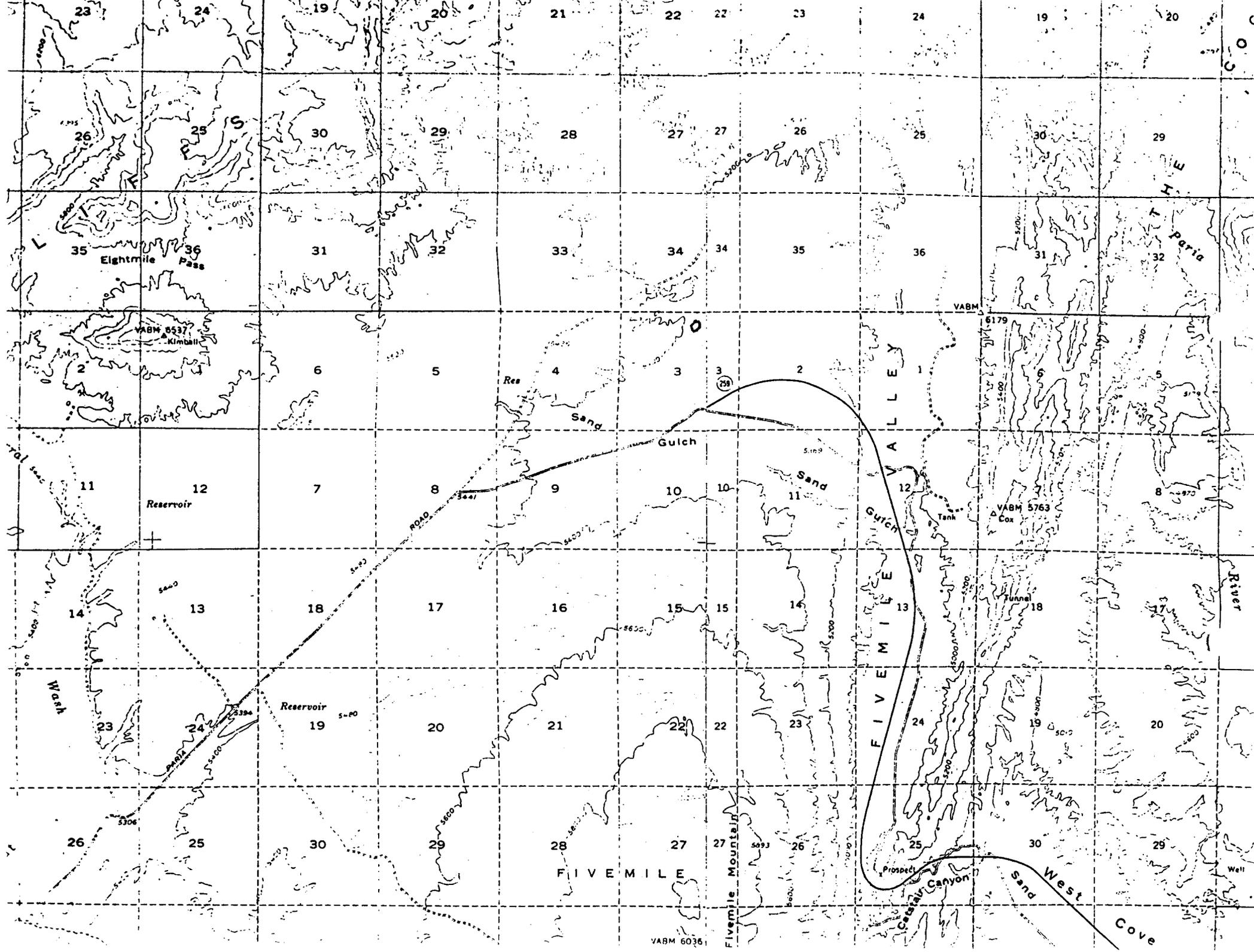
IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer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

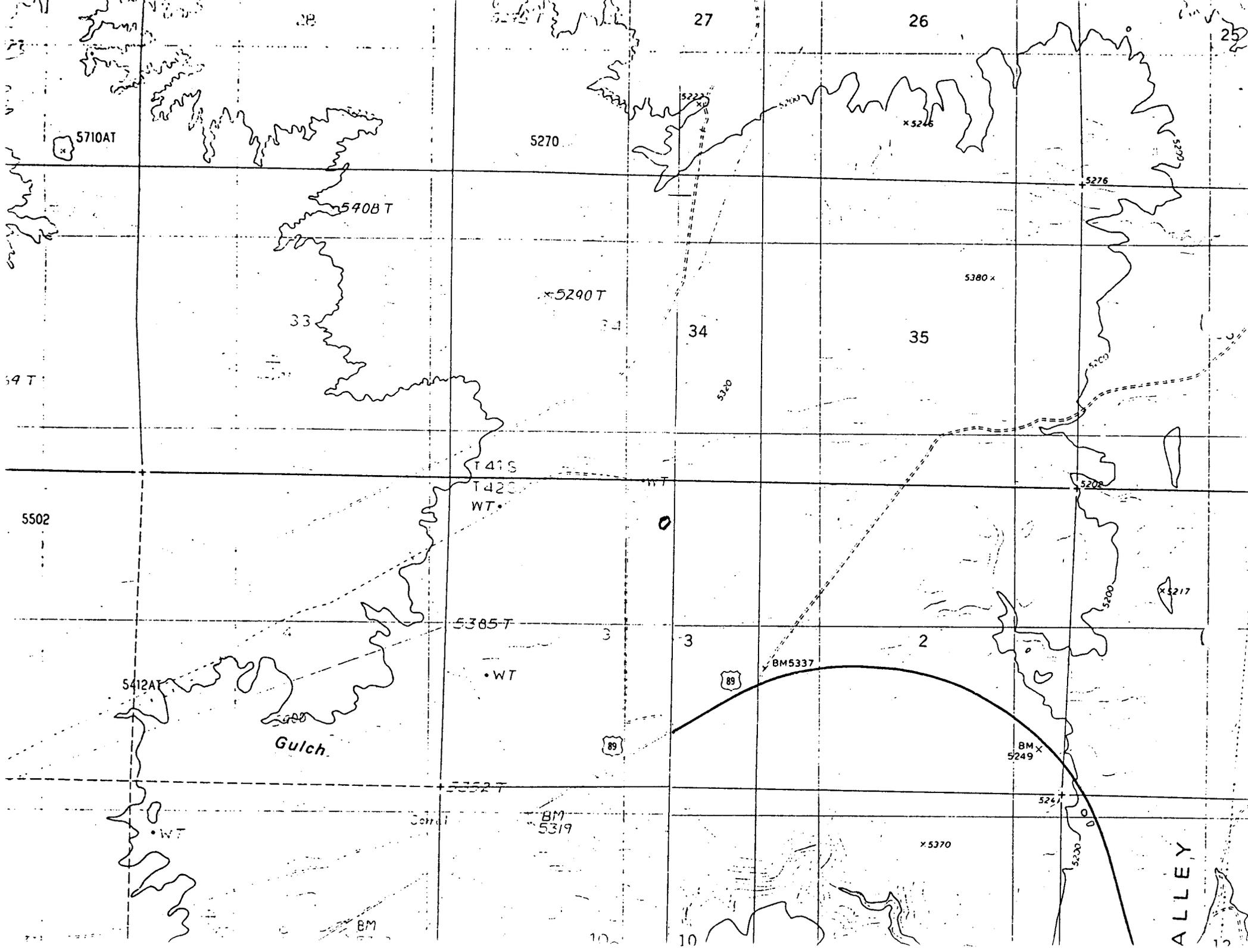
24. SIGNED *Greg Twombly*      TITLE President      DATE 8/30/88  
 (This space for Federal or State office use)

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

\*See Instructions On Reverse Side

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





28

27

26

25

5710AT

5270

x5246

5276

540BT

5380 x

x5290T

33

34

35

54 T

5320

5502

T41S

T42C

WT

0

5202

5385T

3

3

2

5412AT

WT

BM5337

5300

x5217

Gulch

89

BM X  
5249

5352T

5260

BM  
5319

x5370

WT

Cont'd

BM

10

10

ALLEY

10

Prior to drilling cement plug on surface casing, blind rams will be closed, and B.O.P.'s and surface casing will be hydraulically tested with rig pump to 70% of the internal yield of the surface casing. Pipe rams will be tested with drill pipe in hole, prior to drilling cement plug with rig pump to 1000 psi.

6. PROPOSED DRILLING FLUIDS:

The well will be drilled to total depth with compressed air.

The stand-by mud program will be a fresh water gel system. The properties of this fresh water gel system are:

<u>TYPE</u>	<u>MUD WEIGHT #/GEL</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
low solids non-dispersed	8.5 - 9.0	28-35 sec. gt.	10-20 cc

The blooie line will end a minimum of 125' from the rig. A constant burning pilot light will be used for ignition. Location of the compressor pad and blooie line is shown on Exhibit #5, Plat #3.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- A. A kelly cock will be used in the drillstring.
- B. A bit float will be used if severe lost circulation conditions do not exist.
- C. A stabbing valve will be available on the rig floor for immediate use when the kelly is not in the drillstring.

