



PETROLEUM MANAGEMENT

SUITE 1700 • 1600 BROADWAY • DENVER • COLORADO 80202 • PHONE (303) 861-2470

February 25, 1983

STATE OF UTAH
DIVISION OF OIL, GAS & MINING
4241 State Office Building
Salt Lake City, Utah 84114

RE: WILLIAM W. WHITLEY, OPERATOR
#1-25 KGS Federal
SE NW Sec. 25, T40S-R22E
(2000' FNL & 1520' FWL)
San Juan County, Utah

Federal Lease No. U-52026

Gentlemen:

Enclosed in triplicate please find Federal A.P.D. and surveyor's plat on the subject well proposed to be drilled in San Juan County, Utah, along with a Designation of Agent from William W. Whitley authoring P & M Petroleum Management to act in his behalf in all matters pertaining to the drilling of this well.

Should you have any question or need further information do not hesitate to contact us.

Yours very truly,

Robert W. Peterson

MM:s
Enclosure

cc: William W. Whitley

william w. whitley
1705 colorado state bank building
1600 broadway
denver · colorado · 80202
phone (303) 861-2469

February 21, 1983

DESIGNATION OF AGENT

RE: WILLIAM W. WHITLEY, OPERATOR
#1-25 KGS Federal
SE NW Sec. 25, T40S-R22E
(2000' FNL & 1520' FWL)
San Juan County, Utah

Federal Lease No. U-52026

WILLIAM W. WHITLEY, Operator of the above described well, hereby designates P & M PETROLEUM MANAGEMENT as his agent authorized to act in his behalf in all matters pertaining to the Application for Permit to Drill the above well and the NTL-6 Surface Use Plan pertaining thereto.

By virtue of this Designation, WILLIAM W. WHITLEY authorizes ROBERT W. PETERSON, DONALD P. McCOURT or DONALD CROSS of P & M PETROLEUM MANAGEMENT, to sign any item or items pertaining to the Application for Permit to Drill and the NTL-6 Surface Use Plan for drilling the well.

Dated this 21st day of February, 1983.

WILLIAM W. WHITLEY, OPERATOR

William W. Whitley

(303) 861-2469

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 WILLIAM W. WHITLEY
 c/o P & M PETROLEUM MANAGEMENT

3. ADDRESS OF OPERATOR
 1600 Broadway, Suite 1700, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)*
 At surface
 2000' FNL & 1520' FWL (SE 1/4 NW 1/4)
 At proposed prod. zone
 Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 10.2 miles SE of Bluff, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 640'

16. NO. OF ACRES IN LEASE
 80

17. NO. OF ACRES ASSIGNED TO THIS WELL
 80

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

19. PROPOSED DEPTH
 5650'

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4353' GL

22. APPROX. DATE WORK WILL START*
 April 15, 1983

5. LEASE DESIGNATION AND SERIAL NO.
 U-52026

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME
 KGS FEDERAL

9. WELL NO.
 #1-25

10. FIELD AND POOL, OR WILDCAT
 Turner Bluff

11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA
 Sec. 25, T40S-R22E

12. COUNTY OR PARISH | 13. STATE
 San Juan | UT

REGISTRATION
 FEB 28 1983
 DIVISION OF
 OIL GAS & MINING
 DESERT CREEK

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	48	80'	150 sx. - circ.
12 1/4"	8-5/8"	24	1100'	550 sx. - circ.
7-7/8")	5 1/2"	15.5	5650'	150 sx.
7-7/8") or	4 1/2"	10.5	5650'	150 sx.

- The well will be spudded in the Morrison formation.
- The estimated tops of important geological formations are as follows:

Entrada	155'	Moenkopi	2047'
Carmel	205'	Cutler	2282'
Navajo	263'	Hermosa	4252'
Kayenta	753'	Ismay	5158'
Wingate	830'	Lower Ismay	5280'
Chinle	1230'	"C" Shale	5340'
Shinarump	1987'	Desert Creek	5385'

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 Robert W. Peterson TITLE Agent DATE 2/18/83

(This space for Federal or State office use)

PERMIT NO. _____

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

APPROVED BY _____ TITLE _____

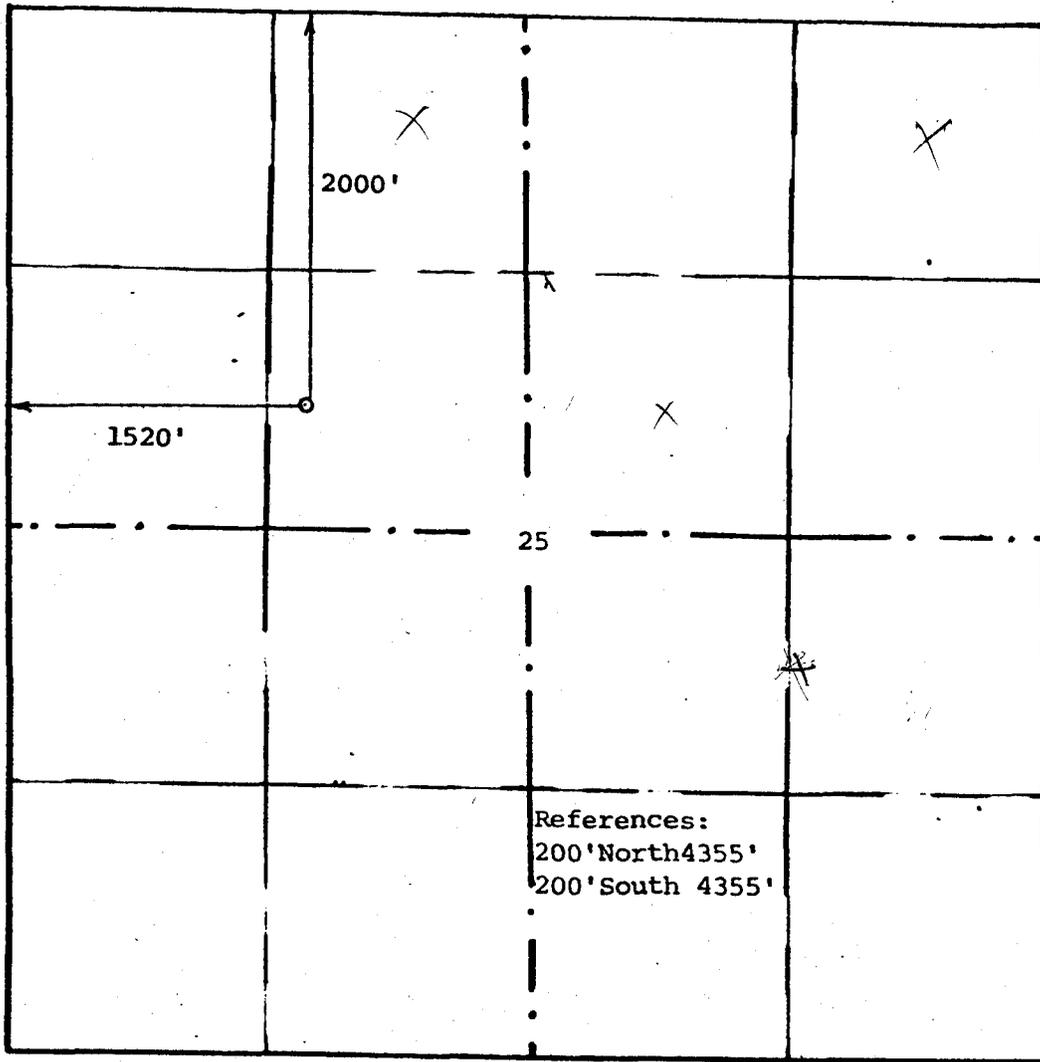
CONDITIONS OF APPROVAL, IF ANY:

DATE: 6-8-83
 BY: [Signature]

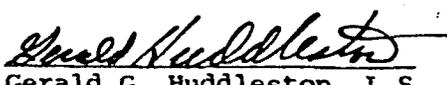


POWERS ELEVATION

Well Location Plat



References:
 200' North 4355'
 200' South 4355'

Operator W.W. Whitley		Well name #1-25 KGS Federal	
Section 25	Township 40 South	Range 22 East	Meridian Salt Lake
Footages 2000' FNL & 1520' FWL		County/State San Juan, Utah	
Elevation 4353'	Requested by Wm. Whitley		
The above plat is true and correct to the best of my knowledge and belief.			
12 Nov. '82		 Gerald G. Huddleston, L.S. Utah Exception	
EXHIBIT "B"			

WILLIAM W. WHITLEY, OPERATOR

KGS FEDERAL

Sec. 25, T40S-R22E

(2000' FNL & 1520' FWL)

San Juan County, UT

A.P.D. - Page 2

3. Proposed Casing Program:

- A. Conductor Pipe: 80', 13-3/8", 32.75#, K-55, 8 rd th, ST&C, new casing.
- B. Surface Casing: Approx. 1100' of 8-5/8", 24#, K-55, ST&C, 8 rd th, new casing would be run and cemented to surface, if Navajo flowing water is encountered.
- C. Production Casing: 5½", 14#, and 15.5#, K-55, ST&C, 8 rd th, new casing or 4½", 10.5#, K-55, LT&C, 8 rd th, new casing.

4. Estimated depth of anticipated water, oil or gas zones:

- A. Navajo Sand 263' (Fresh water)
- B. Lower Ismay 5280' (Oil)
- C. Desert Creek 5385' (Oil)

- 5. The casinghead will be a flanged 8-5/8" x 10", 900 Series, 3000 psi working pressure type. The blowout preventer will be a 10", 900 Series, 3000 psi working pressure type with 4½" pipe rams and blind rams with a remote hydraulic closing unit. The blowout preventer arrangement will include a kill line and choke manifold as shown in Exhibit "F" in the schematic diagram. The BOP will be tested to 1000 psi prior to drilling out the cement plug in the surface casing and once during each tour.
- 6. Clear water with drilling detergent will be used for a circulating medium to about 2000' depth. The well will then be mudded up properly before drilling the Ismay formation. The mud will be a fresh water gel chemical type mud. The mud weight will be maintained at about 9.3 lbs/gal, viscosity 35 to 45 sec/qt, and water loss 8 to 10 cc.
- 7. The following auxiliary drilling equipment will be utilized or available:
 - A. Kelly cock
 - B. Float valve above pit
 - C. A 3000 psi W.P. full opening valve will be screwed into a 4½" drillpipe sub to be used as a stabbing valve.
 - D. No mud monitoring equipment will be used.
- 8. No cores are planned on this well. Lower Ismay and Desert Creek porosity with oil shows will be drill stem tested. An induction Electric log will be run from total depth to the base of any casing. A Borehole Compensated Sonic-Gamma Ray Caliper log will be run over any indicated porosity zones with oil shows.
- 9. No abnormal pressures or temperatures are encountered in the immediate area. The pressure gradient in the Lower Ismay and Desert Creek porosity zones are about 0.388 psi/ft depth. No hydrogen sulfide has been encountered in the Ismay, Desert Creek or shallower zones in this area.
- 10. The perforations in either the Ismay or Desert Creek formations will be acidized unless an adequate flow of hydrocarbons into the wellbore is obtained by perforating only. The acid treatments should not be over 500 gallons of acid per foot of perforations. Normal treating pressures are anticipated. If flammable liquids are used to treat the well, the pumping equipment will be at least 120 feet from the wellhead and the pumping equipment at least 120 feet from the storage tanks.
- 11. It is planned to spud this well on April 15, 1983.

COPY

Form 3120-7
(February 1977)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

OIL AND GAS LEASE
(COMPETITIVE PUBLIC DOMAIN LANDS)

Serial Number

U-52026

THIS INDENTURE OF LEASE, entered into, as of **JAN 1 1983**, by and between

the UNITED STATES OF AMERICA, through the Bureau of Land Management, hereinafter called lessor, and

William W. Whitley
1600 Broadway, Suite 1705
Denver, CO 80202

hereinafter called lessee, under, pursuant, and subject to the terms and provisions of the Act of February 25, 1920, (41 Stat. 437), as amended, (30 U.S.C. Sec. 181 *et seq.*), hereinafter referred to as the Act, and to all reasonable regulations of the Secretary of the Interior now or hereafter in force when not inconsistent with any express and specific provisions herein, which are made a part hereof.

WITNESSETH:

Sec. 1. *Rights of lessee* - That lessor, in consideration of rents and royalties to be paid, and the conditions and covenants to be observed as herein set forth, does hereby grant and lease to lessee the exclusive right and privilege to drill for, mine, extract, remove, and dispose of all the oil and gas deposits, except helium gas, in or under the following-described tracts of land situated in the **Bluff** field:

T. 40 S., R. 22 E., SLM, Utah
Sec. 25, lot 1, SE $\frac{1}{4}$ NW $\frac{1}{4}$.

San Juan County, Utah

containing **69.91** acres, more or less, together with the right to construct and maintain thereupon all works, buildings, plants, waterways, roads, telegraph or telephone lines, pipelines, reservoirs, tanks, pumping stations, or other structures necessary to the full enjoyment thereof, for a period of five (5) years, and so long thereafter as oil or gas is produced in paying quantities; subject to any unit agreement heretofore or hereafter approved by the Secretary of the Interior, the provisions of said agreement to govern the lands subject thereto where inconsistencies with the terms of this lease occur.

Sec. 2. In consideration of the foregoing, lessee agrees:

(a) *Bonds* - (1) To maintain any bond furnished by the lessee as a condition for the issuance of this lease.

(2) To furnish prior to beginning of drilling operations and maintain at all times thereafter as required by lessor a bond in the penal sum of \$10,000 with approved corporate surety, or with deposit of United States bonds as surety therefor, conditioned upon compliance with the terms of this lease, unless a bond in that amount is already being maintained or unless such a bond furnished by an operator of the lease is accepted, or unless a bond has been filed under 43 CFR 3104 applicable to this lease.

(b) *Cooperative or unit plan* - Within thirty (30) days of demand, or, if the leased land is committed to an approved unit or cooperative plan and such plan is terminated prior to the expiration of this lease, within thirty (30) days of demand made thereafter, to subscribe to and to operate under such reasonable cooperative or unit plan for the development and operation of the area, field, or pool, or part thereof, embracing the lands included herein as the Secretary of the Interior may then determine to be practicable and necessary or advisable, which plan shall adequately protect the rights of all parties in interest, including the United States.

(c) *Wells* - (1) To drill and produce all wells necessary to protect the leased land from drainage by wells on lands not the property of lessor, or lands of the United States leased at a lower royalty rate, or as to which the royalties and rentals are paid into different funds than are those of this lease; or in lieu of any part of such drilling and production, with the consent of the Director of the Geological Survey, to compensate lessor, in full, each month for the estimated loss of royalty through drainage in the amount determined by said Director.

(2) At the election of lessee, to drill and produce other wells in conformity with any system of well spacing or production allotments affecting the field or area in which the leased lands are situated, which is authorized and sanctioned by applicable law or by the Secretary of the Interior.

(3) Promptly after due notice, in writing, to drill and produce such other wells as the Secretary of the Interior may reasonably require in order that the leased premises may be properly and timely developed and produced in accordance with good operating practice.

(d) *Rentals and royalties* - To pay rentals and royalties in amount or value of production removed or sold from the leased lands as set forth in the rental and royalty schedule attached to and made a part hereof.

(1) It is expressly agreed that the Secretary of the Interior may establish reasonable minimum values for purposes of computing royalty on any or all oil, gas, natural gasoline, and other products obtained from gas, due consideration being given to the highest price paid for a part or for a majority of production of like quality in the same field, to the price received by lessee, to posted prices, and to other relevant matters and, whenever appropriate, after notice and opportunity to be heard.

(3) When paid in value, such royalties on production shall be due and payable monthly on the last day of the month next following the month in which produced. When paid in amount of production, such royalty products shall be delivered in merchantable condition on the premises where produced without cost to lessor, unless otherwise agreed to by the parties hereto, at such times and in such tanks provided by lessee as reasonably may be required by lessor, but in no case shall lessee be required to hold such royalty oil or other products in storage beyond the last day of the month next following the month in which produced nor be responsible or held liable for the loss or destruction of royalty oil or other products in storage from causes over which he has no control.

(4) Rentals or minimum royalties may be waived, suspended, or reduced; and royalties on the entire leasehold or any portion thereof segregated for royalty purpose may be reduced if the Secretary of the Interior finds that, for the purpose of encouraging the greatest ultimate recovery of oil or gas and in the interest of conservation of natural resources, it is necessary, in his judgment, to do so in order to promote development, or because the lease cannot be successfully operated under the terms fixed herein.

(e) *Payments* - Unless otherwise directed by the Secretary of the Interior, to make rental, royalty, or other payments to lessor, to the order of the Bureau of Land Management at the places mentioned in the regulation 43 CFR 3103.1-2. If there is no well on the leased lands capable of producing oil or gas in paying quantities, the failure to pay rental on or before the anniversary date shall automatically terminate the lease by operation of law. However, if the time for payment falls on a day in which the proper BLM office to receive payment is closed, payment shall be deemed timely if made on the next official working day.

(f) *Contracts for disposal of products* - To file with the Oil and Gas Supervisor of the Geological Survey not later than thirty (30) days after the effective date thereof any contract or evidence of other arrangement for the sale or disposal of oil, gas, natural gasoline, and other products of the leased land: *Provided*, That nothing in any such contract or other arrangement shall be construed as modifying any of the provisions of this lease, including, but not limited to, provisions relating to gas waste, taking royalty in kind, and the method of computing royalties due as based on a minimum valuation and in accordance with the Oil and Gas Operating Regulations.

(g) *Statements, plats, and reports* - At such times and in such form as lessor may prescribe, to furnish detailed statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost; a plat showing development work and improvements on the leased lands; and a report with respect to stockholders, investments, depreciation, and costs.

(h) *Well records* - To keep a daily drilling record, a log, and complete information on all well surveys and tests in form acceptable to or prescribed by lessor of all wells drilled on the leased lands, and an acceptable record of all subsurface investigations affecting said lands, and to furnish them, or copies thereof, to lessor when required. All information obtained under this paragraph upon request of lessee, shall not be open to inspection by the public until the expiration of the lease.

(i) *Inspection* - To keep open at all reasonable times for the Secretary of the Interior or any duly authorized officer of the Department, the leased premises and all wells, improvements, machinery, and fixtures thereon and all books, accounts, maps and records relative to operations and surveys or investigations on the leased lands or under the lease. All information obtained pursuant to any such inspection, upon request of lessee, shall not be open to inspection by the public until the expiration of the lease.

(j) *Diligence, prevention of waste, health and safety of workmen* - To exercise reasonable diligence in drilling and producing the wells herein provided for unless consent to suspend operations temporarily is granted by lessor; to carry on all operations in accordance with approved methods and practices as provided in the Oil and Gas Operating Regulations, having due regard for the prevention of waste of oil or gas or damage to deposits or formations containing oil, gas, or water or to coal measures or other mineral deposits, for conservation of gas energy, for the preservation and conservation of the property for future productive operations and for the health and safety of workmen and employees; to plug

properly and effectively all wells drilled in accordance with the provisions of this lease or of any prior lease or permit upon which the right to this lease was predicated before abandoning the same; to carry out at expense of lessee all reasonable orders of lessor relative to the matters in this paragraph, and that on failure of lessee so to do lessor shall have the right to enter on the property and to accomplish the purpose of such orders at lessee's cost: *Provided*, That lessee shall not be held responsible for delays or casualties occasioned by causes beyond lessee's control.

(k) *Taxes and wages, freedom of purchase* - To pay when due, all taxes lawfully assessed and levied under the laws of the State or the United States upon improvements, oil and gas produced from the lands hereunder, or other rights, property or assets of lessee; to accord all workmen and employees complete freedom of purchase, and to pay all wages due workmen and employees at least twice each month in the lawful money of the United States.

(l) *Equal Opportunity Clause* - The lessee agrees that, during the performance of this lease.

(1) The lessee will not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. The lessee will take affirmative action to ensure that applicants, are employed, and that employees are treated during employment, without regard to their race, color, religion, sex or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The lessee agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the lessor setting forth the provisions of this Equal Opportunity Clause.

(2) The lessee will, in all solicitations or advertisements for employees placed by or on behalf of the lessee, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex or national origin.

(3) The lessee will send to each labor union or representative of workers with which lessee has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the lessor, advising the labor union or workers' representative of the lessee's commitments under this Equal Opportunity Clause, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

(4) The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and of the rules, regulations, and relevant orders of the Secretary of Labor.

(5) The lessee will furnish all information and reports required by Executive Order No. 11246 of September 24, 1965, as amended, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.

(6) In the event of the lessee's noncompliance with the Equal Opportunity Clause of this lease or with any of said rules, regulations, or orders, this lease may be canceled, terminated or suspended in whole or in part and the lessee may be declared ineligible for further Federal Government contracts or leases in accordance with the procedures authorized in Executive Order No. 11246 of September 24, 1965, as amended, and such other sanctions may be imposed and remedies invoked as provided in Executive Order No. 11246 of September 24, 1965, as amended, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.

(7) The lessee will include the provisions of Paragraphs (1) through (7) of this subsection 2(1) in every contract, subcontract, or purchase order unless exempted by rule, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended, so that such provisions will be binding upon each contractor, subcontractor, or vendor. The lessee will take such action with respect to any contract, subcontract, or purchase order as the Secretary of the Interior may direct as a means of enforcing such provisions including sanctions for noncompliance; *Provided, however*, that in the event the lessee becomes involved in, or is threatened with, litigation with a contractor, subcontractor, or vendor as a result of such direction by the Secretary of the Interior, the lessee may request the United States to enter into such litigation to protect the interests of the United States.

(m) *Certification of nonsegregated facilities* - By entering into this lease, the lessee certifies that lessee does not and will not maintain or provide for lessee's employees any segregated facilities at any of lessee's establishments, and that lessee does not and will not permit lessee's employees to perform their services at any location, under lessee's con-

trol, where segregated facilities are maintained. The lessee agrees that a breach of this certification is a violation of the Equal Opportunity Clause in this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, rest rooms and wash rooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. Lessee further agrees that (except where lessee has obtained identical certifications from proposed contractors and subcontractors for specific time periods) lessee will obtain identical certifications from proposed contractors and subcontractors prior to the award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity Clause; that lessee will retain such certifications in lessee's files; and that lessee will forward the following notice to such contractors and subcontractors (except where the proposed contractor or subcontractor has submitted identical certifications for specific time periods).

Notice to prospective contractors and subcontractors of requirement for certification of nonsegregated facilities - A Certification of Nonsegregated Facilities, as required by the May 9, 1967 order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract or subcontract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity Clause. The certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

(n) *Assignment of land and gas lease or interest therein* - As required by applicable law, to file for approval by lessor any instrument of transfer made of this lease or any interest therein, including assignments of record title, operating agreements and subleases, working or royalty interests, within ninety (90) days from date of final execution thereof.

(o) *Pipelines to purchase or convey at reasonable rates and without discrimination* - If owner, or operator, or owner of a controlling interest in any pipeline or of any company operating the same which may be operated accessible to the oil or gas derived from lands under this lease, to accept and convey and, if a purchaser of such products, to purchase at reasonable rates and without discrimination the oil or gas of the Government or of any citizen or company not the owner of any pipeline, operating a lease or purchasing or selling oil, gas, natural gasoline, or other products under the provisions of the Act of August 7, 1947 (61 Stat. 913; 30 U.S.C. 351).

(p) *Lands patented with oil and gas deposits reserved to the United States* - To comply with all statutory requirements and regulations thereunder, if the lands embraced herein have been or shall hereafter be disposed of under the laws reserving to the United States the deposits of oil and gas therein, subject to such conditions as are or may hereafter be provided by the laws reserving such oil or gas.

(q) *Reserved or segregated lands* - If any of the land included in this lease is embraced in a reservation or segregated for any particular purpose, to conduct operations thereunder in conformity with such requirements as may be made by the Director, Bureau of Land Management, for the protection and use of the land for the purpose for which it was reserved or segregated, so far as may be consistent with the use of the land for the purpose of this lease, which latter shall be regarded as the dominant use unless otherwise provided herein or separately stipulated.

(r) *Protection of the environment including the surface, other resources and improvements* - In accordance with the directives contained in the National Environmental Policy Act (83 Stat. 852; 42 U.S.C. 4321-4347), the requirements of other environmental legislation, the oil and gas leasing regulations (43 CFR 3100) and the Oil and Gas Operating Regulations (30 CFR 221).

