

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

U 23761 A  
5. Lease Designation and Serial No.  
Federal

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name  
San Juan Federal

8. Farm or Lease Name  
San Juan Federal

9. Well No. 9  
*undesignated*  
Mexican Hat *3/8"*

10. Field and Pool, or Wildcat  
Sec 8 42 S 19E

11. Sec., T., R., M., or Blk. and Survey or Area  
San Juan, Utah

12. County or Parrish 13. State

14. Distance in miles and direction from nearest town or post office\*  
1/2 mile NE NW

15. Distance from proposed\* location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)  
535 Ft from North Line  
1547 Ft. from West Line

16. No. of acres in lease 26  
200 Ft *Woodruffe*

17. No. of acres assigned to this well 2 1/2  
Rotary

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

19. Proposed depth

20. Rotary or cable tools

21. Elevations (Show whether DF, RT, GR, etc.)  
4074'

22. Approx. date work will start\*  
soon as approved

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement

Propose to drill 9 7/8" hole to 30 ft. set 8" surface casing. drill 6 3/8 hole to T.D. Set 4 1/2" casing on top of zone. cement from top to bottom then drill in with 3 7/8 bit if well indicates production.



JAN 14 1980

DIVISION OF  
OIL, GAS & MINING

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

24. Signed *J. E. Skan* Title *President* Date *1-8-80*

(This space for Federal or State office use)

Permit No. 43-037-30529 Approval Date 1/25/80

Approved by \_\_\_\_\_ Title \_\_\_\_\_ Date \_\_\_\_\_  
Conditions of approval, if any:

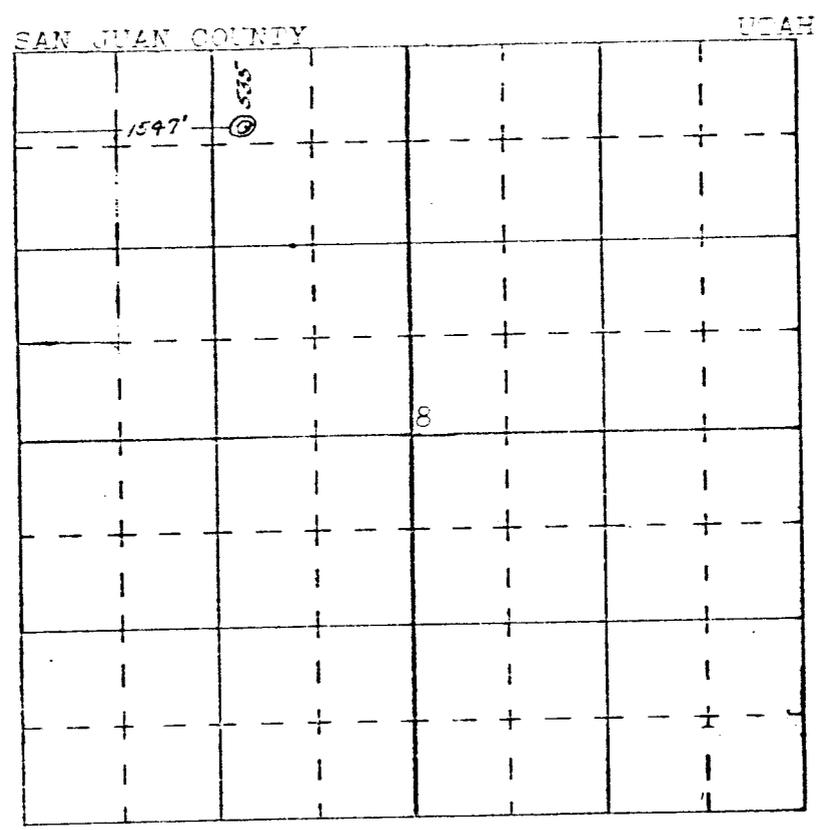
COMPANY WESGRO OIL CORPORATION

LEASE ----- WELL NO. 9

SEC. 8 T. 42 SOUTH R. 19 EAST S.L.M.

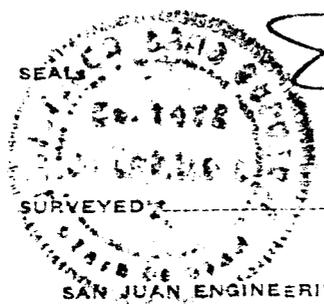
LOCATION 535 FEET FROM THE NORTH LINE AND  
1547 FEET FROM THE WEST LINE

ELEVATION 4074 UNGRADED GROUND



SCALE—4 INCHES EQUALS 1 MILE

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



*James P. Leese*  
Registered Land Surveyor.

James P. Leese  
Utah Reg. #1472

December 26, 1979

\*\* FILE NOTATIONS \*\*

DATE: January 16, 1980

Operator: Wespa Corporation

Well No: San Juan Federal #9

Location: Sec. 8 T. 42S R. 19E County: San Juan

File Prepared:

Entered on N.I.D.:

Card Indexed:

Completion Sheet:

API Number 43-037-30529

CHECKED BY:

Geological Engineer: \_\_\_\_\_

Petroleum Engineer: \_\_\_\_\_

Director: 7

APPROVAL LETTER:

Bond Required:

Survey Plat Required:

Order No. 156-2 24 Oct 78

O.K. Rule C-3

Rule C-3(c), Topographic Exception/company owns or controls acreage within a 660' radius of proposed site

Lease Designation Prod

Plotted on Map

Approval Letter Written

Wtm

#3

hl  
PI

January 25, 1980

Wesgra Corporation  
P.O. Box 14  
Mexican Hat, Utah 84531

Re: Well No. San Juan Fed. #8, Sec. 8, T. 42S, R. 19E., San Juan County, Utah  
Well No. San Juan Fed. #9, Sec. 8, T. 42S, R. 19E., San Juan County, Utah  
Well No. San Juan Fed. #10, Sec. 8, T. 42S, R. 19E., San Juan County, Utah  
Well No. San Juan Fed. #11, Sec. 8, T. 42S, R. 19E., San Juan County, Utah  
Well No. San Juan Fed. #12, Sec. 8, T. 42S, R. 19E., San Juan County, Utah

Insofar as this office is concerned, approval to drill the above referred to oil wells is hereby granted in accordance with the Order issued in Cause No. 156-2 dated October 24, 1978.

Should you determine that it will be necessary to plug and abandon these wells, you are hereby requested to immediately notify the following:

MICHAEL T. MINDER - Geological Engineer  
Office: 535-5771  
Home: 876-3001

Enclosed please find Form OGC-8-X, which is to be completed whether or not water sands (aquifers) are encountered during drilling. Your cooperation in completing this form will be appreciated.

Further, it is requested that this Division be notified within 24 hours after drilling operations commence, and that the drilling contractor and rig number be identified.

