

-UTAH OIL AND GAS CONSERVATION COMMISSION

M

REMARKS: WELL LOG _____ ELECTRIC LOGS _____ FILE WATER SANDS _____ LOCATION INSPECTED _____ SUB REPORT/abd _____

** Application resubmitted - well now drilled*

DATE FILED **5-19-83**

LAND FEE & PATENTED _____ STATE LEASE NO _____ PUBLIC LEASE NO **U-40053** INDIAN _____

DRILLING APPROVED **5-20-83** *OIL*

SPUDDED IN: _____
 COMPLETED: _____ PUT TO PRODUCING: _____

INITIAL PRODUCTION _____

GRAVITY A.P.I. _____

GOR _____

PRODUCING ZONES _____

TOTAL DEPTH: _____

WELL ELEVATION: _____

DATE ABANDONED: *7/26/84 LA*

FIELD: *Wildcat 3/86 Little Nancy*

UNIT: *Little Nancy Unit*

COUNTY: *San Juan*

WELL NO *Nancy Federal 10-41*

API #**43-037-30899**

LOCATION **550** FT. FROM (N) ~~XX~~ LINE. **330** FT. FROM (E) ~~XX~~ LINE **NENE** 1/4 - 1/4 SEC. **10**

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
38S	25E	10	TRICENTROL RESOURCE INC.				

Permitco

A Petroleum Permitting Company

May 16, 1983

State of Utah
Division of Oil, Gas & Mining
4241 State Office Bldg.
Salt Lake City, UT 84114

RE: Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

RECEIVED

MAY 20 1983

DIVISION OF
OIL, GAS & MINING

Gentlemen:

Tricentrol Resources Inc. proposes to drill a well at the above-mentioned location.

We realize that this location is a non-standard location in accordance with the spacing rules for the State of Utah. This location was picked due to topography and extensive seismic work which was done in the immediate area.

Tricentrol Resources Inc. is the lease holder of the N/2 of Section 10, T38S-R25E, as well as all of Section 11, T38S-R25E. Therefore, no other lease holders will be affected by the drilling of the above-proposed well.

We, therefore, request your permission to drill this well at a nonstandard location.

Sincerely,

PERMITCO

Lisa L. Green

Lisa L. Green
Consultant for
Tricentrol Resources Inc.

LLG/tjb

Enclosures

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

(Other instructions on reverse side)

5. Lease Designation and Serial No.

U-40053

6. If Indian, Allottee or Tribe Name

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

7. Unit Agreement Name

Little Nancy Unit

8. Farm or Lease Name

Nancy Federal

9. Well No.

#10-41

10. Field and Pool, or Wildcat

Unnamed

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

Sec. 10, T38S-R25E

2. Name of Operator

Tricentrol Resources Inc. c/o Permitco

3. Address of Operator

1020-15th St., Suite 22-E Denver, CO 80202

4. Location of Well (Report location clearly and in accordance with any State requirements.)*

At surface 550' FNL & 330' FEL

At proposed prod. zone

NE/NE

14. Distance in miles and direction from nearest town or post office*

Located 28 miles southwest of Dove Creek, Colorado

12. County or Parrish

San Juan

13. State

Utah

15. Distance from proposed* location to nearest property or lease line, ft.

330'

16. No. of acres in lease

1921.56

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.

850'

19. Proposed depth

6000'

20. Rotary or cable tools

Rotary

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

5273' Gr.

22. Approx. date work will start*

Upon approval of APD

23.

PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
<u>12-1/4</u>	<u>8-5/8</u>	<u>24#</u>	<u>1325'</u>	<u>600 sx - circulated</u>
<u>7-7/8"</u>	<u>5-1/2"</u>	<u>15.5#</u>	<u>6000'</u>	<u>250 sx - or sufficient to cover zones of interest</u>

Tricentrol Resources Inc. proposes to drill a well to the depth of 6000' to test the Ismay and Desert Creek formations. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per B.L.M. and State of Utah requirements.

RECEIVED
MAY 19 1983

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. David Howell
 Signed: David Howell Title: Petroleum Engineer Date: 3/16/83

(This space for Federal or State office use)

Permit No. _____ Approval Date _____

Approved by _____ Title _____

Conditions of approval, if any:

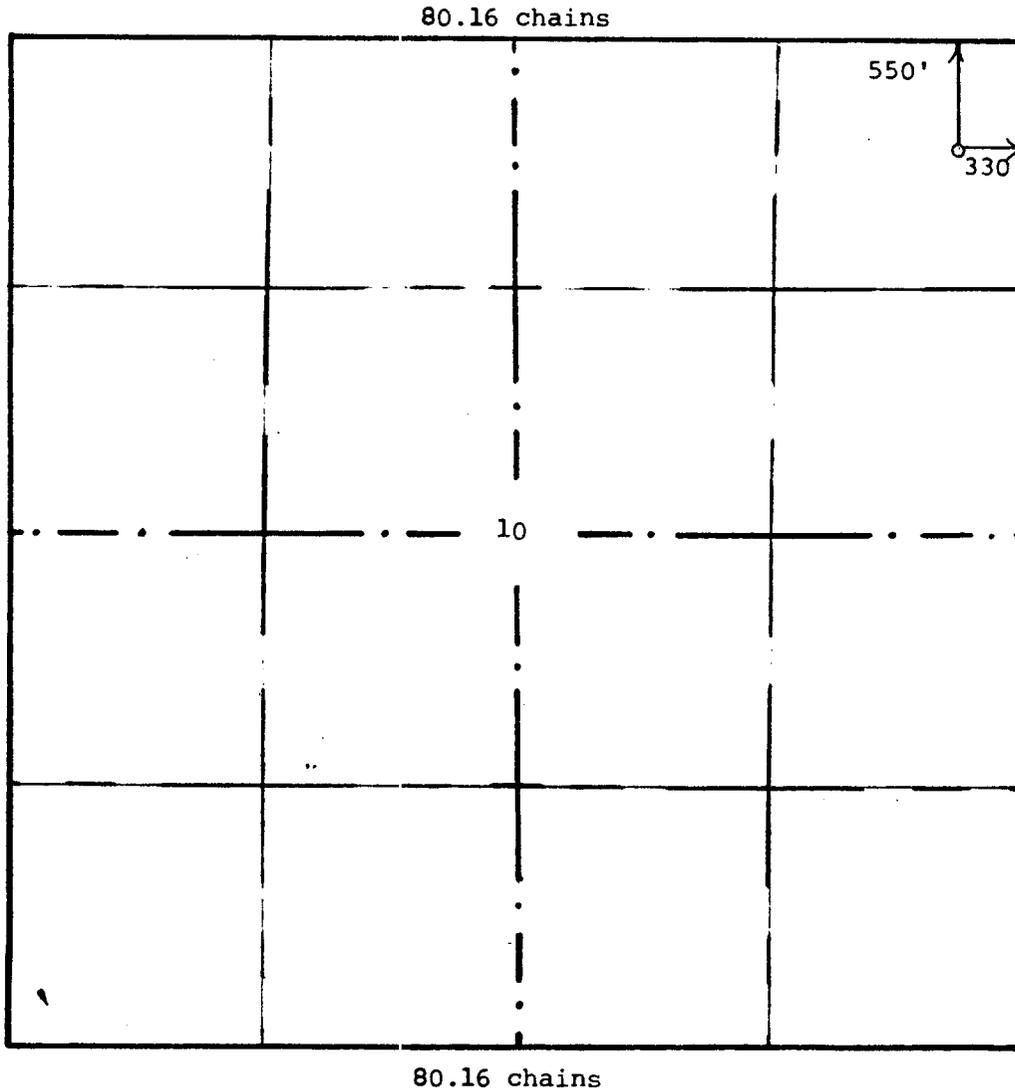
**APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING**

DATE: 5-20-83
BY: [Signature]



POWERS ELEVATION

Well Location Plat



Operator Tricentrol U.S.A.		Well name Nancy Federal 10-41	
Section 10	Township 38 South	Range 25 East	Meridian SLPM
Footages 550' FNL & 330' FEL			County/State San Juan, Utah
Elevation 5273'	Requested by Lisa Green		
<p>The above plat is true and correct to the best of my knowledge and belief.</p> <p>2 May 1983</p> <p><i>Gerald G. Huddleston</i> Gerald G. Huddleston, L.S. Utah exception</p>			

May 16, 1983

Minerals Management Service

RE: NTL-6 Program
Nancy Federal #10-41
550' FNL and 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

Gentlemen:

This letter is to inform you that Tricentrol hereby authorizes Permitco to prepare the above mentioned NTL-6 program and to attend to any other related matters.

If anything further is needed, please advise.

Sincerely,

TRICENTROL RESOURCES INC.