(1) *General* - Lessee shall take such steps as required by the drilling permit, the attached stipulations, or the authorized officer to prevent activities or operations on the leased lands from: (i) causing or contributing to soil erosion or damage to crops or other vegetative cover on Federal or non-Federal lands in the vicinity; (ii) polluting soil, air, or water; (iii) creating hazards to wildlife or depriving them of the use of the natural elements of their habitat; (iv) disturbing the surface or damaging areas of scenic value or natural beauty; (v) damaging or removing improvements owned by the United States or other parties; or (vi) destroying, damaging, or removing fossils, historic or removing fossils, historic or prehistoric ruins or artifacts. Lessee shall, prior to the termination of bond liability or at any other time when required and in the manner directed by lessor, reclaim all land the surface of which has been disturbed, dispose of all debris or solid waste, repair the offsite

and onsite damage caused by lessee's activity or activities incidental thereto, restore access roads or trails to their former condition and remove structures. Lessor may prescribe, by stipulations to be subsequently included in this lease or through the authorized officer, the steps to be taken by lessee to protect or restore the environment both on and off the lands, and improvements thereon whether or not the improvements are owned by the United States.

(2) *Use of other resources* - Timber, mineral materials, and water from public water reserves or water developed by the Bureau of Land Management or its lessees, licensees, or permittees, except water rights established under State law acquired by such lessees, licensees, or permittees may be used only with advanced authorization from and on terms and conditions imposed by the authorized officer.

(3) *Antiquities and objects of historic value*

(i) Lessee shall immediately bring to the attention of the authorized officer any and all American antiquities or other objects of historic or scientific interest including, but not limited to, historic or prehistoric ruins, fossils, or artifacts discovered as a result of operations under this lease, and to leave such item(s) or condition(s) intact. Failure to comply with any of the terms and conditions imposed by the authorized officer with regard to the preservation of antiquities shall constitute a violation of the Antiquities Act (16 U.S.C. 431-433).

(ii) If the authorized officer determines that archaeological values exist or may exist on the lands within the lease and that they might be impaired by oil and gas operations, lessee will engage a recognized authority on archaeology, acceptable to the Bureau of Land Management, to survey and salvage, in advance of any operations, such values on the lands involved. The responsibility for and cost of this survey and salvage will be that of lessee.

(4) *Pollution Control* - Lessee agrees that this lease is subject to all relevant pollution control legislation at the Federal, State, or local level. Such legislation includes, but is not limited to the Clean Air Act, as amended (77 Stat. 392; 42 U.S.C. 1857, *et seq.*), the Refuse Act of 1899 (30 Stat. 1152; 33 U.S.C. 407-409), the Federal Water Pollution Control Act (62 Stat. 1155; 33 U.S.C. 1151-1161).

(5) *Stipulations* - To comply with stipulations attached hereto which are made a part of the lease or the approved *Application for Permit to Drill*.

(s) *Overriding royalties* - Not to create overriding royalties in excess of five percent except as otherwise authorized by the regulations.

(t) *Deliver premises in case of forfeiture* - To deliver up to lessor in good order and condition the land leased including all improvements which are necessary for the preservation of producing wells.

Sec. 3. The lessor reserves:

(a) *Easements and rights-of-way* - The right to permit for joint or several use easements or rights-of-way, including easements in tunnels upon, through, or in the lands leased, occupied, or used as may be necessary or appropriate to the working of the same or of other lands containing the deposits described in the Act, and the treatment and shipment of products thereof by or under authority of the Government, its lessees or permittees, and for other public purposes.

(b) *Disposition of surface* - The right to lease, sell, or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted, insofar as said surface is unnecessary for the use of lessee in the extraction and removal of the oil and gas therein, or to dispose of any resource in such lands which will not unreasonably interfere with operations under this lease.

(c) *Monopoly and fair prices* - Full power and authority to promulgate and enforce all orders necessary to assure the sale of the production of the leased lands to the United States and to the public at reasonable prices, to protect the interests of the United States, to prevent monopoly, and to safeguard the public welfare.

(d) *Helium* - The ownership of helium and the right to extract or have extracted from all gas produced under this lease, subject to such rules and regulations as shall be prescribed by the Secretary of the Interior. If lessor elects to take the helium, lessee shall deliver all or any portion of gas containing the same to lessor, in the manner required by lessor, at any point on the leased premises or, if the area is served at the time of production by a gas-gathering system owned or operated by lessee, at any point in that system specified by lessor, for extraction of the helium by such means as lessor may provide. The residue shall be returned to lessee, with no substantial delay in the delivery of the gas produced from the well to owner or purchaser thereof. Save for the value of the helium extracted, lessee shall not suffer a diminution of the value of the gas produced from the well, or loss otherwise, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. Lessor

reserves the right to erect, maintain and operate any and all reduction works necessary for extraction of helium on the leased premises. Lessee further agrees to include in any contract of sale of gas from the lands subject to this lease provisions setting forth that lessor owns, and reserves the right to extract or have extracted, any helium in the gas sold, and that lessor may take the gas from a pipeline carrier or any other gas-gathering system and extract the helium and return the gas to owner thereof, without delay other than that caused by the extraction process; save for the value of the helium, owner shall not suffer any diminution of the value of the gas from which helium has been extracted, or any other loss arising from the extraction of helium, including any expense caused solely by the requirement of the delivery of the gas to permit the extraction of helium, for which he is not reasonably compensated. It is further agreed that any rights reserved vested in lessor under this paragraph shall also run to any agent or assignee of lessor or any purchaser of the rights of lessor.

(e) *Taking of royalties* - All rights pursuant to Sec. 36 of the Act, to take royalties in amount or in value of production.

(f) *Casing* - All rights pursuant to Sec. 40 of the Act to purchase casing and lease or operate valuable water wells.

Sec. 4. *Drilling and producing restrictions* - It is agreed that the rate of prospecting and developing and the quantity and rate of production from the lands covered by this lease shall be subject to control in the public interest by the Secretary of the Interior, and in the exercise of his judgment the Secretary may take into consideration, among other things, Federal and State laws, and regulations issued thereunder, or lawful agreements among operators regulating either drilling or production or both. After unitization, the Secretary of the Interior, or any person, committee, or State or Federal officer or agency so authorized in the unit plan, may alter or modify, from time to time, the rate of prospecting and development and the quantity and rate of production from the lands covered by this lease.

Sec. 5. *Surrender and termination of lease* - Lessee may surrender this lease or any legal subdivision thereof by filing in the proper BLM office, a written relinquishment, in triplicate, which shall be effective as of the date of filing subject to the continued obligation of lessee and his surety to make payment of all accrued rentals and royalties and to place all wells on the land to be relinquished in condition for suspension or abandonment in accordance with the applicable lease terms and regulations.

Sec. 6. *Purchase of materials, etc., on termination of lease* - Upon expiration of the lease, or the earlier termination thereof pursuant to Sec. 5 above, lessee shall have the privilege at

any time within a period of ninety (90) days thereafter of removing from the premises all machinery, equipment, tools, and materials other than improvements needed for producing wells. Any materials, tools, appliances, machinery, structures, and equipment subject to removal as above provided, which are allowed to remain on the leased lands shall become the property of lessor on expiration of the 90-day period or termination thereof as may be granted because of adverse climatic conditions throughout said period: *Provided, that* lessee shall remove any or all such property where so directed by lessor.

Sec. 7. *Proceedings in case of default* - If lessee shall not comply with any of the provisions of the Act or the regulations thereunder or of this lease, or shall make default in the performance or observance of any of the terms hereof this lease may be canceled or terminated in accordance with Sec. 31 of the Act. This provision shall not be construed to prevent the exercise by lessor of any legal or equitable remedy which lessor might otherwise have. Upon cancellation or termination of this lease, any casing, material, or equipment determined by the lessor to be necessary for use in plugging or preserving any well drilled on the leased land shall become the property of lessor. A waiver of any particular cause of cancellation or termination shall not prevent the cancellation or termination of this lease for any other cause of cancellation or termination, or for the same cause occurring at any other time.

Sec. 8. *Heirs and successors in interest* - It is further agreed that each obligation hereunder shall extend to and be binding upon, and every benefit hereof shall inure to, the heirs, executors, administrators, successors, or assigns of the respective parties hereto.

Sec. 9. *Unlawful interest* - It is also further agreed that no Member, or Delegate to, Congress, or Federal Commissioner, after his election or appointment, or either before or after he has qualified and during his continuance in office, and that no officer, agent, or employee of the Department of the Interior, except as provided in 43 CFR 7.4(a)(1), shall be admitted to any share or part in this lease or derive any benefit that may arise therefrom; and the provisions of Sec. 3741 of the Revised Statutes of the United States, (41 U.S.C. Sec. 22) as amended, and Secs. 431, 432, and 433, Title 18 U.S.C., relating to contracts, enter into and form a part of this lease so far as the same may be applicable.

Sec. 10. *Stipulations* - Stipulations are attached hereto and made a part hereof. The attached stipulations appear as consecutively numbered pages commencing with page 1 hereafter. Stipulations are not attached.

THE UNITED STATES OF AMERICA

William W. Whitley
(Signature of Lessee)

By [Signature]
(Authorized Officer)

(Signature of Lessee)

CHIEF, MINERALS SECTION
(Title)

DEC 6 1982
(Date)

SPECIAL STIPULATION
NO SURFACE OCCUPANCY

No occupancy or other activity on the surface of lot 1, section 25,
T. 40 S., R. 22 E., SLM, Utah is allowed under this lease.

William Whitley

Signature of Lessee

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SURFACE DISTURBANCE STIPULATIONS

Area Oil and Gas Supervisor or
District Engineer (Address, include zip code)
District Oil and Gas Supervisor
Minerals Management Service
2000 Administration Building
1745 West 1700 South
Salt Lake City, UT 84104

Management Agency (name)

SEE REVERSE SIDE

Address (include zip code)

SEE REVERSE SIDE

1. Notwithstanding any provision of this lease to the contrary, any drilling, construction, or other operation on the leased lands that will disturb the surface thereof or otherwise affect the environment, hereinafter called "surface disturbing operation," conducted by lessee shall be subject, as set forth in this stipulation, to prior approval of such operation by the Area Oil and Gas Supervisor in consultation with appropriate surface management agency and to such reasonable conditions, not inconsistent with the purposes for which this lease is issued, as the Supervisor may require to protect the surface of the leased lands and the environment.

2. Prior to entry upon the land or the disturbance of the surface thereof for drilling or other purposes, lessee shall submit for approval two (2) copies of a map and explanation of the nature of the anticipated activity and surface disturbance to the District Engineer or Area Oil and Gas Supervisor, as appropriate, and will also furnish the appropriate surface management agency named above, with a copy of such map and explanation.

An environmental analysis will be made by the Geological Survey in consultation with the appropriate surface management agency for the purpose of assuring proper protection of the surface, the natural resources, the environment, existing improvements, and for assuring timely reclamation of disturbed lands.

3. Upon completion of said environmental analysis, the District Engineer or Area Oil and Gas Supervisor, as appropriate, shall notify lessee of the conditions, if any, to which the proposed surface disturbing operations will be subject.

Said conditions may relate to any of the following:

- (a) Location of drilling or other exploratory or developmental operations or the manner in which they are to be conducted;
- (b) Types of vehicles that may be used and areas in which they may be used; and
- (c) Manner or location in which improvements such as roads, buildings, pipelines, or other improvements are to be constructed.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

RENTALS AND ROYALTIES FOR OIL AND GAS LEASES

SCHEDULE "A" - NONCOMPETITIVE

RENTALS. To pay the lessor in advance on or before the first day of the month in which the lease issues a rental at the following rates:

- a. If the lands are wholly outside the known geologic structure of a producing oil or gas field, \$1.00 per acre or fraction thereof for each lease year.
- b. On leases wholly or partly within the geologic structure of a producing oil or gas field:
 - 1. If not committed to a cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production beginning with the first lease year after 30 days' notice that all or part of the land is included in such a structure and for each year thereafter, prior to a discovery of oil or gas on the lands herein, \$2 per acre or fraction thereof.

- 2. On the lands committed to an approved cooperative or unit plan which includes a well capable of producing oil or gas and contains a general provision for allocation of production, for the lands not within the participating area an annual rental of 50 cents per acre or fraction thereof each lease year following discovery.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

ROYALTY ON PRODUCTION. To pay the lessor 12½ percent royalty on the production removed or sold from the leased lands.

SCHEDULE "B" - COMPETITIVE

ROYALTY ON PRODUCTION. To pay the lessor the following royalty on production removed or sold from the leased lands.

- 1. When the average production for the month in barrels per well per day is:

OVER	NOT OVER	PERCENT OF ROYALTY	OVER	NOT OVER	PERCENT OF ROYALTY
	50	12.5	130	150	19
50	60	13	150	200	20
60	70	14	200	250	21
70	80	15	250	300	22
80	90	16	300	350	23
90	110	17	350	400	24
110	130	18	400		25

- 2. On gas, including inflammable gas, helium, carbon dioxide and all other natural gases and mixtures thereof, and on natural or casinghead gasoline and

other liquid products obtained from gas; when the average production of gas per well per day for the month does not exceed 5,000,000 cubic feet, 12-1/2 percent; and when said production of gas exceeds 5,000,000 cubic feet, 16-2/3 percent of the amount or value of the gas and liquid products produced, said amount or value of such liquid products to be net after an allowance for the cost of manufacture.

MINIMUM ROYALTY. To pay the lessor in lieu of rental at the expiration of each lease year after discovery a minimum royalty of \$1 per acre or, if there is production, the difference between the actual royalty paid during the year and the prescribed minimum royalty of \$1 per acre, provided that on unitized leases, the minimum royalty shall be payable only on the participating acreage.

RENTALS. To pay the lessor in advance on or before the first day of the month in which the lease issued and for each lease year thereafter prior to a discovery of oil or gas on the leased lands, an annual rental of \$2 per acre or fraction thereof.

NOTICE

The average production per well per day for oil and gas shall be determined pursuant to 30 CFR, Part 221, "Oil and Gas Operating Regulations."

In determining the amount or value of gas and liquid products produced, the amount or value shall be net after an allowance for the cost of manufacture. The allowance for cost of manufacture may exceed two-thirds of the amount or value of any product only on approval by the Secretary of the Interior.

Oil and Gas Lease - Surface Disturbance Stipulations
Surface Management Agencies

- () Cedar City District Office, Bureau of Land Management, 1579 North Main,
P.O. Box 729, Cedar City, Utah 84720
- (✓) Moab District Office, Bureau of Land Management, 125 West 2nd South,
P.O. Box 970, Moab, Utah 84532
- () Richfield District Office, Bureau of Land Management, 150 East 900 North,
P.O. Box 768, Richfield, Utah 84701
- () Salt Lake District Office, Bureau of Land Management, 2370 South 2300 West,
Salt Lake City, Utah 84119
- () Vernal District Office, Bureau of Land Management, 91 West Main,
P.O. Box F, Vernal, Utah 84078
- () Forest Supervisor, Ashley National Forest, 437 East Main, Vernal
Utah 84078
- () Forest Supervisor, Dixie National Forest, 500 South Main Street,
Cedar City, Utah 84720
- () Forest Supervisor, Fishlake National Forest, 170 North Main,
Richfield, Utah 84701
- () Forest Supervisor, Uinta National Forest, 88 West 100 North,
P.O. Box 1428, Provo, Utah 84601
- () Forest Supervisor, Manti-LaSal National Forest, 350 East Main,
Price, Utah 84501
- () Forest Supervisor, Wasatch National Forest, 4438 Federal Building,
125 South State Street, Salt Lake City, Utah 84111
- () Regional Director, Bureau of Reclamation, P.O. Box. 11568,
Salt Lake City, Utah 84147
- () Regional Director, Bureau of Reclamation, Boulder City, Nevada 89005
- () Superintendent, Uintah & Ouray Agency, Bureau of Indian Affairs,
Fort Duchesne, Utah 84026
- () Navajo Area Office, Bureau of Indian Affairs, P.O. Box 125,
Window Rock, Arizona 86515

CULTURAL RESOURCES STIPULATION

The Federal surface management agency is responsible for assuring that the leased lands are examined to determine if cultural resources are present and to specify mitigation measures. Prior to undertaking any surface-disturbing activities on the lands covered by this lease, the lessee or operator, unless notified to the contrary by the authorized officer of the surface management agency or BLM, as appropriate, shall:

1. Contact through the Minerals Management Service the appropriate BLM office on lands managed by BLM or the appropriate surface management agency on lands where the surface is administered by such agency to determine if a site specific cultural resource inventory is required. If a survey is required, then;
2. Engage the services of a qualified cultural resource specialist acceptable to the Federal surface management agency to conduct an intensive inventory for evidence of cultural resource values;
3. Submit a report acceptable to the authorized officer of the surface management agency and the Minerals Management Service; and
4. Implement mitigation measures required by the surface management agency to preserve or avoid destruction of cultural resource values. Mitigation may include relocation of proposed facilities, testing and salvage or other protective measures. Where impacts cannot be mitigated to the satisfaction of the surface management agency, surface occupancy on that area must be prohibited.

The lessee or operator shall immediately bring to the attention of the Minerals Management Service or the authorized officer of the Federal surface management agency or BLM any cultural resources or any other object of scientific interest discovered as a result of surface operations under this lease, and not disturb such discoveries until directed to proceed by the Minerals Management Service.

Oil and Gas Lease Stipulation for Non-Conventional Oil Recovery

Under the provisions of Public Law 97-78, this lease includes all deposits of nongaseous hydrocarbon substances other than coal, oil shale, or gilsonite (including all vein-type solid hydrocarbons). Development by methods not conventionally used for oil and gas extraction such as fire flooding and including surface mining will require the lessee to submit a plan of operations and will be subject to regulations governing development by such methods when those rules are issued by the Bureau of Land Management (BLM), the Minerals Management Service (MMS), and the rules or procedures of the surface managing agency, if other than BLM. Development may proceed only if the plan of operations is approved.

USO 3100-77
(February 1982)

OPERATOR WILLIAM W WHITLEY

DATE 2-28-83

WELL NAME KGS FED # 1-25

SEC SE NW 25 T 40 S R 22 E COUNTY SAN JUAN

43-637-30906
API NUMBER

FED
TYPE OF LEASE

POSTING CHECK OFF:

<input type="checkbox"/>	INDEX	<input type="checkbox"/>	HL	<input type="checkbox"/>
<input type="checkbox"/>	NID	<input type="checkbox"/>	PI	<input type="checkbox"/>
<input type="checkbox"/>	MAP	<input type="checkbox"/>		<input type="checkbox"/>

PROCESSING COMMENTS:

laydown 80's - location for this well should be
in SW NW 1/4 - too close to 9/9 line -
185-4 allows exception location - from 6-8-83

PJF

APPROVAL LETTER:

SPACING: A-3 _____ UNIT

c-3-b

185-4 4-28-83

c-3-a ~~185-2~~ ~~1-23-80~~
CAUSE NO. & DATE

c-3-c

SPECIAL LANGUAGE:

approval is contingent upon a pre-suddling
submittal of a copy of the Utah Division of
Water Rights [(801) 533-6071] approval for use
of drilling water

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

UNIT

c-3-b

c-3-c

195-4
~~195-3~~ ~~5-7-81~~ (MT. RESOURCES)
~~195-2~~ ~~1-25-80~~ EXCEPTION

OUTSTANDING OR OVERDUE REPORTS FOR OTHER WELLS OF THE OPERATOR.

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

March 9, 1983

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

*The original hand carried
to Paula for the 2000' file.*

*Norm
3-15-83*

Holding File Attn: Norm Stout

RE: SPACING VARIANCE
Federal Lease U-52026
Lot 1 & SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 25,
T40S-R22E
San Juan County, Utah

KGS FED # 1-25

Dear Mr. Stout:

In reference to your phone call, I am requesting a spacing variance to the Spacing Order #1-85-2 January 23, 1980 for the above captioned lease. William W. Whitley has staked a well in the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$ (1520' FWL & 2000' FNL) of Section 25, T40S-R22E. Before the Bureau of Land Management would issue the lease they required Mr. Whitley to sign a Special Stipulation of No Surface Occupancy, as follows:

U-52026
Competitive Oil & Gas

SPECIAL STIPULATION

NO SURFACE OCCUPANCY

No occupancy or other activity on the surface of lot 1, section 25,
T. 40 S., R. 22 E., SLM, Utah is allowed under this lease.

The BLM did not make Mr. Whitley aware of this stipulation at the time he submitted a bid on the lease. The BLM representative also required that we stake the location 200' from the west line of the SE $\frac{1}{4}$ of the NW $\frac{1}{4}$. A copy of the lease and Special Stipulation are enclosed.

We have staked the location as far west as the BLM would allow, consequently, we are requesting administrative relief from the Spacing Order #1-85-2. We thank you for your cooperation.

Yours very truly,

Robert W. Peterson

Robert W. Peterson

RECEIVED
MAR 11 1983

RWP:mm
Enclosure
cc: WWW

DIVISION OF
OIL GAS & MINING

June 8, 1983

William W. Whitley
c/o P & M Petroleum Mangement
1600 Broadway, Suite 1700
Denver, Colorado 80202

RE: Well No. KGS Federal #1-25
SENW Sec. 25, T.40S, R.22E
2000 FNL, 1520 FWL
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 the Order issued in Cause No. 185-4 dated April 28, 1983. Approval contingent upon a pre-spudding submittal of a copy of the Utah Division of Water Rights (801-533-6071) approval for use of drilling water.

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 43-037-30906.

Sincerely,

Norman C. Stout
Administrative Assistant

NCS/as
cc: Oil & Gas Operations
Enclosure

June 20, 1983

BUREAU OF LAND MANAGEMENT
District Office
Box 970
Moab, UT 84532

RE: WILLIAM W. WHITLEY, OPERATOR
A.P.D. & NTL-6 Surface Use Plan
#1-25A KGS Federal
SE $\frac{1}{4}$ NW $\frac{1}{4}$ Sec. 25, T40S-R22E
(1650' FNL & 2175' FWL)
San Juan County, UT

Gentlemen:

Enclosed in quadruplicate please find the Application for Permit to Drill and the NTL-6 Surface Use Plan for drilling the #1-25A KGS Federal well located 2175' FWL & 1650' FNL, Section 25, T40S-R22E, San Juan County, Utah. We originally had the well staked 2200' FWL, but due to the fact that we might want to drill the second directional well from this same drill site I thought it would be better to move the surface location another 25' west. I called Brian Wood with the BLM in Monticello and he agreed that this would be alright without having a new plat submitted. The targeted location to penetrate the Desert Creek formation is 1100' FWL and 1980' FNL of Sec. 25.

I hope we have submitted adequate information. ✓ This A.P.D. and NTL-6 will replace the previously submitted A.P.D. for the #1-25 KGS Federal well located 2000' FNL and 1520' FWL of Section 25.

Yours very truly,

Robert W. Peterson
Robert W. Peterson *m*

RWP:m
Enclosures

cc: BLM
P.O. Box 7
Monticello, UT 84535
Att: Brian Wood

BLM
1745 W. 1700 S., Suite 2000
Salt Lake City, Ut 84104
(In Duplicate)

William W. Whitley
1705 Colorado State Bank Bldg.
Denver, CO 80202

STATE OF UTAH ✓
Division of Oil, Gas & Mining
4241 State Office Bldg.
Salt Lake City, Utah 84114
(In Duplicate)

RECEIVED
JUL 11 1983

DIVISION OF
OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK: DRILL DEEPEN PLUG BACK

2. TYPE OF WELL: OIL WELL GAS WELL OTHER SINGLE ZONE MULTIPLE ZONE

3. NAME OF OPERATOR: William W. Whitley
c/o P & M Petroleum Management

4. ADDRESS OF OPERATOR: 1600 Broadway, Suite 1700, Denver, CO 80202

5. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.):
At surface: 1650' FNL & 2175' FWL (SE 1/4 NW 1/4)
At proposed prod. zone: 1980' FNL & 1100' FWL (SW 1/4 NW 1/4)

6. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*: 10.2 miles SE of Bluff, Utah

7. DISTANCE FROM PROPOSED LOCATION TO NEAREST SURF. LOC. 330'

8. PROPERTY OR LEASE LINE, FT. Desert Creek 660'

9. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. None

10. ELEVATIONS (Show whether DF, RT, GR, etc.): 4359' GR

11. COUNTY OR PARISH: San Juan | 12. STATE: UT

13. FARM OR LEASE NAME: KGS Federal

14. WELL NO.: #1-25A ✓

15. FIELD AND INCL. OR WIRE-CAT: Turner Bluff

16. SEC., T., R., M., OR ELEC. AND SURVEY OR AREA: Sec. 25, T40S-R22E

17. NO. OF ACRES IN LEASE: 80 | 18. NO. OF ACRES ASSIGNED TO THIS WELL: 80

19. PROPOSED DEPTH: 5650' (TVD) | 20. ROTARY OR CABLE TOOLS: Rotary

21. APPROX. DATE WORK WILL START*: August 15, 1983

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	48	80'	150 sx. - circ.
12 1/2"	8-5/8"	24	1100'	550 sx. - circ.
7-7/8")	5 1/2"	15.5	5650'	150 sx.
7-7/8") OR	4 1/2"	10.5	5650'	150 sx.