The API numbers assigned to these wells are #8 - 43-037-30528;  
#9 - 43-037-30529; #10 - 43-037-30530; #11 - 43-037-30531; #12 - 43-037-30532.

Sincerely,

DIVISION OF OIL, GAS AND MINING

Michael T. Minder  
Geological Engineer

/btm

cc: USGS

Signed over to Sutherland in 1980

was well is pulled

- San Juan Minerals. Federal Sec -

- is now full land

San Juan Federal # 9 is name.

- Plugging in 1980

Sec 8 423-19E. NW/NW

- Goodrich Estate.

683-2298

Oklahoma City 405-521-8960

BEFORE THE BOARD OF OIL, GAS AND MINING  
DEPARTMENT OF NATURAL RESOURCES  
IN AND FOR THE STATE OF UTAH

IN THE MATTER OF THE APPLICATION )  
OF SAN JUAN MINERALS EXPLORATION )  
COMPANY FOR AN EXCEPTION TO THE )  
WILD CAT WELL SPACING PATTERN )  
ESTABLISHED BY RULE C-3, OF THE )  
GENERAL RULES AND REGULATIONS, )  
AND AMENDING PRIOR ORDERS OF THE )  
BOARD IN CAUSE NO. 156-1 TO GRANT )  
UNRESTRICTED SPACING IN CERTAIN )  
PORTIONS OF THE MEXICAN HAT AREA, )  
SAN JUAN COUNTY, STATE OF UTAH )

ORDER

CAUSE NO. 156-3 ✓

Pursuant to Notice of Hearing dated February 22, 1980, as amended, of the Board of Oil, Gas and Mining, Department of Natural Resources of the State of Utah, this Cause came on for hearing before Cleon B. Feight, acting as hearing examiner for the full Board, commencing at the hour of 9:00 a.m. on April 15, 1980, in the offices of the Division of Oil, Gas and Mining, 1588 West North Temple, Salt Lake City, Utah.

Appearing for the applicant was Anthony L. Rampton of the law firm of Fabian & Clendenin, Salt Lake City, Utah, and Robert Lauth, Certified Registered Geologist. Appearing on behalf of the Division of Oil, Gas and Mining were Denise Drago, Special Assistant, Utah Attorney General's Office, and Mike Minder, Petroleum Engineer.

NOW, THEREFORE, having considered the testimony presented to the hearing examiner and the exhibits received at said hearing, and being fully advised in the premises, and all persons appearing before the hearing examiner being in favor of the application, the Board now makes and enters the following:

FINDINGS OF FACT

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested parties in the form and manner and within the time required by law and the rules and regulations of the Board.

2. The Board has jurisdiction over the matter covered by said Notice and over all parties interested therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The principal producing sand or zone in this area is the Goodridge Sand producing from shallow sand and low pressure.

4. That there has been no systematic development through the Mexican Hat Area.

5. By Order entered in Cause No. 156-1 dated September 25, 1974, the Board established five-acre spacing for drilling wells and not less than two hundred feet from any property or lease line or from the boundary of any legal subdivision comprising a governmental quarter-quarter section or equivalent lot or lots of comparable size and location and not less than 330 feet from any producible oil well, unless otherwise specifically permitted by order of the Board after notice and hearing.

6. That the oil wells producing on tracts in Sections 31 and 32, Township 41 South, and Sections 4, 5, 6, 7 and 8, Township 42 South, Range 19 East, Salt Lake Meridian, San Juan County, State of Utah, are all producing from the Goodridge producing sand.

7. That the Goodridge formation is confined to certain pockets of permeability and <sup>porosity</sup> ~~perocicity~~ requiring the drilling of holes in an irregular pattern in order to discover and drain all of the recoverable oil and associated hydrocarbons from said formation.

8. That in order to facilitate the location and commercial production of oil in this area, it is necessary to allow for an amendment to the Order in Cause No. 156-1 so as to permit the drilling of wells on unrestricted spacing in the aforestated sections.

O R D E R

IT IS THEREFORE ORDERED:

A. That an exception is hereby granted to the provisions of Rule C-3, General Rules and Regulations, Division of Oil, Gas

and Mining, so as to permit the drilling of wells on unrestricted spacing to best accommodate the prevention of waste and protection of correlative rights in the development of the field and to maximize ultimate future recovery of oil and associated hydrocarbons insofar as and only insofar as the Goodridge Formation in Sections 31 and 32, Township 41 South, and Sections 4, 5, 6, 7 and 8, Township 42 South, Range 19 East, Salt Lake Meridian, San Juan County, State of Utah, and the Order of this Board in Cause No. 156-1 is hereby amended accordingly.

B. It is further Ordered that no well in said Sections shall be drilled less than 50 feet from any property or lease line or from the boundary of any legal subdivision comprising a governmental quarter-quarters section or equivalent lot or lots of comparable size unless otherwise specifically permitted by order of the Board after notice and hearing.

C. That this Order is a temporary order and the Board, on its own motion or the motion of any interested party, may file an application requesting a hearing to present new evidence covering the matter set forth herein.

D. That the Board retains continuing jurisdiction of all matters covered by this Order and particularly retains continuing jurisdiction to make further orders as appropriate and authorized by statute and applicable regulations.

ENTERED AND EFFECTIVE this 15<sup>th</sup> day of <sup>April</sup> ~~May~~, 1980.

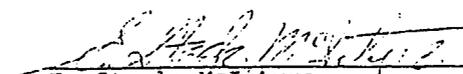
BOARD OF OIL, GAS AND MINING OF  
THE STATE OF UTAH

\_\_\_\_\_  
Charles R. Henderson

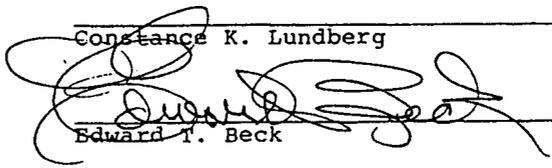
\_\_\_\_\_  
John L. Bell

\_\_\_\_\_  
Thadeus W. Box

\_\_\_\_\_  
C. Ray Juvelin

  
E. Steele McIntyre

Constance K. Lundberg

  
Edward T. Beck

July 8, 1981

Wesgra Corporation  
P. O. Box 14  
Mexican Hat, Utah 84531

Re: Well No. San Juan Federal #9  
Sec. 8, T. 42S, R. 19E  
San Juan County, Utah

Well No. San Juan Federal #12  
Sec. 8, T. 42S, R. 19E  
San Juan County, Utah

Gentlemen:

In reference to above mentioned wells, considerable time has gone by since approval was obtained from this office.

This office has not received any notification of spudding. If you do not intend to drill these wells, please notify this Division. If spudding or any other activity has taken place, please send necessary forms.