Richard P Crist

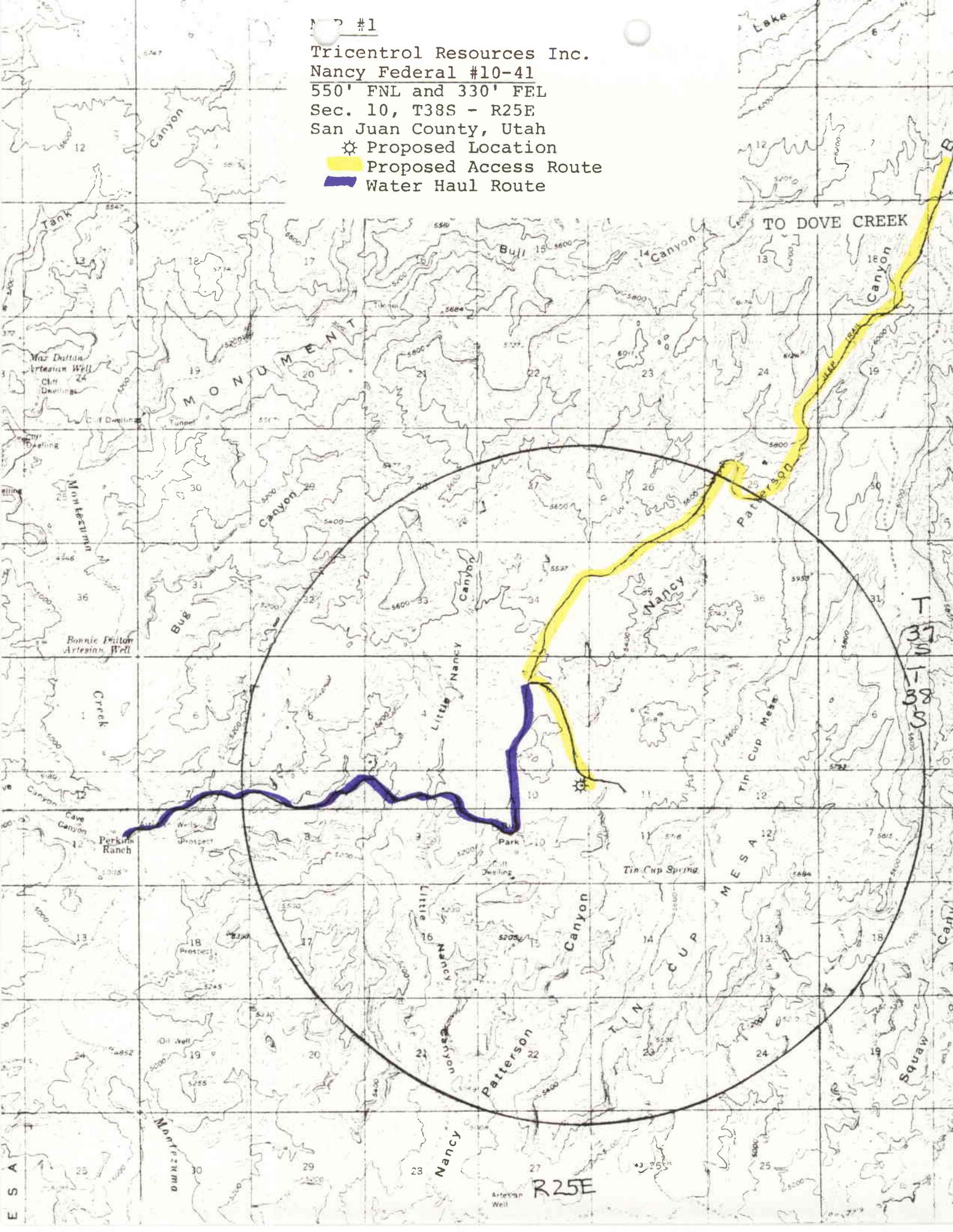
Richard P. Crist
Area Exploration Manager

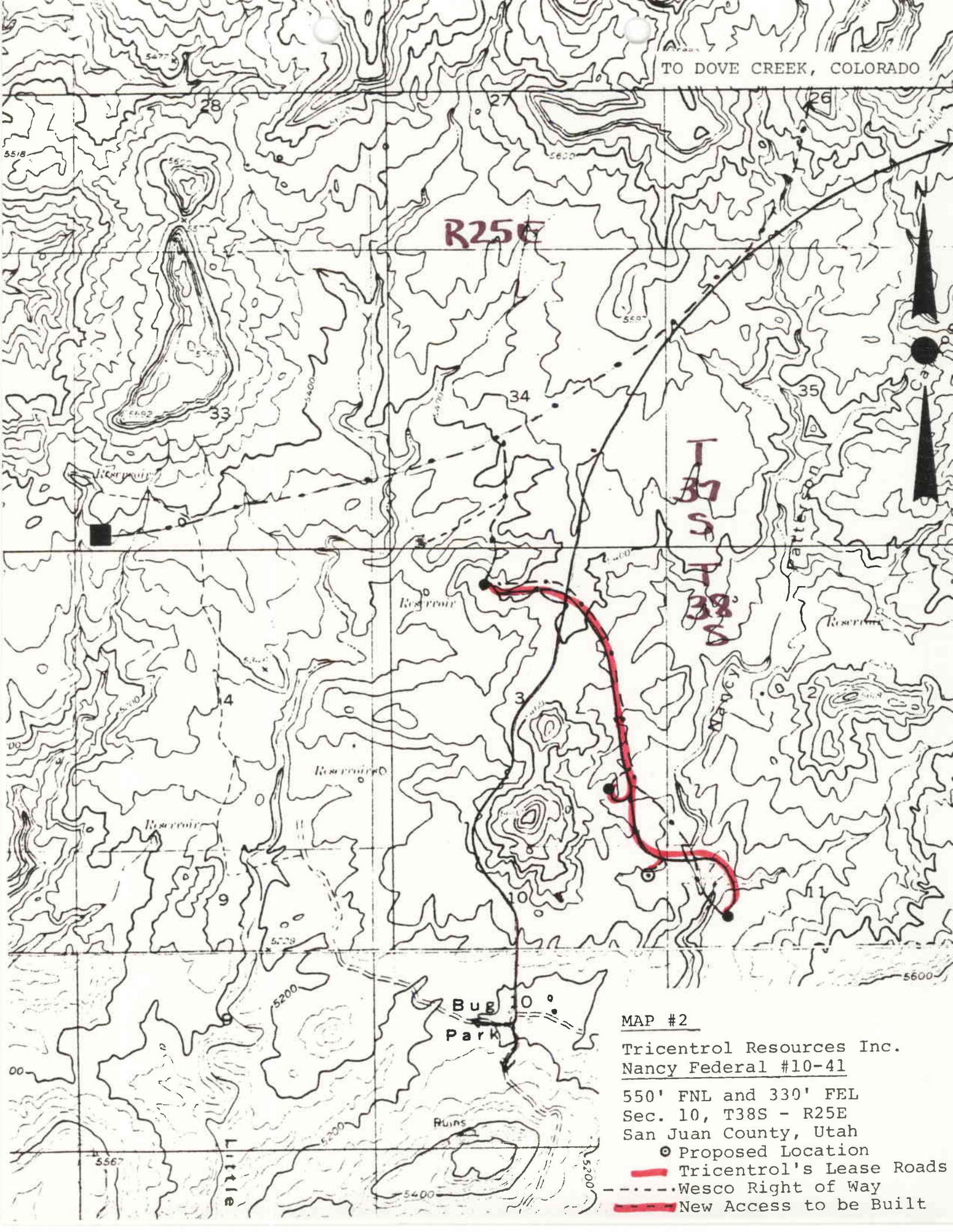
RPC:ram

Map #1

Tricentral Resources Inc.
Nancy Federal #10-41
550' FNL and 330' FEL
Sec. 10, T38S - R25E
San Juan County, Utah

- ☼ Proposed Location
- Yellow line Proposed Access Route
- Blue line Water Haul Route