- The well will be spudded in the Morrison formation.
- The estimated tops of important geological formations are as follows: (True Vertical Depth)

Entrada	170'	Moenkopi	2052'
Carmel	220'	Cutler	2297'
Navajo	278'	Hermosa	4267'
Kayenta	768'	Ismay	5173'
Wingate	845'	Lower Ismay	5295'
Chinle	1245'	"C" Shale	5355'
Shinarump	2002'	Desert Creek	5400'

- This well will be directionally drilled. The surface location will be at 1650' FNL and 2175' FWL and the Desert Creek formation will be targeted. The kickoff point will approximate 1900' depth.

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.

SIGNED: Robert W. Peterson TITLE: Agent DATE: 6/17/83

(This space for Federal or State office use)

PERMIT NO. ***APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS AND MINING**

APPROVED BY: [Signature] DATE: 6/17/83

CONDITIONS OF: [Signature]

*** APPROVED AS PER ORDER OF**
CASE NO. 1852, 1-73-80
DIRECTIONAL SURVEY INFORMATION
TO BE SUBMITTED WITH
LOCATION CHANGE ONLY, COMPLETION REPORT

WILLIAM W. WHITLEY, OPERATOR
#1-25A KGS Federal
Sec. 25, T40S-R22E
(1650' FNL & 2175' FWL) (SE $\frac{1}{4}$ NW $\frac{1}{4}$)
San Juan County, Utah

A.P.D. - Page 2

4. Proposed Casing Program:

- A. Conductor Pipe: 80', 13-3/8", 32.75#, K-55, 8 rd th, ST&C, new casing.
- B. Surface Casing: Approx. 1100' of 8-5/8", 24#, K-55, ST&C, 8 rd th, new casing would be run and cemented to surface, if Navajo flowing water is encountered.
- C. Production Casing: 5 $\frac{1}{2}$ ", 14#, and 15.5#, K-55, ST&C, 8 rd th, new casing or 4 $\frac{1}{2}$ ", 10.5#, K-55, LT&C, 8 rd th, new casing.

5. Estimated depth of anticipated water, oil or gas zones: (Measurements TVD)

- A. Navajo Sand 278' (Fresh water)
- B. Lower Ismay 5295' (Oil)
- C. Desert Creek 5400' (Oil)

6. The casinghead will be a flanged 8-5/8" x 10", 900 Series, 3000 psi working pressure type. The blowout preventer will be a 10", 900 Series, 3000 psi working pressure type with 4 $\frac{1}{2}$ " pipe rams and blind rams with a remote hydraulic closing unite. The blowout preventer arrangement will include a kill line and choke manifold as shown in Exhibit "F" in the schematic diagram. The BOP will be tested to 1000 psi prior to drilling out the cement plug in the surface casing and once during each tour.

7. Clear water with drilling detergent will be used for a circulating medium to about 2000' depth. The well then be mudded up properly before drilling the Ismay formation. The mud will be a fresh water gel chemical type mud. The mud weight will be maintained at about 9.3 lbs/gal, viscosity 35 to 45 sec/qt, and water loss 8 to 10 cc.

8. The following auxiliary drilling equipment will be utilized or available:

- A. Kelly Cock.
- B. Float valve above pit.
- C. A 3000 psi W.P. full opening valve will be screwed into a 4 $\frac{1}{2}$ " drillpipe sub to be used as a stabbing valve.
- C. No mud monitoring equipment will be used.

9. No cores are planned on this well. Lower Ismay and Desert Creek porosity with oil shows will be drill stem tested. An Induction Electric Log will be run from total depth to the base of any casing. A Borehole Compensated Sonic Gamma Ray Caliper Log will be run over any indicated porosity zones with oil shows.

10. No abnormal pressures or temperatures are encountered in the immediate area. The pressure gradient in the Lower Ismay and Desert Creek porosity zones are about 0.389 psi/ft depth. No hydrogen sulfide has been encountered in the Ismay, Desert Creek or shallower zones in this area.

11. The perforations in either the Ismay or Desert Creek formations will be acidized unless an adequate flow of hydrocarbons into the wellbore is obtained by perforating only. The acid treatments should not be over 500 gallons of acid per foot of perforations. Normal treating pressures are anticipated. If flammable liquids are used to treat the well, the pumping equipment will be at least 120 feet from the wellhead and the pumping equipment at least 120 feet from the storage tanks.

12. It is planned to spud this well on August 15, 1983.

13. This form will also serve as an application for right-a-way.

WILLIAM W. WHITNEY

#1-25A NGS Federal
SE $\frac{1}{4}$ NW $\frac{1}{4}$ (1650' FNL & 2175' FWL) Sec. 25, T40S-R22E
San Juan County, UT

NTL-6 MULTIPOINT REQUIREMENTS

SURFACE USE PLAN

1. Existing Roads

A portion of a U.S.G.S. topographical map is attached as Exhibit "A" showing existing roads.

- A. The location plat is attached as Exhibit "B" which shows the location as staked. The well will be drilled in the SE $\frac{1}{4}$ NW $\frac{1}{4}$ (1650' FNL & 2175' FWL) of Section 25, Township 40 South, Range 22 East, San Juan County, Utah.
- B. The location is 13.2 miles from Utah State Highway 262, which is paved. The 1st mile is on an existing oil field road (Bluff Bench Road) which is used for access to Recapture Creek oil field. The road is shown on the map (Exhibit "A") in red. The road starts at Montezuma Creek and continues west and connects again with Utah Highway 163 about one-mile northeast of Bluff, Utah. A new highway is being built which will shorten this distance and will provide much better access.
- C. Approximately 1000 feet of access road will be necessary.
- D. All existing roads within a one-mile radius are shown on the attached Exhibit "A".
- E. No improvements are planned for the existing road for drilling operations except to flat blade the trail. It will be necessary to improve the access road for the last 1000' into the location if the well is productive.

2. Planned Access Road

- A. An access road approximately 1000 feet long will be necessary. The access is over a sandy flat terrace about 12' to 15' above the San Juan River flood plain. For drilling the well the road will only be flat bladed.
- B. The access road will be on the terrace above the flood plain and it is very level. The maximum width of an access road built if the well is productive is 20 feet.
- C. No turnouts will be necessary.
- D. It will not be necessary to install any culverts.
- E. No cuts or fills will be necessary.
- F. No road surfacing material will be required since the material used to build the road is very sandy.
- G. A gate is presently installed on the access road and in service. It will be necessary to install a cattle guard at the gate about 500' northeast of the location.
- H. The access road is not flagged since the present access road is only 220' from the location drilling pad.
- I. The San Juan County Road Department (801-587-2231, ext. 43) will be contacted before county roads are used.
- J. Surface disturbance and vehicular travel will be limited to the approved access road and location.
- K. The access will be upgraded to BLM Class III road specifications.

WILLIAM W. WHITLEY, OPERATOR
#1-21A HGS Federal
Sec. 25, T40S-R22E
(1650' FNL & 2175' FWL) (SE $\frac{1}{4}$ NW $\frac{1}{4}$)
San Juan County, Utah

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3. Location of Existing Wells(Exhibit "C)

For all existing wells within a one-mile radius of this well:

- A. There is a water well located about 200 feet west of the #2-25 3E Federal located 1875' FNL & 1960" FEL of Section 25.
- B. There are 7 abandoned wells within a one-mile radius of the well location:

TOWNSHIP 40 SOUTH-RANGE 22 EAST

SW/4 SE/4 Section 23
NE/4 SE/4 Section 23
SE/4 NW/4 Section 24
NE/4 SW/4 Section 24
SW/4 SW/4 Section 24
NE/4 SE/4 Section 24

TOWNSHIP 40 SOUTH-RANGE 23 EAST

NE/4 SW/4 Section 30

- C. There are no temporarily abandoned wells within a one-mile radius of this well.
- D. There are no disposal wells within a one-mile radius of this location.
- E. There are no currently drilling wells within a one-mile radius of this location.
- F. There are four (4) producing wells within a one-mile radius of this well:

William W. Whitley, #1-24 Federal
SW SE Section 24-40S-22E

William W. Whitley, #1-25 Kirkwood Federal
NE NW Section 25-40S-22E

William W. Whitley, #1-25 3E Federal
NE NE Section 25-40S-22E

William W. Whitley, #2-25 3E Federal
SW NE Section 25-40S-22E

- G. There are no shut-in wells located within a one-mile radius of this proposed location.
- H. There are no injection wells located within a one-mile radius of this proposed location.
- I. There are no monitoring or observations wells for other uses located within a one-mile radius of this proposed location.

4. Location of Existing and/or Proposed Facilities

- A. Within a one-mile radius of the location the following facilities are owned or controlled by lessee/operator.

1. Tank Batteries:

- a. #1-24 Federal, SW SE Sec. 24
- b. #1-25 Kirkwood Federal, NW NE NW Sec. 25
- c. #1-25 3E Federal, NE NE Sec. 25
- d. #2-25 3E Federal, SW NE Sec. 25

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2. Tanks:

- a. #1-24 Federal, (3) 400 bbl welded tanks.
- b. #1-25 Kirkwood Federal, (3) 300 bbl welded tanks and (1) 400 bbl fiberglass tank.
- c. #1-25 3E Federal, (1) 300 bbl welded tank and (1) 300 bbl fiberglass tank.
- d. #2-25 3E Federal, (3) 400 bbl welded tanks and (1) 400 bbl fiberglass tank.

3. Treaters:

- a. #1-24 Federal, 4' x 20' Vertical Treater
- b. #1-25 Kirkwood Federal, 6' x 20' Vertical Treater
- c. #1-25 3E Federal, 4' x 20' Vertical Treater
- d. #2-25 3E Federal, 4' x 15' Horizontal Treater

If this well is productive, the tank battery and treater will be located on the drilling pad above the flood plain just east of the proposed well. The tank battery will consist of 2 to 3 steel welded tanks for storing oil and a fiberglass storage tank for produced water storage. A dike will be built around the tank battery.

4. Production Facilities: Pumping

5. Oil Gathering Lines: None

6. Gas Gathering Lines: None. A gas gathering line is located across Section 24 and 25. It has been purchased by the operator and it is restored to operation. If this well is successful, a gas line will be connected with the gas gathering line from #2-25 3E Federal to the #1-25 Kirkwood Federal about 1000' northeast of this proposed drilling pad for the #1-25A KGS Federal.

7. Injection Lines: None

8. Disposal Lines: None

B. If production is obtained, new facilities will be as follows: A pumping unit and engine. A flowline will be run to the tank battery on the east side of the drilling pad.

1. The production facilities will be painted a buff color to blend with the natural color of the area and the same color as the #2-25 3E Federal tank battery.
2. Exhibit "D" shows the location and dimensions of the proposed facilities.
3. The oil and gas flow lines will be 3" fiberglass or steel lines wrapped with a plastic protective coating buried 3 feet deep. The circulating line will be 2" in diameter steel or fiberglass, also buried. When the pumping unit is installed, it will be installed on a gravel pad with a wide base.
4. The production pit will be fenced. If the well produces over 5 BWPD, the production pit will be lined and flagged unless the water is fresh. The pumping unit will have guard rails installed around the crank weights and belt guards will be installed over the V-belts from the engine to the pumping unit. A siphon pit will be installed ahead of the water disposal pit if the well produces any water.

C. Plan for Rehabilitation of Disturbed Areas No Longer Needed for Operations:

The reserve pit will be backfilled and recontoured to the original contour as close as practical. If the well is plugged and abandoned, the location will be leveled. All foreign material will be buried in the reserve pit.

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The topsoil will be reseeded in a native grass seed mixture recommended by the Bureau of Land Management. The reseeded will be done at the appropriate time of year so that seeds will germinate properly. The same procedure will be followed for the location pad and access road if the well is plugged and abandoned. The seed mixture will be 2 lbs/acre of Indian Rice grass, 1 lb/acre of Alkali Sacaton, 1 lb/acre of Sand Dropseed, 2 lbs/acre of Fourwing Saltbush, 1 lb/acre of Wild Sunflower and 1 lb/acre of Palmerpenstrom.

5. Location and Type of Water Supply

The drilling water will be hauled from a water hole existing approximately 0.4 miles east by road from proposed wellsite. There is an existing road going directly to the water hole. A temporary use permit will be obtained from the Utah State Engineer (801-637-1303) and the BLM before using this water.

6. Source of Construction Materials

The only construction materials necessary will be gravel purchased from and hauled in by a commercial source for a wide based pumping unit. The material for building up the road and location will come from a location near where the road to the location leaves the lease road. The site has been approved by a representative of the Bureau of Land Management.

7. Method of Handling Waste Disposal

- A. Cuttings: Drill cuttings will be contained in the reserve pit.
- B. Drilling Fluids: Drilling fluids will be contained in steel mud tanks and the reserve pit. The reserve pit will be fenced if it cannot be backfilled immediately after the well is drilled. The reserve pit will be lined with commercial bentonite sufficient to prevent seepage. At least half the reserve pit will be in-cut.
- C. Any produced oil will be contained in steel swab or test tanks. Produced water, if any, will be contained in the production pit after the well is completed and in swab tanks or the reserve pit until the well is completed and the battery is installed. The tank battery will be diked with enough volume inside the dike to contain 150 percent of the tank battery capacity.
- D. Sewage will be disposed of in the reserve pit or sanitary holes.
- E. Garbage and waste material will be contained in a trash cage. A burning permit will be obtained before burning trash from the State Fire Warden, John Baker at 801-587-2705.
- F. The wellsite will be policed of all foreign material immediately after the drilling and completion rigs are moved off. All trash will be burned or buried. The reserve pit will be backfilled and reseeded.
- G. If it is necessary to stack the rig and/or components, they will be stacked on the #1-25 Kirkwood Federal location site.

8. Ancillary Facilities

Not Applicable.

9. Wellsite Layout

- A. The surface at the location is relatively flat. The cuts and fills are shown on Exhibit "G". If sub-surface cultural material is exposed while building the location or reserve pit, all work will immediately stop and the San Juan Resource Areas Office will be contacted.

WILLIAM W. WHITLEY, OPERATOR
#1-25A KGS Federal
Sec. 25 T40S-R22E
(1650' FNL & 2175' FWL) (SE $\frac{1}{2}$ NW $\frac{1}{2}$)
San Juan County, Utah

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- B. The layout of the rig is shown on Exhibit "E".
- C. The parking areas and the access road entrance are shown on Exhibit "D".
- D. The reserve pit will be lined with commercial bentonite. The water disposal pit will be lined if the well produces over 5 BWPD or the water will be contained in welded steel or fiberglass tanks.
- E. The top 8 inches of top soil material will be removed from the location and stockpiled separate from the trees on the east side.
- F. The location of the production facilities is shown on Exhibit "D".

10. Plans for Restoration of Surface

- A. The reserve pit will be backfilled and recontoured to the original contour as closely as possible and the topsoil replaced evenly over the surface. The location will be leveled. All foreign material will be buried in the reserve pit in accordance with BLM requirements. The reserve pit will be completely dry before starting to restore the surface.
- B. The topsoil present will be replaced and reseeded to native grasses, if necessary, according to the BLM's specifications on all of the unused portions of the location and all of the reserve pit. In case of a dry hole, the road will be reseeded. The seed will be broadcast and a harrow or a similar implement will be dragged over the area to assure seed cover.
- C. The reserve pit will be fenced on three sides while the rig is drilling and on the fourth side as soon as the rig is moved off and until it is backfilled. The reserve pit will be backfilled as soon as it dries up enough to do so.
- D. If any oil is left on the reserve pit, it will be removed.
- E. The reserve pit will be backfilled just as soon as it dries up enough and the weather permits. The location will be leveled as soon as the rig moves off if the well is plugged and abandoned or after production operations are suspended if the well is a producer. The topsoil will be replaced and the location will be reseeded when the weather is right, after the location is restored.
- F. The operator or his contractor will contact the BLM office at Monticello, Utah, 801-587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- G. All disturbed areas will be ripped 12 inches deep with the contour.
- H. The access will be blocked to prevent vehicular access.
- I. The well is planned to be drilled during August, 1983, if a rig is available. The rehabilitation operations should be completed by late fall.

11. Other Information

- A. The topography in the general area is rough but this location is on a flat surface. The soil should be easy to doze. The surface at this location is about 80 percent bare, 10 percent broom snake weed, 5 percent cheat grass, 2 percent low growing weeds and 3 percent grease wood. This well will be spudded in the Morrison formation.

WILLIAM W. WHITLEY, OPERATOR
#1-25A KGS Federal
Sec. 25, T40S-R22E
(1650' FNL & 2175' FWL) SE $\frac{1}{2}$ NW $\frac{1}{4}$)
San Juan County, Utah

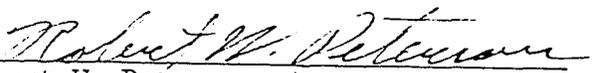
NTL-6 - Page 6

- B. The surface is very arid and the only thing the land could be used for is sheep or cattle grazing. The surface is owned by the Federal Government.
- C. No occupied buildings, historical sites, cultural sites or archeological sites are evident from inspecting this location or the access roads. Since the location is on the flood terrace, any archeological ruin would be covered or carried away by flood waters.

12. Lessee's or Operator's Representative

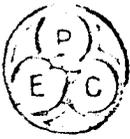
The Operator's field representative who will be responsible for compliance with the Surface Use and Operations Plan is Robert W. Peterson. Mr. Peterson can be reached by telephone at (303) 861-2470. If Mr. Peterson cannot be reached, Mr. John Steele will be responsible for compliance. Mr. Steele can be reached by telephone at (303) 355-1422.

13. 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 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 William W. Whitley, and William W. Whitley's contractors and sub-contractors in conformity with this plan and terms and conditions under which is it approved.

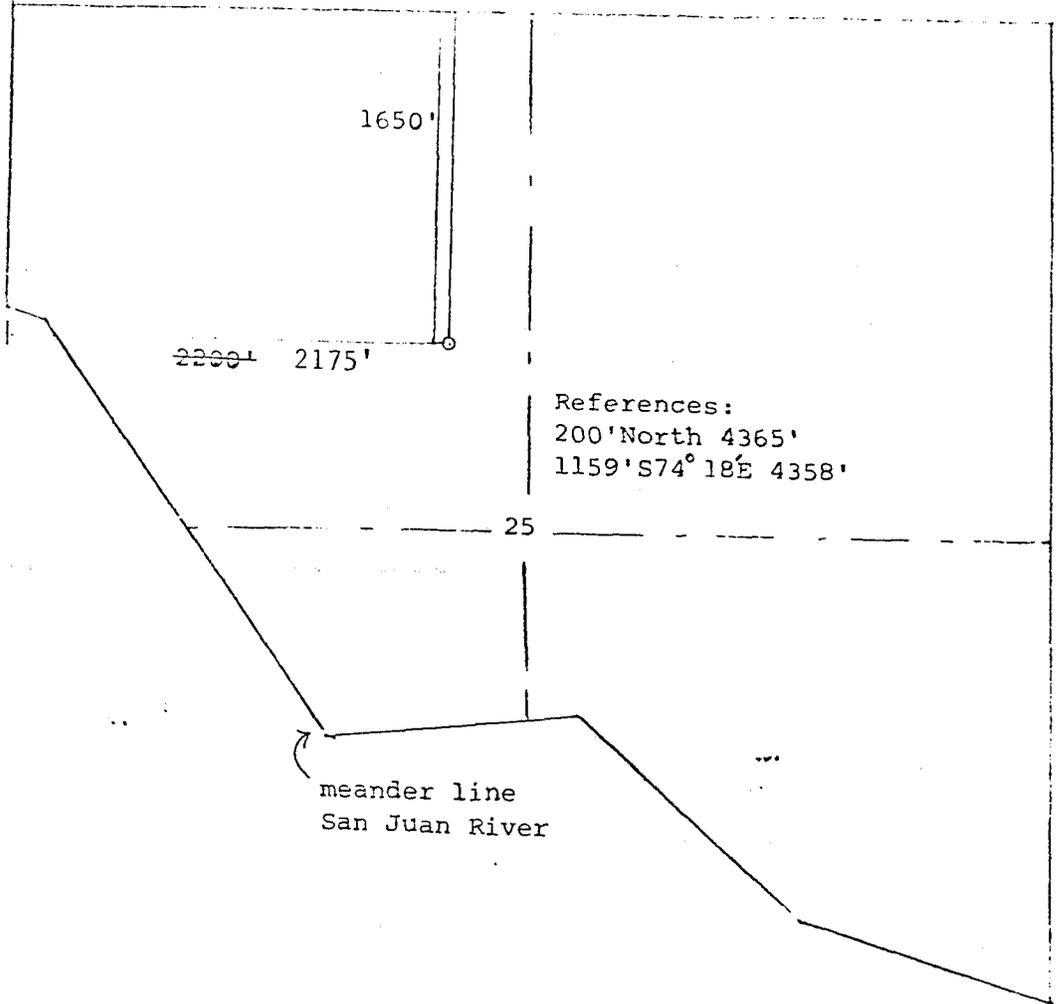

Robert W. Peterson, Agent

Dated: 6-18-83

RWP:m
Attachments



POWERS ELEVATION



References:
 200' North 4365'
 1159' S74° 18'E 4358'

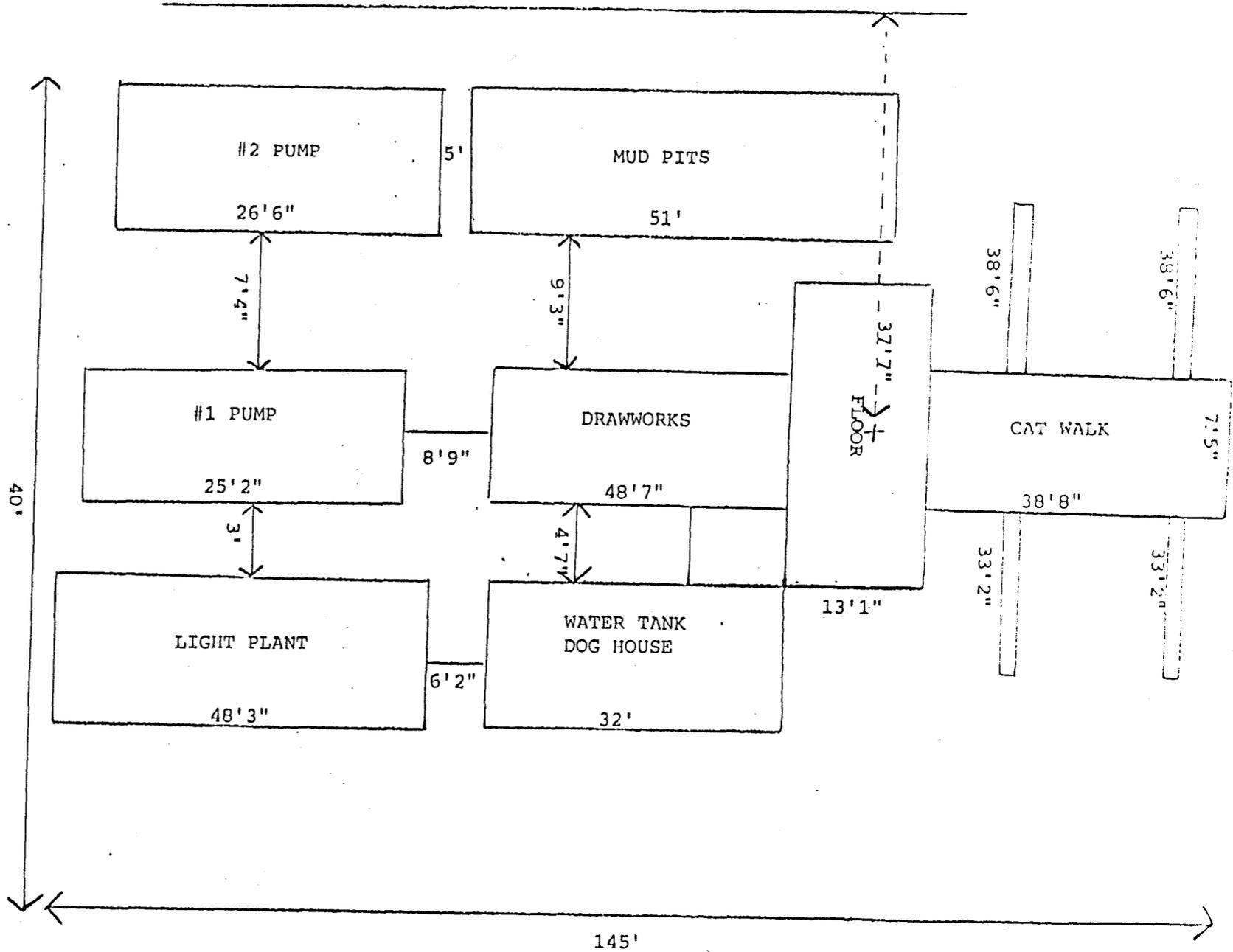


NOTE: The actual location is 25' west (2175' FWL)
 See cover letter for explanation.