8. LOGGING, TESTING, AND CORING PROGRAM:

- A. The logging program will consist of Dual Induction Lateralog and Density-Neutron log from below surface casing to total depth. A hydrocarbon well logging unit will be used from below surface casing to total depth.
- B. No cores are planned.
- C. Tests will be run on the basis of shows and on the recommendation of the wellsite geologist.

9. ABNORMAL CONDITIONS - PRESSURE - TEMPERATURE - POTENTIAL HAZARDS:

Normal pressures and temperatures are expected in the objective formation Red Wall, at a total depth of 2500 feet.

Attached to Form 9-331C  
Bonneville Fuels Corporation  
#3-31 Federal  
NW/4NE/4 Sec 3, T42S, R2W, SLM  
662' FNL, 1968' FEL  
Kane County, Utah

1. GEOLOGIC NAME OF SURFACE FORMATION:

The surface formation is the Lower Red member of the Moenkopi Formation of Triassic age.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Mississippian Red Wall	2500
Devonian Ouray	3000
Devonian McCrackin	3400

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Mississippian Red Wall	2500
Devonian McCracken	3400

4. CASING PROGRAM:

Hole Size	Depth	Casing OD	Weight, Grade Joint, Condition	Cement
12 1/4"	400'	8 5/8"	24.0#, J55 STC, New	Circulate to surface
7 7/8"	3550'	4 1/2"	10.6#, K55 LTC, New	750 sx/ additives

5. MINIMUM SPECS FOR PRESSURE CONTROL:

Reference is made to Exhibits 1A & 1B showing the blowout preventer stack and choke manifold.

The BOP equipment will be a class I system consisting of a double gate hydraulic type with 2,000 psi minimum working pressure, equipped with a set of blind rams and 4 1/2" drill pipe rams. A 2" choke manifold with pressure rating equivalent to the BOP stack will be connected to the spool below the pipe rams, along with a 2" kill line.

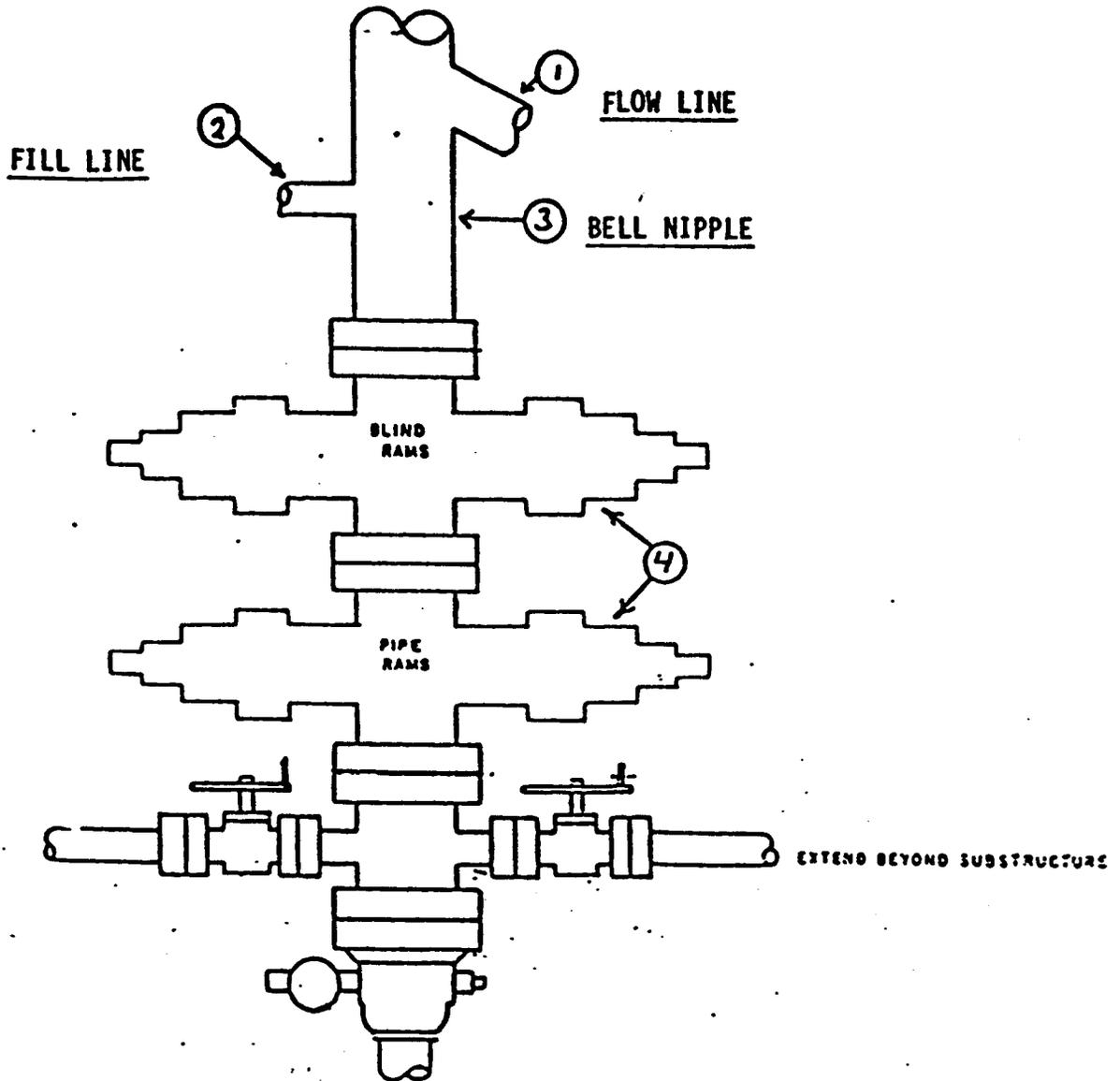
The BOP and choke manifold will be nipped up on the surface casing and hydraulically tested for thirty minutes prior to drilling out cement, and after any use under pressure. Pipe rams will be operationally checked each 24 hour period, and the blind rams operationally checked each time pipe is pulled from the hole. These checks will be noted on the daily drilling report.

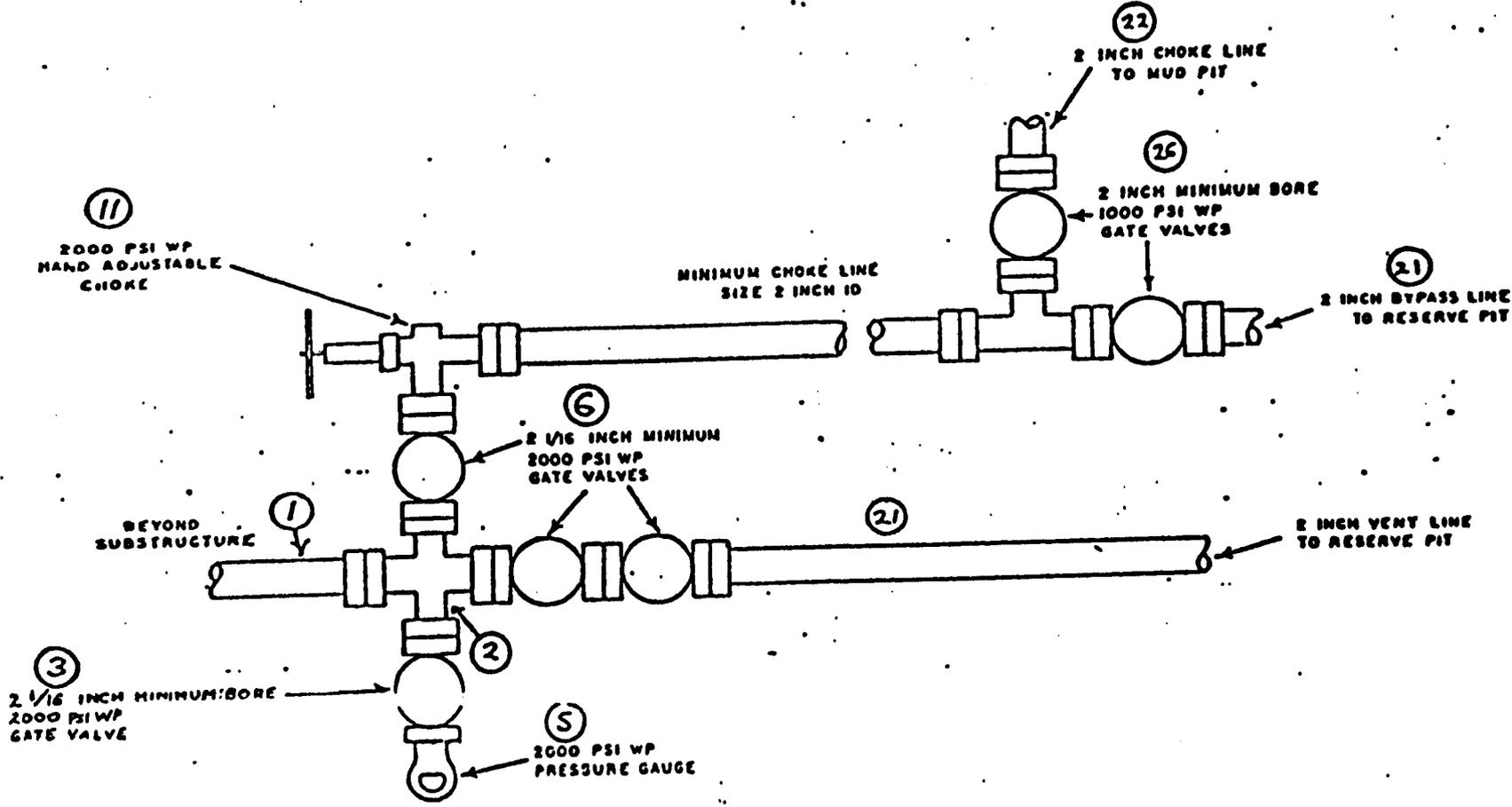
10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will begin as soon as approval has been granted by BLM. The anticipated spud date is Oct. 1, 1988. Once commenced, drilling operations should be finished within 30 days. If the well is productive, an additional 15 days will be required for completion.