R25E

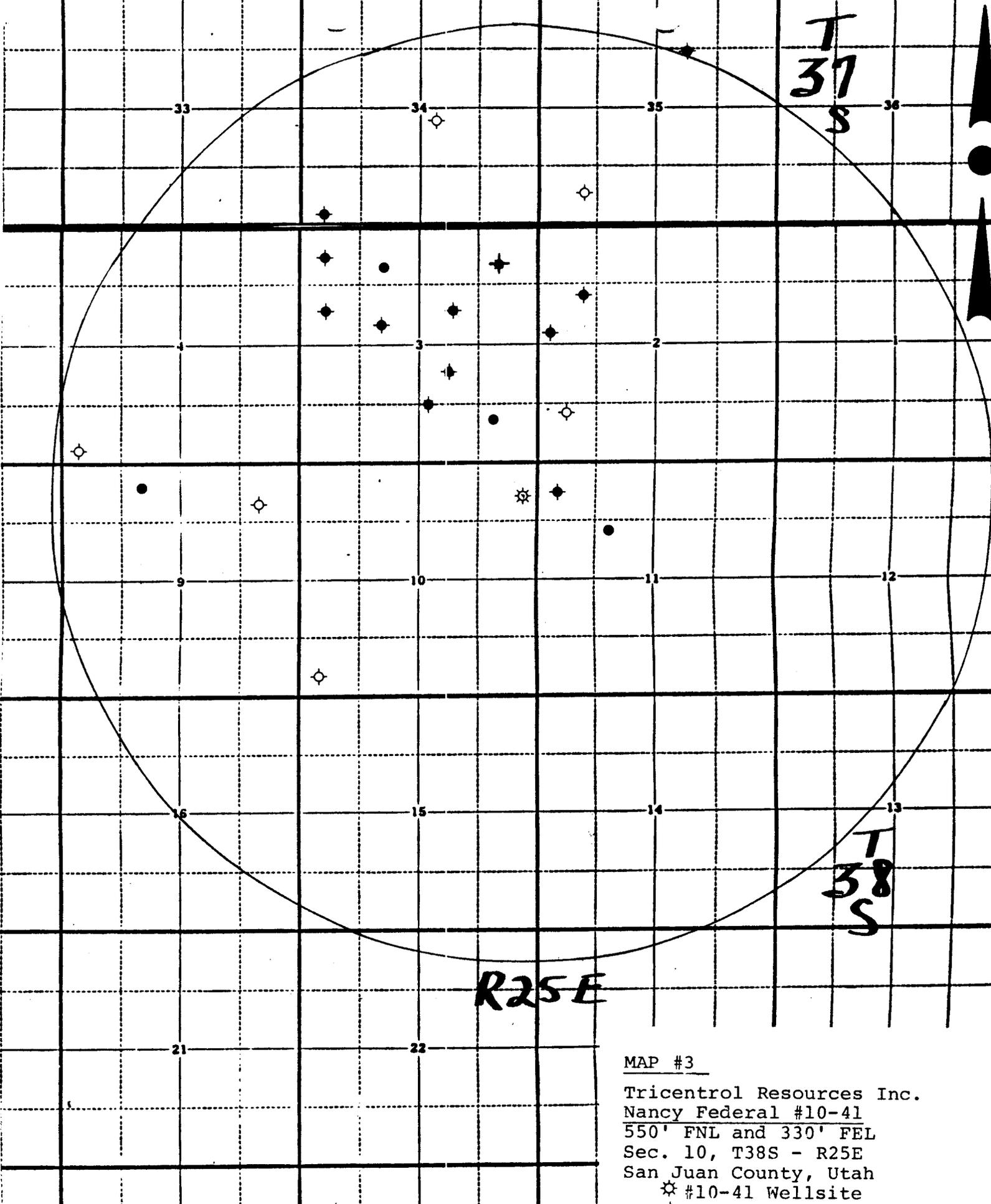
T37S
T38S

MAP #2

Tricentrol Resources Inc.
Nancy Federal #10-41

550' FNL and 330' FEL
Sec. 10, T38S - R25E
San Juan County, Utah

- Proposed Location
- Tricentrol's Lease Roads
- - - Wesco Right of Way
- New Access to be Built



MAP #3

Tricentrol Resources Inc.
 Nancy Federal #10-41
 550' FNL and 330' FEL
 Sec. 10, T38S - R25E
 San Juan County, Utah

- ☼ #10-41 Wellsite
- ◇ Abandoned Wells
- Producing Wells
- ◆ Other Proposed Locations

TEN POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

1. The outcropping geologic formation is the Morrison.
2. The estimated formation tops to be encountered are as follows:

<u>Formation</u>	<u>Depth</u>	<u>Subsea</u>
Entrada	440'	+ 4845'
Chinle	1275'	+ 4010'
Cutter	2540'	+ 2745'
Hermosa	4490'	+ 795'
Ismay	5465'	- 180'
Desert Creek	5720'	- 435'
T.D.	6000'	- 715'

3. The following depths are estimated for oil and gas bearing zones:

<u>Substances</u>	<u>Formation</u>	<u>Anticipated Depth</u>
Oil	Ismay	5520'
Oil/Gas	Desert Creek	5720'

4. a. The proposed casing program will be as follows:

<u>Purpose</u>	<u>Depth</u>	<u>Hole Size</u>	<u>O.D.</u>	<u>Weight</u>	<u>Grade</u>	<u>Type</u>	
Surface	1325'	12-1/4"	8-5/8"	24.0#	K-55	ST&C	NEW
Production	6000'	7-7/8"	5-1/2"	15.5#	K-55	LT&C	NEW

- b. The cement program will be as follows:

<u>Surface</u>	<u>Type and Amount</u>
0-1325'	300 sx. Lite Cement + 300 sx. Class "B" w/2% CaCl ₂ tail slurry, or sufficient to circulate.
<u>Production</u>	<u>Type and Amount</u>
0-6000'	250 sx. 50/50 poz mix slurry, 1000' fill, or sufficient to cover zones of interest.

5. The blowout preventer stack will consist of a Shaffer 10" 5000# BOP. See diagram attached. Equipment will be tested prior to drilling out from under surface and operational checks will be made daily thereafter.

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A Petroleum Permitting Company

TEN POINT COMPLIANCE PROGRAM
OF NTL-6 APPROVAL OF OPERATIONS

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

6. Drilling fluid will be as follows:

<u>Interval</u>	<u>Mud Type</u>	<u>Mud Wt.</u>	<u>Visc.</u>	<u>F/L</u>
0-4100'	Clear Water	8.5- 9.0	35	N/C
4100-6000'	Gel Chem	9.5-10.1	35	6-8

7. Auxiliary equipment to be used is as follows:

- a. Kelly cock
- b. Float above the bit.
- c. Monitoring of the system will be done visually.
- d. A sub with a full opening valve will be on the floor when the kelly is not in use.

8. Testing, logging and coring will be as follows:

- a. No cores are anticipated.
- b. Drill stem tests will be run at all drilling breaks and shows in both the Ismay and Desert Creek.
- c. The logging program will consist of Dual Induction -SFL; Neutron Density, Sonic Log, Dipmeter and Velocity Survey.
- d. The zones of interest will be perforated with two shots per foot through the native porosity. The well will be swabbed back. If the well does not begin to flow, the zones of interest will be acidized with 1500 to 3000 gallons of 28% HCl acid.

9. No abnormal pressures or hydrogen sulfide gas are anticipated during the course of drilling to T.D. The maximum bottom hole pressure to be expected is 3500 psi.

10. Tricentrol Resources Inc. plans to spud the Nancy Federal #10-41 upon approval of this permit and intends to complete the well within approximately one month after the well has reached T.D.

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MULTI-POINT REQUIREMENTS TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

Gentlemen:

We submit the following application and plats for permission to drill the Nancy Federal #10-41.

1. Existing Roads

- a. The proposed well site and elevation plat is shown on Plat #1.
- b. Directions to the location from Dove Creek, Colorado are as follows: Go southwest on Bug Point Road for 17 miles until it intersects with the Nancy Patterson Road. Go 10.5 miles on Nancy Patterson Road. Turn southeast on to new pipeline road and go .9 mile. Turn right (southwest) and go 300' to the location.
- c. For access roads, see Maps #1 and #2.
- d. All existing roads within a 3-mile radius are shown on Map #1.
- e. This is a development well. All roads within a one-mile radius of the well site are shown on Maps #1 and #2.
- f. All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.
- g. Improvement to existing access will not be necessary and will be limited to a total existing disturbed width. New construction will be limited to total disturbed width of 20 feet. Surfacing material will not be placed on the access road or location without prior BLM approval.
- h. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.
- i. The San Juan County Road Department in Monticello, Utah, will be contacted prior to use of county roads (801/587-2249).

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A Petroleum Permitting Company

MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

2. Planned Access Roads

- a. New access road will be approximately 20 feet wide and 300 feet long.
- b. The grade will be 4% or less.
- c. No turnouts are planned.
- d. There will be no ditching. Water bars will be constructed as directed by the Bureau of Land Management to control erosion. (To be done at a later date if production is established.)
- e. No culverts will be necessary. Maximum cut is 9 feet. Maximum fill is 13 feet.
- f. Only native materials will be utilized.
- g. No gates, cattle guards, or fence cuts will be necessary.

3. Location of Existing Wells (See Map #3)

- a. Water wells - none
- b. Abandoned wells - six
- c. Temporarily abandoned wells - none
- d. Disposal wells - none
- e. Drilling wells - none
- f. Producing wells - four
Tricentrol's producing wells are as follows:
 - (1) Nancy Federal #3-44
920' FSL & 1050' FEL
Sec. 3, T38S-R25E
 - (2) Nancy Federal #11-22
1400' FNL & 1550' FWL
Sec. 11, T38S-R25E
 - (3) Nancy Federal #1-3
710' FNL & 1960' FWL
Sec. 3, T38S-R25E
- g. Shut in wells - none
- h. Injection wells - none
- i. Monitoring observation wells - none

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Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

3. Location of Existing Wells (cont.)

j. Proposed Locations - as follows:

- (1) Nancy Federal #35-32
1350' FNL & 1850' FEL
Sec. 35, T37S-R25E
- (2) Nancy State #2-21
1480' FNL & 1010' FWL
Sec. 2, T38S-R25E
- (3) Nancy Federal #3-32
1960' FNL & 1780' FEL
Sec. 3, T38S-R25E
- (4) Nancy Federal #11-11
NW/NW Sec. 11, T38S-R25E
- (5) Nancy Federal #34-14
10' FSL & 840' FWL
Sec. 34, T37S-R25E
- (6) Nancy Federal #3-33
1940' FSL & 1760' FEL
Sec. 3, T38S-R25E
- (7) Nancy Federal #3-22
2100' FNL & 1860' FWL
Sec. 3, T38S-R25E
- (8) Nancy Federal #3-11
610' FNL & 610' FWL
Sec. 3, T38S-R25E
- (9) Nancy Federal #3-34
1370' FSL & 2635' FEL
Sec. 3, T38S-R25E
- (10) Nancy Federal #3-12
1930' FNL & 610' FWL
Sec. 3, T38S-R25E
- (11) Nancy Federal #3-41
1000' FNL & 880' FEL
Sec. 3, T38S-R25E
- (12) Nancy State #2-12
2450' FNL & 110' FWL
Sec. 2, T38S-R25E