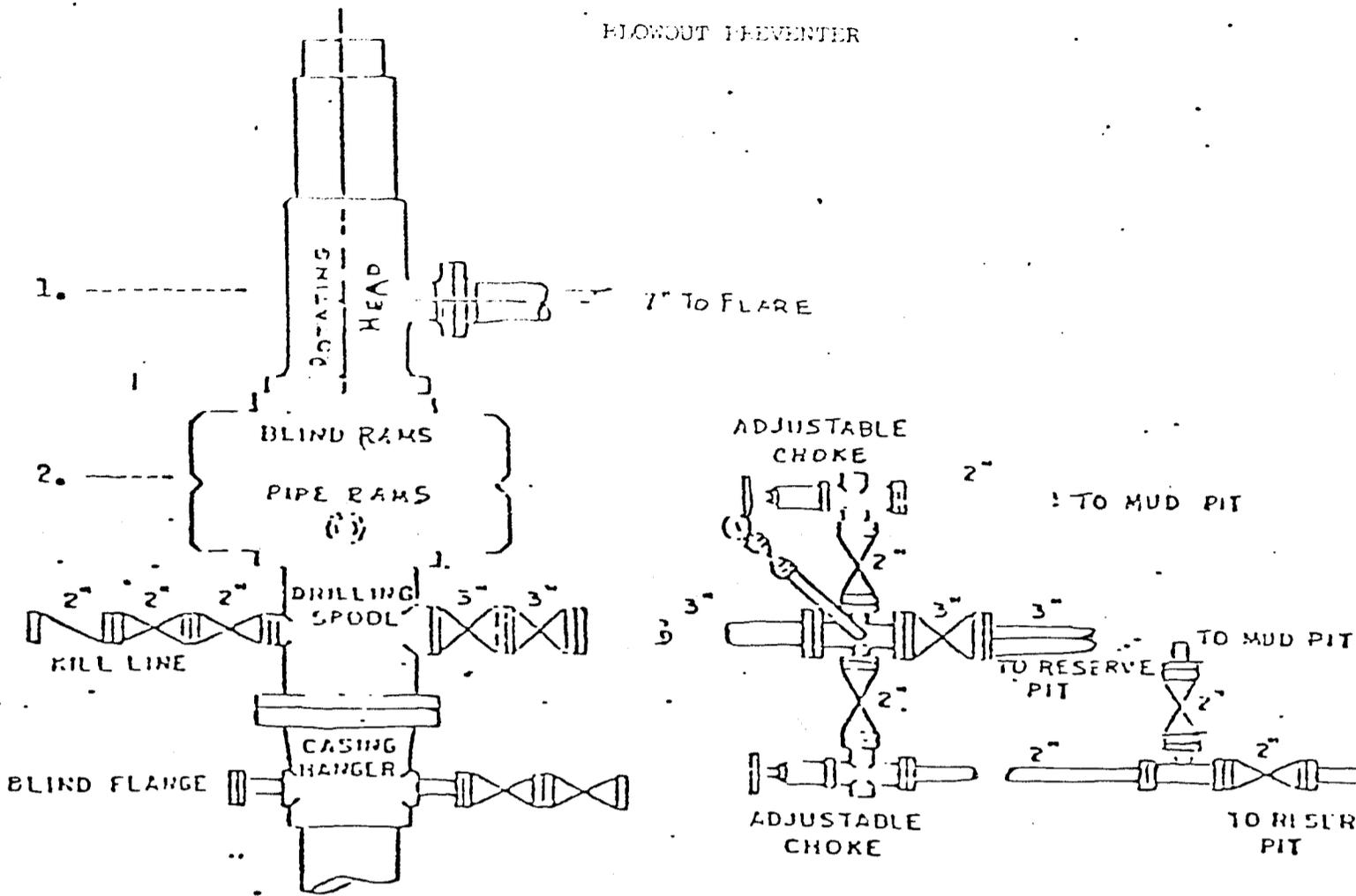
Operator William Whitley		Well name 1-25A KGS Federal	
Section 25	Township 40 South	Range 22 East	Meridian SLPM
Footages 1650' FNL & 2200' FWL 2175' FWL			County/State San Juan, Utah
Elevation 4359'	Requested by Bob Peterson		
The above plat is true and correct to the best of my knowledge and belief.			
15 June 1983 <u>Gerald G. Huddleston</u> Gerald G. Huddleston, L.S. Utah exception EXHIBIT "B"			

RESERVE PIT

EXHIBIT "E"



BLOWOUT PREVENTER



1. Shaffer Type 51 Rotating Head

2. Shaffer 12" 900 Series Type 48 Double Hydraulic

EXHIBIT F



POWERS ELEVATION

W 11

NOV 1981

ON WELLS ELEVATIONS - LOCATIONS
ENVIRONMENTAL - ARCHAEOLOGICAL SERVICES
400 SOUTH CHESTNUT STREET SUITE 1201
DENVER, CO. 80202
PHONE NO. 313-221-2217

SEE SHEET 11111111
11111111

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

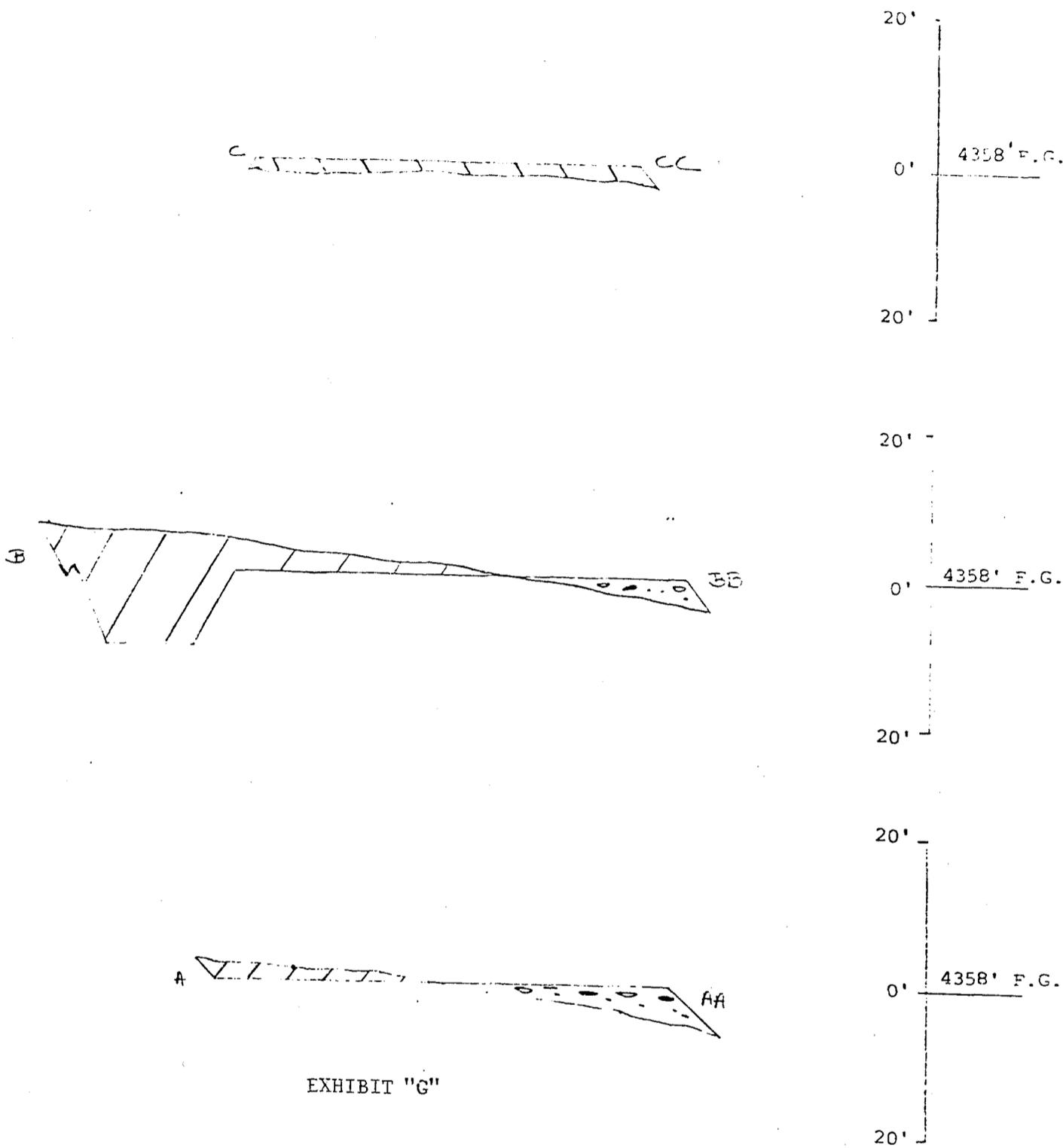


EXHIBIT "C"

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company William W. Whitley % P & M Petroleum Management Well No. 1-25A

Location Sec. 25, T. 40 S., R. 22 E. Lease No. U-52026

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

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (30 CFR 221), and the approved plan of operations. The operator is considered fully responsible for the actions of his subcontractors. The following items are emphasized:

1. There shall be no deviation from the proposed drilling and/or workover program as approved. Safe drilling and operating practices must be observed. All wells, whether drilling producing, suspended, or abandoned shall be identified in accordance with 30 CFR 221.22. Any changes in operations must have prior approval of this office. Pressure tests are required before drilling out from under all casing strings set and cemented in place. Blowout preventer controls must be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to insure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. All BOP pressure tests must be recorded on the daily drilling report.
2. All shows of fresh water and minerals will be reported and protected. A sample will be taken of any water flows and furnished this office for analysis. All oil and gas shows will be adequately tested for commercial possibilities, reported and protected.
3. No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of this office. If operations are to be suspended, prior approval of this office must be obtained and notification given before resumption of operations.

In the event abandonment of the hole is desired, an oral request may be granted by this office, but must be timely followed within 15 days with a "Notice of Intention to Abandon" (Form 9-331). Unless the plugging is to take place immediately upon receipt of oral approval, the District Manager must be notified at least 48 hours in advance of the plugging of the well in order that a representative may witness plugging operation. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form 9-331) must be submitted within 15 days after the actual plugging of the well bore, reporting where the plugs were placed, and the current status of the surface restoration. If surface restoration has not been completed at that time, a follow-up report on form 9-331 should be filed when all surface restoration has been completed and the location is considered ready for final inspection.

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

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

In accordance with NTL-1, this well must be reported on Form 9-329 "Monthly Report of Operations", starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report should be filed, in duplicate, directly with Royalty Management Accounting Center, Minerals Management Service, P. O. Box 2859, Casper, Wyoming 82602.

Any change in the program must be approved by the District Manager. "Sundry Notices and Reports on Wells" (form 9-331) must be filed for all changes of plans and other operations in accordance with 30 CFR 221.58. Emergency approval may be obtained orally, but such approval does not waive the written report requirement. Any additional construction, reconstruction, or alteration of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground will require the filing of a suitable plan pursuant to NTL-6, and prior approval by the District Manager.

5. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (form 9-330) will be submitted not later than 15 days after completion of the well or after completion of operations being performed, in accordance with 30 CFR 221.59. Two copies of all logs run, core descriptions, core analyses, well-test data, geologic summaries, sample descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with form 9-330. Samples (cuttings, fluid, and/or gas) will be submitted only when requested by this office.
6. Significant surface values (are) (are not) involved at this location. Accordingly, you (must) (need not) notify at least (24) (48) hours prior to commencing field operations to allow this office to have personnel present for consultation during the construction of roads and locations.

Your contact with this office is: Tom Hare
Office Phone: 801-259-6111 Ext 235 Home Phone: 801-259-7965
City: Moab State: Utah

~~Area~~ District Manager's Office Address and contacts are:

Address: 480 South First West P.O. Box 7, Monticello, Utah 84535
~~District Manager~~: Brian Wood Home Phone: 801-587-2087
Natural Resource Specialist Office Phone: 801-587-2201

7. SURFACE OPERATING STANDARDS

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

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

- f. The OCS, Federal or Indian lease prefix and number on which the well is located. Otherwise, the non-Federal or non-Indian land category, i.e. State or private.
- g. If appropriate, the unit agreement name, number and participating area name.
- h. If appropriate, the communitization agreement number.

13. _____

SUPPLEMENTAL STIPULATIONS OF APPROVAL ATTACHED

DRILLING:

1. The operator is required to file a directional drill survey plat to total depth.

CONSTRUCTION:

1. The operator or his contractor will contact the San Juan Resource Area Office in Monticello, Utah, (801) 587-2201, 48 hours before beginning any work on public land.
2. The operator will give the dirt contractor a copy of the Surface Use Plan and any additional BLM stipulations before any work.
3. All employees working in the area will be informed by the operator that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

PRODUCTION:

1. 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.
2. All engines will be muffled due to the well's proximity to river rafters and eagle wintering areas.

The archaeological requirement has been fulfilled. No threatened or endangered species are indicated.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

FORM 100-107 (REV. 1-1-80)
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20508

MINERALS MANAGEMENT SERVICE
OPERATIONS NO. 101520
RECEIVED

JUN 27 1983

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1. TYPE OF WORK
 DRILL DEEPEN PLUG BACK

2. NAME OF OPERATOR
 William W. Whitley
 c/o P & M Petroleum Management

3. ADDRESS OF OPERATOR
 1600 Broadway, Suite 1700, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)
 At surface: 1650' FNL & 2175' FWL (SE 1/2 NW 1/2)
 At proposed prod. zone: 1980' FNL & 1100' FWL (SW 1/2 NW 1/2)

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 10.2 miles SE of Bluff, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)
 surf. loc. 330' Desert Creek 660'

16. NO. OF ACRES IN LEASE
 80

17. NO. OF ACRES ASSIGNED TO THIS WELL
 80

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

19. PROPOSED DEPTH
 5650' (TVD)

20. ROTARY OR CABLE TOOLS
 Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4359' GR

22. APPROX. DATE WORK WILL START*
 August 15, 1983

APPROVAL
 AUG 11 1983
 DIVISION OF OIL GAS & MINING

5. LEASE OPERATIONS NO.
 101520

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
 SALT LAKE CITY, UTAH

7. UNIT ACQUISITION NAME
 SALT LAKE CITY, UTAH

8. PAKM OR LEASE NAME
 KGS Federal

9. WELL NO.
 #1-25A

10. FIELD AND POOL, OR WILDCAT
 Turner Bluff

11. SEC., T., R., M., OR ELE. AND SURVEY OR AREA
 Sec. 25, T40S-R22E

12. COUNTY OR PARISH
 San Juan

13. STATE
 UT

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 1/2"	13-3/8"	48	80'	150 sx. - circ.
12 1/2"	8-5/8"	24	1100'	550 sx. - circ.
7-7/8"	5 1/2"	15.5	5650'	150 sx.
7-7/8" or	4 1/2"	10.5	5650'	150 sx.

- The well will be spudded in the Morrison formation.
- The estimated tops of important geological formations are as follows: (True Vertical Depth)

Entrada	170'	Moenkopi	2052'
Carmel	220'	Cutler	2297'
Navajo	278'	Hermosa	4267'
Kayenta	768'	Ismay	5173'
Wingate	845'	Lower Ismay	5295'
Chinle	1245'	"C" Shale	5355'
Shinarump	2002'	Desert Creek	5400'

3. This well will be directionally drilled. The surface location will be at 1650' FNL and 2175' FWL and the Desert Creek formation will be targeted. The kick-off point will approximate 1900' depth.

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.

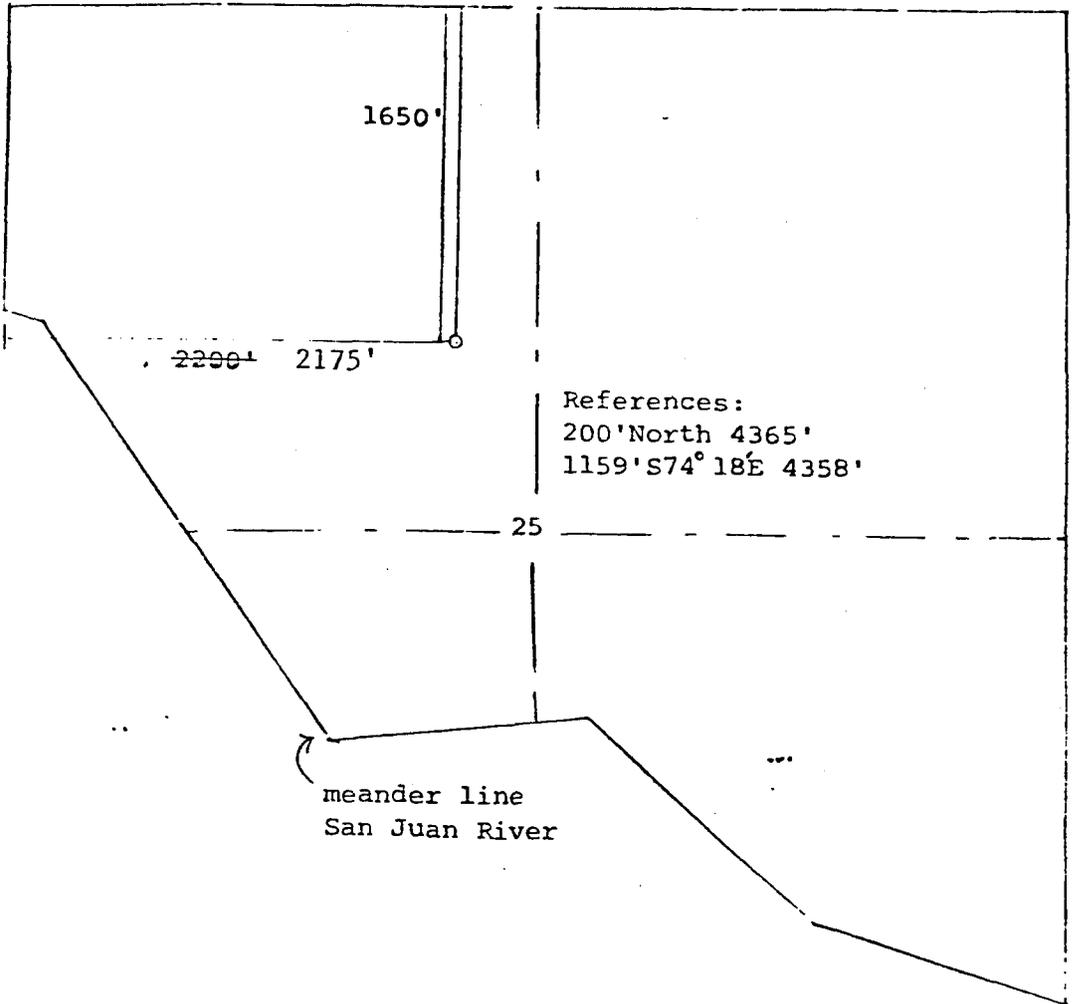
SIGNED: W. W. Whitley TITLE: Asent DATE: 6/17/83

APPROVED BY: R. Kenneth V. Alva TITLE: Associate District Manager DATE: 8/9/83

NOTICE OF APPROVAL SUBJECT TO RIGHT OF WAY APPROVAL
 CONDITIONS OF APPROVAL ATTACHED
 FLARING OR VENTING OF GAS IS SUBJECT OF NTL 4-A DATED 1/1/80
 STATE O & G



POWERS ELEVATION



NOTE: The actual location is 25' west (2175' FWL)
See cover letter for explanation.

Operator William Whitley		Well name 1-25A KGS Federal	
Section 25	Township 40 South	Range 22 East	Meridian SLPM
Footages 1650' FNL & 2200'-FWL 2175' FWL			County/State San Juan, Utah
Elevation 4359'	Requested by Bob Peterson		
The above plat is true and correct to the best of my knowledge and belief.			
15 June 1983 <i>Gerald G. Muddleston</i> Gerald G. Muddleston, L.S. Utah exception. EXHIBIT "E"			

1/23/80

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

In the Matter of the Appli-)
cation of William W. Whitley)
for an Order Establishing) Cause No. 185-2
80-Acre Drilling and Spacing)
Units for Certain Lands)
Situated in San Juan County,)
Utah.)

ORDER

Pursuant to the application of William W. Whitley, this cause came on for hearing before the Board of Oil, Gas & Mining, Utah Department of Natural Resources, at 10:00 a.m., on Wednesday, January 23, 1980, in Room 232 of the Holiday Inn, 1659 West North Temple, Salt Lake City, Utah. The following Board members were present:

Charles R. Henderson, Chairman (presiding)

Edward T. Beck

John L. Bell

E. Steele McIntyre

C. Ray Juvelin

Also present was Cleon B. Feight, Director. The applicant was represented by Robert G. Pruitt, Jr., attorney.

NOW, THEREFORE, the Board, having considered the testimony and the exhibit received at said hearing, and being fully advised in the premises, now makes and enters the following:

FINDINGS

1. Due and regular notice of the time, place and purpose of the hearing was given to all interested in the form and in the 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 application and over all parties interested

therein and has jurisdiction to make and promulgate the Order hereinafter set forth.

3. The establishment of 80-acre drilling and spacing units is necessary to prevent waste of oil and associated hydrocarbons, to avoid the drilling of unnecessary wells, to protect correlative rights, to conform future well locations with existing well locations, and to insure the greatest possible economic recovery of oil and associated hydrocarbons from the Lower Ismay and Desert Creek formations. The most appropriate conformation of said 80-acre drilling and spacing units should be the N $\frac{1}{2}$ and S $\frac{1}{2}$, respectively, of each quarter section and the best location for the permitted well within each respective 80-acre drilling and spacing unit should be the NE $\frac{1}{4}$ and the SW $\frac{1}{4}$, respectively, of each quarter section within the area requested by the applicant to be spaced by this Board.

IT IS, THEREFORE, ORDERED:

1. That 80-acre drilling and spacing units, each comprising the N $\frac{1}{2}$ and S $\frac{1}{2}$, respectively, of each quarter section shall be established for the following-described lands:

Township 40 South, Range 22 East, SLM

Section 23: All
Section 24: All
Section 25: All
Section 26: N $\frac{1}{2}$

2. That the approved location for each well within each respective 80-acre drilling and spacing unit shall be designated as the NE $\frac{1}{4}$ and the SW $\frac{1}{4}$, respectively, of each quarter section within the above-described lands.

3. The permitted well for each drilling unit shall be not less than 500 feet from any property or lease line or governmental quarter-quarter section line; provided, however, that an exception location may be granted administratively by the Division without notice or hearing by the Board upon filing an application therefor and showing (a) that topographic, hydrologic or geologic conditions exist which require an

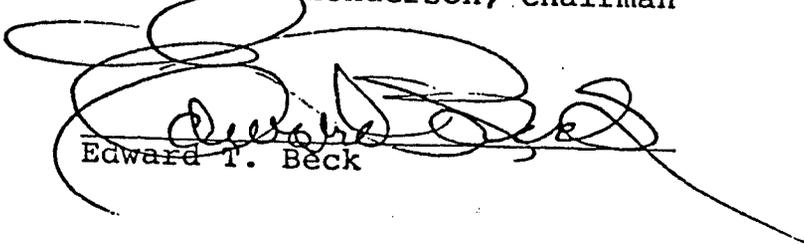
exception location, or (b) that an exception location is necessary to conform to adjacent producing well locations either within or without the spaced area; provided, further, that all owners within a radius of 660 feet of the proposed exception location have consented in writing to the proposed exception location.

4. The Board retains continuing jurisdiction of all matters covered by this Order and over all parties affected thereby.

DATED this 23rd day of January, 1980.

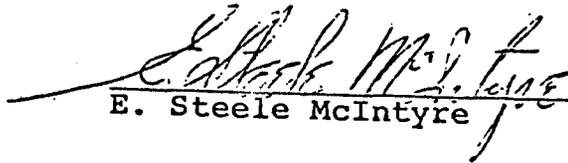


Charles R. Henderson, Chairman

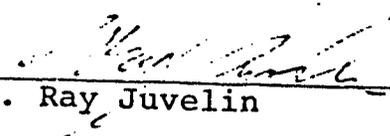


Edward T. Beck

John L. Bell



E. Steele McIntyre



C. Ray Juvelin



PETROLEUM MANAGEMENT

SUITE 1700 • 1600 BROADWAY • DENVER • COLORADO 80202 • PHONE (303) 861-2470

August 16, 1983

RECEIVED
AUG 19 1983

BUREAU OF LAND MANAGEMENT
District Office
Box 970
Moab, Utah 84532

**DIVISION OF
OIL GAS & MINING**

Att: Mr. Kenneth Rhea
Associate District Mgr.