Your prompt attention to the above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING



Sandy Bates  
Clerk-Typist

/lm

October 6, 1981

Wesgra Corporation  
P. O. Box 14  
Mexican Hat, Utah 84531

Re: Well No. San Juan Federal #9  
Sec. 8, T. 42S, R. 19E  
San Juan County, Utah

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San Juan County, Utah

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Your prompt attention to above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

CLEON B. FEIGHT  
DIRECTOR

tar

L.A. 13



SCOTT M. MATHESON  
Governor

OIL, GAS, AND MINING BOARD

GORDON E. HARMSTON  
Executive Director,  
NATURAL RESOURCES

STATE OF UTAH  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS, AND MINING  
1588 West North Temple  
Salt Lake City, Utah 84116  
(801) 533-5771

CHARLES R. HENDERSON  
Chairman

JOHN L. BELL  
C. RAY JUVELIN  
THADIS W. BOX  
MAXILIAN A. FARBMAN  
EDWARD T. BECK  
E. STEELE McINTYRE

CLEON B. FEIGHT  
Director

October 6, 1981

RECEIVED  
DIVISION OF  
OIL, GAS & MINING

Wesgra Corporation  
P. O. Box 14  
Mexican Hat, Utah 84531

Re: Well No. San Juan Federal #9  
Sec. 8, T. 42S, R. 19E  
San Juan County, Utah

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Your prompt attention to above will be greatly appreciated.

Very truly yours,

DIVISION OF OIL, GAS, AND MINING

*Cleon B. Feight*  
CLEON B. FEIGHT  
DIRECTOR

*P. Feight*

These wells will not be drilled, please terminate the application.

tar

Thanks:

*Bill Skeen*

OKLAHOMA  
Bill Skeen  
405-521-8960

210-

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

RECEIVED  
MAR 16 1990

L.O.C. #90-02-

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work  
DRILL  DEEPEN  PLUG BACK

b. Type of Well  
Oil Well  Gas Well  Other   
Single Zone  Multiple Zone

2. Name of Operator  
Sutherland oil Co.

3. Address of Operator  
P.O. Box 356 Mexican Hat UT 84531

4. Location of Well (Report location clearly and in accordance with any State requirements.)  
At surface 535' FNL  
1547' FWL  
At proposed prod. zone Goodridge-240'

14. Distance in miles and direction from nearest town or post office\*  
1 1/2 Miles

15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drlg. line, if any)  
16. No. of acres in lease 26  
17. No. of acres assigned to this well

18. Distance from proposed location to nearest well, drilling, completed, or applied for, on this lease, ft.  
19. Proposed depth 240 Goodridge  
20. Rotary or cable tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.)  
40 74' GR  
22. Approx. date work will start\* A.S.A.P.

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement

propose To Drill 10" hole To 40' + set 8" Surface Casing w/5 sacs Cement Then Drill with 6 1/2" Bit To oil zone. (goodridge)

TECHNICAL REVIEW  
Engr. \_\_\_\_\_  
Geol. SLB  
Surface SLB

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

24. I hereby certify that this report is true and complete to the best of my knowledge.  
Signed: Miss Bobbie J. Bunn Title: Partner 683-2201 Date: 3-13-90

(This space for Federal or State office use)

API NO. 43-037-30529 Approval Date APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING

Approved by \_\_\_\_\_ Title \_\_\_\_\_ DATE: 3-29-90

Conditions of approval, if any: BY: John R. Dyer

(3/89) \*See Instructions On Reverse Side WELL SPACING: Cause No. 1563

COMPANY Sutherland Oil Co.

**RECEIVED**

LEASE ----- WELL NO. 2

MAR 16 1990

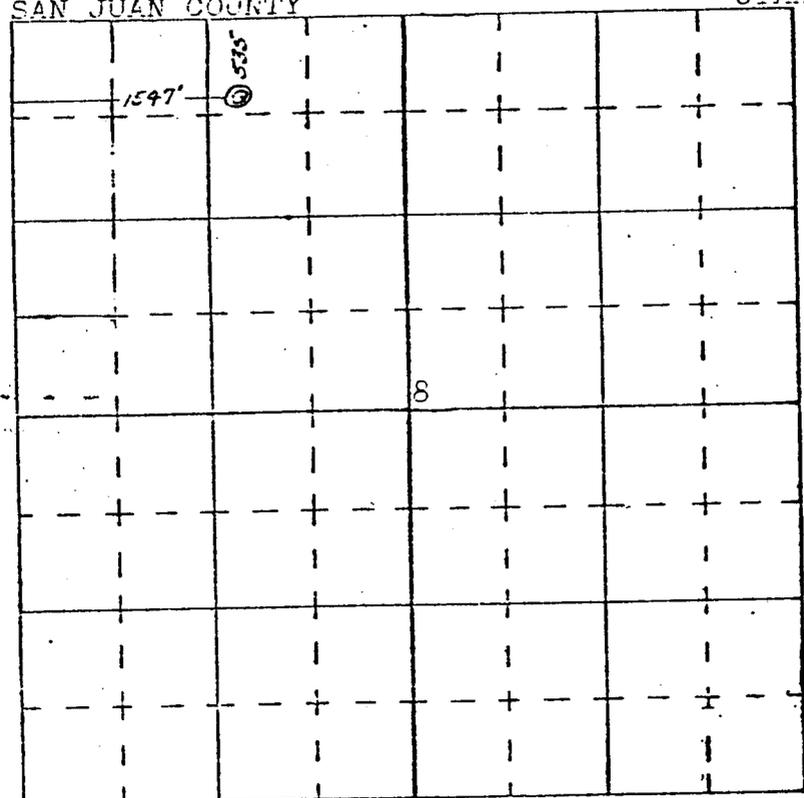
SEC. 8 T. 42 SOUTH R. 19 EAST S.L.M.

DIVISION OF  
OIL, GAS & MINING

LOCATION 535 FEET FROM THE NORTH LINE AND  
1547 FEET FROM THE WEST LINE

ELEVATION 4074 UNGRADED GROUND

SAN JUAN COUNTY UTAH



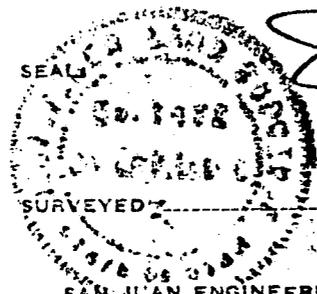
SCALE—4 INCHES EQUALS 1 MILE

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

**RECEIVED**

AUG 20 1980

U. S. GEOLOGICAL SURVEY  
DURANGO, COLO.



*James P. Leese*  
Registered Land Surveyor.

James P. Leese  
Utah Reg. #1472

December 26, 1979

SAN JUAN ENGINEERING COMPANY, FARMINGTON, N. M.