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A Petroleum Permitting Company

MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

4. Location of Existing and/or Proposed Facilities

- a. There are three (3) sets of production facilities owned and controlled by Tricentrol Resources Inc. within a one-mile radius of the proposed well. These facilities are located at the producing well sites listed in 3 (f). Pipelines have been installed as shown on Map #3.
- b. New facilities contemplated in the event of production are shown on Diagram #1.
 1. Proposed tank battery will be located as shown on Diagram #1.
 2. All flow lines from well site to battery site will be buried below frost line depth.
 3. Dimensions of the facilities will be 190 feet long and 175 feet wide. See Diagram #1.
 4. All above-ground production facilities will be painted a neutral color to be approved by the Bureau of Land Management.
 5. Only native materials will be utilized.
 6. An earthen dike utilizing subsoil in the surrounding area will be built around the storage tanks and heater treater to contain oil should a leak occur. Any necessary pits will be properly fenced to prevent any wildlife entry. The production pit will be flagged overhead.
 7. The reserve pit will be fenced and allowed to dry. Then all pits will be backfilled. The location not needed for production will be leveled, contoured and reseeded as per BLM requirements.
 8. The access shall be upgraded to the following specifications (if production is established). The road shall be 20 feet wide, crowned and ditched. Culverts will be installed as deemed necessary by the Bureau of Land Management.

5. Location and Type of Water Supply

- a. The source of water will be the stockponds at the Perkins Ranch which is located in Section 7, T38S-R25E. Directions to the water source are shown on Map #1.

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MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
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Section 10, T38S-R25E
San Juan County, Utah

5. Location and Type of Water Supply (cont.)

- b. Water will be trucked to location over the roads marked on Map #1.
- c. No water well is to be drilled on this lease.
- d. A temporary use permit will be obtained from the Utah State Engineer (801/647-1303) before using this water source.

6. Source of Construction Materials

- a. Only native materials are to be utilized.
- b. No construction materials will be taken off Federal land.
- c. Surface and subsoil materials in the immediate area will be utilized. Any gravel will be purchased from a commercial source.
- d. All major access roads are shown on Maps #1 and #2.
- e. The top 12 inches of soil material will be removed from the location and stockpiled separate from the trees on the northwest side of the location. Topsoil along the access will be reserved in place

7. Methods for Handling Waste Disposal

- a. Drill cuttings are to be contained and buried in the reserve pit.
- b. Drilling fluids are to be contained in the reserve pit.
- c. The produced fluids will be produced into a test tank until such time as construction of production facilities is completed. Any spills of oil, gas, salt water or other produced fluids will be cleaned up and removed.
- d. If a chemical porta-toilet is not furnished with the drilling rig, a sewage borehole will be used and its contents covered with a minimum of 4 feet of fill.
- e. If a trash pit is used, it will be constructed near the mud tanks with steep sides and dug at least six feet into solid, undisturbed material. It will be totally enclosed with fine mesh wire before the rig moves in.
- f. The reserve pit will not be lined. At least half of the capacity will be in cut.

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MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

7. Methods for Handling Waste Disposal

- g. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling operations begin. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.
- h. Trash will not be disposed of in the reserve pit. Garbage and nonflammable waste are to be contained in the trash pit. Flammable waste is to be contained in the burn pit. The trash is to be burned periodically and the remains buried when the well is completed. A burning permit will be obtained from the State Fire Warden (801/587-2705) before burning trash.
- i. All trash, garbage, etc. is to be gathered and buried at the end of drilling operations and covered with a minimum of two feet of earth. Immediately on completion of drilling, the location and surrounding area will be cleared of all debris resulting from the operation. Non-burnable debris will be hauled to a local town dump. Reserve and mud pits will be allowed to dry after drilling is completed and then adequately filled and leveled. All garbage and sewage pits will be filled as soon as the rig leaves the location.

8. Ancillary Facilities

- a. There are no airstrips, camps, or other facilities planned during the drilling of the proposed well.

9. Well Site Layout

- a. See Diagram #2 for rig layout. See Diagram #3 for cross section of drill pad. See Diagram #4 for cuts and fills.
- b. The location of mud tanks; reserve, burn and trash pits; pipe racks; living facilities and soil stockpiles will be shown on Diagram #2. The location will be laid out and constructed as discussed during the predrill conference.

10. Plans for Restoration of Surface

- a. Immediately upon completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.

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MULTI-POINT REQUIREMENTS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
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Section 10, T38S-R25E
San Juan County, Utah

10. Plans for Restoration of Surface (cont.)

- b. The operator or his contractor will contact the BLM office in Monticello, Utah, (801/587-2201) 48 hours before starting reclamation work that involves earth-moving equipment and upon completion of restoration measures.
- c. Before any dirt work to restore the location takes place, the reserve pit will be completely dry.
- d. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- e. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped with the contour to a depth of 12 inches.
- f. Water bars will be built as follows to control erosion:

<u>Grade</u>	<u>Spacing</u>
2%	Every 200 feet
2-4%	Every 100 feet
4-5%	Every 75 feet
5+%	Every 50 feet

- g. Seed will be broadcast between October 1 and February 28 with the following prescription. When broadcast seeding, a harrow or similar implement will be dragged over the seeded area to assure seed cover.

Seed Mixture:

2 lbs./acre	Indian Ricegrass
1 lb./acre	Curleygrass
1 lb./acre	Alkali Sacaton
2 lbs./acre	Fourwing Saltbush
1 lb./acre	Shadscale
1 lb./acre	Wild Sunflower

After seeding is complete, the stockpiled trees will be scattered evenly over the disturbed areas. The access will be blocked to prevent vehicular access.

- h. The reserve pit and that portion of the location and access road not needed for production or production facilities will be reclaimed as described in the reclamation section. Enough topsoil will be kept to reclaim the remainder of the location at a future date. This remaining stockpile of topsoil will be seeded in place using the prescribed seed mixture.

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MULTI-POINT RECOMMENDATIONS
TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

10. Plans for Restoration of Surface (cont.)

- i. The access shall be upgraded to BLM Class III road specifications, if production is established.

11. Other Information

- a. 1. Topography: The well pad is located on the gently sloping south facing slopes of a low broad ridge. Relatively prominent arroyos border the well pad to the west and south.
2. Soils: Colluvial deposits are found along the steeper slopes to the east, south and west. Very fine, sandy loam is present on most of the well pad area.
3. Vegetation: bunchgrass, juniper, snakeweed, sagebrush, and yucca.
4. Fauna: consists of rabbits, small rodents and an occasional deer.
- b. Surface in the area is owned by the BLM and is used for cattle grazing and oil and gas exploration.
- c. The nearest water is Tin Cup Spring which is located approximately two miles southeast.
- d. The nearest occupied dwelling is approximately 5-1/2 miles southwest at the Perkins Ranch.
- e. An archeological study was performed. No significant cultural resources were found and clearance is recommended. See Archeological report attached.
- f. Drilling will begin approximately upon approval of this application.
- g. If subsurface cultural material is exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All employees working in the area will be informed by the operator that they are subject to prosecution for disturbing archeological sites or picking up artifacts. Salvage or excavation of identified archeological sites will only be done if damage occurs.
- h. The operator will notify the San Juan Resource Area BLM Office in Monticello, Utah, (801/587-2201) 48 hours prior to beginning any work on public land.
- i. The operator will give the dirt contractor a copy of the Surface Use Plan and any additional BLM stipulations before any work is done.

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TO ACCOMPANY A.P.D.

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL & 330' FEL
Section 10, T38S-R25E
San Juan County, Utah

12. Lessee's or Operator's Representative

PERMIT MATTERS

Permitco
Lisa Green
1020 - 15th Street
Suite 22E
Denver, CO 80202
(303) 595-4051 (W)

DRILLING & COMPLETION MATTERS

Tricentrol Resources Inc.
David Howell
5675 So. Tamarac Parkway
Suite 200
Englewood, CO 80111
(303) 694-0988 (W)
(303) 423-1025 (H)

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 presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and, that the work associated with the operations proposed herein will be performed by Tricentrol Resources Inc. and its contractors and subcontractors in conformity with the plan and the terms and conditions under which it is approved.

3/14/83
Date

David P. Howell
David Howell - Petroleum Engineer
TRICENTROL RESOURCES INC.