RE: WILLIAM W. WHITLEY, OPERATOR
#1-25A KGS Federal
(1650' FNL & 2175' FWL)
(SE $\frac{1}{4}$ NW $\frac{1}{4}$) Sec. 25, T40S-R22E
San Juan County, Utah

Dear Mr. Rhea:

We would like to amend the above referenced approved A.P.D. with the enclosed Sundry Notice indicating a change of plans with regard to increased hole size, because the directional drilling consultants have advised us to drill a 8-3/4" diameter hole instead of 7-7/8" diameter hole. The consultants contend that the directional drilling will be more efficient with the larger tools.

Verbal permission for this change in plans was received from Mr. Jim Travis, BLM - Moab District Office on 8/16/83. Thanks for your cooperation in this matter.

Yours very truly,

Robert W. Peterson

RWP:m
Enclosure

cc: BLM
P.O. Box 7
Monticello, Utah 84535
Att: Mr. Brian Wood

BLM
1745 W. 1700 S., Suite 2000
Salt Lake City, Utah 84104

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

William W. Whitley
1705 Colorado State Bank Bldg.
Denver, CO 80202

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN TRIPLICATE*
(Other instructions on reverse side)

Form approved
Budget Bureau No. 42-R1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

<p>1. <input checked="" type="checkbox"/> OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER</p> <p>2. NAME OF OPERATOR William W. Whitley</p> <p>3. ADDRESS OF OPERATOR c/o P & M Petroleum Management 1600 Broadway, Suite 1700, Denver, CO 80202</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1650' FNL & 2175' FWL (SE$\frac{1}{4}$ NW$\frac{1}{4}$) At proposed prod. zone 1980' FNL & 1100' FWL (SW$\frac{1}{4}$ NW$\frac{1}{4}$)</p> <p>14. PERMIT NO. _____</p>	<p>5. LEASE DESIGNATION AND SERIAL NO. U-52026</p> <p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME _____</p> <p>7. UNIT AGREEMENT NAME _____</p> <p>8. FARM OR LEASE NAME KGS Federal</p> <p>9. WELL NO. #1-25A</p> <p>10. FIELD AND POOL, OR WILDCAT Turner Bluff</p> <p>11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25, T40S-R22E</p> <p>12. COUNTY OR PARISH San Juan</p> <p>13. STATE Utah</p>
<p>15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4359' GR</p>	

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:		SUBSEQUENT REPORT OF:	
TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>	WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>	FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>	SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input checked="" type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input type="checkbox"/>

*(NOTE: Report results of multiple completion on Well Completion or Recombination Report and Log form.)

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 locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Proposed changes in hole and casing size as follows:

SIZE OF HOLE	SIZE OF CASING	WT. PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17 $\frac{1}{2}$ "	13-3/8"	48 lb.	80'	150 sx. - circ.
12 $\frac{1}{4}$ "	9-5/8"	36 lb.	1100'	550 sx. - circ.
8-3/4"	5 $\frac{1}{2}$ "	15.5 lb.	5650'	200 sx.
8-3/4" OR	4 $\frac{1}{2}$ "	10.5 lb.	5650'	250 sx.

Verbal permission of proposed change of plans was received from Jim Travis, BLM-Moab District, 8/16/83.

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

DATE: _____
BY: _____



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

SIGNED Robert W. Peterson TITLE Petroleum Engineer DATE 8/16/83

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY: _____

*See Instructions on Reverse Side

APPROVAL - CERTIFICATION - DETERMINATION

Pursuant to the authority vested in the Secretary of the Interior under Section 17(j) of the Mineral Leasing Act of 1920, as amended (74 Stat. 784; 30 U.S.C. 226(j)), and delegated to the Deputy Minerals Manager for Oil and Gas of the Bureau of Land Management, _____ Region.

A. Approve the attached communitization agreement covering the

S¹/₂NW¹/₄ Section 25, Township 40 South, Range 22 East, S.L.M.,

San Juan

County, Utah, as to (~~natural gas and associated liquid hydrocarbons~~) (crude oil and associated natural gas) producible from the Lower Ismay & Desert Creek formations.

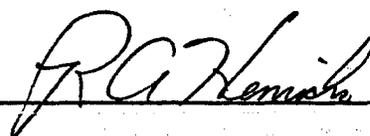
B. Determine that the Federal lease or leases as to the lands committed to the attached agreement cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located, and that consummation and approval of the agreement will be in the public interest.

C. Certify and determine that the drilling, producing, rental, minimum royalty, and royalty requirements of the Federal lease or leases committed to said agreement are hereby established, altered, changed, or revoked to conform with the terms and conditions of the agreement.

Approved: AUG 17 1983

Effective: AUG 1 1983

Contract No.: Com. Agr. UT-232



for E. W. Gynn
Chief, Branch of Fluid Minerals
Bureau of Land Management
Utah State Office

COMMUNITIZATION AGREEMENT

Contract No. _____

THIS AGREEMENT entered into as of the 1st day of May, 1983, by and between the parties subscribing, ratifying, or consenting hereto, such parties being hereinafter referred to as "parties hereto."

W I T N E S S E T H:

WHEREAS, the Act of February 25, 1920 (41 Stat. 437), as amended and supplemented authorizes communitization or drilling agreements communitizing or pooling a Federal oil and gas lease, or any portion thereof, with other lands, whether or not owned by the United States, when separate tracts under such Federal lease cannot be independently developed and operated in conformity with an established well-spacing program for the field or area and such communitization or pooling is determined to be in the public interest; and

WHEREAS, the parties hereto own working, royalty or other leasehold interests, or operating rights under the oil and gas leases and lands subject to this agreement which cannot be independently developed and operated in conformity with the well-spacing program established for the field or area in which said lands are located; and

WHEREAS, the parties hereto desire to communitize and pool their respective mineral interests in lands subject to this agreement for the purpose of developing and producing communitized substances in accordance with the terms and conditions of this agreement:

NOW, THEREFORE, in consideration of the premises and the mutual advantages to the parties hereto, it is mutually covenanted and agreed by and between the parties hereto as follows:

1. The lands covered by this agreement (hereinafter referred to as "communitized area") are described as follows:

Township 40 South, Range 22 East, S.L.M.
Section 25: S $\frac{1}{2}$ NW $\frac{1}{4}$

San Juan County, Utah

Containing 80.00 acres, more or less, and this agreement shall apply separately to the Lower Ismay and Desert Creek Formations in the same manner as though a separate agreement for each formation had been entered into for the underlying said lands and the crude oil and associated natural gas, hereinafter referred to as "communitized substances", producible from such formations.

2. Attached hereto, and made a part of this agreement for all purposes is Exhibit B, designating the operator of the communitized area and showing the acreage, percentage, and ownership of oil and gas interests in all lands within the communitized area, and the authorization, if any, for communitizing or pooling any patented or fee lands within the communitized area.
3. All matters of operation shall be governed by the operator under and pursuant to the terms and provisions of this agreement. A successor operator may be designated by the owners of the working interest in the communitized area and three (3) executed copies of a designation of successor operator shall be filed with the Deputy Minerals Manager for Oil and Gas.
4. Operator shall furnish the Secretary of the Interior, or his authorized representative, with a log and history of any well drilled on the communitized area, monthly reports of operations, statements of oil and gas sales and royalties, and such other reports as are deemed necessary to compute monthly the royalty due the United States, as specified in the applicable oil and gas operating regulations.
5. The communitized area shall be developed and operated as an entirety, with the understanding and agreement between the parties hereto that all communitized substances produced therefrom shall be allocated among the leaseholds comprising said area in the proportion that the acreage interest of each leasehold bears to the entire acreage interest committed to this agreement.
6. The royalties payable on communitized substances allocated to the individual leases comprising the communitized area and the rentals provided for in said leases shall be determined and paid on the basis prescribed in each of the individual leases. Payments of rentals under the terms of leases subject to this agreement shall not be affected by this agreement except as provided for under the terms and provisions of said leases or as may herein be otherwise provided. Except as herein modified and changed, the oil and gas leases subject to this agreement shall remain in full force and effect as originally made and issued.

It is agreed that for any Federal lease bearing a sliding- or step-scale rate of royalty, such rate shall be determined separately as to production from each communitization agreement

to which such lease may be committed, and separately as to any noncommunitized lease production, provided, however, as to leases where the rate of royalty for gas is based on total lease production per day, such rate shall be determined by the sum of all communitized production allocated to such a lease plus any noncommunitized lease production.

7. There shall be no obligation on the lessees to offset any well or wells completed in the same formation as covered by this agreement on separate component tracts into which the communitized area is now or may hereafter be divided, nor shall any lessee be required to measure separately communitized substances by reason of the diverse ownership thereof, but the lessees hereto shall not be released from their obligation to protect said communitized area from drainage of communitized substances by a well or wells which may be drilled offsetting said area.
8. The commencement, completion, continued operation or production of a well or wells for communitized substances on the communitized area shall be construed and considered as the commencement, completion, continued operation or production on each and all of the lands within and comprising said communitized area, and operations or production pursuant to this agreement shall be deemed to be operations or production as to each lease committed hereto.
9. Production of communitized substances and disposal thereof shall be in conformity with allocation, allotments, and quotas made or fixed by any duly authorized person or regulatory body under applicable Federal or State statutes. This agreement shall be subject to all applicable Federal and State laws or executive orders, rules and regulations, and no party hereto shall suffer a forfeiture or be liable in damages for failure to comply with any of the provisions of this agreement if such compliance is prevented by, or if such failure results from, compliance with any such laws, orders, rules or regulations.
10. This agreement is effective 8 1, 83
(Month) (Day) Year
upon execution by the necessary parties, notwithstanding the date of execution, and upon approval by the Secretary of the Interior or by his duly authorized representative, and shall remain in force and effect as to the Lower Ismay and Desert Creek Formations individually for a period of two (2) years, and so long thereafter as communitized substances are, or can be, produced in paying quantities from communitized formations or formation: provided,

that prior to production in paying quantities from the communitized area and upon fulfillment of all requirements of the Secretary of the Interior, or his duly authorized representative, with respect to any dry hole or abandoned well, this agreement may be terminated at any time by mutual agreement of the parties hereto. This agreement shall not terminate upon cessation of production if, within sixty (60) days thereafter, reworking or drilling operations on the communitized area are commenced and are thereafter conducted with reasonable diligence during the period of nonproduction. The two-year term of this agreement will not in itself serve to extend the term of any Federal lease which would otherwise expire during said period.

11. The covenants herein shall be construed to be covenants running with the land with respect to the communitized interests of the parties hereto and their successors in interests until this agreement terminates and any grant, transfer, or conveyance of any such land or interest subject hereto, whether voluntary or not, shall be and hereby is conditioned upon the assumption of all obligations hereunder by the grantee, transferee, or other successor in interest, and as to Federal land shall be subject to approval by the Secretary of the Interior.
12. It is agreed between the parties hereto that the Secretary of the Interior, or his duly authorized representative, shall have the right of supervision over all operations within the communitized area to the same extent and degree as provided in the oil and gas leases under which the United State of America is lessor and in the applicable oil and gas regulations of the Department of the Interior.
13. This agreement shall be binding upon the parties hereto and shall extend to and be binding upon their respective heirs, executors, administrators, successors, and assigns.
14. This agreement may be executed in any number of counterparts, no one of which needs to be executed by all parties, or may be ratified or consented to by separate instrument, in writing, specifically referring hereto, and shall be binding upon all parties who have executed such a counterpart, ratification or consent hereto with the same force and effect as if all parties had signed the same document.
15. Nondiscrimination: In connection with the performance of work under this agreement, the operator agrees to comply with all of the provisions of Section 202(1) to (7) inclusive, of Executive Order 11246 (30 F.R. 12319), as amended, which are hereby incorporated by reference in this agreement.

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR AND WORKING INTEREST OWNER

William W. Whitley
William W. Whitley

Execution Date: 5/12/83

OTHER WORKING INTEREST OWNERS

BEARD OIL COMPANY

By _____

Execution Date: _____

OVERRIDING ROYALTY INTEREST OWNERS

Arthur E. Meinhart

Execution Date: _____

Irwin Rubenstein

Execution Date: _____

Kathleen A. Rubenstein

Execution Date: _____

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S½NW¼ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR AND WORKING INTEREST OWNER

William W. Whitley

Execution Date: _____

OTHER WORKING INTEREST OWNERS

ATTEST:

BEARD OIL COMPANY

By: Bonnie Cook
Assistant Secretary

By: John R. Brown
John R. Brown, Asst. Vice President
Execution Date: May 17, 1983

OVERRIDING ROYALTY INTEREST OWNERS

Arthur E. Meinhart

Execution Date: _____

Irwin Rubenstein

Execution Date: _____

Kathleen A. Rubenstein

Execution Date: _____

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S½NW¼ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF _____)
COUNTY OF _____)

ss.

On the _____ day of _____, 1983, personally appeared before me _____, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

Notary Public

Place of Residence:

Corporate

STATE OF OKLAHOMA)
COUNTY OF OKLAHOMA)

The foregoing instrument was acknowledged before me this 17th day of May, 1983, by John R. Brown, Assistant Vice President, and by Bonnie Cook, Asst. Secretary of BEARD OIL COMPANY, a corporation.

WITNESS my hand and official seal.

My Commission Expires:

March 16, 1987

B. L. Stalcup
Notary Public

Place of Residence:

Oklahoma City, Okla.

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR AND WORKING INTEREST OWNER

William W. Whitley

Execution Date: _____

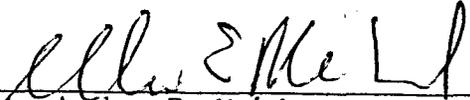
OTHER WORKING INTEREST OWNERS

BEARD OIL COMPANY

By _____

Execution Date: _____

OVERRIDING ROYALTY INTEREST OWNERS



Arthur E. Meinhart

Execution Date: 5-12-83

Irwin Rubenstein

Execution Date: _____

Kathleen A. Rubenstein

Execution Date: _____

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR AND WORKING INTEREST OWNER

William W. Whitley

Execution Date: _____

OTHER WORKING INTEREST OWNERS

BEARD OIL COMPANY

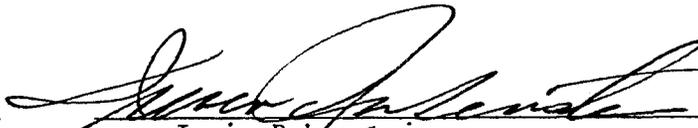
By _____

Execution Date: _____

OVERRIDING ROYALTY INTEREST OWNERS

Arthur E. Meinhart

Execution Date: _____



Irwin Rubenstein

Execution Date: 5/12/83

Kathleen A. Rubenstein

Execution Date: _____

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

IN WITNESS WHEREOF, the parties hereto have executed this agreement as of the day and year first above written.

OPERATOR AND WORKING INTEREST OWNER

William W. Whitley

Execution Date: _____

OTHER WORKING INTEREST OWNERS

BEARD OIL COMPANY

By _____

Execution Date: _____

OVERRIDING ROYALTY INTEREST OWNERS

Arthur E. Meinhart

Execution Date: _____

Irwin Rubenstein

Execution Date: _____

Kathleen A. Rubenstein

Kathleen A. Rubenstein

Execution Date: 5/13/83

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Individual

STATE OF Colorado)
) ss.
COUNTY OF Denver)

On the 12th day of May, 1983, personally appeared before me Irwin Rubenstein, the signer(s) of the above instrument, who duly acknowledged to me that he (she or they) executed the same.

WITNESS my hand and official seal.

My Commission Expires:

1/17/87

Donald S. Paerich
Notary Public

Place of Residence:

~~Broomfield, Colorado 80020~~

Corporate

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 1983, by _____, President, and by _____, Secretary of _____, a corporation.

WITNESS my hand and official seal.

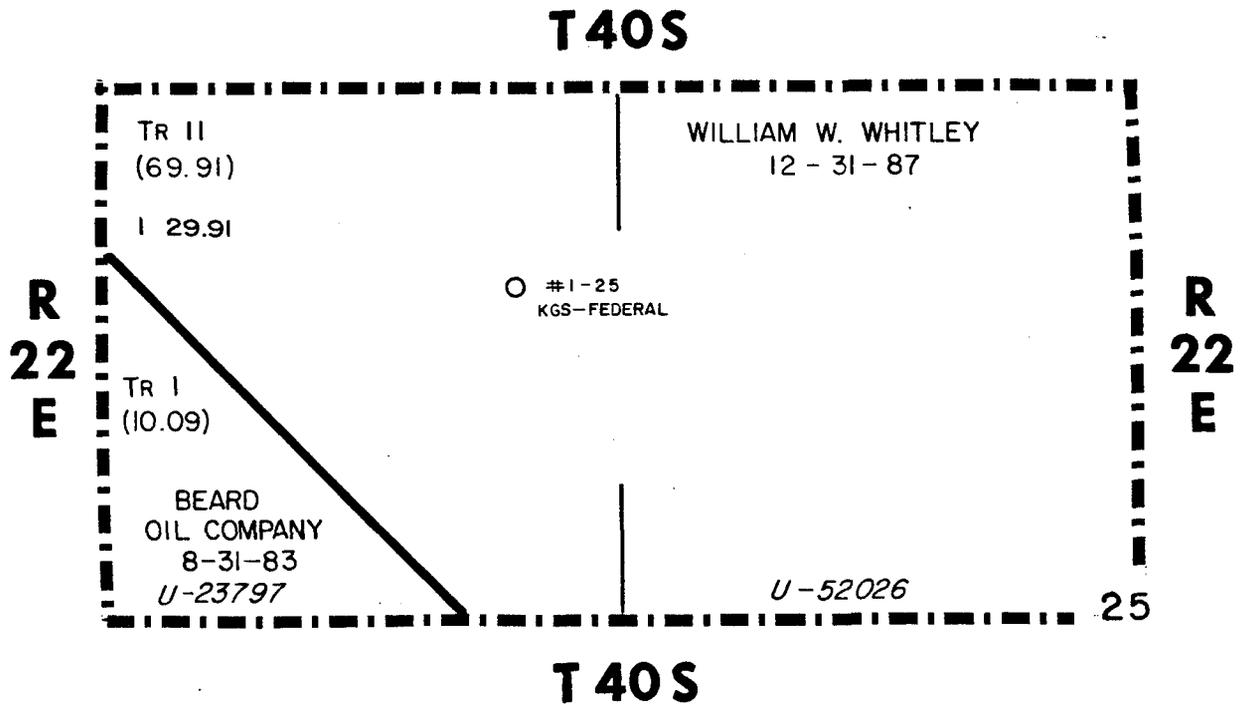
My Commission Expires:

Notary Public

Place of Residence:

EXHIBIT "A"

PLAT OF COMMUNITIZED AREA COVERING S/2 NW/4 SECTION 25, TOWNSHIP
40 SOUTH, RANGE 22 EAST, S.L.M., SAN JUAN COUNTY, UTAH.



TURNER BLUFF FIELD
LOWER ISMAY AND DESERT CREEK FORMATIONS
- - - - - BOUNDARY OF COMMUNITIZED AREA

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

TRACT I

Lessor(s)/Royalty Interest Owners: United States of America

Lessee(s)/Assignee(s) of Record: Beard Oil Company 100%

Serial Number of Lease: U-23797

Date of Lease: September 1, 1973

Primary Term of Lease: 10 years

Basic Royalty Rate: 12.5%

Description of Land Committed: (unsurveyed) A tract of land situated in the SW $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25 that lies Southwest of the Northern boundary of the San Juan River, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

Number of Acres: 10.09

Name and Percentage of Each Working Interest Owner: Beard Oil Company 100%

Name and Percentage of Each Overriding Royalty Interest Owner:

Arthur E. Meinhart	1%
Irwin Rubenstein	.5%
Kathleen A. Rubenstein	.5%

TRACT II

Lessor(s)/Royalty Interest Owners: United States of America

Lessee(s)/Assignee(s) of Record: William W. Whitley 100%

Serial Number of Lease: U-52026 (KGS)

Date of Lease: January 1, 1983

Primary Term of Lease: 5 years

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

TRACT II Cont'd

Basic Royalty Rate:	Variable
Description of Land Committed:	Lot 1, SE $\frac{1}{4}$ NW $\frac{1}{4}$ Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah
Number of Acres:	69.91
Name and Percentage of Each Working Interest Owner:	William W. Whitley 100%
Name and Percentage of Each Overriding Royalty Interest Owner:	None

Attached to and made a part of that certain Communitization Agreement dated May 1, 1983, embracing the S $\frac{1}{2}$ NW $\frac{1}{4}$ of Section 25, Township 40 South, Range 22 East, S.L.M., San Juan County, Utah

<u>RECAPITULATION</u>		
<u>TRACT NO.</u>	<u>NUMBER OF ACRES COMMITTED</u>	<u>PERCENTAGE OF INTEREST</u>
I	10.09	12.6125%
II	<u>69.91</u>	<u>87.3875%</u>
	80.00	<u>100.0000%</u>

AUTHORIZATION
COMMUNITIZATION OR POOLING

Department of Natural Resources, Division of Oil, Gas and Mining in and for the State of Utah by Cause No. 185-2, dated January 23, 1980, established 80.00 acre drilling and spacing unit for the production of oil and associated natural gas from the Lower Ismay and Desert Creek Formations underlying that portion of the Turner Bluff Field Area, comprising the lands subject to this Communitization Agreement. A copy of this order is attached.

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

NAME OF COMPANY: William W. Whitley

WELL NAME: KGS Fed. 1-25A

SECTION SENW 25 TOWNSHIP 40S RANGE 22E COUNTY San Juan

DRILLING CONTRACTOR Bayless Drilling

RIG # 1

SPUDDED: DATE 8-24-83

TIME 4:00 PM

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY Wm. Whitley

TELEPHONE # 303-861-2469

DATE 8-25-83

SIGNED _____

SB

WATER RIGHT OK
as per Stan Green
8-30-83
[Signature]

Provided Robert Peterson agent for Whitley, with 24 hrs to comply with water rights verification. He said he would contact Whitley.
[Signature]
8-29-83

NOTICE OF SPUD

Company: _____

Caller: William Whitley

Phone: _____

Well Number: 1-25A

Location: 40S 22E SW NW

County: SAN JUAN State: Utah

Lease Number: U-52026

Lease Expiration Date: _____

Unit Name (If Applicable): _____

Date & Time Spudded: 8-24-83 4:00 PM

Dry Hole Spudder/Rotary: _____

Details of Spud (Hole, Casing, Cement, etc.) _____

Rotary Rig Name & Number: Bellis Drilling Company Rig #1

Approximate Date Rotary Moves In: _____

FOLLOW WITH SUNDRY NOTICE

Call Received By: Janone Demmer

Date: August 25, 1983

~~Moab~~ Moab
State O & G
Julesa

RECEIVED

AUG 26 1983

DIVISION OF
OIL, GAS & MINING



4
william w. whitley
1705 colorado state bank building
1600 broadway
denver · colorado · 80202
phone (303) 861·2469

September 20, 1983

State of Utah
Division of Oil, Gas & Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Communitization Agreement
S/2 NW/4 Section 25, T40S-R22E
San Juan County, Utah
KGS Federal 1-25A Well

Gentlemen:

On going over the list of requirements for the captioned well, I do not find a record of having sent you two copies of the approved Communitization Agreement. I am, therefore, enclosing two copies. If they were previously sent, please disregard the enclosed.

Very truly yours,

Sally Scheiman

Sally Scheiman
Secretary

/ss
Enclosures 2

RECEIVED
SEP 21 1983

**DIVISION OF
OIL, GAS & MINING**

**UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY**

SUBMIT IN TRIPlicate*
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.