Re-Entry

OPERATOR Sutherland Oil Company (N7325) DATE 3-19-90

WELL NAME # 8-2

SEC NENW 8 T 425 R 19E COUNTY San Juan

43-037-30529  
API NUMBER

FEE (47)  
TYPE OF LEASE

CHECK OFF:

(10,000 # 90-02-2-1)  
Montrose County Bank

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR OIL SHALE

PROCESSING COMMENTS:

Nearest well ok under Cause No. 156-3  
Water Permit 09-944 (Potability Water)  
Need Preite - Received 3-29-90 / UIC Review - 3-29-90  
Orig. APD was PA'd eff. 10-19-81. Glenn Goodwin confirmed that the well is PA'd rather than LA'd on 3-29-90. (Insp. Report being sent ASAP)  
(PA'd 10-10-80)

APPROVAL LETTER:

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

156-3 4-15-80  R615-3-3  
CAUSE NO. & DATE

STIPULATIONS:

1. Fee Stipulation



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

March 29, 1990

Sutherland Oil Company  
P. O. Box 356  
Mexican Hat, Utah 84531

Gentlemen:

Re: #8-2 - NE NW Sec. 8, T. 42S, R. 19E - San Juan County, Utah  
535' FNL, 1547' FWL

Approval to re-enter the referenced well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980, subject to the following stipulation:

1. Sutherland Oil Company, as designated operator, is the bonded principal in reference to this Application for Permit to Drill. Should this designation change or a transfer of ownership occur, liability will remain with the designated operator until the Division is notified by letter of a new bonded principal.

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

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

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

The API number assigned to this well is 43-037-30529.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

lcr  
Enclosures  
cc: Bureau of Land Management  
D. R. Nielson  
J. L. Thompson  
WE14/6-7

RECEIVED

Form 9-331  
Dec. 1973

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
GEOLOGICAL SURVEY

MAR 30 1980

U-23 Form Approved  
Budget Bureau No. 42-R1424

DIVISION OF  
OIL, GAS & MINERAL RESOURCES  
NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen a well back to a different reservoir. Use Form 9-331-C for such proposals.)

Well  gas well  oil well  other

NAME OF OPERATOR *AMERICAN Hat, Utah 84531*

3. ADDRESS OF OPERATOR *500 ft from N. line  
15117 Hwy 10 W. line*

4. LOCATION OF WELL (REPORT LOCATION CLEARLY. See space 17 below.)  
AT SURFACE:  
AT TOP PROD. INTERVAL:  
AT TOTAL DEPTH:

16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

REQUEST FOR APPROVAL TO:  
TEST WATER SHUT-OFF   
FRACTURE TREAT   
SHOOT OR ACIDIZE   
REPAIR WELL   
PULL OR ALTER CASING   
MULTIPLE COMPLETE   
CHANGE ZONES   
ABANDON\*   
(other)   
SUBSEQUENT REPORT OF:

5. LEASE
6. IF INDIAN, ALLOTTEE OR TRIBE NAME
7. UNIT AGREEMENT NAME <i>SAN JUAN</i>
8. FARM OR RASE NAME
9. WELL NO. <i>AMERICAN Hat</i>
10. FIELD OR WILDCAT NAME <i>Se 8 - 425 - 19 E</i>
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA <i>SAN JUAN Utah</i>
12. COUNTY OF <i>San Juan</i> STATE <i>Utah</i>
14. API # <i>4074</i> <i>43-037-30529</i>
15. ELEVATIONS (SHOW DF, KDB, AND WD)

(NOTE: Report results of multiple completion or zone change on Form 9-330.)

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

*0-10-80*  
*Stop top part of well from bottom to top with drilling rig capped with steel caps*

PFA 10-10-80

RECEIVED

OCT 28 1980

U. S. GEOLOGICAL SURVEY  
DURANGO, COLO.

Subsurface Safety Valve, Manu. and Type *President* 10-10-80 Ft.

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

SIGNED \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

(This space for Federal or State office use)  
APPROVED BY *[Signature]* TITLE *E. W. Guynn* DATE *DEC 10 1980*  
District Oil & Gas Supervisor

OPERATOR'S COPY

DIVISION OF OIL, GAS AND MINING

API NO. 43-037-30529

SPUDDING INFORMATION

NAME OF COMPANY: SUTHERLAND OIL

WELL NAME: #8-2

SECTION NENW 8 TOWNSHIP 42S RANGE 19E COUNTY SAN JUAN

DRILLING CONTRACTOR SUTHERLAND

RIG # 5

SPUDDED: DATE 4/3/90

TIME 8:00

HOW ROTARY

DRILLING WILL COMMENCE \_\_\_\_\_

REPORTED BY GLENN GOODWIN

TELEPHONE # 587-2561

DATE 4/6/90 SIGNED TAS TAKEN BY: VLC

OPERATOR Sutherland oil Co  
ADDRESS P.O. Box 356  
Mexican Hat UT  
84531

OPERATOR ACCT. NO. N 7325

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
B	10934	→	43-037-30529	Sutherland 8-2	NW NE	8	425	19-E	San Juan	4-3-90	ASAP
WELL 1 COMMENTS: This well will be going into the same tank as Sutherland-goodridge #8-1 (Kipling-goodridge #22) (Api # 43-037-31451) which is waiting for change of operator											
WELL 2 COMMENTS: Fee-lease Field-mexican Hat Unit-N/A Prod. HNKRT (6-5-90 chg. of operator for 43-037-31451 to Sutherland eff. 3-3-90. Now entity 10934 can be assigned to this well also. for											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

ACTION CODES (See instructions on back of form)

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

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

(3/89)

RECEIVED  
APR 23 1990

DIVISION OF  
OIL, GAS & MINING

Bobbie J. Benn  
Signature  
Partner  
Title  
4-18-90  
Date  
Phone No. 801, 683-2201

RECEIVED  
 APR 23 1990

REPORT OF WATER ENCOUNTERED DURING DRILLING - FORM 7

1. Well name and number: 8-2  
 API number: 43-037-30529 DIVISION OF OIL, GAS & MINING
2. Well location: QQ NE NW section 8 township 42S range 19E county San Juan
3. Well operator: Sutherland oil Co  
 Address: P.O. Box 356 phone: 801-683-2261  
Mexican Hat UT 84531-0356
4. Drilling contractor: Same as above  
 Address: \_\_\_\_\_ phone: \_\_\_\_\_

5. Water encountered (continue on reverse side if necessary)

Depth		Volume (flow rate or head)	Quality (fresh or salty)
from	to		
		<u>NO Water</u>	

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

6. Formation tops: goodridge oil Formation 177' - 217'

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I certify that this report is true and complete to the best of my knowledge.