Permitco

A Petroleum Permitting Company

SCALE - 1" = 50'

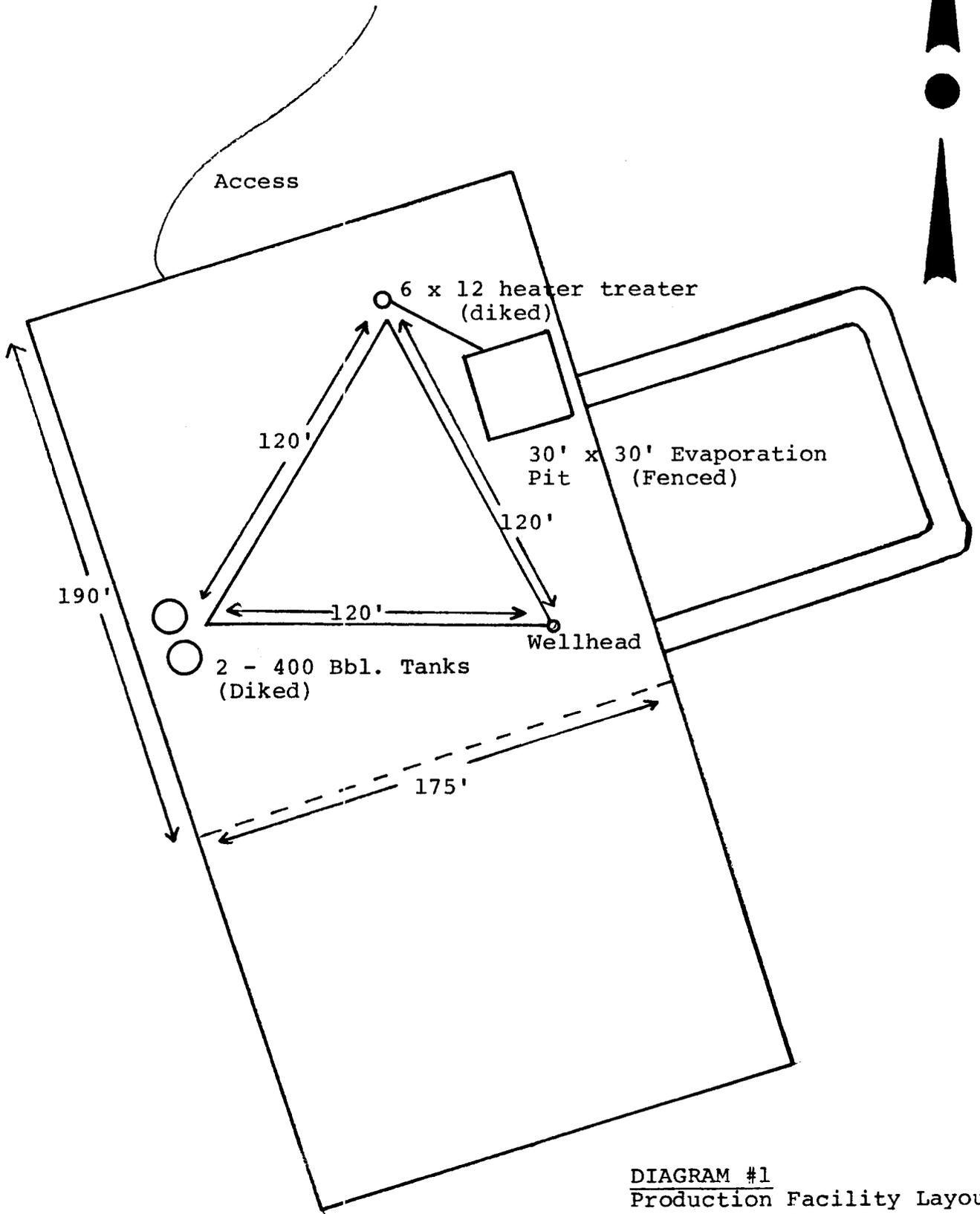
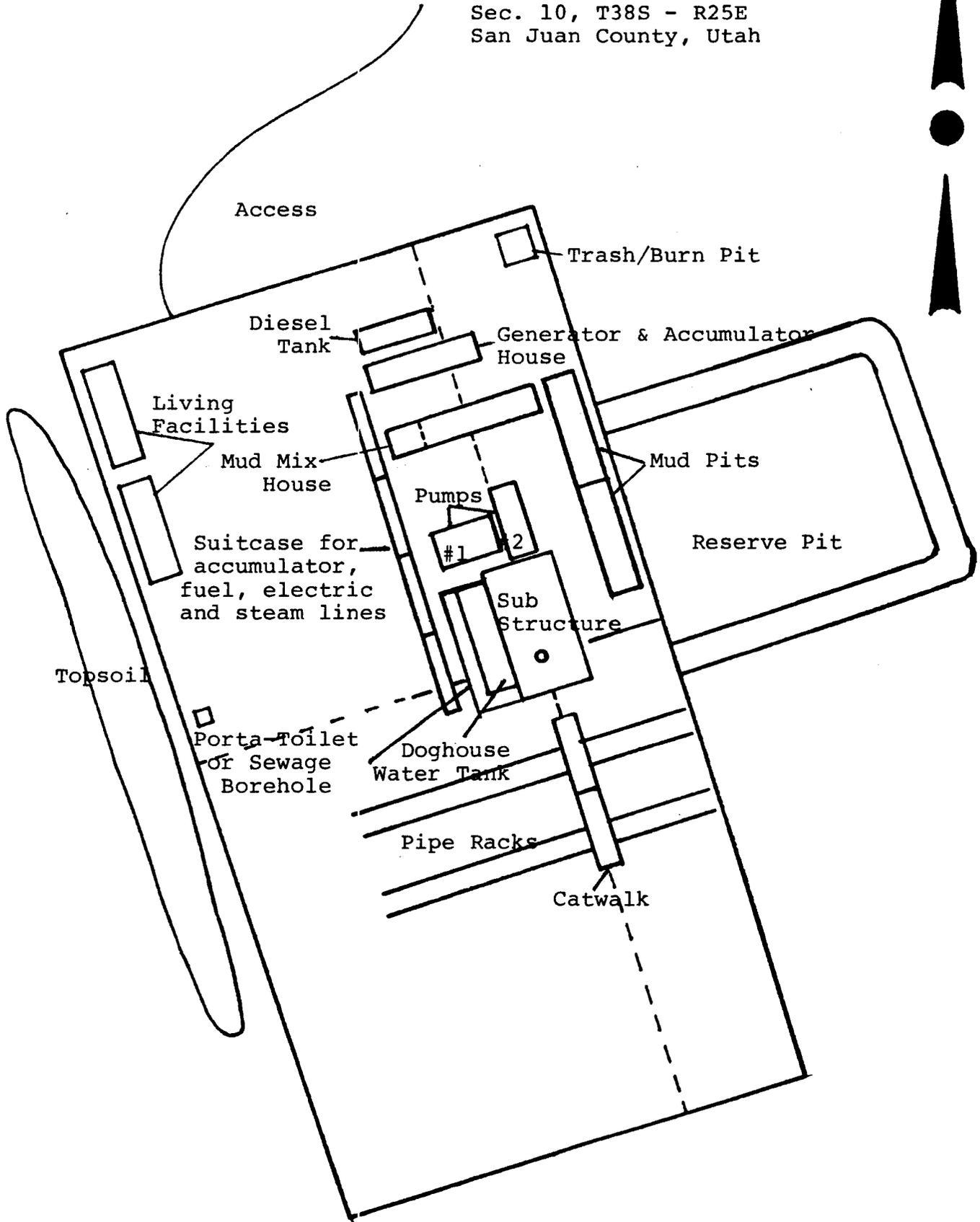


DIAGRAM #1
Production Facility Layout
Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL and 330' FEL
Sec. 10, T38S - R25E
San Juan County, Utah

SCALE - 1" = 50'

DIAGRAM #
Well Pad Layout

Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL and 330' FEL
Sec. 10, T38S - R25E
San Juan County, Utah





POWERS ELEVATION

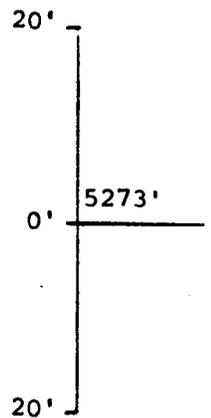
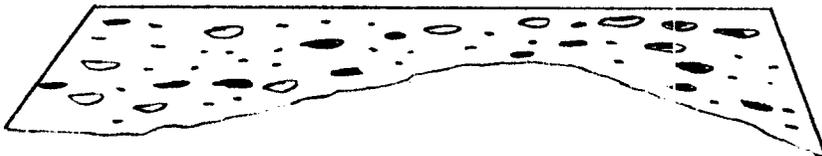
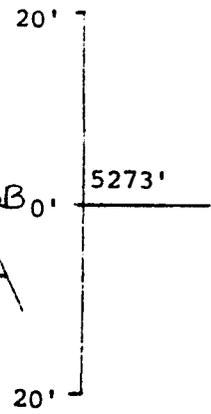
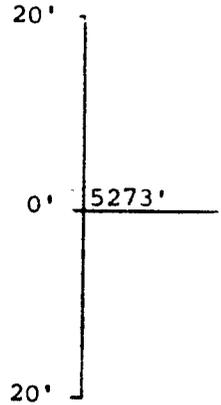
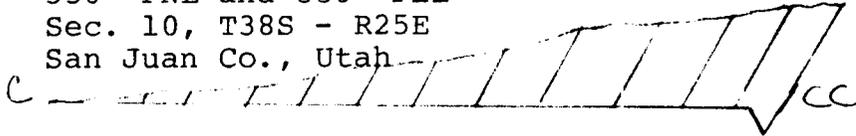
Well Nancy Federal 10-41