U-52026

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

<p>1. OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/></p> <p>2. NAME OF OPERATOR William W. Whitley</p> <p>3. ADDRESS OF OPERATOR 1600 Broadway, Suite 1705, Denver, Colorado 80202</p> <p>4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface 1650' FNL, 2175' FWL (SE$\frac{1}{4}$NW$\frac{1}{4}$) surface 1942' FNL, 1277' FWL (SW$\frac{1}{4}$NW$\frac{1}{4}$) sub-surface</p>		<p>6. IF INDIAN, ALLOTTEE OR TRIBE NAME</p> <p>7. UNIT AGREEMENT NAME</p> <p>8. FARM OR LEASE NAME Federal</p> <p>9. WELL NO. 1-25A KGS</p> <p>10. FIELD AND POOL, OR WILDCAT Turner Bluff</p> <p>11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA 25-40S-22E</p>
<p>14. PERMIT NO. 43-037-30906</p>	<p>15. ELEVATIONS (Show whether DF, RT, CR, etc.) 4359' GR</p>	<p>12. COUNTY OR PARISH 13. STATE San Juan UTAH</p>

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDIZE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

SUBSEQUENT REPORT OF:

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input checked="" type="checkbox"/> Operations Summary	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

9/14/83 Well drilled to T.D. 5610' driller, 5611' Schlumberger. Ran 137 jts 5621.45' of 5 $\frac{1}{2}$ " 15.5 lb., K-55, S & LT&C, 8 rd th used casing & cemented @ 5618' K.B. w/200 sx 50-50 Pozmix w/2% Gel and 10% salt. Bumped plug w/1500 psi. Held OK. Plug down at 4:15 p.m. Released rig @ 9:00 p.m. 9/14/83.

9/23/83 Perforated Desert Creek formation 5516'-5528' K.B. w/2 jts/ft (2-1/8" Dome jets), 25 holes.

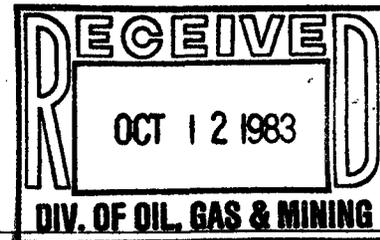
9/24/83 Acidized w/total 2000 gals FE Acid (10 gals), NE Agent (Surfactant & non-emulsifier) 4 gals, HC-2 (Fines suspensor), & 4 gals HI 50 (Inhibitor).

9/25/83 Flow test:

9:00 a.m.	40.0 BO	FTP 270 psi	16/64" choke	2 hrs
10:00 a.m.	18.4 BO	FTP 270 psi	16/64" choke	1 hr
Noon	13.8 BO	FTP 260 psi	16/64" choke	2 hrs
5:00 p.m.	81.7 BO	FTP 275 psi	16/64" choke	5 hrs

Total 153.9 bbl, average 15.4 bbl/hr
24 hr total 462.6 bbl, average 19.3 bbl/hr

10/1/83 Installing treater & tank batteries.



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

SIGNED Robert W. Peterson TITLE Petroleum Engineer DATE 10/11/83

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN DUPLICATE

(See other instructions on reverse side)

Form approved.
Budget Bureau No. 42-R355.5

5. LEASE DESIGNATION AND SERIAL NO.

U-52026

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal KGS

9. WELL NO.

I-25A

10. FIELD AND POOL, OR WILDCAT

Turner Bluff

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

25-40S-22E

12. COUNTY OR PARISH

San Juan

13. STATE

Utah

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

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

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

2. NAME OF OPERATOR
William W. Whitley

3. ADDRESS OF OPERATOR

1600 Broadway, Suite 1705, Denver, Colorado 80202

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

At surface 1650' FNL, 2175' FWL (SE/4NW/4) surface

At top prod. interval reported below 1940' FNL, 1294' FWL

At total depth 1942' FNL, 1277' FWL (SW/4NW/4) subsurface

14. PERMIT NO.

43-037-30906

DATE ISSUED

6-8-83

15. DATE SPUNDED

8-24-83

16. DATE T.D. REACHED

9-14-83

17. DATE COMPL. (Ready to prod.)

10-5-83

18. ELEVATIONS (DF, REB, RT, GR, ETC.)*

4359' GR, 4372' KB

19. ELEV. CASINGHEAD

4358' CH

20. TOTAL DEPTH, MD & TVD

5610' MD
5494' TVD

21. PLUG BACK T.D., MD & TVD

5555' MD
5441' TVD

22. IF MULTIPLE COMPL., HOW MANY*

N/A

23. INTERVALS DRILLED BY

Rotary

ROTARY TOOLS

Rotary

CABLE TOOLS

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

5516-5528' MD - Desert Creek

25. WAS DIRECTIONAL SURVEY MADE

yes

26. TYPE ELECTRIC AND OTHER LOGS RUN Schlumberger Dual Induction-SFL, Compensated Neutron Formation Density, GR Correlation

27. WAS WELL CORED

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13-3/8"	48	80'	17-1/2"	Halliburton 135sx 3%KCL, 1/2#	/sk Floseal
9-5/8"	36	1130' KB	12-1/4"	Hall. 235sx w/3% CaCl ₂ , 1/2#	/sk Floseal, 5#/s
				Glisonite, 200sx Class B, 2% CaCl ₂ , 6#/sk	
5-1/2"	15.5	5618' KB	8-3/4"	Galseal + 165sx Class B - 2 stages, 100sx/65sx	
				200sx 50-50Pozmix w/2% gel, 10% salt	

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2-7/8"	5429'	5434'

31. PERFORATION RECORD (Interval, size and number)

5516-5528' - 2 jets/ft
Total 25 shots, 2-1/8" Dome Jets

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
5516-28' KB	Acidized w/2000 gals Halliburton FE Acid

33. PRODUCTION

DATE FIRST PRODUCTION	PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)	WELL STATUS (Producing or shut-in)					
9-24-83	Flowing	Producing					
DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
10-18-83	24	6/64"	→	210 B0	132	None	627
FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	
260	0	→	210	132	none	42.6°	

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

Vented and used for fuel.

TEST WITNESSED BY

Bush Chancey

35. LIST OF ATTACHMENTS Geologist's Report. Copies of logs should have been sent to you by Schlumberger, and copies of DSTs should also have been sent to you.

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

SIGNED Donald W. McLean TITLE Petroleum Engineer DATE 11/3/83

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

CONFIDENTIAL

INSTRUCTIONS

e

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

If not filed prior to the time this summary record is submitted, copies of all currently available logs (drillers, geologists, sample and core analysis, all types electric, etc.), formation and pressure tests, and directional surveys, should be attached hereto, to the extent required by applicable Federal and/or State laws and regulations. All attachments should be listed on this form, see item 35.

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

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

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

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

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

37. SUMMARY OF POROUS ZONES:

SHOW ALL IMPORTANT ZONES OF POROSITY AND CONTENTS THEREOF; CORED INTERVALS; AND ALL DRILL-STEM TESTS, INCLUDING DEPTH INTERVAL TESTED, CUSHION USED, TIME TOOL OPEN, FLOWING AND SHUT-IN PRESSURES, AND RECOVERIES

FORMATION	TOP	BOTTOM	DESCRIPTION, CONTENTS, ETC.
MORRISON	SURFACE		See attached Geologist's Report
CHINLE	1222'		
SHINARUMP	1990'		
MOENKOPI	2090'		
CUTLER	2284'		
HERMOSA	4270'		
PARADOX	5030'		
DESERT CREEK	5558'		

38.

GEOLOGIC MARKERS

NAME	TOP	
	MEAS. DEPTH	TRUE VERT. DEPTH
	1222'	

william w. whitley
1705 colorado state bank building
1600 broadway
denver · colorado · 80202
phone (303) 861-2469

January 9, 1984

Bureau of Land Management
1745 West 1700 South, Suite 2000
Salt Lake City, Utah 84104

Attn: Mr. Edgar Guynn, District Supervisor

Re: 1-25A KGS Federal
S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 25-40S-22E
San Juan County, Utah

Gentlemen:

This is to advise you that we have executed a Gas Sales Contract with El Paso Natural Gas Company covering the subject well. Prior to January 6, 1984, the well was being produced on a test basis with no pipeline connection. The casinghead gas, consequently, was vented during that period. On January 6, 1984, actual casinghead gas production commenced into the El Paso system.

If you have any questions, please let me know.

Very truly yours,

William W. Whitley
William W. Whitley

WWW:ss

cc: BLM - Moab
BLM - Monticello
→ State of Utah



DIVISION OF
OIL, GAS & MINING

WILLIAM W. WHITLEY

#1-25A KGS - Federal
Section 25, T40S - R22E
San Juan County, Utah

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9

SUMMARY

WELL NAME: William W. Whitley
#1-25A KGS - Federal

WELL LOCATION: S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 25, T40S - R22E
(Surface Location - 2175' F.W.L. & 1650' F.N.L.)
(T.D. Subsurface Location - 1277' F.W.L. & 1942' F.N.L.)

TYPE: Field Extension

ELEVATION: 4359 feet - Ground
4372 feet - Kelly Bushing

TOTAL DEPTH: 5610 feet - Driller
5610 feet - Schlumberger
5495 feet - Corrected (T.V.D.)

GEOLOGIST: Achille Vitali, Jr.
6670 West 28th Avenue
Denver, Colorado 80214

CONTRACTOR: Bayless Drilling Company
Farmington, New Mexico
Rig #1 - Ideco 800
Pump #1 - Omega D-750
Pump #2 - Omega D-750
Pusher - Guy Easley

DRILLING FOREMAN: Stan Thompson

DIRECTIONAL HOLE MANAGEMENT: Wilson Downhole Services
Evanston, Wyoming

DIRECTIONAL ENGINEER: Sean Devereaux

COMMENCED: Spudded - 4:00 PM, August 24, 1983.

COMPLETED: Finished Drilling - 1:00 PM, September 13, 1983
Logged with Schlumberger -
September 13 & 14, 1983
Ran and Cemented Production Casing -
September 14, 1983

CASING RECORD:

Surface Casing

Landed 29 joints of 9 5/8 inch, K-55, 36 pound casing at 1130 feet kb. Cemented casing with 235 sacks of cement containing 3% CaCl₂ plus 5 pounds Gilsonite and 1/2 pound Floceal per sack. This was followed by 200 sacks of class 'B' cement containing 2% CaCl₂ plus 6 pounds Calseal per sack.

Production Casing

Landed 137 joints of 5 1/2 inch, 15.5 pound, K-55 casing at 5610 feet kb. Cemented casing with 200 sacks of 50/50 Pozmix cement containing 2% Gel and 10% Salt.

LOGGING RECORD:

Samples

Caught	1130' - 5610'
Described	3890' - 5610'

Drilling Time

Geolograph	80' - 5610'
------------	-------------

<u>Mud Log</u>	4000' - 5610'
----------------	---------------

Intermountain Geo-Tech,
Inc.
Delta, Colorado
Logger - Nick Larkin

Mechanical Log

Schlumberger

Dual Induction - S.F.L. Log	1131' - 5601'
-----------------------------	---------------

Compensated Neutron Formation Density Log	3483' - 5607'
--	---------------

FORMATION TOPS

<u>FORMATION AND AGE</u>	<u>SAMPLE TOP</u>	<u>LOG TOP</u>	<u>DATUM</u>
<u>Jurrassic</u>			
Morrison Formation	--	Surface	4359'
Entrada Formation	--	--	--
Carmel Formation	--	--	--
<u>Triassic</u>			
Navajo Formation	--	--	--
Keyenta Formation	--	--	--
Wingate Formation	--	--	--
Chinle Formation	--	1222'	--
Shinarump Member	--	1990'	--
Moenkopi Formation	--	2090'	--
<u>Permian</u>			
Cutler Formation	--	2284'	-- (corrected to T.V.D.)
<u>Pennsylvanian</u>			
Hermosa Formation	4270'	4270'	+170'
Paradox Formation	5030'	5040'	-570'
Ismay Member	--	5234'	-757'
Desert Creek Member	5558'	5458'	-975'

DRILL STEM TESTS

Drill Stem Test #1 4354' to 5419' Lower Ismay

Tool opened with weak blow that increased to strong in 1 minute; then blow increased to 25# on 35/64 inch choke in 3 minutes. Blow remained steady to end. Had Gas to surface in 5 minutes.

Reopened tool on 3/4 inch choke with strong blow. Had Gas to surface in 1 minute. In 10 minutes changed choke back to 1/2 inch. In 14 minutes pressure increased to 30#. Changed back to 3/4 inch choke. Had fluid (mud) to surface. Flowed mud to pit. In 17 minutes had clean oil to surface. Turned oil flow into tank. Shut in tool immediately to fix riser pipe leak. In 19 minutes reopened tool and flowed oil to tank. Continued oil flow to tanks for 31 minutes.

Recovery: Reversed out 3594 feet of oil. Also, recovered 50 feet (1/2 bbl) of salt water below circulation sub.

Pressures

Time

IHP	2535#	
IFP	791/791#	8 minutes
ISIP	2032#	60 minutes
2nd FP	712/1102#	50 minutes
FSIP	1979#	120 minutes
FHP	2509#	

Sample Chamber Recovery:

Pressure: 30#

1750 cc oil

No water

Oil Gravity = 46° @ 90°F.

43° @ 60°F. "corrected"

BIT RECORD

<u>NO</u>	<u>SIZE</u>	<u>MAKE</u>	<u>TYPE</u>	<u>DEPTH</u>	<u>FEET</u>	<u>HOURS</u>	<u>PUMP PRESS.</u>
1	12 1/4	Smith	F-2	1133'	1045'	23 1/2	2000#
2	8 3/4	Hughes	J-2	1400'	267'	5	2000#
3	8 3/4	Hughes	J-33-H	1569'	169'	8 1/2	2000#
4	8 3/4	Hughes	J-22	3535'	1966'	61 1/2	2000#
5	8 3/4	Hughes	J-33-H(RR)	3799'	264'	19 1/4	2000
6	8 3/4	Smith	F-3	4724'	925'	80 1/2	2000#
7	8 3/4	Smith	F-3	5610'	886'	78 1/2	2000#

PARTIAL DEVIATION RECORD

<u>DEPTH</u>	<u>DEVIATION</u>	<u>VERTICAL SECTION</u>	<u>T.V.D.</u> (True Vertical Depth)	<u>DIRECTION</u>	<u>COORDINATES</u>	
					<u>South</u>	<u>West</u>
3396'	16 3/4°	407.9'	3350'	S63°W	172'	373'
3478'	17 1/4°	431.8'	3428.6'	S62°W	183.5'	394.5'
3582'	17 1/4°	461.9'	3527.9'	S62°W	198.4'	421.5'
3675'	16 1/2°	487.7'	3617'	S60°W	211.6'	444.3'
3769'	15 1/2°	512.2'	3707.6'	S58°W	224.9'	465.6'
3817'	14 1/4°	519.9'	3755.2'	S59°W	229.4'	473.2'
3848'	14 1/4°	527.3'	3785.2'	S61°W	233.1'	479.9'
3879'	14 1/4°	534.9'	3815.3'	S64°W	236.4'	486.7'
3909'	14 1/2°	542.3'	3844.3	S67°W	239.4'	493.6'
3942'	14 1/2°	550.6'	3876.2'	S69°W	242.3'	501.4'
3973'	14 3/4°	558.5'	3906.2'	S72°W	244.8'	508.9'
4005'	14 3/4°	566.4'	3937.2'	S77°W	246.6'	516.8'
4036.	14 3/4°	574.2'	3967.2'	S80°W	247.9'	524.6'
4107'	15°	592.4'	4035.70'	S82°W	250.5'	542.8'
4199'	15°	615.9'	4124.6'	S82°W	253.8'	566.4'
4324'	14 1/2°	646.8'	4245.6'	S82°W	258.2'	597.3'
4449'	14°	676.7'	4366.9'	S82°W	262.4'	627.3'
4575'	13 1/2°	705.4'	4489.4'	S84°W	267.1'	658.5'
4703'	12 3/4°	733.2'	4614.2'	S84°W	270.1'	686.6'
4781'	12 3/4°	750.1'	4690.3'	S84°W	271.9'	703.3'
4902'	13°	776'	4808'	S86°W	273.8'	730.4'
5061'	13 3/4°	813.7'	4962.7'	S84°W	277.7'	767.9'
5215'	14 1/4°	851'	5111.9'	S83°W	282.4'	805.6'
5435'	14 3/4°	905.8'	5325.7'	S85°W	287.2'	816.4'
5590'	13 3/4°	942.1'	5475.2'	S83°W	291.7'	897.9'

CHRONOLOGICAL SUMMARY

August 24 Moved in and rigged up. Spudded at 4:00 PM.
Drilling surface hole.

August 25 Finished drilling surface hole. Ran and
cemented 9 5/8 inch surface casing.

August 26 Wait on cement. Nipped up. Drilling out
cement.

August 27 Drilling ahead at 12:10 AM.

August 28 Drilling ahead to 1817 feet. Picked up 1^o bent sub
and Dyna drill and began deviating hole.

August 29 - 31 Drilling ahead.

September 1 - 11 Drilling ahead to 5419 feet. Conditioned
hole for Drill Stem Test #1.

September 12 Ran Drill Stem Test #1. Drilling ahead.

September 13 Drilling ahead. Reached T.D. 5610 feet at
1:00 PM. Conditioned hole. Logged with
Schlumberger.

September 14 Finished logging. Ran and cemented 5 1/2 inch
production casing. Released Rig at 9:00 PM.

REMARKS

HYDROCARBON EVALUATION

Lower Ismay Zone

A relatively low order (3-9%), 22 foot thick (5370-92 feet), porosity zone is the indicated pay by Density and Cybernetic Log. A Drill Stem Test of this zone (5354-5419 feet) produced 66 bbls of oil in 58 minutes of flow time.

Only future sustained production results will settle which of the above apparently contradictory data is more nearly correct.

Desert Creek

Twelve net feet of pay porosity over a gross 19 foot (5516-35 feet) zone is indicated by Density and Cybernetic Log.

No Drill Stem Test was run in this zone. However, a favorable structural position and the relatively good quality (6-9%) porosity indicated by Density Log assure a commercial completion from this zone.

All other sands and carbonates penetrated are believed to be tight and/or water bearing.

OPERATIONS

Daily operations were conducted efficiently and in good spirits.

Achille Vitali, Jr.
Geologist

WILLIAM W. WHITLEY

#1-25A KGS - Federal
(Surface Location 2175' F.W.L. & 1650' F.N.L.)
(T.D. Subsurface Location 1277' F.W.L. & 1942' F.N.L.)
S $\frac{1}{2}$ NW $\frac{1}{4}$ Section 25, T40S - R22E
San Juan County, Utah

SAMPLE DESCRIPTION

(Note: All samples are lagged.)

<u>FROM</u>	<u>TO</u>	<u>IN CUTLER FORMATION</u>
3890'	3920'	40% Siltstone, very finely sandy, medium orange to orange brown, occasionally finely micaceous, firm, calcareous, 40% Shale, medium to dark orange to orange red, in part silty, calcareous, soft clay type, grading to 20% Shale, brown, clay type, slightly calcareous, trace Limestone, light orange-pink and very light gray, dense.
3920'	3950'	50% Shale, light to medium bright orange and orange red, clay type, slightly calcareous, plus 40% Shale, medium brown, clay type as above, plus heavy trace Shale, medium gray, plus 10% Siltstone, brown, as above.
3950'	3980'	60% Siltstone, medium brown, in part finely sandy, calcareous, occasionally very finely micaceous, grading to Shale, brown, silty in part, grading to clay type, slightly calcareous to calcareous, plus 40% Shale, medium orange to orange red, occasionally slightly silty, predominately soft clay type, plus trace Limestone, light orange, blocky, dense.
3980'	4000'	70% Siltstone, medium brown, very finely sandy in part, friable to slightly firm, calcareous to very calcareous, shaly in part, grading to Shale, brown, silty in part grading to clay type, slightly calcareous to calcareous, plus 30% Shale, orange-red clay type, calcareous, soft, trace Shale, salmon and light gray, as above.
4000'	4070'	Siltstone, medium brown, in part with slight orange cast, very finely sandy in part, shaly in part, very finely micaceous, friable to firm, calcareous to very calcareous grading to in small part Shale, brown, clay type, slightly calcareous.
4070'	4080'	60% Siltstone, light to medium gray with brown cast, firm, calcareous to very calcareous, very finely micaceous, plus rest Siltstone and Shale, brown as above, traces Limestone, light gray, dense, chunky.
4080'	4090'	50% Shale, medium to dark brown, firm, clay type, plus 40% Siltstone, very light gray to medium gray with brown cast and sploches, very calcareous to limy, in part very finely micaceous, plus 10% Shale, light to medium gray, clay type.

Sample Description
#1-25A KGS - Federal

<u>FROM</u>	<u>TO</u>	
4090'	4100'	Limestone, off-white to very light gray, tabular to chunky, dense, brittle, 20% soft and chalky, plus 10% Limestone, dark gray, shaly, flaky, plus 20% Siltstone, brown as above.
4100'	4120'	60% Limestone, gray, silty, grading to Siltstone, very limy, firm to soft, light to medium gray, medium gray with brown cast, occasionally shaly in part, light to heavy trace Fossil shell fragments, plus 40% Siltstone, very finely sandy, brown, calcareous to very calcareous, finely micaceous grading to Shale, brown, silty to clay type, calcareous.
4120'	4130'	60% Shale, brown, silty, firm, very calcareous, plus 40% Shale, orange-brown to orange, occasionally silty, but mostly clay type, calcareous.
4130'	4140'	85% Shale, brown, silty type as above, plus 15% Shale, orange and orange-brown, as above, plus heavy trace Siltstone, light gray, firm, calcareous to limy.
4140'	4160'	Shale, brown, some with slight orange cast, predominately silty, very finely micaceous in part, soft to firm, calcareous to limy, chunky to tabular.
4160'	4170'	80% Shale, as above, plus 20% Siltstone, light to medium gray, mottled with brown and faint orange in part, very finely sandy, calcareous, firm, plus heavy trace Limestone, light to medium gray with slight purple cast, dense, blocky.
4170'	4200'	Shale, medium orange-brown to brown, silty in part, grading to Siltstone, brown, very finely sandy, shaly, firm, all calcareous to very calcareous, in part blocky.
4200'	4220'	80% Shale, medium bright orange to orange-red, soft clay type, grading to in part to silty, calcareous to very calcareous, plus 10% Shale and Siltstone, brown type as above, plus 10% Shale, medium gray, soft clay type.
4220'	4260'	Shale, brown, silty, calcareous, grading to Siltstone, brown, shaly in part, finely micaceous, occasionally mottled with gray brown, very calcareous, plus heavy trace Siltstone, very light gray to medium gray brown, very finely sandy, calcareous to limy.
4260'	4270'	Shale, as above, plus Siltstone, as above, plus some brown, tabular, shaly Limestone, plus trace Limestone, medium gray, shaly, dense.

Sample Description
#1-25A KGS - Federal

<u>FROM</u>	<u>TO</u>	<u>HERMOSA FORMATION 4270'</u>
4270'	4280'	Limestone, light to medium gray, predominately shaly, in part silty and occasionally finely sandy, firm to slightly hard, plus some Limestone, off-white to light gray, tabular, dense, lithographic, plus trace white to cream, chalky, soft.
4280'	4300'	Limestone, off-white to cream, some faint to light gray, some chalky, predominately tabular and flaky, slightly blocky, dense, 5 to 10% Chert, predominately medium bright orange, some amber, translucent, hard, brittle.
4300'	4310'	80% Sandstone, white to faint gray, very fine grain to silt size, angular, firm, limy, slightly and commonly finely micaceous, tight, grading to Limestone, white, very finely sandy, plus 10% Limestone, as above, traces Chert, as above.
4310'	4330'	Sandstone, faint tan to very light brown, very fine grain, angular, firm to slightly hard, very calcareous to limy, commonly micaceous, tight.
4330'	4340'	Sandstone, as above, some mottled light gray, rest as above, plus 15 to 20% Limestone, light to medium gray, in part shaly, some very finely sandy, occasionally finely micaceous, dense.
4340'	4360'	Limestone, faint to light buff, predominately dense and lithographic, occasionally some coarsly crystalline, heavy trace white chalky type, light to heavy trace Chert, amber and bright orange.
4360'	4370'	Limestone, predominately as above, with 25% Limestone, very light to medium gray, slightly shaly in part, scattered traces of Fossil fragments, traces Limestone, light brown, dense.
4370'	4390'	Limestone, faint to light to medium gray, occasionally dark gray, in part very finely sandy and some slightly shaly, occasional Mica flake common, firm to hard, chunky, rare trace Fossil fragments, light to heavy trace Limestone, chalky, off-white to buff, soft.
4390'	4400'	70% Limestone, white, sandy, firm, flaky to tabular, rest Limestone, white to faint buff, dense and lithographic or Limestone, chalky, white to cream, soft, plus very heavy trace Chert, faint amber, translucent.
4400'	4410'	Limestone, as above, with some crystalline, occasional trace Fossil species(?), trace Chert, slightly milky to light amber.