Name Miss Bobbie J. Bunn Signature Miss Bobbie J. Bunn  
 Title Partner Date 4-14-90

Comments:

**RECEIVED**  
FORM 8  
APR 23 1990

STATE OF UTAH  
DIVISION OF OIL, GAS AND MINING

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

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

2. TYPE OF COMPLETION:  
NEW WELL  WORK OVER  DEEP-EN  PLUG BACK  DIFF. RESYR.  Other Re enter

3. NAME OF OPERATOR  
Sutherland oil Co

4. ADDRESS OF OPERATOR  
P.O. Box 356 Mexican Hat UT

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At surface 535' FNL 1547' FWL  
At top prod. interval reported below  
At total depth  
230'

5. LEASE DESIGNATION AND SERIAL NO.  
Private

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

9. WELL NO.  
8-2

10. FIELD AND POOL, OR WILDCAT

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA  
NW NE 425.19E Sec 8 SLM

14. API NO. 43037-305291 DATE ISSUED 3-29-90 12. COUNTY San Juan 13. STATE UT

15. DATE SPUNDED 4-3-90 16. DATE T.D. REACHED 4-10-90 17. DATE COMPL. (Ready to prod.) 4-18-90 (Plug & Abd.) 18. ELEVATIONS (DF, RES, RT, GB, ETC.) 4074 Ungtadad 19. ELEV. CASING HEAD 4075'

20. TOTAL DEPTH, MD & TVD 230' 21. PLUG BACK T.D., MD & TVD - 22. IF MULTIPLE COMPL., HOW MANY - 23. INTERVALS DRILLED BY Rotary ROTARY TOOLS Rotary CABLE TOOLS -

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)

25. WAS DIRECTIONAL SURVEY MADE  
NO

26. TYPE ELECTRIC AND OTHER LOGS RUN

27. WAS WELL CORED YES  NO  (Submit analysis)  
DRILL STEM TEST YES  NO  (See reverse side)

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	MOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
<u>This was an old well and was already cased</u>					

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKED SET (MD)
<u>Line</u>	<u>220</u>	<u>-</u>

31. PERFORATION RECORD (Interval, size and number)

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
<u>177-217</u>	<u>Fracture - Serrano Rooster</u>

33. PRODUCTION

DATE FIRST PRODUCTION 4-18-90 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping 7" WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL	GAS—MCF	WATER—BBL	GAS-OIL RATIO
<u>4-19-90</u>	<u>24</u>		<u>→</u>	<u>3 BBL</u>	<u>0</u>	<u>0</u>	<u>0</u>
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL	GAS—MCF	WATER—BBL	OIL GRAVITY-API (CORR.)	
<u>0</u>	<u>0</u>	<u>→</u>	<u>3 BBL</u>	<u>0</u>	<u>0</u>	<u>36.9</u>	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.) none TEST WITNESSED BY Robbie J. Bunn

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 Robbie J. Bunn TITLE Partner DATE 4-19-90

See Spaces for Additional Data on Reverse Side

12<sup>00</sup>

ASSIGNMENT OF OIL AND GAS LEASE

THIS ASSIGNMENT OF OIL AND GAS LEASE is made this 17th day of June, 1996, between Louise Leber (LEBER) whose mailing address is P.O. BOX 310398, Mexican Hat, Utah 84531 and Bonnie Petty (PETTY doing business as PETTY ENTERPRISES) P.O. BOX 504, Blanding, Utah 84511.

WITNESSETH:

I. RECITALS.

I.A. On December 4, 1984, First Security Bank of Utah, N.A., as Trustee and Agent and as Lessor, entered into an oil and gas lease (LEASE) with Weger Petroleum Corporation (WEGER), as Lessee, covering the following described land situated in San Juan County, Utah, to-wit:

TOWNSHIP 42 SOUTH, RANGE T9 EAST, SLM

Being at Corner No. 3 of Monticello Placer, M.S. No. 6651 located South 42.68 chs. and East 8.05 chs. from Section Corner 5, 6, 7, and 8, thence North 14° 45' East 2.45 chs., North 23° 31' East 32.71 chs., North 36° 00' East 12.70 chs. to Meander Corner of Sections 5 and 8, thence with protracted description East 4.50 chs. to Medial line of San Juan River from 1959 Aerial photos, thence along medial line South 42° 33' West 12.01 chs. South 34° 04' West 3.00 chs., South 23° 04' West 34.02 chs, West 2.50 chs. to point of beginning, containing 12.53 acres, except that land to the North of the line from the Northeast corner of Monticello patented placer mining claim as shown on MS-6661, East to the medial line of the San Juan River.

1996 JUN 19 AM 9:40

RECORDED, SAN JUAN COUNTY, UTAH

Entry No. **1013079**  
 Recorded 1996 JUN 19 AM 9:40  
 Louise L. Leber  
 Recorder, San Juan County, Utah  
 James H. Houlton

I.B. The LEASE was recorded in the Recorder's Office of San Juan County, State of Utah (RECORDER'S OFFICE) on FEBRUARY 12, 1985, in book 666 at pages 724-728.

Recorded 1987-1-96

I.C. WEGER assigned all its right, title and entire working interest in the LEASE to Wesgra Corporation ("WESGRA") by Assignment of Oil and GAS Lease, San Juan County, Utah effective as of January 2, 1987, and recorded in the RECORDER'S OFFICE ON February 13, 1987, in Book 684 at pages 46-52.

I.D. WESGRA assigned and conveyed all its right, title and interest in the LEASE, INsofar AS IT COVERS THE FOLLOWING:

North half of the LEASE and is further described as the North half of the distance of that distance the LEASE extends along the river in Section 8.

(the "NORTHERN PORTION OF THE LEASE") to Bill Sutherland doing business as Sutherland Oil Company ("SUTHERLAND") by Assignment of Oil and Gas Lease dated June 22, 1990, and recorded in the

x2


**Ms. Louise Leber**  
 P.O. Box 310398  
 Mexican Hat, UT 84531-0398

60

RECORDER'S OFFICE on February 26, 1990 in Book 708 at pages 299-300.

I.E. SUTHERLAND assigned and conveyed one-half (1/2) of all SUTHERLAND'S right, title and entire working interest in the NORTHERN PORTION OF THE LEASE to RISENHOOVER by Assignment of Oil and Gas Lease made effective as of June 27, 1991, and recorded in the RECORDER'S OFFICE on August 5, 1992, in Book 725 at pages 45-48.

I.F. RISENHOOVER assigned and conveyed all RISENHOOVER'S right, title and entire working interest in the NORTHERN PORTION OF THE TO LEBER by Assignment of Oil and Gas Lease made effective as of March 10th, 1993, and recorded in the RECORDER'S OFFICE on April 2, 1993 Book 729 pages 580-582.