EXHIBIT 1-A

CLASS I SYSTEM  
2000 psi WORKING PRESSURE PREVENTER STACK





CLASS I SYSTEM  
 2000 PSI WORKING PRESSURE CHOKE MANIFOLD  
 MINIMUM REQUIREMENTS

EXHIBIT 1-B

## NOTES REGARDING THE BLOW OUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
  2. Wear ring to be properly installed in head.
  3. Blow out preventer and all fittings must be in good condition 3000 psi W.P. minimum.
  4. All fittings to be flanged.
  5. Safety valves must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
  6. All choke and fill lines to be securely anchored especially ends of choke lines.
  7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
  8. Kelly cock or kelly.
  9. Extension wrenches and hand wheels to be properly installed.
  10. Blow out preventer control to be located as close to drillers position as feasible.
  11. Blow out preventer closing equipment to include 30 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.
-

## SURFACE USE AND OPERATING PLAN

Attached to Form 9-331C  
Bonneville Fuels Corporation  
#3-31 Federal  
NW/4NE/4 Sec 3, T42S, R2W, SLM  
662' FNL, 1968' FWL  
Kane County, Utah

### 1. EXISTING ROADS:

- A. The proposed well site and elevation plats are attached, Exhibit #2.
- B. To reach the wellsite, proceed from Kanab east northeast on Utah State Highway 259 approximately 35 miles then north on old Paria Road to the well location. Location and road are located on surface owned by U.S.A.
- C. All roads to the location are shown in Exhibit #3. The existing roads described above and illustrated in yellow are adequate for travel during the drilling and production activities.
- D. Existing roads, within a three-mile radius are shown on Exhibit #4.
- E. Not applicable.
- F. Existing roads are Kane County, Utah and privately controlled roads.

### 2. PLANNED ACCESS ROADS:

The map showing all the necessary access roads to be upgraded is shown as Exhibit #3. The route to be upgraded is shown in red and will be improved as follows:

- A. The maximum width of the running surface of the proposed 2500' access road will be 16'. The road will be crowned and ditched. Ditches will be at a 3:1 slope and 4 feet wide. Water will be diverted, where possible to avoid ponding and maintain good drainage.
- B. The average grade will be 5% or less.
- C. No turnouts are planned.
- D. The drainage design will be consistent with local drainage patterns. Crown and ditching specified in #2A.
- E. No low water crossings or culverts are needed.

- F. Surfacing material will consist of native surface soil. If this is not sufficient, additional required material will be purchased from the dirt contractor.
- G. No gates, cattle guards or fence cuts will be required.
- H. The proposed access road as shown in Exhibit #3 has been centerline flagged by Eckhoff Watson & Preator, Cedar City, Utah. Access road to be constructed is on Federal surface, not on Indian surface.

3. LOCATION OF EXISTING WELLS:

For all existing wells within a one-mile radius of this exploratory well, see Exhibit #4.

- A. There are no domestic water wells within a one-mile radius.
- B. There are no abandoned wells within a one-mile radius.
- C. There are no temporarily abandoned wells within a one-mile radius.
- D. There are no disposal wells within a one-mile radius.
- E. There are no wells presently being drilled within a one-mile radius.
- F. There are no producing wells within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There are no injection wells within a one-mile radius.
- I. There are no monitoring or observation wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Owned or controlled by Lessee/Operator within 1 mile of Proposed Well:
  - (1) Tank Batteries: none
  - (2) Production Facilities: none
  - (3) Oil Gathering Lines: none
  - (4) Gas Gathering Lines: none
  - (5) Injection Lines: none

(6) Disposal Lines: none

B. If the well is productive, contemplated facilities will be as follows:

(1) Production facilities will be located on solid ground of the cut area of drill pad. All facilities will be contained on the well pad.

(2) Refer to Exhibit #6 for the production facility layout.

(3) All tanks, flowlines and piping will be installed according to API specifications. Construction material will consist of surface soil. No additional material from outside sources is anticipated.

C. Rehabilitation Plans:

The plan for rehabilitation of the disturbed area no longer needed for operations after drilling and construction is completed is as follows:

1. The reserve pit will be backfilled after the contents of the pit are dry.

2. The area of the drill site not needed for production facilities will be recontoured to the natural contour as nearly as possible and revegetated/reseeded by the contour method.

D. In the event that production is established, plans, if any, for gas lines will be submitted to the appropriate agencies for approval.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. Existing water source located at Paria Creek 10 miles southeast of location.

B. Water will be hauled by tank truck to the drilling site if needed.

C. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. No construction materials are anticipated to be needed for drilling the well or constructing the access roads into the location. Native soil will be utilized for the drilling site and access roads. If the surface soil materials (rock, gravel, etc.) will be purchased from the dirt contractor.

- B. No construction materials will be taken from Federal lands.
- C. Native surface soil materials for construction of access roads are sufficient.
- D. Exhibits #3 and #4 show access roads. No Indian Land is involved.

7. METHODS OF HANDLING WASTE DISPOSAL:

- A. Cuttings not retained for evaluation purposes will be exhausted into the reserve pit (see Exhibit #5 for location).
- B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 80' x 30' x 10'.
- C. Produced water if any, will be disposed into a reserve pit or a tank (depending on the rates). Produced oil if any, will be collected in tanks or disposed into the reserve pit, depending on the volume and frequency of occurrence. If the volume of oil is sufficient, it will be trucked from the location. Water will be disposed of in the reserve pit.
- D. A portable chemical toilet will be provided on the location for human waste.
- E. Garbage and trash produced during drilling or testing will be handled in a trash cage. This garbage will be hauled to an approved disposal facility after drilling is completed. Water and tailings will be disposed into the reserve pit. No toxic waste/chemicals will be produced by this proposed operation. If a trash cage is not available, a trash/burn pit will be constructed and fenced with woven wire.
- F. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. Any dangerous open pit will be fenced during drilling and kept closed until the pit has dried. All pits will be filled and the well site will be leveled and reseeded, this will occur when pits are dry enough to fill and as weather permits. Only that part of the pad required for producing facilities will be kept in use. In the event of a dryhole, only a dryhole marker will remain.

8. ANCILLARY FACILITIES:

No air strip, campsite or other facilities will be built

during drilling and completion operations of this well.

9. WELL SITE LAYOUT:

- A. Refer to Exhibits #5 for the Drill Pad layout as staked, with elevations by Eckhoff, Watson & Preator, Cedar City, Utah. Cuts and fills have been indicated to show the planned cut across the proposed location. Topsoil will be stockpiled.
- B. Refer to Exhibit #5 for a planned location diagram of the proposed rig and drilling equipment, reserve pit, and pipe racks. No permanent living facilities are planned. There may be a trailer on site.
- C. The rig orientation, turn-around area, parking area, and access roads are shown in Exhibit #5.
- D. The reserve pit will not be lined.