Sample Description
#1-25A -KGS - Federal

<u>FROM</u>	<u>TO</u>	
4410'	4420'	Limestone, off-white to faint buff, some light gray, chalky to crystalline, some dense, plus 50% Limestone, medium to dark gray, firm, slightly shaly to shaly, heavy trace Chert, bright orange, mini-nodules.
4420'	4430'	Limestone, faint to light gray, some with buff cast, dense, slightly earthy looking, occasionally slightly sandy, plus 25% Limestone, light to medium gray, slightly shaly type.
4430'	4440'	Limestone, very light gray, buff to tan to very light brown, grainy looking, lightly and very finely sandy, firm to slightly hard, thickly tabular to chunky.
4440'	4460'	Limestone, 60% light gray to brown, as above, plus 40% Limestone, cream, chalky to dense to crystalline, plus very heavy traces Chert, orange, mini-nodules.
4460'	4470'	30% Limestone, cream, as above, plus 70% Limestone, very light to medium to occasionally dark gray, slightly shaly to very shaly.
4470'	4500'	Siltstone, medium brown with slight orange cast, very finely sandy in part, grading to small fraction Shale, brown, clay type, all very calcareous to limy, firm, chunky.
4500'	4530'	Siltstone, as above.
4530'	4540'	40% Siltstone, as above, plus 60% Limestone, off-white to very light gray, chalky to dense, in part finely sandy, flaky to chunky.
4540'	4550'	Limestone, as above, 30% cream and chalky, soft, white to faint gray type, occasionally finely sandy, some Pelletoidal, plus rare trace Chert, faint amber.
4550'	4580'	Siltstone, grading to Shale, silty in part, medium red brown, calcareous to limy, firm to slightly hard, commonly very finely micaceous.
4580'	4590'	Limestone, white, predominately finely sandy, dense to crystalline, some chalky and soft, plus 10 to 15% Limestone, buff and light to medium gray, shaly in part, trace Chert, orange mini-nodule.
4590'	4610'	Limestone, white, sandy to very sandy, firm to hard, blocky, some Pelletoidal, plus heavy trace Limestone, chalky, soft.
4610'	4620'	70% Limestone, as above, less sandy, plus 30% Limestone, medium to dark gray, shaly to very shaly, soft to firm.

Sample Description
 #1-25A KGS - Federal

<u>FROM</u>	<u>TO</u>	
4620'	4630'	Limestone, predominately cream to buff, dense to crystalline, fossiliferous, trace crinoid and other species(?), plus 10 to 15% Limestone, dark gray to black, shaly, hard, brittle.
4630'	4640'	Limestone, very light to medium gray, in part silty, mostly shaly, soft to firm, earthy, some chalky, plus small fraction Limestone, faint buff to off-white, dense to crystalline, hard.
4640'	4650'	Limestone, buff, tan to light brown, some with slight reddish cast, chalky to earthy, soft to firm, plus some light to medium gray type, as above.
4650'	4670'	Siltstone, brown with slight red hue, in part mottled with medium gray, faint purple cast, very finely sandy in part, in part finely micaceous, very calcareous, firm to hard, grading in part Shale, brown, silty in part, calcareous to very calcareous, clay type.
4670'	4680'	Limestone, medium gray with occasional mottled faint purple hue, dense, shaly, blocky.
4680'	4690'	70% Limestone, light to medium gray as above, plus some white, chalky, soft, plus 20 to 25% Siltstone, and Shale, light to dark brown as above.
4690'	4700'	Limestone, white to very light gray, dense, lightly Pelletoidal, occasionally slightly sandy, firm, brittle, plus traces Chert, faint amber and light milky type.
4700'	4720'	Limestone, as above, occasionally mottled faint buff, plus trace Chert, as above.
4720'	4740'	60% Limestone, light cream to buff, dense to slightly grainy, tight, plus 40% Limestone, very light to medium gray, dense to finely grainy, slightly shaly in part, tight.
4740'	4760'	Dolomitic Limestone, faint buff to very light gray buff, dense in part, lithographic, occasionally some crystalline, flaky to thinly tabular, plus traces Chert, amber and orange.
4760'	4800'	Limestone, buff to buff-gray to light to medium gray, dense, lithographic, some earthy looking, in part slightly shaly, chunky to blocky.
4800'	4840'	Limestone, light to medium buff, some with olive cast, predominately dense, some slightly shaly, blocky to tabular, tight, trace Chert, slightly milky and faint amber.

Sample Description
#1-25A KGS Federal

<u>FROM</u>	<u>TO</u>	
4840'	4860'	30 to 40% Limestone, dark gray to gray-black, very shaly grading to Shale, very black, limy, plus 60 to 70% Limestone, as above, traces Fossil shell fragments, trace algae.
4860'	4890'	Limestone, very light buff to buff, some with olive hue, some cream, dense, chunky, tight, plus 10 to 15% Limestone, medium to dark gray-black, shaly in part, trace crinoid stem, plus other Fossil shell fragments, trace Chert, slightly milky to clear.
4890'	4900'	Limestone, light to medium buff, some cream and soft, predominately dense to lithographic, blocky to tabular, brittle, hard, tight, trace crinoid stem, heavy trace to 5% Chert, slightly milky and faint amber, translucent.
4900'	4910'	Limestone, as above.
4910'	4920'	Limestone, as above, with 20% medium gray olive, dense, chunky, hard, plus trace Chert, medium amber.
4920'	4930'	Limestone, medium to dark gray, some with slight brown cast, some dark gray-black, shaly for most part, dense, hard, brittle, tight.
4930'	4940'	40% Limestone, as above, grading to 20% Shale, black, firm, brittle, limy, plus 40% Limestone, buff to off-white, lithographic, tabular.
4940'	4950'	70% Limestone, cream to buff, chalky in part, lithographic to micrograiny, firm, slightly fossiliferous, crinoid, plus 30% Limestone, medium to dark gray, chunky, shaly, as above.
4950'	4960'	Limestone, very light to light gray, micrograiny, silty and very finely sandy(?), very finely micaceous, blocky to chunky, tight, trace Chert, slightly milky.
4960'	4980'	Limestone, buff to tan, dense to lithographic, tabular to blocky, very heavy traces to 5% Chert, light to medium milky type.
4980'	5000'	Limestone, very light to light gray, some with buff cast, some faint to light buff, micrograins to dense, some soft, some firm to hard, very finely sandy in part(?), buff type ranges from chalky and soft to dense and hard, traces Chert, white to slightly milky.
5000'	5010'	Limestone, in part slightly dolomitic, buff to light tan, some faint gray with brown cast, dense to cryptocrystalline, tight.
5010'	5020'	Limestone, as above, plus 15% Shale, medium gray, limy, smooth, flaky to very thinly tabular to slightly firm.

Sample Description
#1-25A KCS - Federal

<u>FROM</u>	<u>TO</u>	<u>PARADOX SHALE</u>
5020'	5030'	Shale, medium gray, very limy, smooth, thinly tabular to thickly flaky.
5030'	5040'	25 to 30% Shale, medium to dark gray, as above, plus 70% Limestone, cream, buff to soft to dense, firm and brittle, thinly tabular.
5040'	5050'	20% Shale, as above, plus 60% Shale, light gray, some with slight green cast, mottled in part with light purple and occasional tan and reddish splotches, some silty, soft to slightly shaly, plus 10% Limestone, buff, as above.
5050'	5070'	Limestone, off-white to light gray to very light gray green mottled with tan, brown, faint purple, red brown, soft to firm, apparently shaly and clayey, plus 10 to 15% Limestone, buff type, chalky to dense.
5070'	5090'	Limestone, dolomitic in part, cream to buff, in part olive cast, predominately dense and lithographic, tabular, heavy traces Chert (in 5080-90') clear to slightly milky.
5090'	5100'	Dolomitic Limestone, medium olive, buff, dense and lithographic, tabular to blocky, sharp edges.
5100'	5120'	Limestone, very light buff to buff to tan, occasionally some with olive cast, some light gray buff, dense, soft to hard, brittle, tabular.
5120'	5140'	Limestone, some dolomitic, cream buff to buff tan, some with olive cast, soft to hard, dense, tabular to slightly blocky, plus 10 to 15% Chert, smoky olive.
5140'	5160'	Limestone, cream to light buff, some chalky, predominately dense and lithographic, tabular to blocky, heavy trace Chert, medium to dark smoky brown.
5160'	5180'	Limestone, as above, with some becoming very light gray, in part slightly dolomitic, plus heavy trace Chert, slightly milky to slightly smoky.
5180'	5200'	Limestone, slightly dolomitic in part, predominately very light gray, some buff, some cream to off-white, chalky, predominately micropelletoidal, some dense, 5 to 10% Chert, clear to slightly milky grading to slightly smoky.
5200'	5210'	Limestone, faint buff to light buff gray, tabular to chunky, soft to firm, earthy looking in large part, trace Chert, as above.

Sample Description
#1-25A KCS - Federal

<u>FROM</u>	<u>TO</u>	
5210'	5220'	Limestone, medium gray with olive cast, greasy looking, firm to hard, brittle, slightly shaly(?), plus some dark gray, shaly, dense, tight, plus heavy traces Chert, light to medium smoky.
5220'	5230'	50% Shales, very dark gray to black, firm, calcareous, plus 50% Limestone, medium to dark gray, firm to hard, shaly, earthy looking, plus Chert, medium to dark smoky.
<u>ISMAY ZONE</u>		
5230'	5240'	35% Shale, black, grainy looking, non-calcareous in part, soft, grading to black limy type, plus 65% Limestone, buff, dense, chunky to tabular.
5240'	5250'	Limestone, cream to faint buff, dense, tabular, hard, brittle, tight.
5250'	5280'	Limestone, slightly dolomitic in part, dense and lithographic for most part, cream to buff to very light tan, tabular to blocky, heavy traces Chert, slightly milky to milky, cloudy to translucent.
5280'	5290'	Limestone, as above, 15% Limestone, cream to dark brown, finely speckled and occasionally mottled, predominately soft to firm, cryptocrystalline plus dark ghost of Fossil debris(?), trace Chert, dark smoky to brown.
5290'	5300'	Limestone, predominately cream to dark brown, finely speckled and mottled type as above, plus 10% Limestone, dark brown, cryptocrystalline to fibrous looking, some cream to tan, chalky and earthy looking, plus 15% Limestone, buff, dense, blocky to chunky, plus traces Chert, milky and dark brown.
5300'	5350'	Limestone, medium to dark brown to brown-black, in part slightly dolomitic, firm to hard, cryptocrystalline to dense, chunky to blocky, some buff gray, finely speckled and mottled with brown, earthy to chalky, plus heavy trace to 5% Chert, predominately dark brown, opaque.
5350'	5360'	60% Limestone, brown and brown-black type as above, plus 40% Limestone, buff to tan, chalky to earthy, soft, trace Chert, as above.

Sample Description
#1-25A KGS - Federal

<u>FROM</u>	<u>TO</u>	<u>Drilling Break at 5361' to 5389' (28') Lower Ismay Pay Zone</u>
		<u>Drilled $\frac{1}{3}$ minutes per foot</u>
5360'	5390'	Limestone, off-white to cream to very light gray, predominately dense, hard, with abundant chalky looking, firm to soft, evidence of vuggy structure common i.e., abundant free Calcite crystals and clusters, edges and sides lined with Calcite crystals, occasional spotty black asphaltic stain, 15 to 20% fair to bright spotty yellow-white fluorescence, rest of sample has faint yellow glow, instant bright light yellow-white cut of best pieces. <u>Three Extra Samples</u> caught in this zone consisted of Limestone, as above. Had 369 Units of Gas increase on hot wire. Chromatograph break out C ₁ to C ₄ i.e., C ₁ 1.8%, C ₂ .87%, C ₃ .46%, C ₄ .27%.
5390'	5410'	Limestone, predominately cream to light buff gray, predominately chalky looking, soft to firm, rest dense, occasionally some evidence of vugginess. <u>GOTHIC or "C" SHALE</u>
5410'	5415'	50% Limestone, as above, plus 50% Shale, black, sooty, carbonaceous, slightly calcareous in part, tabular and flaky to chunky.
5415'	5420'	<u>Depth Correction:</u> Strap on Drill Stem Test #1 corrected 5415' to 5420'.
5420'	5440'	Shale, black, occasionally some dark brown-black, firm, some soft, brittle, carbonaceous, calcareous to very calcareous, flaky to chunky.
5440'	5460'	Shale, black, as above. <u>DESERT CREEK FORMATION</u>
5460'	5470'	Dolomite, medium to dark gray, shaly, dense, firm to hard, earthy looking, plus heavy traces Anhydrite, white, fibrous, plus white type mottled with dark gray crystalline type.
5470'	5480'	Anhydrite, white, fibrous, some finely crystalline, soft, plus abundant massive type light to medium dark gray, soft to firm, in part mottled with white.

Sample Description
#1-25A KGS - Federal

<u>FROM</u>	<u>TO</u>	
5480'	5490'	Limestone, in part dolomitic, medium to dark gray with buff cast in part, shaly, dense, predominately earthy looking, plus traces Anhydrite as above.
5490'	5500'	Limestone, buff, very light gray buff, flaky and very thinly tabular, predominately dense, some chalky, soft, slightly fossiliferous, plus 15% Limestone, dark gray brown, dense, hard, tabular to blocky.
5500'	5510'	Limestone, as above, plus 10 to 15% Limestone, medium to dark gray, shaly.
		<u>Drilling Break 5514' to 5517' (⁺3 minutes per foot) &</u> <u>5520' to 5532' (12 feet drilled in 32 minutes)</u>
		Had 140 Units of Gas increase on hot wire.
5510'	5520'	Limestone, cream, buff, dense, some chalky, fair amount of Fossil hash and debris, fair evidence of vuggy structure, free Calcite clusters and Calcite encrusted edges and sides, 20 to 30% light bright fluorescence, mostly in chalky pieces, light crushed cut, plus 20% faint yellow glow of rest of sample.
5520'	5530'	Limestone, white to very light gray, dense, some chalky, fair to goodly amount of Fossil hash and debris, fair to good evidence of vuggy structures as above, 30 to 40% light bright yellow-white fluorescence, mostly in chalky type, light crushed cut, faint to light white instant cut from vugs, 30% faint white fluorescence glow of rest of sample, traces Chert, very light gray, milky.
5530'	5540'	Limestone, as above, less fossiliferous, traces vugginess, 10% fluorescence as above.
5540'	5550'	Limestone, in part slightly dolomitic, very light buff gray to very light gray, predominately cryptocrystalline, some micro-crystalline, tight looking, traces pinpoint porosity, rare trace vugs, 15% faint yellow white fluorescence, questionable delayed faint cut.
5550'	5560'	Limestone, as above, with some becoming very light to medium gray with buff cast, slightly shaly in part, looks earthy in part, dense, tight, traces Fossil debris, trace spotty fluorescence, as above.

Sample Description
#1-25A KGS - Federal

<u>FROM</u>	<u>TO</u>	
5560'	5590'	Shale, black, flaky, soft to firm, calcareous, brittle, stain black Carbon.
5590'	5610'	Limestone, slightly dolomitic in part, medium tan to light brown with strong olive cast, greasy looking, very dense and lithographic, thinly tabular and flaky, hard, brittle.

Robert Peterson advised
that he would send
a request for show
cause -

✓ form

3-1-83

3/8/83

Addressed Mr. Whitley's
Secretary advised for
Appl. request for hearing.
→ Show Cause:

Will submit, if comply.

3/9/83 Hearing scheduled
for March 31, 1983



P & M

PETROLEUM
MANAGEMENT

SUITE 1700 • 1600 BROADWAY • DENVER • COLORADO 80202 • PHONE (303) 861-2470

March 28, 1984

State of Utah
Natural Resources
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Attn: Oil & Gas Information System
Development Task Force, Attention Norm Stout

Re: Records Reconciliation

Gentlemen:

In response to your recent Memorandum concerning your development of an automated system for the reporting of oil and gas information, you will find enclosed in triplicate:

- 1) Your computer print-out with written changes noted,
- 2) Letter re Change of Operator to Division of Oil, Gas and Mining dated March 19, 1984,
- 3) Sundry Notice indicating Change of Operator for the 1-24 Federal, 1-25 Kirkwood-Federal, 1-25 3-E Federal and 2-25 3-E Federal wells, and,
- 4) Sundry Notice indicating Change of Operator for the 1-25A KGS Federal well (Communitized).

If there is any further information you require, please let us know.

Very truly yours,

Sally Scheiman

Sally Scheiman
Secretary

/ss
Enclosures

RECEIVED

APR 2 1984

DIVISION OF
OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN THIS MANNER*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-R1424.

5. LEASE DESIGNATION AND SERIAL NO.
U-52026 & U-23797, Sec. 25,
communitized

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME

Federal

9. WELL NO.

1-25A KGS

10. FIELD AND POOL, OR WILDCAT

Turner Bluff

11. SEC., T., R., S., OR BLK. AND
SURVEY OR AREA

25-T40S-R22E

12. COUNTY OR PARISH | 13. STATE

San Juan | Utah

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL GAS WELL OTHER

2. NAME OF OPERATOR William W. Whitley (past)
P & M Petroleum Management (new)

3. ADDRESS OF OPERATOR
1600 Broadway, Suite 1700, Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*
See also space 17 below.)
At surface

Surface: (SENW) 1650' FNL, 2175' FWL

Sub-surface: (SWNW) 1942' FNL, 1277' FWL

14. PERMIT NO.
43-037-30906

15. ELEVATIONS (Show whether DF, RT, GR, etc.)

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

TEST WATER SHUT-OFF

FRACTURE TREAT

SHOOT OR ACIDIZE

REPAIR WELL

(Other)

FULL OR ALTER CASING

MULTIPLE COMPLETE

ABANDON*

CHANGE PLANS

SUBSEQUENT REPORT OF:

WATER SHUT-OFF

FRACTURE TREATMENT

SHOOTING OR ACIDIZING

(Other) Change of Operator

REPAIRING WELL

ALTERING CASING

ABANDONMENT*

(NOTE: Report results of multiple completion on Well
Completion or Recompletion Report and Log form.)

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 locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

Change of Operator from William W. Whitley to: (pending)

P & M Petroleum Management
1600 Broadway, Suite 1700
Denver, CO 80202
(303) 861-2470
Bob Peterson/Julie Spurlock

RECEIVED

APR 2 1984

DIVISION OF
OIL, GAS & MINING

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

SIGNED Robert W. Peterson TITLE: Petroleum Engineer

DATE 3/27/84

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____
CONDITIONS OF APPROVAL, IF ANY:

~~WHITLEY, WILLIAM W.~~ P + M Petroleum Management (See attached letter and Sundry notices)
 1600 BROADWAY, SUITE ~~1705~~ 1700
 DENVER CO 80202
 ATTN: ~~WILLIAM W. WHITLEY~~
 ROBERT W. PETERSON / JULIE SPURLOCK

PHONE: 303-861-~~2469~~
 2470

YOUR UTAH ACCOUNT NUMBER: N3270
 PRODUCING ENTITY NUMBER: 00415
 PRODUCING ENTITY NAME : TURNER BLUFF FIELD

API	ZONE	WELL NAME	SECTION	TOWNSHIP	RANGE	QTR-QTR
43-037-30493	DSCR	1-24 FEDERAL	24	40.0-S	22.0-E	SWSE
43-037-30522	IS-DC	1-25 KIRKWOOD FED.	25	40.0-S	22.0-E	NENW
43-037-30540	ISMY	1-25 3-E FED	25	40.0-S	22.0-E	NENE
43-037-30546	DSCR	2-25 3-E FED	25	40.0-S	22.0-E	SWNE
43-037-30906	DSCR	1-25A KGS FEDERAL*	25	40.0-S	22.0-E	SENE SWNW

* Communitized. Change of Operator still pending at BLM.

NOTE: EACH OF THE ABOVE WELLS HAS A SEPARATE TANK BATTERY (and meter where applicable).

RECEIVED

APR 2 1984

DIVISION OF OIL, GAS & MINING

March 19, 1984

State of Utah
Division of Oil, Gas and Mining
4241 State Office Building
Salt Lake City, Utah 84114

Re: Change of Operator
U-42474, U-18433, U-52026,
U-23797, U-41696
San Juan County, Utah

Gentlemen:

Upon receipt of a memo from Oil, Gas and Mining's Oil & Gas Information Systems - Development Task Force this date regarding Records Reconciliation - Action Required, I realized I had failed to send Change of Operator forms to the State. Accordingly, enclosed are copies of Change of Operator from William W. Whitley to P & M Petroleum Management on leases U-42474, U-18433 (2 - drillsite acreage and the balance of the acreage) and communitized leases U-52026 with Beard Oil Company's U-23797 Section 25, together with the Successor Operating Agreement between William C. Kirkwood and P & M Petroleum Management covering lease U-41696.

If there is any further information you need, please let me know. I apologize for this oversight.

Very truly yours,

Sally Scheiman
Secretary

/ss
Enclosures

RECEIVED

APR 2 1984

DIVISION OF
OIL, GAS & MINING

RECEIVED
SEP 30 1983

DIVISION OF
OIL, GAS & MINING

IGT

WILLIAM W. WHITLEY
1-25A KGS Federal
Sec. 25, T40S, R22E
San Juan County, Utah

INTERMOUNTAIN GEO TECH, INC
P. O. Box 158
Delta, Colorado 81416
303-874-8614

WILLIAM W. WHITLEY
1-25A KGS Federal
Sec. 25, T40S, R22E
San Juan County, Utah

CONTENTS

	Page
1. Summary of Daily Activity	1
2. Bit Record Sheet	2
3. Deviation Record Sheet	3
4. DST & Show Sheet	4-6

- (1) Copy, Final Mud Log (5"=100')
- (1) Copy, Final Mud Log (2.5"=100')

DRILLING CONTRACTOR: Bayless Rig #1
Farmington, New Mexico

DRILLING FOREMAN: Mr. Stan Thompson

PUSHER: Mr. Guy Easley

GEO TECHNOLOGISTS: Mr. Nick Larkin
Intermountain GEO TECH, Inc.
Delta, Colorado

DRILLING FLUID: Mr. Phillip Hughes
Geo Drilling Fluids
Cortez, Colorado

DRILL STEM TESTS: Mr. Howard Bell
Halliburton Services
Farmington, New Mexico

WIRE LINE LOGS: Mr. George Bain
Schlumberger Well Services
Farmington, New Mexico

OTHER (Specify): Mr. Sean Devereaux
Wilson Downhole Services
Evanston, Wyoming

Mr. Kelly Vitali
Geologist
Denver, Colorado

WILLIAM W. WHITLEY
1-25A KGS Federal
Sec. 25, T40S, R22E
San Juan County, Utah

SUMMARY OF DAILY ACTIVITY

DATE	ACTIVITY	MIDNITE DEPTH	24 HOUR FOOTAGE
8/24/83	Started Drlg 5:45 PM	--	--
9/03/83	Unit #3, on location rigged up, Drlg, Surveys	--	--
9/04/83	Started logging at 4000' Drlg, Surveys	3864	170
9/05/83	Drlg, Survey, TOH, BHA, TIH, resume Drlg	4034	164
9/06/83	Drlg, Surveying	4198	256
9/07/83	Drlg, Surveying	4454	252
9/08/83	Drlg, TOH Stuck, NB #4724, TIH resume Drlg	4706	89
9/09/83	Drlg, Surveying	4795	277
9/10/83	Drlg, Surveying	5072	233
9/11/83	Drlg, Circ, TOH for DST #1 Circ	5305	114
9/12/83	DST #1, TOH W/test, TIH Drlg, Survey	5419	60
9/13/83	Drlg, TD 5610, Unit #3, released	5479	131

WILLIAM W. WHITLEY
1-25A KGS Federal
Sec. 25, T40S, R22E
San Juan County, Utah

BIT RECORD

BIT	MAKE	SIZE	TYPE	DEPTH OUT	FOOTAGE USED	HOURS
1	STC	12 1/4	F-2	1133	1045	23 1/2
2	HTC	8 3/4	J-2	1400	267	5
3	HTC	8 3/4	J-33H	1569	169	8 1/2
4	HTC	8 3/4	J-22	3535	1966	61 1/2
5	HTC	8 3/4	J-33HRR	3799	264	19 1/4
6	STC	8 3/4	F-3	4724	925	80 1/2
7	STC	8 3/4	F-3	5610	886	

WILLIAM W. WHITLEY
 1-25A KGS Federal
 Sec. 25, T40S, R22E
 San Juan County, Utah

DEVIATION SHEET FOR WELL. . .