II. ASSIGNMENT.

II.A. NOW THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, LEBER does hereby agree to and hereby assign, transfer, sell bargain and convey to PETTY all of LEBER'S right, title and entire working interest, in the NORTHERN PORTION OF THE LEASE.

II.B. This Assignment shall be and is binding upon the parties hereto, their heirs, successors and assigns.

IN WITNESS WHEREOF, this Assignment is executed as of the date first above written.

Louise Leber  
LOUISE LEBER

STATE OF UTAH )  
                  : SS.  
COUNTY of SAN )  
JUAN

The foregoing instrument was acknowledged before me this 18<sup>th</sup> day of JUNE, 1996, by Louise Leber.



Leona L. Mueller  
Notary Public  
Residing at Mexican Hat, Utah

My Commission Expires;  
Feb 6, 1998

Division of Oil, Gas and Mining  
PHONE CONVERSATION DOCUMENTATION FORM

Route original/copy to:

Well File 8-1 & 8-2

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

Other  
Bond File  
Open File

(Location) Sec 8 Twp 42S Rng 19E  
(API No.) 43-037-31451 & 43-037-30529

1. Date of Phone Call: 7-16-96 Time: 2:45

2. DOGM Employee (name) P. Condore (Initiated Call   
Talked to:

Name Mrs Petty (Initiated Call  - Phone No. (801) 678-2535  
of (Company/Organization) Petty Enterprises

3. Topic of Conversation: Assuming ownership of wells? If so, reg. doc. & bonding.

4. Highlights of Conversation: \_\_\_\_\_  
msg - George Petty  
\* 960730 George Petty assigned all of his interest over to  
Wesgre "Clint Howell".  
\* 960730 Clint Howell 11:30 msg.  
\* 960805 Clint Howell/Wesgre, planning to assume ownership  
of wells. Doc. to follow!

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

6. Lease Designation and Serial Number <b>GOODRIDGE - FEE</b>
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement

**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— for such proposals

1. Type of Well  
 Oil Well     Gas Well     Other (specify)

9. Well Name and Number  
**Sutherland #8-2 & #8-1**

2. Name of Operator  
**WESGRA CORPORATION**

10. API Well Number  
**4303730529  
4303731451**

3. Address of Operator  
**P.O. Box 310367 MEXICAN HAT, UT. 84531**

4. Telephone Number  
**801-683-2298**

11. Field and Pool, or Wildcat  
**MEXICAN HAT**

5. Location of Well  
 Footage : \_\_\_\_\_ County : **SAN JUAN**  
 QQ, Sec, T., R., M. : **T.42 S. R. 19 E. Sec.8 S.L.M..** State : **UTAH**

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

**NOTICE OF INTENT**  
(Submit in Duplicate)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Recompletion
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Vent or Flare
<input type="checkbox"/> Multiple Completion	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other <b>CHANGE OF OPERATOR</b>	

Approximate Date Work Will Start \_\_\_\_\_

**SUBSEQUENT REPORT**  
(Submit Original Form Only)

<input type="checkbox"/> Abandonment	<input type="checkbox"/> New Construction
<input type="checkbox"/> Casing Repair	<input type="checkbox"/> Pull or Alter Casing
<input type="checkbox"/> Change of Plans	<input type="checkbox"/> Shoot or Acidize
<input type="checkbox"/> Conversion to Injection	<input type="checkbox"/> Vent or Flare
<input checked="" type="checkbox"/> Fracture Treat	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Other _____	

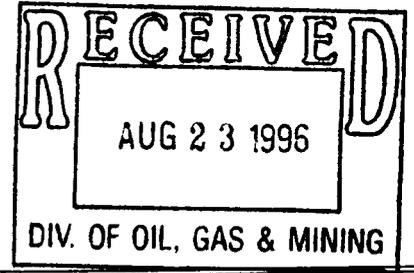
Date of Work Completion \_\_\_\_\_

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION AND LOG form.  
 \* Must be accompanied by a cement verification report.

13. 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.)

WESGRA CORPORATION WILL ASSUME OPERATION OF THIS LEASE, EFFECTIVE ON JULY 1st. 1996, FROM PETTY ENTERPRISES AND SUTHERLAND OIL CO. SEE ENCLOSED ATTACHMENT OF AGREEMENT BETWEEN (LEBER) and (PETTY ENTERPRISES)

THANK YOU



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

Name & Signature **CLINT HOWELL** *Clint Howell* Title **PRESIDENT** Date **8/20/96**

(State Use Only)

**OPERATOR CHANGE WORKSHEET**

Routing	
1-VEC ✓	6-LER ✓
2-GLH/SLS ✓	7-KDR ✓
3-DT8075 ✓	8-SJ ✓
4-VLD ✓	9-FILE ✓
5-RJF ✓	

Attach all documentation received by the division regarding this change.  
Initial each listed item when completed. Write N/A if item is not applicable.

- Change of Operator (well sold)       Designation of Agent  
 Designation of Operator       Operator Name Change Only

The operator of the well(s) listed below has changed, effective: 7-1-96

**TO: (new operator)** WESGRA CORPORATION  
 (address) PO BOX 367  
MEXICAN HAT UT 84531  
CLINT HOWELL  
 Phone: (801)683-2298  
 Account no. N1060

**FROM: (old operator)** SUTHERLAND OIL COMPANY  
 (address) C/O LOUISE LEBER  
BOX 310398  
MEXICAN HAT UT 84531  
 Phone: (801)683-2202  
 Account no. N7325(A)

WELL(S) attach additional page if needed:

Name: <u>8-1/GDRSD</u>	API: <u>43-037-31451</u>	Entity: <u>10934</u>	S	<u>8</u>	T	<u>42S</u>	R	<u>19E</u>	Lease: <u>FEE</u>
Name: <u>8-2/GDRSD *</u>	API: <u>43-037-30529</u>	Entity: <u>10934</u>	S	<u>8</u>	T	<u>42S</u>	R	<u>19E</u>	Lease: <u>FEE</u>
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____
Name: _____	API: _____	Entity: _____	S	_____	T	_____	R	_____	Lease: _____

**OPERATOR CHANGE DOCUMENTATION**

- Yes 1. (r649-8-10) Sundry or other legal documentation has been received from the FORMER operator (attach to this form). *(Rec'd 8-23-96)*
- Yes 2. (r649-8-10) Sundry or other legal documentation has been received from the NEW operator (Attach to this form). *(Rec'd 8-23-96)*
- N/A 3. The Department of Commerce has been contacted if the new operator above is not currently operating any wells in Utah. Is the company registered with the state? (yes/no) \_\_\_\_\_ If yes, show company file number: \_\_\_\_\_
- N/A 4. FOR INDIAN AND FEDERAL WELLS ONLY. The BLM has been contacted regarding this change. Make note of BLM status in comments section of this form. BLM approval of Federal and Indian well operator changes should ordinarily take place prior to the division's approval, and before the completion of steps 5 through 9 below.
- Yes 5. Changes have been entered in the Oil and Gas Information System (3270) for each well listed above. *(8-28-96)*
- Yes 6. Cardex file has been updated for each well listed above. *(8-28-96)*
- Yes 7. Well file labels have been updated for each well listed above. *(8-28-96)*
- Yes 8. Changes have been included on the monthly "Operator, Address, and Account Changes" memo for distribution to Trust Lands, Sovereign Lands, UGS, Tax Commission, etc. *(8-28-96)*
- Yes 9. A folder has been set up for the Operator Change file, and a copy of this page has been placed there for reference during routing and processing of the original documents.