**OIL WELL ELEVATIONS — LOCATIONS
ENVIRONMENTAL — ARCHAEOLOGICAL SERVICES
800 SOUTH CHERRY STREET, SUITE 1201
DENVER, COLORADO 80222
PHONE NO. 303/321-2217**

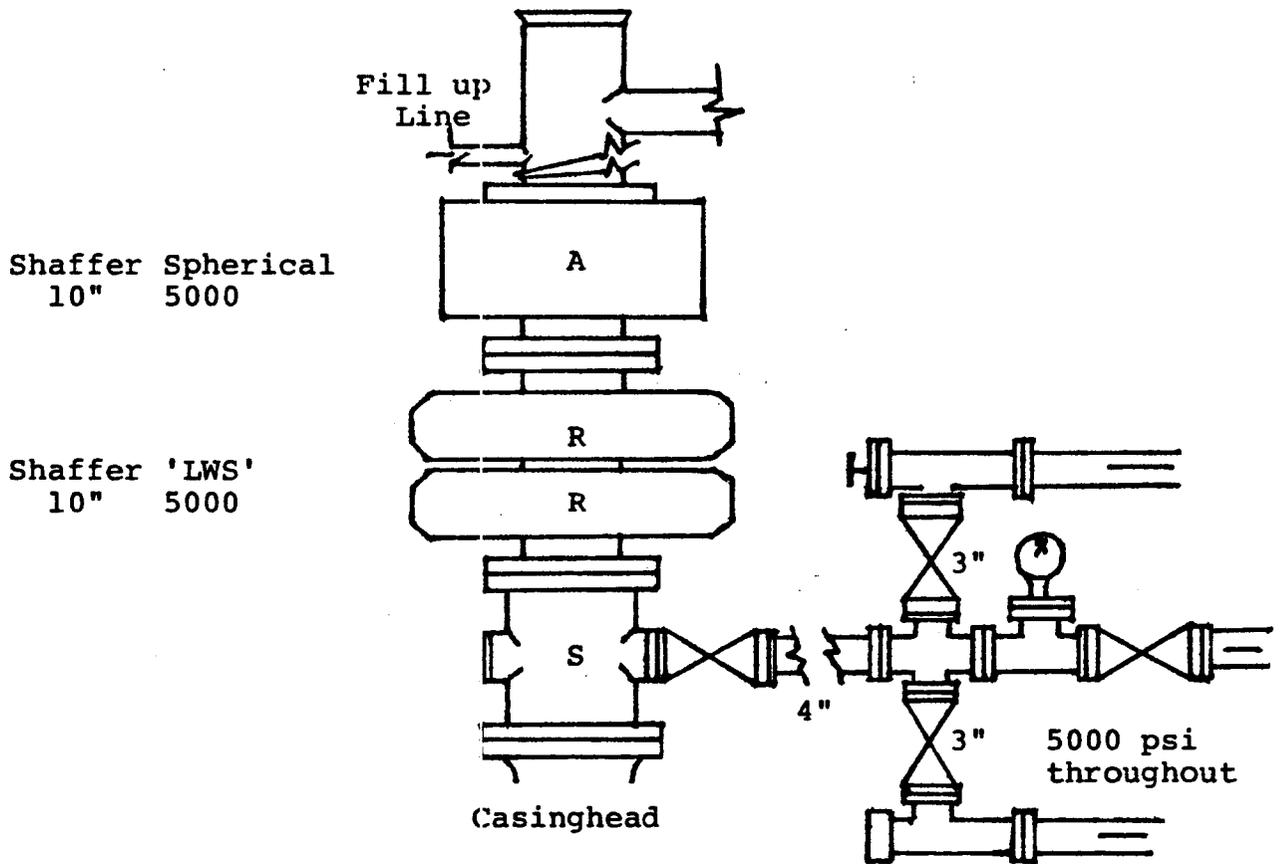
Cut // // // // //
Fill:

Scales: 1"=50'H.
1'=20'V.

DIAGRAM #3 - Cross Section
Tricentrol Resources Inc.
Nancy Federal #10-41
550' FNL and 330' FEL
Sec. 10, T38S - R25E
San Juan Co., Utah



BOP DIAGRAM



AN ARCHEOLOGICAL SURVEY OF
TRICENTROL RESOURCES, INC.'S
NANCY FEDERAL #10-41 WELL PAD
SAN JUAN COUNTY, UTAH

LAC REPORT 8318

by
Patrick L. Harden

LA PLATA ARCHEOLOGICAL CONSULTANTS, INC.
P.O. BOX 783
DOLORES, COLORADO 81323
(303) 882-4933

MAY 5, 1983

Federal Antiquities Permit
83-AZ/CO/NM/UT-006

Prepared For:
Tricentrol Resources, Inc.
Suite 200
5675 S. Tamarac Parkway
Englewood, Colorado 80111

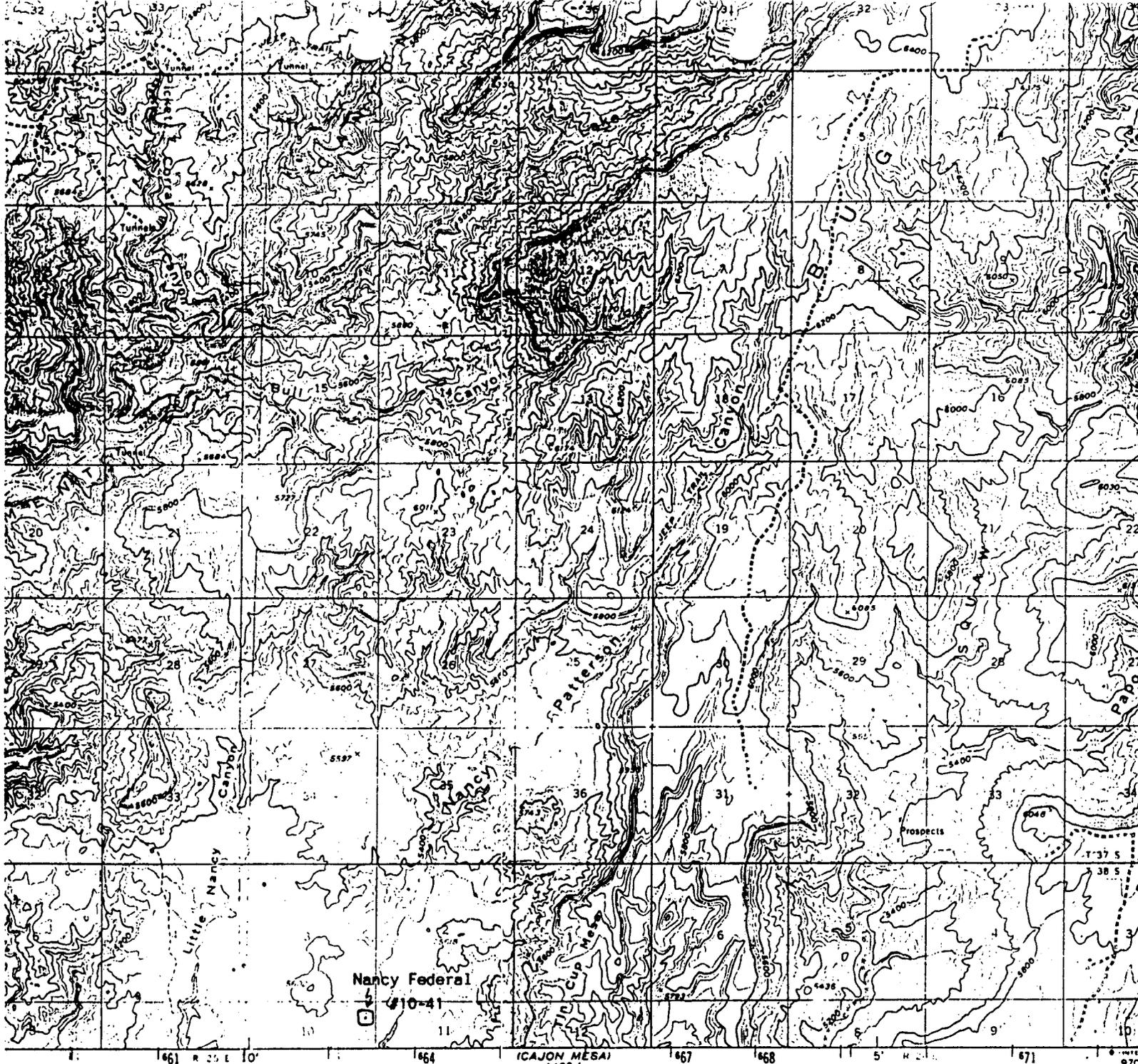
ABSTRACT

An archeological survey of Tricentrol Resources, Inc.'s Nancy Federal #10-41 well pad was conducted on April 21, 1983 by personnel of La Plata Archeological Consultants, Inc. of Dolores, Colorado. The project is located on lands administered by the Bureau of Land Management - San Juan Resource Area, Utah. An area 800 X 600 feet surrounding the well pad center stake (including the alternate location) was archeologically surveyed. Since the well pad is located adjacent to an existing road no survey was conducted for access. No cultural resources were located in the project area. Archeological clearance is recommended for this project.