10. PLANS FOR RESTORATION OF SURFACE:

- A. Upon completion of the proposed operations, and if the well is to be abandoned, the location will be backfilled, leveled, and contoured to as near the original topography as is feasible as soon as the pits have dried enough to support earth moving equipment. The location will be reseeded. All spoils materials will be hauled to an approved disposal facility upon completion of the drilling operation.
- B. Revegetation and rehabilitation will be achieved by reseeding utilizing the contour method with a seed mixture of native grasses.
- C. Prior to rig release, the reserve pit will be fenced to prevent livestock or wildlife from being entrapped. The fencing will be maintained until leveling and the clean-up accomplished.
- D. If any oil is on the pits and cannot be immediately removed after operations cease, the pit containing the oil or other adverse substances will be overhead flagged and fenced. The entire location will be inspected for trash and other refuse, and additional clean-up will be done as deemed necessary.
- E. Time to complete rehabilitation depends upon the time for pits to dry. Planting and revegetation should occur by Fall 1989, unless otherwise requested by the BLM.

11. OTHER INFORMATION:

- A. Wellsite access roads are located on Telegraph Flat. The soil is sandy loam. Vegetation consists of sage brush and range grasses. The area is a natural habitat for wildlife (antelope, deer, rabbits, etc.).
- B. The wellsite and the access road to be built are on lands owned by U.S.A. The existing roads are a county road, a privately controlled road and state highway.
- C. Intermittent streams (i.e. flow during wet seasons of the year) do exist in the area.
- D. There are no reported restrictions or reservations noted on the oil and gas lease.
- E. Drilling is planned for Oct., 1988. It is anticipated that the casing point will be reached within 30 days after commencement of drilling.

12. LESSEE'S AND OPERATOR'S REPRESENTATIVE:

Bonneville Fuels Corporation  
1600 Broadway, Suite 1110  
Denver, CO 80202

(303) 863-1555

J. A. Jones

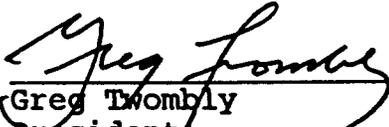
Greg Twombly

Brian Wert

13. CERTIFICATION:

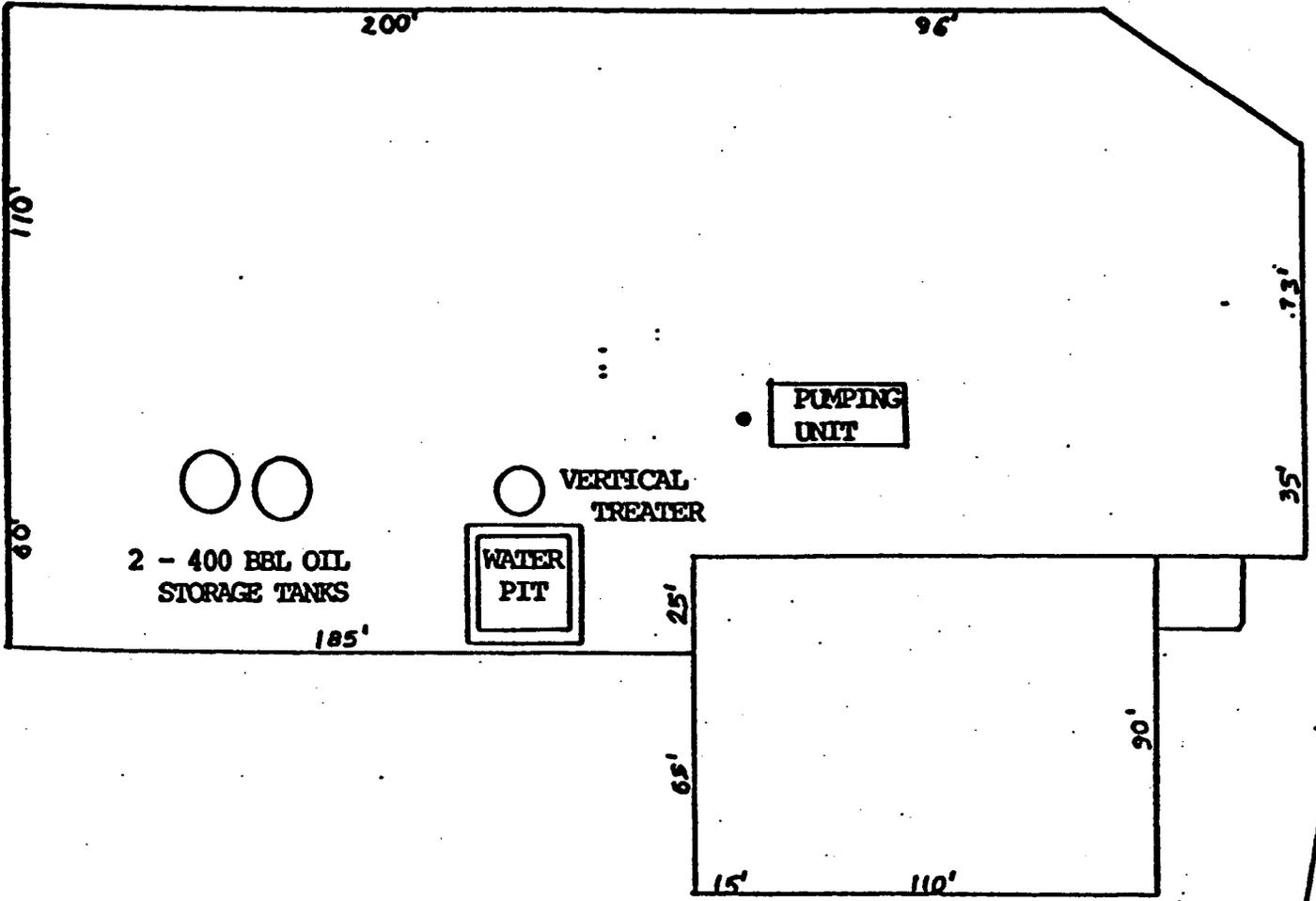
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with operations proposed herein will be performed by Bonneville Fuels Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Date:

  
\_\_\_\_\_  
Greg Twombly  
President

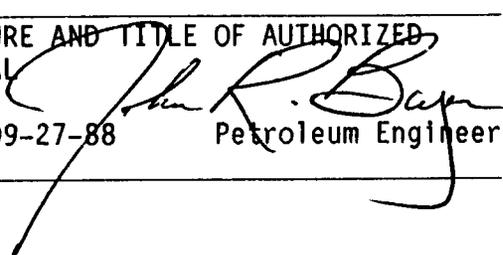
PRODUCTION FACILITY

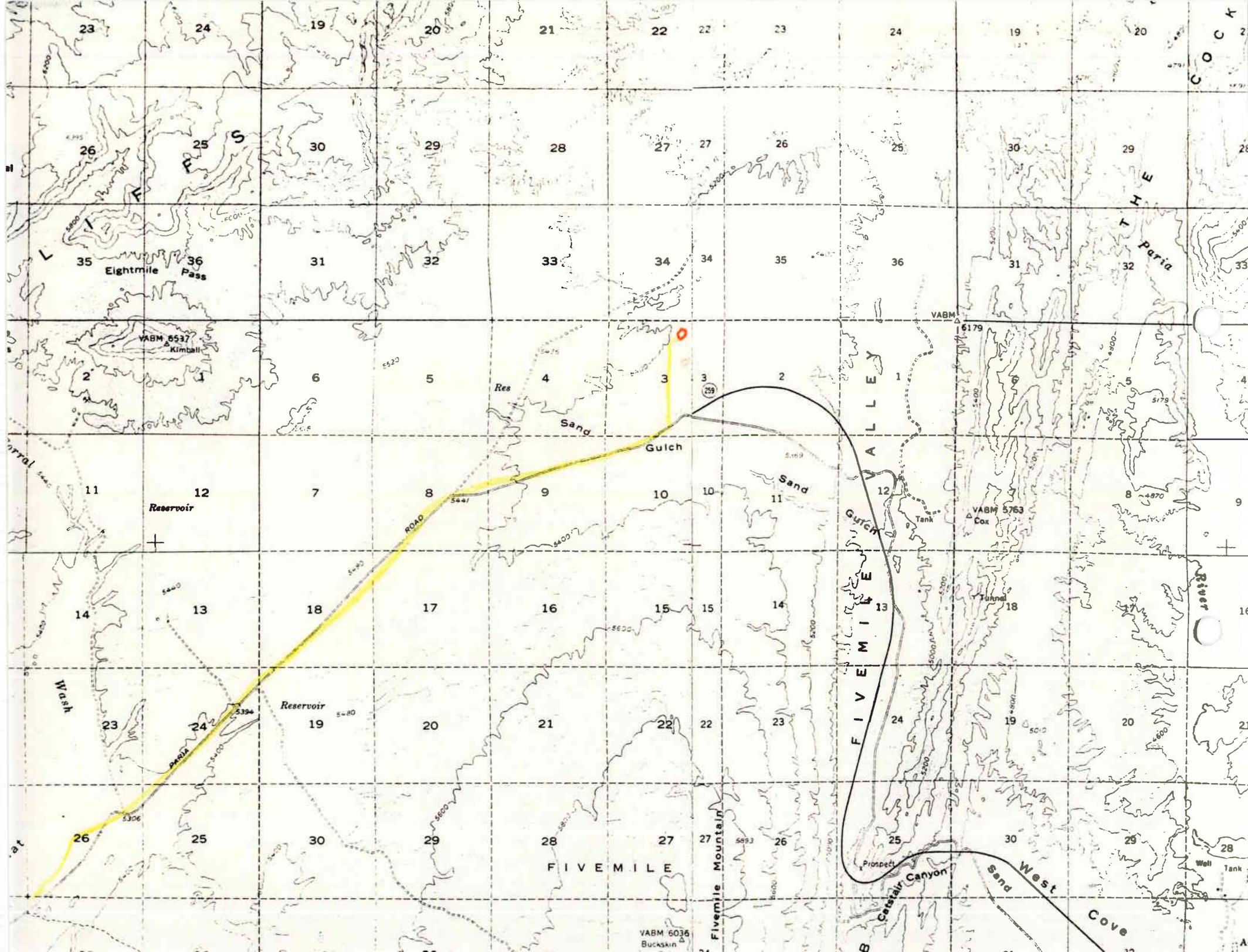
EXHIBIT #6

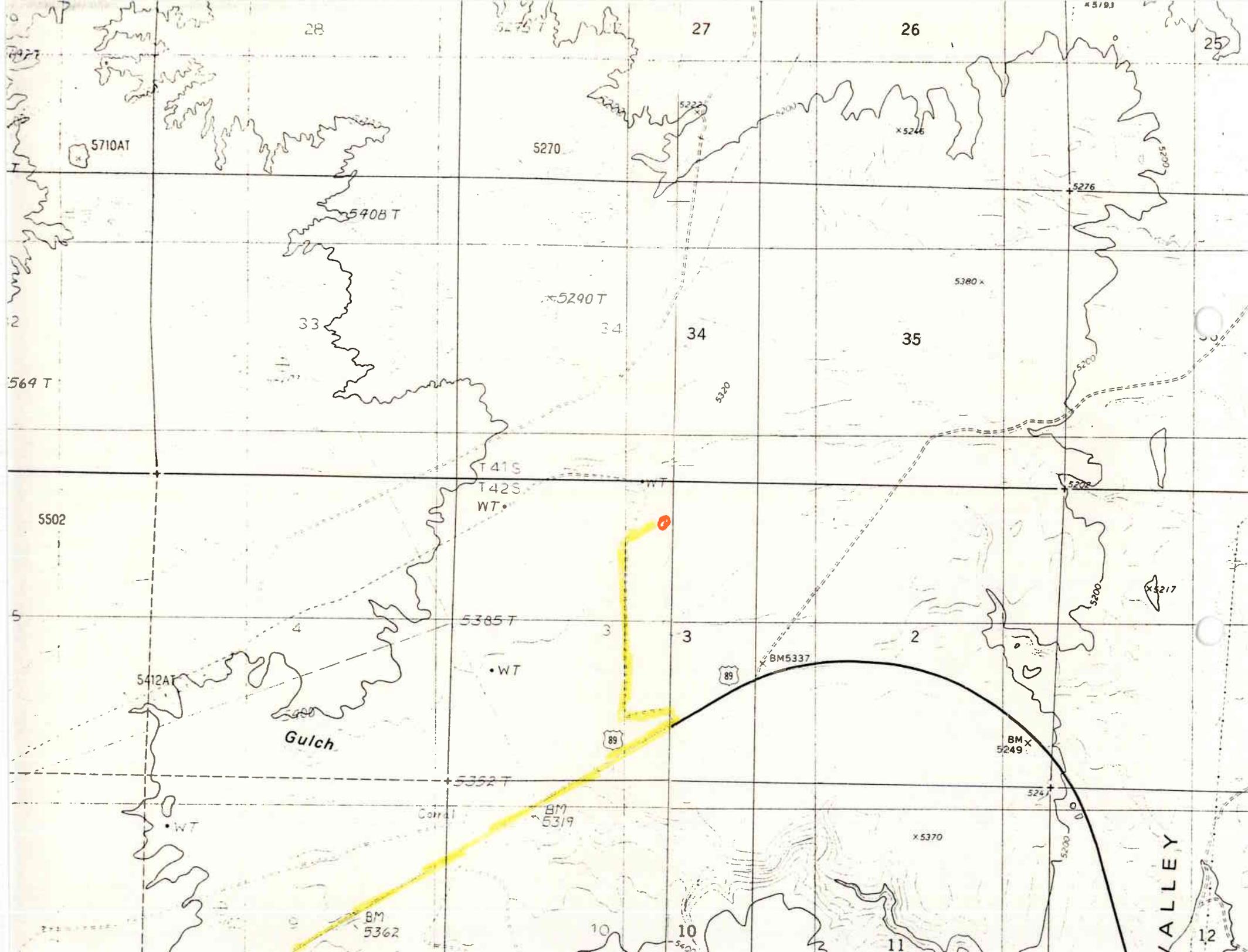


STATE ACTIONS

Mail to:  
RDCC Coordinator  
116 State Capitol  
Salt Lake City, Utah 84114

- 
1. ADMINISTERING STATE AGENCY  
OIL, GAS AND MINING  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203
2. STATE APPLICATION IDENTIFIER NUMBER:  
(assigned by State Clearinghouse)
- 
3. APPROXIMATE DATE PROJECT WILL START:  
Upon approval
- 
4. AREAWIDE CLEARING HOUSE(S) RECEIVING STATE ACTIONS:  
(to be sent out by agency in block 1)  
Five County Association of Governments
- 
5. TYPE OF ACTION:  Lease  Permit  License  Land Aquisition  
 Land Sale  Land Exchange  Other \_\_\_\_\_
- 
6. TITLE OF PROPOSED ACTION:  
Application for Permit to Drill
- 
7. DESCRIPTION:  
Bonneville Fuels Corporation proposes to drill a wildcat well, the Federal #3-1, on federal lease number U-61649 in Kane County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval to drill jointly with DOGM before operations can commence.
- 
8. LAND AFFECTED (site location map required) (indicate county)  
NW/4, NE/4, Section 3, Township 42 South, Range 2 West, Kane County, Utah
- 
9. HAS THE LOCAL GOVERNMENT(S) BEEN CONTACTED?  
Unknown
- 
10. POSSIBLE SIGNIFICANT IMPACTS LIKELY TO OCCUR:  
Degree of impact is based on the discovery of oil or gas in commercial quantities.
- 
11. NAME AND PHONE NUMBER OF DISTRICT REPRESENTATIVE FROM YOUR AGENCY NEAR PROJECT SITE, IF APPLICABLE:  
Jim Thompson, Salt Lake City, 538-5340
- 
12. FOR FURTHER INFORMATION, CONTACT: 13. SIGNATURE AND TITLE OF AUTHORIZED OFFICIAL  
John Baza  
PHONE: 538-5340
-   
DATE: 09-27-88  
Petroleum Engineer
-





UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.	U-61649
6. IF INDIAN, ALLOTTEE OR TRIBE NAME	N/A
7. UNIT AGREEMENT NAME	N/A
8. FARM OR LEASE NAME	Federal
9. WELL NO.	#3-1
10. FIELD AND POOL, OR WILDCAT	Wildcat
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA	3, T42S, R2W, S.L.M.
12. COUNTY OR PARISH	Kane
13. STATE	Utah

1a. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

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

2. NAME OF OPERATOR  
 Bonneville Fuels Corporation

3. ADDRESS OF OPERATOR  
 1600 Broadway, Suite 1110, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
 At surface  
 662' FNL, 1968' FEL  
 At proposed prod. zone  
 as above      NWE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 35 miles east, northeast of Kanab, Utah

15. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any)  
 662'

16. NO. OF ACRES IN LEASE  
 1320.64

17. NO. OF ACRES ASSIGNED TO THIS WELL  
 40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.  
 N/A

19. PROPOSED DEPTH  
 3550' *Devonian*

20. ROTARY OR CABLE TOOLS  
 Rotary

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

22. APPROX. DATE WORK WILL START\*  
 October 1, 1988

RECEIVED  
SEP 22 1988

DIVISION OF  
OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	8 5/8"	24.0#	400'	Circ. to surface
7 7/8"	4 1/2"	10.6#	3550'	7505 x/additives

- Exhibits Attached:
- Ten Point Compliance Program
  - Surface use - Operating Plan
  - Exhibit 1 Blowout Preventer
  - " 2 Location & Elevation Plat
  - " 3 Vicinity Map
  - " 4 Three-Mile Radius Map
  - " 5 Production Facility Layout

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 Greg Twombly TITLE President DATE 8/30/88  
 (This space for Federal or State office use)

PERMIT NO. 43-025-30021 APPROVAL DATE APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_  
 CONDITIONS OF APPROVAL, IF ANY:

*John R. Bay*  
 DATE 10-17-88  
 WELL SPACING: R615-3-2

\*See Instructions On Reverse Side



OPERATOR Bonneville Fuels Corporation DATE 9-22-88

WELL NAME Federal 3-1

SEC NWNE 3 T 42S R 2W COUNTY Kane

43-025-30021  
API NUMBER

Fed.  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

No other well within 920' (Sec. 3 also 41S 2W)  
Need water permit  
RDC 9-23-88 process 10-11-88  
Btm approval received 10-11-88

APPROVAL LETTER:

SPACING:  R615-2-3 \_\_\_\_\_ UNIT  R615-3-2

\_\_\_\_\_ CAUSE NO. & DATE  R615-3-3

STIPULATIONS:

1- Water Permit

(November 1983)  
(formerly 9-331C)

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

(Other instructions on  
reverse)

form approved. LCK  
Budget Bureau No. 1004-0136  
Expires August 31, 1985

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK  
 DRILL       DEEPEN       PLUG BACK

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

2. NAME OF OPERATOR  
 Bonneville Fuels Corporation

3. ADDRESS OF OPERATOR  
 1600 Broadway, Suite 1110, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)\*  
 At surface  
 662' FNL, 1968' FEL  
 At proposed prod. zone  
 as above

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
 35 miles east, northeast of Kanab, Utah

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)      662'

16. NO. OF ACRES IN LEASE      1320.64

17. NO. OF ACRES ASSIGNED TO THIS WELL      40

18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.      N/A

19. PROPOSED DEPTH      3550'

20. ROTARY OR CABLE TOOLS      Rotary

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

22. APPROX. DATE WORK WILL START\*      October 1, 1988

RECEIVED  
OCT 11 1988  
DIVISION OF  
OIL, GAS & MINING

5. LEASE DESIGNATION AND SERIAL NO.  
 U-61649

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

7. UNIT AGREEMENT NAME  
 N/A

8. FARM OR LEASE NAME  
 Federal

9. WELL NO.  
 #3-1

10. FIELD AND POOL, OR WILDCAT  
 Wildcat

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA  
 3, T42S, R2W, S.L.M.

12. COUNTY OR PARISH      13. STATE  
 Kane      Utah

PROPOSED CASING AND CEMENTING PROGRAM

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 Greg Trombly TITLE President DATE 8/30/88  
 (This space for Federal or State office use)

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

APPROVED BY Howard R. Staker TITLE D.M. DATE 6 Oct 1988

CONDITIONS OF APPROVAL, IF ANY:  
 See attached conditions of approval for notice to drill and supplemental conditions of approval.

CONDITIONS OF APPROVAL  
 ATTACHED TO OPERATORS

\*See Instructions On Reverse Side

FLAIRING OR VENTING  
 OF GAS IS SUBJECT TO  
 NTL4-A DATED 1/1/80

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.

Company: Bonneville Fuels Corporation

Well no: #3-1

Location: 662' FNL, 1968' FEL NW1/4 NE1/4

Lease No: U-61649

-Sec 3, T42S, R3W, SLB and M

A COPY OF THESE CONDITIONS SHOULD BE FURNISHED YOUR  
FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR 3160), approved plan of operations. The operator is considered fully responsible for the actions of his subcontractors. The following items are emphasized:

1. There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned shall be identified in accordance with 43 CFR 3162.6. Any changes in operations must have prior approval of this office. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report.
2. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished this office for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.
3. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of this office. If operations are to be suspended, prior approval of this office must be obtained and notification given before resumption of operations.

In the event abandonment of the hole is desired, an oral request may be granted by this office, but must be timely followed within 15 days with a "Notice of Intention to Abandon" (Form 3160-5). Unless the plugging is to take place immediately upon receipt of oral approval, the District Manager must be notified at least 48 hours in advance of the plugging of the well in order that the representative may witness plugging operation. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form 3160-5) must be submitted within 15 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a followup report on Form 3160-5 should be filed when all surface restoration has been completed and the location is considered ready for final inspection.

4. The spud date will be reported orally to the respective District Manager's office within 48 hours after spudding. If the spudding occurs on a weekend or holiday, wait until the following regular workday to make this report.

Periodic drilling progress reports must be filed directly with the District Office on a frequency and form or method as may be acceptable to the District Manager.

In accordance with NTL-1, this well must be reported on Form 3160-6 "Monthly Report of Operations," starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed, in duplicate, directly with Royalty Management Accounting Center, Minerals Management Service, P.O. Box 2859, Casper, Wyoming 82602.

Any change in the program must be approved by the District Manager. "Sundry Notices and Reports on Wells" (Form 3160-5) must be filed for all changes of plans and other operations in accordance with 43 CFR 3162.4.1. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alteration of the facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground will require the filing of a suitable plan pursuant to NTL-6, and prior approval by the District Manager.

5. 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 not later than 15 days after completion of the well or after completion of operations being performed, in accordance with Onshore Oil and Gas Order No. 1; VIII. Reports and Activities Required after Well Completion. Two copies of all logs run, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cutting, fluid, and/or gas) will be submitted only when requested by this office.
6. Significant surface values are not involved at this location. Accordingly, you must notify the District Manager at least 24 hours prior to commencing field operations to allow this office to have personnel present for consultation during the construction of roads and locations.

The Cedar City District Office Address is:

**BUREAU OF LAND MANAGEMENT**  
**CEDAR CITY DISTRICT OFFICE**  
176 EAST DL SARGENT DR.  
CEDAR CITY, UTAH 84720

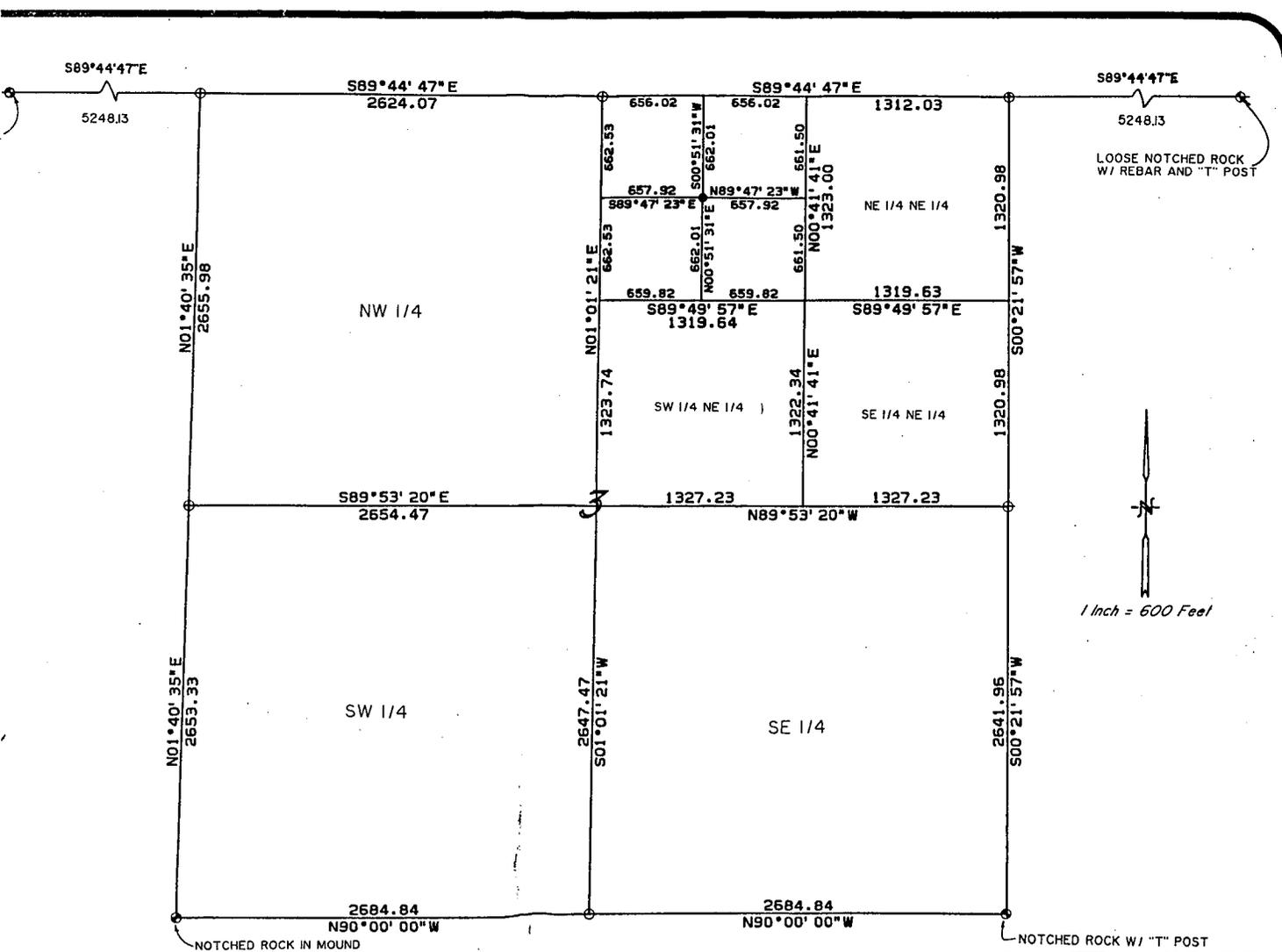
Your contact is: Theron Mitchell  
Office Phone: (801) 586-2401  
Home Phone (801) 826-4347 or 586-2719

7. Unless otherwise specified herein, construction and maintenance of surface facilities approved under this plan shall be in accordance with the guidelines set forth in the BLM/FS/GS Oil and Gas Brochure entitled, "Surface Operating Standards for Oil and Gas Exploration and Development." This includes but is not limited to such items as road construction and maintenance, handling of top soil and rehabilitation.