State of Utah

Department of  
Natural Resources

Division of  
Oil, Gas & Mining

ROBERT L. MORGAN  
*Executive Director*

LOWELL P. BRAXTON  
*Division Director*

MICHAEL O. LEAVITT  
*Governor*

OLENE S. WALKER  
*Lieutenant Governor*

April 16, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6198

Clint Howell  
Wesgra Corporation  
P.O. Box 367  
Mexican Hat, Utah 84531

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases.

Dear Mr. Howell:

Wesgra Corporation, as of April 2004, has four (4) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

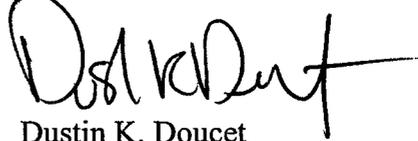
Page 2  
April 16, 2004  
Clint Howell

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

jc  
cc: John Baza  
Well File

Wesgra Corporation

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	Wesgra 8-1	43-037-31451	Fee	7 Years 8 Months
2	Wesgra 8-2	43-037-30529	Fee	7 Years 8 Months
3	San Juan Fed 8	43-037-30528	Fee	1 Year 11 Months
4	Goodridge Trust 21B	43-037-31703	Fee	1 Year 6 Months

Attachment A

# WESGRA CORPORATION

Hwy 163 / Riverview Dr.  
P.O. Box 310367  
Madcan Hat, Utah 84531

Phone: 435-683-2263  
Fax: 435-683-2266  
E-mail: ch1sj@yahoo.com

06 /28 /2004

RECEIVED

JUN 30 2004

DIV. OF OIL, GAS & MINING

Dustin K. Doucet

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: Letter, April 16, 2004

Extended shut-in and Temporary abandoned wells

Plan of Action as follows,

#1	Wesgra 8-1	43-037-31451	Workover-Reproduce	
2	Wesgra 8-2	43-037-30529	Workover- Reproduce	
3	San Juan Fed 8	43-037-30528	Workover- Reproduce	Possibly Plug & abandon
4	Goodridge Trust 21 B	43-037-31073	Workover- Reproduce	Possibly Plug & abandon

COPY SENT TO OPERATOR  
Date: 7-28-04  
Initials: CHD

Sincerely,



Clint Howell

Manager

Wesgra Corporation



State of Utah

Department of  
Natural Resources

ROBERT L. MORGAN  
*Executive Director*

Division of  
Oil, Gas & Mining

LOWELL P. BRAXTON  
*Division Director*

OLENE S. WALKER  
*Governor*

GAYLE F. McKEACHNIE  
*Lieutenant Governor*

July 21, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 5207

Mr. Clint Howell  
Wesgra Corporation  
Hwy 163 / Riverview Drive  
P.O. Box 310367  
Mexican Hat, Utah 84531

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated April 16, 2004.

Dear Mr. Howell,

The Division of Oil, Gas and Mining (the "Division") is in receipt of your letter dated June 28, 2004 (received by the Division on 6/30/2004) in regards to the four (4) shut-in wells operated by Wesgra Corporation ("Wesgra"). It is the Division's understanding Wesgra intends to workover and put on production the 8-1 well, 8-2 well, San Juan Federal 8 well and Goodridge Trust 21B well.

Based on the proposed <sup>425 198 08</sup> plan of action the Division grants a one (1) year extension for the 8-1 well, 8-2 well, San Juan Federal 9 well and Goodridge Trust 21B well. These shut-in/temporary abandonment extensions are valid through June 30, 2005, allowing adequate time to accomplish the proposed work.

If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet  
Petroleum Engineer

CLD:jc  
cc: Well file



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

September 29, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6398

Mr. Clint Howell  
Wesgra Corporation  
P.O. Box 310367  
Mexican Hat, UT 84531

43 037 30529  
8-2  
42S 19E 8

Re: Second Notice of Extended Shut-in and Temporarily Abandoned Requirements for Wells on Fee or State Leases

Dear Mr. Howell:

Wesgra Corporation ("Wesgra") has sixteen (16) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in and temporary abandonment (SI/TA) status. Wells SI/TA beyond twelve (12) consecutive months require the filing of a Sundry Notice in accordance with R649-3-36-1 for Utah Division of Oil, Gas & Mining ("Division") approval. Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (R649-3-36-1.3.3).

This is a second notice of non-compliance for wells 1 through 12 listed on Attachment A. For wells 1 through 10, the Division notified you (under operator name San Juan Minerals) on several occasions by certified mail about these wells non-compliance issues. Plans to PA or re-complete these wells were submitted, but no action has been taken to date. For wells 11 and 12, Wesgra was notified through certified mail dated April 16, 2004, and again in a response dated July 21, 2004. In the response, it was understood that Wesgra planned to workover these wells. The Division feels that sufficient time has passed to perform necessary work to put these in to production or to PA. Please submit your plans to produce or plug these wells. If this is not addressed within 30 days, a Notice of Violation will be issued for these wells. A similar response is required for the other four wells listed on Attachment A.



Page 2  
September 29, 2008  
Mr. Howell

For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3)

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions will be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

JP/js  
Enclosure

cc: Compliance File  
Well File

## Attachment A

	<b>Well Name</b>	<b>API</b>	<b>Lease Type</b>	<b>Years Inactive</b>
1	NORDEEN 5	43-037-20722	FEE	2 Years 8 Months
2	NORDEEN 3	43-037-30149	FEE	2 Years 8 Months
3	GOODRIDGE 81-3	43-037-30960	FEE	12 Years
4	J & L 3	43-037-31207	FEE	21 Years 6 Months
5	GOODRIDGE 91-2	43-037-31605	FEE	12 Years
6	GOODRIDGE 91-7	43-037-31613	FEE	12 Years
7	GOODRIDGE 91-16	43-037-31634	FEE	12 Years
8	GOODRIDGE 91-12	43-037-31637	FEE	12 Years
9	GOODRIDGE 1	43-037-31647	FEE	12 Years
10	J & L 3-X	43-037-31669	FEE	21 Years 6 Months
11	WESGRA 8-2	43-037-30529	FEE	12 Years
12	WESGRA 8-1	43-037-31451	FEE	12 Years
13	SAN JUAN FED 3	43-037-30420	FEE	2 Years 2 Months
14	SAN JUAN TRACT 4-2X	43-037-30733	FEE	1 Year 10 Months
15	NORDEEN 81-5	43-037-30958	FEE	4 Years 5 Months
16	NORDEEN 86-6	43-037-31254	FEE	2 Years 1 Month