INTRODUCTION

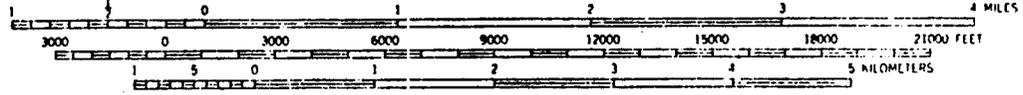
The archeological survey for Tricentrol Resources, Inc.'s Nancy Federal #10-41 well pad project was requested by Ms. Lisa Green, acting permit agent for Tricentrol. The survey was performed by Patrick Harden of La Plata Archeological Consultants on April 21, 1983. Additional inspections were conducted on April 27th during the pre-drill on-site visit. Persons attending the pre-drill were Ms. Green (Permitco), Dave Howell (Tricentrol), Brian Wood (BLM), Gerald Huddleston (Powers Elevation), Al Heaton (Urado Construction), and Harden (LAC).

The well pad is located in the NE $\frac{1}{4}$, NE $\frac{1}{4}$ of section 10, T38S, R25E, San Juan County, Utah. The area is included on



1661 R 25 E 10' 1664 ICAJON MESA 1667 1668 1671 970

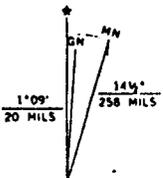
SCALE 1:62500



CONTOUR INTERVAL 40 FEET
NATIONAL GEODETIC VERTICAL DATUM OF 1929

MONUMENT CANYON, UTAH-COLO.
1957

THIS MAP COMPLIES WITH NATIONAL MAP ACCURACY STANDARDS
FOR SALE BY U. S. GEOLOGICAL SURVEY, DENVER, COLORADO 80225, OR RESTON, VIRGINIA 22092
A FOLDER DESCRIBING TOPOGRAPHIC MAPS AND SYMBOLS IS AVAILABLE ON REQUEST



UTM GRID AND 1957 MAGNETIC NORTH DECLINATION AT CENTER OF SHEET



QUADRANGLE LOCATION

the Monument Canyon, Utah-Colo. 15' series topographic map (1957).

PROJECT DESCRIPTION

The proposed project consists of the construction of a single well pad ca. 275 X 300 feet in size. An existing road will be used for access. The well pad center stake is located 550 FNL and 330 FEL, a change of 160' north and 30' east of the originally requested location. The change was necessary due to considerations of terrain.

PHYSIOGRAPHY AND ENVIRONMENT

The project area is located in Bug Park, a large open valley along the central reaches of Nancy Patterson Canyon. The area is bordered on the east by Tin Cup Mesa, and on the west by Little Nancy Canyon. The terrain in Bug Park is gently undulating in most areas, although prominent steep isolated hills and ridges are scattered throughout the area. The #10-41 well pad is located on the gently sloping south facing slopes of a broad low ridge. Relatively prominent arroyos border the well pad area to the west and south. Rocky ledges are present along the south edge of the well pad adjacent to the arroyo.

Sediments vary according to topographic location. Colluvial deposits are found along the steeper slopes to the east, south, and west. Very fine sandy loam is present on most of the well pad area and increase in depth to the north.

Vegetation consists of primarily bunch grass in the well pad area. Juniper is found along the south side of the pad and in sheltered spots in the arroyos. Other species present include snakeweed, sagebrush, and yucca. Fauna present is consistent with that of the Upper Sonoran Life Zone found throughout much of the Southwest. The nearest source of permanent water is Tin Cup Spring, located ca. 2 miles southeast. Current use of the area is primarily oriented toward livestock grazing.

EXAMINATION PROCEDURES

A file and literature review was conducted at the San Juan Resource Area office of the Bureau of Land Management in Monticello, Utah on April 4th, prior to the field investigations. None of the well pad had been previously surveyed and no archaeological sites or National Register properties are located in or near the project area.

An area 800 X 600 feet surrounding the well pad center stake was archeologically investigated. The area includes a 600 X 600' area around the originally requested location as well as the selected well pad site. The well pad was staked and flagged prior to the survey. On-the-ground survey consisted of walking a series of transects spaced at 15 meter intervals across the well pad area.

RESULTS

No cultural resources were found during the archeological

OPERATOR TRICENTRAL RESOURCE INC

DATE 5-20-83

WELL NAME NANCY FED 10-41

SEC NE NE 10 T 38 S R 25 E COUNTY SAN JUAN

43-637-30899
API NUMBER

FED
TYPE OF LEASE

POSTING CHECK OFF:

INDEX

MAP

HL

NID

PI

PROCESSING COMMENTS:

✓ CHIEF PETROLEUM ENGINEER REVIEW:

SP/BS

APPROVAL LETTERS:

SPACING:

A-3 LITTLE NANCY
UNIT

c-3-a _____
CAUSE NO. & DATE

c-3-b

c-3-c

SPECIAL LANGUAGE:

RECONCILE WELL NAME AND LOCATION ON APD AGAINST SAME DATA ON PLAT MAP.

AUTHENTICATE LEASE AND OPERATOR INFORMATION

VERIFY ADEQUATE AND PROPER BONDING

AUTHENTICATE IF SITE IS IN A NAMED FIELD, ETC.

APPLY SPACING CONSIDERATION

ORDER 110

UNIT LITTLE NANCY

c-3-b

c-3-c

CHECK DISTANCE TO NEAREST WELL.

CHECK OUTSTANDING OR OVERDUE REPORTS FOR OPERATOR'S OTHER WELLS.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

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
 Tricentrol Resources Inc. c/o Permitco

3. ADDRESS OF OPERATOR
 1020-15th St., Suite 22-E Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface 550' FNL & 330' FEL
 At proposed prod. zone NE/NE

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE
 Located 28 miles southwest of Dove Creek, Colorado

15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 330'

16. NO. OF ACRES IN LEASE 1921.56

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. 850'

19. PROPOSED DEPTH 6000'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 5273' Gr.

22. APPROX. DATE WORK WILL START* Upon Approval of APD

5. LEASE DESIGNATION AND SERIAL NO.
 U-40053 OIL & GAS RECEIVED
 MAY 19 1983

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME
 Little Nancy Unit

8. FARM OR LEASE NAME
 Nancy Federal

9. WELL NO.
 #10-41

10. FIELD AND POOL, OR WILDCAT
 Unnamed

11. SEC., T., R., M., OR BLK. AND SURVEY OR ARRA
 Sec. 10, T38S-R25E

12. COUNTY OR PARISH 13. STATE
 San Juan Utah

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#	1325'	600 sx - circulated
7-7/8"	5-1/2"	15.5#	6000'	250 sx or sufficient to cover zones of interest

Tricentrol Resources Inc. proposes to drill a well to the depth of 6000 feet to test the Ismay and Desert Creek formations. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per B.L.M. and State of Utah requirements.

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. David Howell
 SIGNED: *David Howell* TITLE: Petroleum Engineer DATE: 3/16/83

(This space for Federal or State office use)

PERMIT NO. APPROVAL DATE
 APPROVED BY: *W.P. Martin* E. W. Guynn
 TITLE: District Oil & Gas Supervisor DATE: MAY 26 1983
 CONDITIONS OF APPROVAL, IF ANY:

NOTICE OF APPROVAL

CONDITIONS OF APPROVAL ATTACHED TO OPERATOR'S COPY

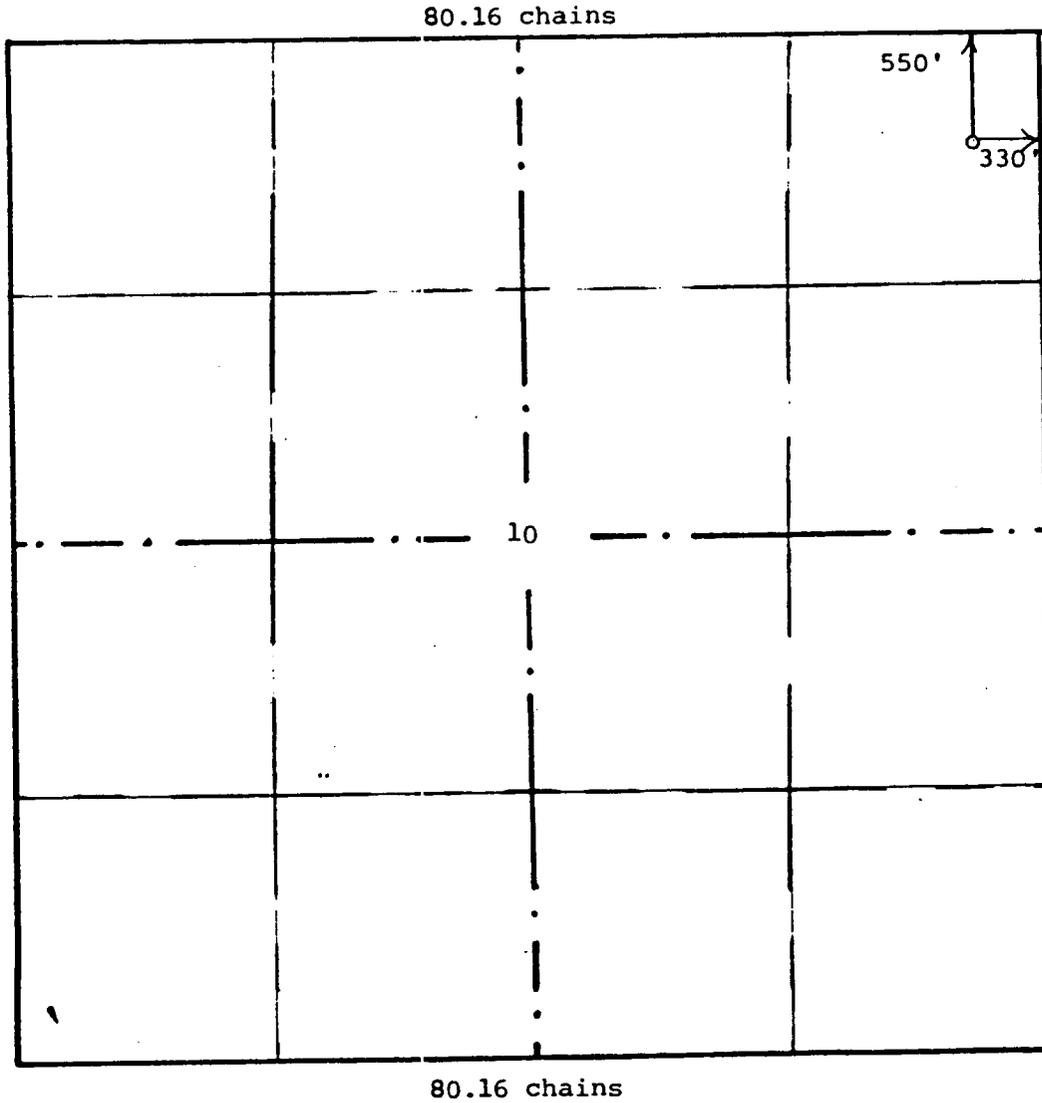
STATE OF UTAH

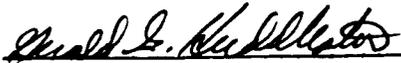
FLARING OR VENTING OF GAS IS SUBJECT TO NTL 4-A DATED 1/1/80



POWERS ELEVATION

Well Location Plat



Operator Tricentrol U.S.A.		Well name Nancy Federal 10-41	
Section 10	Township 38 South	Range 25 East	Meridian SLPM
Footages 550' FNL & 330' FEL			County/State San Juan, Utah
Elevation 5273'	Requested by Lisa Green		
The above plat is true and correct to the best of my knowledge and belief.			
2 May 1983		 Gerald G. Huddleston, L.S. Utah exception	

Tricentrol Resources Inc.
Well No. 10-14
Section 10, T. 38 S., R. 25 E.
San Juan County, Utah
Little Nancy Unit
Lease U-40053

Supplemental Stipulations

- 1) Adequate and sufficient electric/radioactive logs will be run to locate and identify the saline minerals in the Paradox formation. Casing and cementing programs will be adjusted to eliminate any potential influence of the well bore or productive hydrocarbon zones on the saline minerals resource. Surface casing program may require adjustment for protection of fresh water aquifers.

ADDITIONAL STIPULATIONS FOR PRODUCTION FACILITIES

Your Application for Permit to Drill also included a submittal for production facilities. These production facilities are approved for the lessee and his designated operator under Section 1 of the Oil and Gas Lease with the following conditions:

- (1) The oil and gas measurement facilities must be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy are to be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. Please provide this office with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports are to be submitted to the Salt Lake City District Oil and Gas Supervisor. Royalty payments will be made on all production volume as determined by the meter measurements or the tank measurements. All measurement facilities must conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
- (2) Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs must be housed and/or fenced.
- (3) All disturbed areas not required for operations will be rehabilitated.
- (4) All produced liquids must be contained including the dehydrator vent/condensate line effluent. All production pits must be fenced.
- (5) The well activity, the well status and the date the well is placed on production must be reported on Lessee's Monthly Report of Operations, Form 9-329.
- (6) All off-lease storage, off-lease measurement, or commingling on lease or off-lease must have written approval.
- (7) All product lines entering and leaving hydrocarbon storage tanks must be locked/sealed.
- (8) You are reminded of the requirements for handling, storing, or disposing of water produced from oil and gas wells under NTL-2B.
- (9) All materials, trash, junk, debris, etc. not required for production must be removed from the well site and production facility site at the completion of these operations.
- (10) A copy of the Gas Sales Contract will be provided to this office and the Royalty Accounting Department as directed.
- (11) Construction and maintenance for surface use approved under this plan should be in accordance with the surface use standards as set forth in the BLM/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.
- (12) "Sundry Notice and Reports on Wells" (form 9-331) will be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained verbally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alternations of facilities, including roads, gathering lines, batteries, measurement facilities, etc., will require the filing of a suitable plan and prior approval by the survey.

May 20, 1983

Tricentrol Resources, Inc.
c/o Permitco
1020 - 15th Street, Suite 22-E
Denver, Colorado 80202

RE: Well No. Nancy Federal 10-41
NENE Sec. 10, T.38S., R.25E
550 FNL, 330 FEL
San Juan County, Utah

Gentlemen:

Insofar as this office is concerned, approval to drill the above referred to oil well is hereby granted in accordance with Section 40-6-11, Utah Code Annotated 1953; and predicated on Rule A-3, General Rules and Regulations and Rules of Practice and Procedure.

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

RONALD J. FIRTH - Chief Petroleum Engineer
Office: 533-5771
Home: 571-6068

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 number assigned to this well is 43-037-30899.

Sincerely,

Norman C. Stout
Administrative Assistant

NCS/as
cc: Oil & Gas Operations
Enclosure



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dr. G. A. (Jim) Shirazi, Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

January 4, 1984

Tricentrol Resources, Inc.
c/o Permitco
1020 - 15th Street, Suite 22-E
Denver, Colorado 80202

Re: Well No. Nancy Fed. #~~1~~-41
API #43-037-30899
550' FNL, 330' FEL NE/NE
Sec. 10, T. 38S, R. 25E.
San Juan County, Utah

Gentlemen:

In reference to the above mentioned well, 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 this well, please notify this Division. If spudding or any other activity has taken place, please send necessary forms. If you plan to drill this location at a later date, please notify as such.

If spudding has not occurred within one year of the date of approval for this well, approval to drill is rescinded.

We will be happy to acknowledge receipt of your response to this notice if you will include an extra copy of the transmittal letter with a place for our signature, and a self addressed envelope for the return. Such acknowledgement should avoid unnecessary mailing of a second notice from our agency.

Your prompt attention to the above will be greatly appreciated.

Respectfully,

Claudia Jones
Well Records Specialist

CJ/cj

RECEIVED

JUL 23 1984

3162
(U-40053)
(U-065)

Moab District
P. O. Box 970
Moab, UT 84532

**DIVISION OF OIL
GAS & MINING**

19 JUL 1984

Tricentrol Resources, Inc.
c/o Permitco
1020 - 15th Street, Suite 22-E
Denver, CO 80202

RE: Rescind Application for Permit
to Drill
Well No.: Nancy Federal 10-41
Sec. 10, T. 38 S., R. 25 E.
San Juan County, Utah
Lease No.: U-40053

Gentlemen:

The Application for Permit to Drill the referenced well was approved on May 26, 1983. Since that date no known activity has transpired at the approved location. Applications for permit to drill are effective for a period of one year. In view of the foregoing this office is rescinding the approval of the referenced application. Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

If you have any questions, please contact the Branch of Fluid Minerals (801) 259-6111.

Sincerely,

/S/ GENE NODINE

District Manager

Enclosure:
Application for Permit to Drill

cc: San Juan Resource Area

bcc: U-922, USO
U-942, USO
State of Utah, DOGM

CFreudiger:wjm:7/18/84



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Scott M. Matheson, Governor
Temple A. Reynolds, Executive Director
Dianne R. Nielson, Ph.D., Division Director

4241 State Office Building • Salt Lake City, UT 84114 • 801-533-5771

July 26, 1984

Tricentrol Resources, Incorporated
c/o Wintershall Oil & Gas Corporation
5675 DTC Boulevard, Suite 200
Englewood, Colorado 80111

Gentlemen:

SUBJECT: Well No. Nancy Federal 10-41, Sec. 10, T. 38S., R. 25E.,
San Juan County, Utah, API #43-037-30899

In concert with action taken by the Bureau of Land Management,
July 18, 1984, approval to drill the subject well is hereby rescinded
without prejudice.

A new "Application for Permit to Drill" must be filed with this
office, for approval, prior to future drilling of the subject location.

Sincerely

A handwritten signature in cursive script that reads "John R. Baza".

John R. Baza
Petroleum Engineer

JRB/clj

cc: Dianne R. Nielson
Ronald J. Firth
John R. Baza
File