8. If a replacement rig is contemplated for completion operations, a "Sundry Notice" to that effect must be filed, for prior approval of the District Manager, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.
9. Pursuant to NTL-2B requirements regarding disposal facilities for new wells, this is authorization for unlined pit disposal of the water produced from this well for a period of 90 days from the date of initial production for sales purposes. During this period, an application for approval of the permanent disposal method, along with the required water analysis and other information must be submitted for the District Manager's approval. Failure to timely file an application within the time allowed will be considered an incident of noncompliance, and will be grounds for issuing a shut-in order until the application is submitted.
10. This permit is valid for a period of one year from the date of approval. If construction does not commence within 90 days from approval, the operator must contact this office 15 days prior to beginning construction. Construction under adverse conditions may require additional stipulations. If the permit terminates, any surface disturbance created under the application must be rehabilitated in accordance with the approved plan. After termination, it is required that a new application be filed for approval for any future operations.
11. If a tank battery is constructed on this lease, it must be surrounded by a fire wall of sufficient capacity to adequately contain the storage capacity of the battery.
12. This Application for Permit to Drill is approved subject to the requirement that, should the well be successfully completed for production, this office must be notified when it is placed in a producing status. Such notification will be by telegram or other written communications, and must be received in this office by not later than the first business day next following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
  - a. Operator name, address and telephone number.
  - b. Well name and number.
  - c. Well location ( $\frac{1}{4}, \frac{1}{4}$  Section, Township, Range and Prime Meridian).
  - d. Date was placed in a producing status.
  - e. The nature of the well's production, i.e. crude oil, or crude oil and casinghead gas, or natural gas and entrained liquid hydrocarbons.
  - f. The OCS, Federal or Indian lease prefix and number of which the well is located, otherwise, the non-Federal or non-Indian land category, i.e. State or private.
  - g. If appropriate, the unit agreement name, number and participating area name.
  - h. If appropriate, the communication agreement number.

## SUPPLEMENTAL STIPULATIONS OF APPROVAL

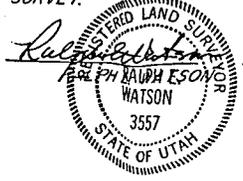
- 1) Mud pits shall be located in at least four feet of cut material, with at least four feet of the pit below the existing ground surface. Any embankment of fill material key must be seated to ensure pit stability and fluid retention. Lining of pit is not necessary.
- 2) Approval of this APD is predicated upon the anticipated utilization of 4 1/2" 11.6 #/ft casing.
- 3) Pipe and blind rams shall be tested to approved BOP rated working pressure (2000 psi).
- 4) The following special equipment shall be utilized and operational during air drilling:
  - Properly lubricated and maintained rotating head
  - Spark arrestors or water cooled exhaust on all engines
  - Deduster equipment
  - Bloopie line shall be securely anchored and shall terminate into a bloopie pit
  - Compressors shall be located 100' from wellbore in the opposite direction from bloopie line
  - If production casing is run and cemented in place, a cement bond log (CBL) or cement evaluation tool (CET) shall be utilized to determine cement top and bond quality. Copies of this log shall be submitted to the Cedar City District Office.
- 5) A trash cage will be required for all refuse.
- 6) The reserve pit will be fenced on three sides while the operation is in progress.
- 7) The Cedar City District Office will be notified when any well site tests are being conducted.
- 8) All disturbance will take place east of the access road to the well site.
- 9) Reclamation shall include contouring of the pad to blend with land-forms in the general area, redistribution of top soil, and seeding. Seeding shall be accomplished during the period from August to December. The disturbed site will be seeded at a rate of 8 pounds of crested wheatgrass (nordan variety) per acre with the use of a drill.
- 10) The disturbed site will be fenced upon completion in order to allow for seedling establishment.
- 11) Upon completion of drilling operations, the Cedar City District Office shall be notified of production and/or reclamation plans so that an inspection may be conducted to determine if mitigating measures in addition to those included in the surface use plan or presented hereby are necessary.



SECTION T. 42 S., R. 2 W. S.L.B. 8M

**SURVEYOR'S CERTIFICATE**

I, RALPH E. WATSON, P.E. #3367 AND R.L.S. #3557 DO HEREBY CERTIFY THAT I AND UNDER MY DIRECT SUPERVISION HAVE COMPLETED A SURVEY OF THE PARCEL OF LAND SHOWN ON THIS PLAT AND THAT THIS PLAT CORRECTLY REPRESENTS THAT SURVEY.



8-25-88  
DATE





# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

Norman H. Bangertter

Governor

Dee C. Hansen

Executive Director

Dianne R. Nielson, Ph.D.

Division Director

355 West North Temple

3 Triad Center, Suite 350

Salt Lake City, Utah 84180-1203

801-538-5340

October 17, 1988

Bonneville Fuels Corporation  
1600 Broadway, Suite 1110  
Denver, Colorado 80202

Gentlemen:

Re: Federal 3-1 - NW NE Sec. 3, T. 42S, R. 2W - Kane County, Utah  
662' FNL, 1968' FEL

Approval to drill the referenced well is hereby granted in accordance with Rule R615-3-2, Oil and Gas Conservation General Rules, subject to the following stipulations:

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

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

1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form OGC-8-X.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-22, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2  
Bonneville Fuels Corporation  
Federal 3-1  
October 17, 1988

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

The API number assigned to this well is 43-025-30021.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

lr  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson  
R. J. Firth  
8159T



**RECEIVED**  
NOV 14 1988

OPERATOR Bonneville Fuels Corp.  
ADDRESS 1600 Broadway, #1110  
Denver, CO 80202

OPERATOR CODE N5685  
PHONE NO. 303863-1555

**DIVISION OF  
OIL, GAS & MINING**

OPERATORS MUST COMPLETE FORM UPON SPUDDING NEW WELL OR WHEN CHANGE IN OPERATIONS OR INTERESTS NECESSITATES CHANGE IN EXISTING ENTITY NUMBER ASSIGNMENT.

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
	99998	PA'd 11-15-88	43-025-30021	Federal #3-1	WV/NE	3	42	2W	Kane	10/17/88	
COMMENTS: (Well was never assigned an entity, spud report came with completion report. Well was a dry hole and PA'd on 11-15-88.)											
COMMENTS:											
COMMENTS:											
COMMENTS:											
COMMENTS:											

- ACTION CODES:
- A - ESTABLISH NEW ENTITY FOR NEW WELL
  - B - ADD NEW WELL TO EXISTING ENTITY
  - 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)
- (SEE INSTRUCTIONS)

SIGNATURE \_\_\_\_\_  
TITLE \_\_\_\_\_ DATE \_\_\_\_\_

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE

(See instructions on reverse side)

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

5. LEASE DESIGNATION AND SERIAL NO. 2

U-61649

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

N/A

UNIT AGREEMENT NAME

N/A

FARM OR LEASE NAME

Federal

9. WELL NO.

3-1

10. FIELD AND POOL, OR WILDCAT

Wildcat

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

Sec. 3, T42S, R2W

12. COUNTY OR PARISH

Kane

13. STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG \*

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

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

2. NAME OF OPERATOR

Bonneville Fuels Corporation

3. ADDRESS OF OPERATOR

1600 Broadway, Suite 1110, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)\*

At surface 662' FNL, 1968' FEL

At top prod. interval reported below

At total depth

14. PERMIT NO. (State) DATE ISSUED  
43-025-30021 10/6/88

DIVISION OF OIL, GAS & MINING

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NOV 14 1988

15. DATE SPUDDED 16. DATE T.D. REACHED 17. DATE COMPL. (Ready to prod.) 18. ELEVATIONS (DF, RKB, RT, GR, ETC.)\* 19. ELEV. CASINGHEAD  
10/31/88 10/31/88 P&A 11/5/88 5350' GR

20. TOTAL DEPTH, MD & TVD 21. PLUG, BACK T.D., MD & TVD 22. IF MULTIPLE COMPL., HOW MANY\* 23. INTERVALS DRILLED BY 24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)\* 25. WAS DIRECTIONAL SURVEY MADE  
2260 Surface P&A no

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORED  
DIL/SFL/CNL/FDC no

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

CASINO SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
7"	23#	501	8 3/4"	Class G to Surface	

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

31. PERFORATION RECORD (Interval, size and number)				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)  
P&A

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO

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

35. LIST OF ATTACHMENTS

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

SIGNED Greg Fomly TITLE President DATE 11/8/88

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

PA  
43-025-30021

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING  
3 TRIAD CENTER, SUITE 350  
SALT LAKE CITY, UT 84180-1203

RECEIVED  
NOV 14 1988

DIVISION OF  
OIL, GAS & MINING

REPORT OF WATER ENCOUNTERED DURING DRILLING

Well Name & Number Federal 3-1

Operator Bonneville Fuels Corp Address Denver, Colo 80202

Contractor BEEMAN DR LG Address Moab, Utah

Location NW 1/4 NE 1/4 Sec. 3 T. 42S R. 2W County Kane

Water Sands

<u>Depth</u>		<u>Volume</u>	<u>Quality</u>
From	To	Flow Rate or Head	Fresh or Salty
1. <u>2210</u>	<u>2220</u>	<u>100'</u>	<u>Salty</u>
2.			
3.			
4.			
5.			