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

FORM 9

5. LEASE DESIGNATION AND SERIAL NUMBER:

FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT or CO AGREEMENT NAME

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL

OIL WELL  GAS WELL  OTHER

8. WELL NAME and NUMBER

Wesgra 8 - 2

2. NAME OF OPERATOR

Sutherland oil / Wesgra Corp

9. API NUMBER

4303730529

3. ADDRESS OF OPERATOR

P.O. Box 310367 Mexican Hat UT 84531

PHONE NUMBER

(435) 683-2263

10. FIELD AND POOL, OR WILDCAT

Mexican Hat

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 535'FNL 1547'FWL

COUNTY: San Juan

QUADTR. SECTION, TOWNSHIP, RANGE, MERIDIAN. NWNE 8 42S 19E S

STATE

UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start <u>12/15/2008</u>	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRAC/URE TREAT	<input type="checkbox"/> SILE/HACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER:
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Propose to fill from TD to surface with cement slurry

COPY SENT TO OPERATOR

Date: 12.18.2008

Initials: KS

NAME (PLEASE PRINT) Clint Howell

TITLE Manager

SIGNATURE Clint Howell

DATE 11/17/2008

(This space for State use only)

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

DATE 12/16/08 (See Instructions on Reverse Side)

BY: [Signature]

\* Contact Bart Kettle @ 435-820-2862 prior to  
commencing work

RECEIVED

NOV 17 2008

DIV. OF OIL, GAS & MINING

# Wellbore Diagram

**API Well No:** 43-037-30529-00-00    **Permit No:**    **Well Name/No:** 8-2  
**Company Name:** WESGRA CORPORATION  
**Location:** Sec: 8 T: 42S R: 19E Spot: NENW    **String Information**  
**Coordinates:** X: 602224 Y: 4112576  
**Field Name:** MEXICAN HAT  
**County Name:** SAN JUAN

### Cement Information

Assuming 4 1/2" 11.6 # casing  
 $230 \times (11.5) (11.459) = \underline{185x}$

### Perforation Information

### Formation Information

#### Formation Depth

Hole: Unknown

**TD:**    230    **TVD:**    **PBTD:**



JON M. HUNTSMAN, JR.  
Governor

GARY R. HERBERT  
Lieutenant Governor

# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

March 3, 2009

CERTIFIED MAIL NO.: 7004 1160 0003 0190 2549

Mr. Clint Howell  
Wesgra Corporation  
P.O. Box 310367  
Mexican Hat, UT 84531

43 037 305 29  
Wesgra 8-2  
42S 19E 8

Subject: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases

Dear Mr. Howell:

As of January 2009, Wesgra Corporation (Wesgra) has ten (10) Fee Lease Wells (see attachment A) that have recently been added as being in non-compliance with the requirements for extended shut-in or temporarily abandoned (SI/TA) status.

The Utah Division of Oil, Gas & Mining (Division) also wishes to remind Wesgra of the other outstanding wells that are past due in their non-compliance issues and PA proposals as previously addressed in numerous communications with Wesgra. Most recently a letter sent via certified mail September 29, 2008. Please respond to this matter within 30 days or a Notice of Violation may be issued on these wells (attachment A).

Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Division with the following:

1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence or absence of Underground Sources of Drinking Water and other factors do not make the well a risk to public health and safety or the environment (R649-3-36-1.3).

Please note that the Divisions preferred method for showing well integrity is by MIT



Page 2  
Wesgra Corporation  
March 3, 2009

Submitting the information suggested below may help show well integrity and may help qualify your well for extended SI/TA. **Note: As of July 1, 2003, wells in violation of the SI/TA rule R649-3-36 may be subject to full cost bonding (R649-3-1-4.2, 4.3).**

1. Wellbore diagram, and
2. Copy of recent casing pressure test, and
3. Current pressures on the wellbore (tubing pressure, casing pressure, and casing/casing annuli pressure) showing wellbore has integrity, and
4. Fluid level in the wellbore, and
5. An explanation of how the submitted information proves integrity.

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 538-5281.

Sincerely,



Dustin K. Doucet  
Petroleum Engineer

DKD/IP/js  
Enclosure  
cc: Compliance File  
Well File

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SI/TA

# ATTACHMENT A

	Well Name	API	Lease Type	Years Inactive
<b>FIRST NOTICE</b>				
1	SAN JUAN FED 8	43-037-30528	FEE	1 year
2	GOODRIDGE 80.1	43-037-30570	FEE	1 year 1 month
3	SAN JAUN FED 10	43-037-30836	FEE	1 year
4	SAN JUAN FED 11	43-037-30837	FEE	1 year
5	GOODRIDGE ESTATE 21	43-037-31344	FEE	1 year
6	GOODRIDGE ESTATE 22-A	43-037-31352	FEE	1 year
7	GOODRIDGE ESTATE 24	43-037-31354	FEE	1 year
8	GOODRIDGE TRUST 21B	43-037-31703	FEE	1 year
9	GOODRIDGE TRUST 24A	43-037-31713	FEE	1 year
10	GOODRIDGE TRUST 96-1	43-037-31782	FEE	1 year
<b>PENDING NOTICE OF VIOLATION</b>				
	WESGRA 8-1	43-037-31451	FEE	12 years 5 months
	WESGRA 8-2	43-037-30529	FEE	12 years 4 months
	GOODRIDGE 91-2	43-037-31605	FEE	12 years 5 months
	GOODRIDGE 91-12	43-037-31637	FEE	12 years 5 months
	GOODRIDGE 1	43-037-31647	FEE	12 years 5 months
	GOODRIDGE 91-7	43-037-31613	FEE	12 years 5 months
	J&L 3-X	43-037-31669	FEE	20 years 11 months
	GOODRIDGE 81-3	43-037-30960	FEE	11 years 5 months
	J&L 3	43-037-31207	FEE	21 years 11 months
	NORDEEN 5	43-037-20722	FEE	3 years 1 month
	NORDEEN 3	43-037-30149	FEE	3 years 1 month
<b>SECOND NOTICE</b>				
	NORDEEN 81-5	43-037-30958	FEE	4 years 10 months
	SAN JUAN FED 3	43-037-30420	FEE	2 years 7 months
	SAN JUAN TRACT 4-2X	43-037-30733	FEE	2 years 3 months
	NORDEEN 86-6	43-037-31254	FEE	2 years 6 months