(Continue on reverse side if necessary)

Formation Tops

Remarks

- NOTE: (a) Report on this form as provided for in Rule 806, Oil and Gas Conservation General Rules.
- (b) If a water analysis has been made of the above reported zone, please forward a copy along with this form.

**RECEIVED**  
NOV 17 1988

43-025-30021 425 02W Sec 3  
DIVISION OF  
OIL, GAS & MINING

**AREAWIDE CLEARINGHOUSE A-95 REVIEW**

Type of Action: Pre-Application \_\_\_\_\_ Notification of Intent \_\_\_\_\_ Application \_\_\_\_\_  
Notice of Federal Action \_\_\_\_\_ ENVIRONMENTAL EVALUATION

Receipt Date 9-29-88 SAI Number \_\_\_\_\_ ACH Number \_\_\_\_\_

Applicant Identification, Address Oil, Gas and Mining  
355 West No. Temple, 3 Triad Center, Suite 350  
Salt Lake City, UT 84180  
John Baza

**Applicant's Project**

Title: APPLICATION FOR PERMIT TO DRILL

**Funding**

Federal	\$	<u>N/A</u>
Supplemental		_____
State		_____
Local		_____
Other		_____
<b>TOTAL</b>	<b>\$</b>	_____

Description: Bonneville Fuels Corporation proposes to drill a wildcat well, the Federal #3-1, on federal lease number U-61649 in Kane County, Utah. This action is being presented to RDCC for consideration of resource issues affecting state interests. The U.S. Bureau of Land Management is the primary administrative agency in this case and must issue approval jointly with DOGM before operations can commence.

Federal Funding Department and Agency

**AREAWIDE CLEARINGHOUSE COMMENTS ON PROPOSAL FOR FEDERAL AID**

Staff review completed (date) 11-1-88  
Screening Committee review completed (date) 11-9-88  
Executive Board Review Completed (date) \_\_\_\_\_  
Referred to originator for additional information (date) \_\_\_\_\_

- Recommend Approval X Comments (see reverse side of page) X
- Conditionally approved as follows (see reverse side of page) \_\_\_\_\_
- Recommend Disapproval \_\_\_\_\_ Comments (see reverse side of page) \_\_\_\_\_

The project described above ( X ) does ( ) does not conform with the policy or planning of the multijurisdictional area it directly impacts. Additional information ( ) is ( X ) is not needed.

We also serve notice that all requirements of the Project Notification and Review System for this multijurisdictional area have been met. Therefore, attach this letter to your application and forward to the federal funding agency.

If this project will be a renewal or continuation grant, please submit your application next year to this area-wide clearinghouse for re-review 30 days prior to submission to federal funding agency.

If any Clearinghouse Comments go unresolved, Federal law requires the Applicant to attach a copy of all negative comments to the project application and forward them both to the Federal Funding Agency(ies).

We would anticipate reviewing final project application 30 days prior to submission for funding.

  
Authorizing Official

11-15-88  
Date  
Copy of review sent to applicant.

To: LCR To: \_\_\_\_\_ Division: \_\_\_\_\_  
 To: \_\_\_\_\_ To: \_\_\_\_\_ Division: \_\_\_\_\_  
 To: \_\_\_\_\_ To: \_\_\_\_\_ Division: \_\_\_\_\_

P. O. BOX 1550  
 ST. GEORGE, UTAH 84770  
 PHONE (801) 673-3548

**RECEIVED**  
 NOV 17 1988

Please Handle
Please Approve
For Your Information
Please See Me
Please Advise
Your File

Remarks: For Bonneville Fuels  
3-1 well file

From: SRB Date 11-18-88

-W Sec 3  
 DIVISION OF  
 OIL, GAS & MINING

Division of Oil, Gas and Mining

EVIEW

Application \_\_\_\_\_  
 ENVIRONMENTAL EVALUATION

NOTICE OF FEDERAL ACTION \_\_\_\_\_

Receipt Date 9-29-88 SAI Number \_\_\_\_\_ ACH Number \_\_\_\_\_

Applicant Identification, Address Oil, Gas and Mining  
355 West No. Temple, 3 Triad Center, Suite 350  
Salt Lake City, UT 84180  
John Baza

**Applicant's Project**

Title: APPLICATION FOR PERMIT TO DRILL

**Funding**

Federal \$ N/A  
 Supplemental \_\_\_\_\_  
 Local \_\_\_\_\_  
 Other \_\_\_\_\_  
 TOTAL \$ \_\_\_\_\_

Description: Bonneville Fuels Corporation proposes to State  
drill a wildcat well, the Federal #3-1, on federal lease num-  
ber U-61649 in Kane County, Utah. This action is being  
presented to RDCC for consideration of resource issues affecting  
state interests. The U.S. Bureau of Land Management is the primary  
administrative agency in this case and must issue approval to drill  
jointly with DOGM before operations can commence.

Federal Funding Department and Agency

**AREAWIDE CLEARINGHOUSE COMMENTS ON PROPOSAL FOR FEDERAL AID**

Staff review completed (date) 11-1-88  
 Screening Committee review completed (date) 11-9-88  
 Executive Board Review Completed (date) \_\_\_\_\_  
 Referred to originator for additional information (date) \_\_\_\_\_

- Recommend Approval X Comments (see reverse side of page) X
- Conditionally approved as follows (see reverse side of page) \_\_\_\_\_
- Recommend Disapproval \_\_\_\_\_ Comments (see reverse side of page) \_\_\_\_\_

The project described above ( X ) does ( ) does not conform with the policy or planning of the multijurisdictional area it directly impacts. Additional information ( ) is ( X ) is not needed.

- We also serve notice that all requirements of the Project Notification and Review System for this multijurisdictional area have been met. Therefore, attach this letter to your application and forward to the federal funding agency.
- If this project will be a renewal or continuation grant, please submit your application next year to this area-wide clearinghouse for re-review 30 days prior to submission to federal funding agency.

If any Clearinghouse Comments go unresolved, Federal law requires the Applicant to attach a copy of all negative comments to the project application and forward them both to the Federal Funding Agency(ies).

We would anticipate reviewing final project application 30 days prior to submission for funding.

[Signature]  
 Authorizing Official

11-15-88  
 Date  
 Copy of review sent to applicant.

AREAWIDE CLEARINGHOUSE  
COMMENTS

Bonneville Fuels proposes to drill a wildcat well on Federal land 35 miles east/northeast of Kanab, Utah near Sand Gulch. This is being presented to RDCC for consideration of resource issues affecting state interests. The BLM is the primary administrative agency. The degree of impact is based on the discovering of oil or gas in commercial quantities. Because of the economic potential it has on Kane County, they would be supportive as long as the proper permits with the county are applied for. (Fred Turner)

Division of Oil, Gas and Mining  
**PHONE CONVERSATION DOCUMENTATION FORM**

Route original/copy to:

Well File FEDERAL #3-1

Suspense  Other

(Location) Sec 3 Twp 42S Rng 2W  
(API No.) 43-025-30021

(Return Date) \_\_\_\_\_  
(To - Initials) \_\_\_\_\_

1. Date of Phone Call: 3/7/89 Time: 10:03 a.m.

2. DOGM Employee (name) Tami Searing (Initiated Call   
Talked to:

Name JUDY JONES (Initiated Call  - Phone No. (303 ) 863-1555

of (Company/Organization) BONNEVILLE FUELS CORPORATION

3. Topic of Conversation: LOGS MARKED "TIGHT HOLE"

4. Highlights of Conversation: Spoke with Judy this a.m. and asked if the company  
would like the well held conf. She indicated the well was a Dry Hole and there  
was no need for a confidential status.