DEPTH	DEVIATION	DEPTH	DEVIATION	
1345	1 3/4°	3304	15 1/2°	
1360	2°	3396	16 3/4°	
1402	1 3/4°	3504	16°	
1434	2 1/2°	3582	17 1/4°	
1466	3°	3675	16 1/2°	
1497	4°	3769	15 1/2°	
1529	5 1/4°	3787	15 1/4°	S 57 W
1561	6 1/4°	3817	14 1/4°	S 59 W
1591	6 3/4°	3848	14 1/4°	S 61 W
1623	7 1/4°	3879	14 1/4°	S 64 W
1652	8°	3910	14 1/2°	S 67 W
1684	8 3/4°	3942	14 1/2°	S 69 W
1819	12°	3973	14 3/4°	S 72 W
1880	12 1/2°	4005	14 3/4°	S 77 W
1935	12 1/4°	4036	14 3/4°	S 80 W
2005	12 1/4°	4107	15°	S 82 W
2032	12 3/4°	4199	15°	S 82 W
2216	13°	4324	14 1/2°	S 82 W
2349	13°	4449	14°	S 82 W
2448	13 1/4°	4575	13 1/2°	S 84 W
2465	13 1/4°	4781	12 3/4°	S 84 W
2533	13 1/4°	4902	13°	S 84 W
2628	13°	5061	13 3/4°	S 84 W
2753	12 3/4°	5215	14 1/4°	S 83 W
2899	12 1/4°	5435	14 3/4°	S 85 W
3003	12°	5590	13 3/4°	S 83 W
3087	12 1/2°			
3180	13 3/4°			

Intermountain GEO TECH
DST & SHOW SHEET

SHOW # 1 INTERVAL 5361 TO 5389 DATE 9/11/83
 COMPANY: William W. Whitley
 WELL: 1-25A KGS Federal
 FIELD: Turner Bluff

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	5½-6 min./ft.	2½-3 min./ft.	5 min./ft.
TOTAL GAS UNITS	4	373	68
%METHANE	.01	1.8%	.06
%ETHANE	---	.87%	+r
%PROPANE	---	.46	---
%BUTANE (ISO)	---	.27	---
%BUTANE (NORM)	---	.10	---
%PENTANES	---	---	---

SAMPLE LITHOLOGY: 100% LS PRED BF, TN CALCITE LAMS, FEW WH CHKY TR BLK SH, TR MLKY CHRT

SAMPLE FLUO-CUT: BR YEL GRN FLUO - FAST CUT, MED VUGGY PORO

DST # 1	INTERVAL 5354	TO 5419	DATE 9/12/83
	TIME Min.	Top Chart	Bottom Chart
INITIAL HYDROSTATIC		2508.1	2535.9
INITIAL OPEN	8	668.9	790.8
INITIAL SHUT-IN	60	642.3	790.8
SECOND OPEN	50	668.9	711.9
SECOND SHUT-IN	120	1067.9	1101.6
FINAL HYDROSTATIC		2454.6	2509.3

BHT (°F): 128

1ST FLOW: Open w/weak blow, 25 lbs in 3 min. with 35/64" choke, GTS in 5 min. Shut in 8 min

2NE FLOW: Fluid to surface 22 minutes, open w/ strong blow

REMARKS Open strong blow to BOB, flowed oil to tanks in 26 min.

DRILL PIPE RECOVERY: 3594 gas cut oil 50' oil

SAMPLE CHAMBER REC: 1750 cc oil

	WT ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
Drill Pipe: Top:	/	at	°F/	/	/
Middle:	/	at	°F/	/	/
Bottom:	/	at	°F/	/	/
SAMPLE CHMBR:	/	at	°F/	/	/
PIT MUD:	/	at	°F/	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: Nick Larkin

Intermountain GEO TECH
DST & SHOW SHEET

SHOW # 2 INTERVAL 5614 TO 5632 DATE 9/13/83
 COMPANY: William W. Whitley
 WELL: 1-25A KGS Federal
 FIELD: Turner Bluff

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	7 min./ft.	3 min./ft.	4-5 min./ft.
TOTAL GAS UNITS	2	150	23
%METHANE	tr	.29%	.05
%ETHANE	--	.09%	--
%PROPANE	--	.07%	--
%BUTANE (ISO)	--	.03%	--
%BUTANE (NORM)	--	--	--
%PENTANES			

SAMPLE LITHOLOGY: 100% LS, IG INCREASE in WH, CALCITE VUGGY PORO, INCREASE in WH CHKY, few GY-WH, BF TN

SAMPLE FLUO-CUT: BRI YEL FLUO - LT CRUSH CUT

DST #	INTERVAL	TIME Min.	TO		DATE
			Top Chart	PRESSURE (psi) Bottom Chart	

INITIAL HYDROSTATIC

INITIAL OPEN

INITIAL SHUT-IN

SECOND OPEN

SECOND SHUT-IN

FINAL HYDROSTATIC

BHT (°F):

1ST FLOW:

2NE FLOW:

REMARKS

DRILL PIPE RECOVERY:

SAMPLE CHAMBER REC:

	WT ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
Drill Pipe: Top:	/	at	°F/	/	/
Middle:	/	at	°F/	/	/
Bottom:	/	at	°F/	/	/
SAMPLE CHMBR:	/	at	°F/	/	/
PIT MUD:	/	at	°F/	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: Nick Larkin

Intermountain GEO TECH
DST & SHOW SHEET

SHOW # 3 INTERVAL 5545 TO 5553 DATE 9/13/83
 COMPANY: William W. Whitley
 WELL: 1-25A KGS Federal
 FIELD: Turner Bluff

	BEFORE SHOW	DURING SHOW	AFTER SHOW
DRILLING RATE	5 min./ft.	3 min./ft.	6 min./ft.
TOTAL GAS UNITS	23	83	26
%METHANE	.01	.14%	.01
%ETHANE	tr	.04	--
%PROPANE	tr	.02	--
%BUTANE (ISO)	tr	.01	--
%BUTANE (NORM)	tr	.001	--
%PENTANES	--	--	--

SAMPLE LITHOLOGY: LS, increase IN GY, WH GY, TR SH GY FEW VCOL

SAMPLE FLUO-CUT: RA TR YEL GRN FLUO, V SLOW CUT LT CRUSH

DST #	INTERVAL	TIME	TO	PRESSURE (psi)	DATE
		Min.	Top Chart	Bottom Chart	

INITIAL HYDROSTATIC

INITIAL OPEN

INITIAL SHUT-IN

SECOND OPEN

SECOND SHUT-IN

FINAL HYDROSTATIC

BHT (°F):

1ST FLOW:

2NE FLOW:

REMARKS

DRILL PIPE RECOVERY:

SAMPLE CHAMBER REC:

	WT ppg	R/W	NITRATES ppm	CHLORIDES ppm	CHROMATES ppm
Drill Pipe: Top:	/	at	°F/	/	/
Middle:	/	at	°F/	/	/
Bottom:	/	at	°F/	/	/
SAMPLE CHMBR:	/	at	°F/	/	/
PIT MUD:	/	at	°F/	/	/

(GAUGED FLOW:)

GEO-TECHNOLOGIST: Nick Larkin



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155

IN REPLY REFER TO
UT-922

July 22, 2002

B. K. Seeley, Jr.
dba Seeley Oil Company
c/o Dolar Energy L.L.C.
935 East South Union Avenue, Suite D-202
Midvale, Utah 84047-2393

Re: Successor of Operator
Communitization Agreement (CA)
UT-000232
San Juan County, Utah

Gentlemen:

We received an indenture dated January 1, 2002, whereby P&M Petroleum Management LLC resigned as Operator and Seeley Oil Company was designated as Operator for CA UT-000232, San Juan County, Utah.

This indenture was executed by all required parties. The instrument is hereby approved effective July 22, 2002. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under CA UT-000232.

Your statewide (Utah) oil and gas bond No. 0692 will be used to cover CA operations.

Please advise all interested parties of the change in operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks
Chief, Branch of Fluid Minerals

Enclosure

bcc: Field Manager - Moab (w/enclosure)
Division Oil, Gas, & Mining
File - UT-000232 (w/enclosure)
Agr. Sec. Chron
Fluid Chron

UT922:TATHOMPSON:tt:7/22/02

RECEIVED

JUL 23 2002

**DIVISION OF
OIL, GAS AND MINING**

Results of query for MMS Account Number UT000232

Production	API Number	Operator	Well Name	Well Status	Lease or CA Number	Inspection Item	Township	Range	Section	Quarter/Quarte
Production	4303730906	P & M PETROLEUM MGT LLC	1-25A KGS FEDERAL	POW	UTU52026	UT000232	40S	22E	25	SENW

DISCLAIMER for online data: No warranty is made by the BLM for use of the data for purposes not intended by the BLM.

Robert A. Henricks
Chief, Branch of Fluid Minerals
Bureau of Land Management
P.O. Box 45155
Salt Lake City, Utah 84145-0155

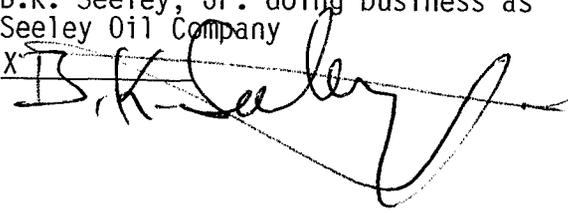
Re: Communitization Agreement
UTU-00232
San Juan County, Utah

Gentlemen:

Enclosed for your consideration and approval, are three (3) copies of Designation of Successor Operator for Communitization Agreement UTU-00232. As the designated successor operator for Communitization Agreement UTU-00232, B.K. Seeley, Jr. doing business as Seeley Oil Company hereby certifies that the approvals of the current working interest owners in the agreement have been obtained. All operations within Communitization Agreement UTU-00232 will be covered by bond no. BLM-0692

Sincerely,

B.K. Seeley, Jr. doing business as
Seeley Oil Company

X 

Enclosures

REQUEST FOR SUCCESSOR OF COMMUNITIZATION AGREEMENT OPERATOR

The succession of a new communitization agreement (CA) operator is accomplished through the authorized officer's approval of an instrument executed by or on behalf of the CA operator, the successor operator, and the owners of the working interests. That instrument provides for the resignation of the CA operator, the acceptance of the duties and responsibilities of CA operator by the successor operator, and the approval of the new CA operator by owners of working interests.

The procedure for processing and approving successor operator designations under CA agreements has been amended to provide an optional method for obtaining approval of successor operators which should expedite the approval process. Bureau of Land Management (BLM) offices now have a self-certification procedure for a CA. A party proposing to become the successor operator may submit a statement certifying that the working interest owners approval have been obtained. The party to be designated successor operator must still execute a Designation of Successor Operator Form, but the document does not necessarily need to be signed by the working interest owners. Upon verification that adequate bonding has been obtained, the authorized officer (AO) may accept and approve in writing the designation of successor operator.

For consistency in processing requests for successor operator, a standardized statement certifying that working interest owner approvals have been obtained can be used to facilitate processing the request for approval of designation of successor operator. The certification statement submitted to BLM offices requesting approval of the successor operator should contain the following language:

(Name of the proposed successor CA operator), as the designated successor operator for CA UTU-00232, hereby certifies that the requisite approvals of the current working interest owners in the agreement have been obtained to satisfy the requirements for selection of a successor operator.

Please be advised that you may adopt the self-certification procedure to complete the change in operator for the CA, or you may submit the working interest owner signatures and a revised Exhibit "B" showing the current ownership under the CA.

Please complete the enclosed forms for effecting a change in operator for the CA and submit them, in triplicate, to the appropriate BLM office.

DESIGNATION OF SUCCESSOR OPERATOR

Communitization Agreement Number UTU-00232

Designation of successor Operator for communitized area, County of San Juan, State of Utah, being:

Township 40SouthRange 22 East
Section 25: SE $\frac{1}{4}$ NW $\frac{1}{4}$
Containing 40.00 acres, more or less.

THIS INDENTURE, dated as of the 1st day of January, 2002, by and between B. K. Seeley, Jr. hereinafter designated as "First Party," and the owners of communitized working interests, hereinafter designated as "Second Parties,"
doing business as Seeley Oil Company

WHEREAS, under the provisions of the Act of February 25, 1920, 41 Stat. 437, 30 U.S.C. Secs. 181, et seq., as amended by the Act of August 8, 1946, 60 Stat. 950, a Communitization Agreement for the above Communitized Area, effective 8/1/83 wherein P&M Management is designated as Operator of the communitized area; and

WHEREAS said, P&M Management has resigned as Operator, and the designation of a successor Operator is now required pursuant to the terms thereon; and

WHEREAS the First Party has been and hereby is designated by Second Parties as Operator of the communitized area, and said First Party desires to assume all the rights, duties and obligations of Operator under the said Communitization Agreement.

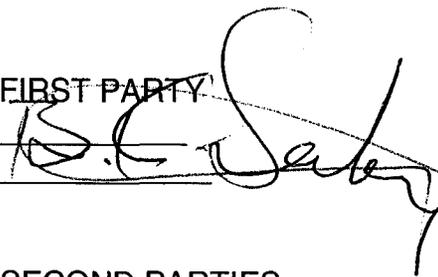
NOW, THEREFORE, in consideration of the premises hereinbefore set forth and the promises hereinafter stated, the First party hereby covenants and agrees to fulfill the duties and assume the obligations of Operator of the communitized area under and pursuant to all the terms of said Communitization Agreement, and the Second Parties covenant and agree that, effective upon approval of this indenture by the Chief, Branch of Fluid Minerals, Bureau of Land Management, First Party shall be granted the exclusive right and privilege of exercising any and all rights and privileges as Operator, pursuant to the terms and conditions of said Communitization Agreement; said Agreement being hereby incorporated herein by reference and made a part hereof as fully and effectively as though said Agreement were expressly set forth in this instrument.

IN WITNESS WHEREOF, the parties hereto have executed this instrument as of the date hereinabove set forth.

ATTEST

BY 

FIRST PARTY

BY 

SECOND PARTIES

BY 
Execution Date: 7-15-02

BY _____
Execution Date: _____

CORPORATE ACKNOWLEDGEMENT

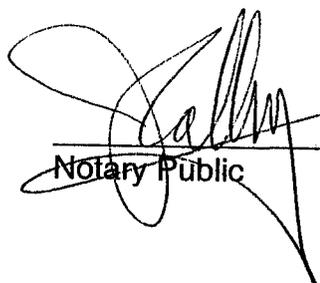
STATE OF Colorado)
) SS.
COUNTY OF Denver)

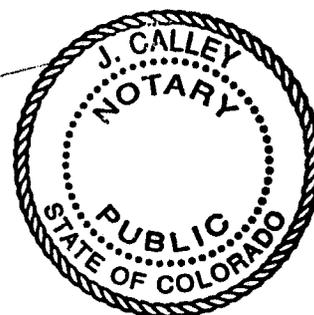
The foregoing instrument was acknowledged before me this 16th day of July, 2002, by Robert W. Peterson, ^{Member} President, and by _____, Secretary of _____, ~~a corporation~~, a Limited Liability Company

WITNESS my hand and official seal.

My Commission Expires:

4/10/04


Notary Public



My Commission Expires 04/10/2004

~~Place of Residence:~~

INDIVIDUAL ACKNOWLEDGEMENT

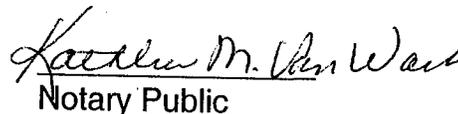
STATE OF UTAH)
) SS.
COUNTY OF SALT LAKE)

On the 11th day of July, 2002, personally appeared before me B.K. Duly, Jr. the signer(s) of the above instrument, who duly acknowledge to me that he (she or they) executed the same.

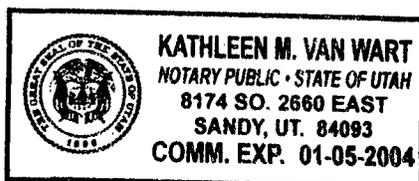
WITNESS my hand and official seal.

My Commission Expires:

01-05-04


Notary Public

~~Place of Residence:~~



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

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 _____

2. NAME OF OPERATOR: P&M Petroleum Management, LLC

3. ADDRESS OF OPERATOR: 518 17th St #230 CITY Denver STATE CO ZIP 80202 PHONE NUMBER: 303-260-7129

4. LOCATION OF WELL: FOOTAGES AT SURFACE: 1650' FNL 2175' TWL QTR/QR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SE1/4 26 40S 22E 31

5. LEASE DESIGNATION AND SERIAL NUMBER: U-52026 & U-23797

6. IF INDIAN, ALLOTTEE OR TRIBE NAME: _____

7. UNIT or CA AGREEMENT NAME: UTU-00232

8. WELL NAME and NUMBER: 1-25 AKGS

9. API NUMBER: 43-037-30906

10. FIELD AND POOL, OR WILDCAT: Turner Bluff

COUNTY: San Juan STATE: UTAH

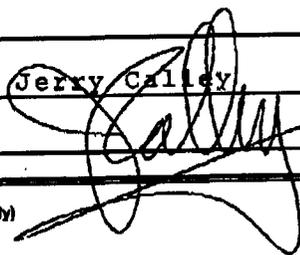
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<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"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK 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 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"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Resignation of Operator</u>
	<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.

Effective 7/22/02 and approved by the Bureau of Land Management, P&M Petroleum Management, LLC has resigned as operator of the above referenced well in favor of Seeley Oil Company

NAME (PLEASE PRINT) Jerry Calley TITLE Controller

SIGNATURE  DATE 8/5/02

(This space for State use only)

RECEIVED

AUG 05 2002

DIVISION OF
OIL, GAS AND MINING

7. Federal and Indian Units:

The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

8. Federal and Indian Communization Agreements ("CA"):

The BLM or BIA has approved the operator for all wells listed within a CA on: 07/22/2002

9. Underground Injection Control ("UIC")

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

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 08/05/2002
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 08/05/2002
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: N/A

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: 0692

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:

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

FORM 9

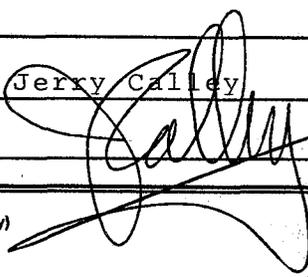
SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: U-52026 & U-23797
		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME: UTU-00232
		8. WELL NAME and NUMBER: 1-25 AKGS
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____	9. API NUMBER: 43-037-30906	
2. NAME OF OPERATOR: P&M Petroleum Management, LLC	10. FIELD AND POOL, OR WILDCAT: Turner Bluff	
3. ADDRESS OF OPERATOR: 518 17th St #230 City Denver STATE CO ZIP 80202	PHONE NUMBER: 303-260-7129	
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1650' FNL 2175' FWL		COUNTY: San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: SENW 25 40S 22E S1		STATE: UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK 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 type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<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"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: <u>Resignation of</u>
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<u>Operator</u>

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

Effective 7/22/02 and approved by the Bureau of Land Management, P&M Petroleum Management, LLC has resigned as operator of the above referenced well in favor of Seeley Oil Company

NAME (PLEASE PRINT) <u>Jerry Calley</u>	TITLE <u>Controller</u>
SIGNATURE 	DATE <u>8/5/02</u>

(This space for State use only)

RECEIVED
AUG 08 2002
DIVISION OF
OIL, GAS AND MINING

(5/2000) (See Instructions on Reverse Side)

Form 9-321
(May 1983)

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

SUBMIT IN TRIPLICATE*
(Other instructions on re-
verse side)

Form approved.
Budget Bureau No. 42-B1424.

SUNDRY NOTICES AND REPORTS ON WELLS

(Do not use this form for proposals to drill or to deepen or plug back to a different reservoir.
Use "APPLICATION FOR PERMIT—" for such proposals.)

1. OIL WELL <input type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/> All oil + gas wells		6. LEASE DESIGNATION AND SERIAL NO.
2. NAME OF OPERATOR Seeley Oil Company, LLC.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 9015, S.L.C., Utah 84109		7. UNIT AGREEMENT NAME
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.* See also space 17 below.) At surface		8. FARM OR LEASE NAME
14. PERMIT NO.		9. WELL NO.
15. ELEVATIONS (Show whether DF, RT, OR, etc.)		10. FIELD AND POOL, OR WILDCAT
		11. SEC., T., R., M., OR B.L. AND SURVEY OR AREA
		12. COUNTY OR PARISH
		13. STATE

16. Check Appropriate Box To Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF <input type="checkbox"/>	FULL OR ALTER CASING <input type="checkbox"/>
FRACTURE TREAT <input type="checkbox"/>	MULTIPLE COMPLETE <input type="checkbox"/>
SHOOT OR ACIDISE <input type="checkbox"/>	ABANDON* <input type="checkbox"/>
REPAIR WELL <input type="checkbox"/>	CHANGE PLANS <input type="checkbox"/>
(Other) <input type="checkbox"/>	

WATER SHUT-OFF <input type="checkbox"/>	REPAIRING WELL <input type="checkbox"/>
FRACTURE TREATMENT <input type="checkbox"/>	ALTERING CASING <input type="checkbox"/>
SHOOTING OR ACIDIZING <input type="checkbox"/>	ABANDONMENT* <input type="checkbox"/>
(Other) <input type="checkbox"/>	

(NOTE: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

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 locations and measured and true vertical depths for all markers and zones pertinent to this work.) *

this is to inform you that effective with January 2003 we changed our name from "B.K. Seeley Jr. dba Seeley oil company"

To: Seeley oil Company, L.L.C.

Please change your well records to reflect this change.

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MAR 03 2003

DIV. OF OIL, GAS & MINING

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

SIGNED

B.K. Seeley Jr.

TITLE

Member

DATE

3/03/03

(This space for Federal or State office use)

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

DATE

*See Instructions on Reverse Side



Ted Boyer
Executive Director
Department of Commerce

Michael O. Leavitt
Governor
State of Utah

Kathy Berg
Director
Division of Corporations
& Commercial Code

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF CORPORATIONS & COMMERCIAL CODE
CERTIFICATE OF REGISTRATION

DE BENNEVILLE K SEELEY, JR
SEELEY OIL COMPANY LLC
3964 S SUMMERSPRING LANE
SALT LAKE CITY UT 84124

MAR 03 2003
DIV. OF OIL, GAS & MINING



State of Utah
Department of Commerce
Division of Corporations & Commercial Code

CERTIFICATE OF REGISTRATION

LLC - Domestic

This certifies that SEELEY OIL COMPANY LLC has been filed and approved on January 09, 2003 and has been issued the registration number 5260313-0160 in the office of the Division and hereby issues this Certification thereof.

KATHY BERG
Division Director

RECEIVED

MAR 03 2003

DIV. OF OIL, GAS & MINING

well_name	section	township	range	api	entity	lease_type	status	well_type
STATE 36-13	36	15S	12E	43-007-30084	6430	STATE	S	OW
GRASSY TRAIL 36-2	36	15S	12E	43-007-30103	9577	STATE	S	OW
FEDERAL 35-44	35	15S	12E	43-007-30108	99998	FEDERAL	PA	NA

FEDERAL 1	01	16S	12E	43-015-15604	635	FEDERAL	TA	OW
FEDERAL 2	01	16S	12E	43-015-15607	635	FEDERAL	TA	OW
FEDERAL 1-14	01	16S	12E	43-015-30180	9575	FEDERAL	S	OW
STATE 2-43X	02	16S	12E	43-015-30100	6440	STATE	S	OW
STATE 2-23	02	16S	12E	43-015-30111	99990	STATE	I	WD
FEDERAL 3-23	03	16S	12E	43-015-30127	99998	FEDERAL	PA	D
FEDERAL 4-32	04	16S	12E	43-015-30121	6460	FEDERAL	S	OW
FEDERAL 11-33	11	16S	12E	43-015-30097	6435	FEDERAL	P	OW
FEDERAL 11-41	11	16S	12E	43-015-30118	6450	FEDERAL	S	OW
FEDERAL 11-13	11	16S	12E	43-015-30120	6455	FEDERAL	S	OW
FEDERAL 11-11	11	16S	12E	43-015-30149	6490	FEDERAL	S	OW
FEDERAL 11-42	11	16S	12E	43-015-30167	6495	FEDERAL	P	OW
FEDERAL 11-23	11	16S	12E	43-015-30170	6500	FEDERAL	S	OW
FEDERAL 11-43	11	16S	12E	43-015-30172	6431	FEDERAL	S	OW
FEDERAL 12-13	12	16S	12E	43-015-30142	6485	FEDERAL	S	OW
FEDERAL 12-32	12	16S	12E	43-015-30184	9576	FEDERAL	S	OW
FEDERAL 14-11	14	16S	12E	43-015-30138	6475	FEDERAL	S	OW
FEDERAL 6-14	06	16S	13E	43-015-30187	99998	FEDERAL	LA	OW

BONNIE FEDERAL 11-14	14	37S	23E	43-037-31290	10694	FEDERAL	P	OW
BONNIE FEDERAL 33-14	14	37S	23E	43-037-31316	10757	FEDERAL	PA	GW
BONNIE FEDERAL 43-14	14	37S	23E	43-037-31364	10757	FEDERAL	P	OW
BONNIE FEDERAL 22-14	14	37S	23E	43-037-31367	10694	FEDERAL	P	GW

BLACK BULL FEDERAL 31C	31	38S	25E	43-037-31663	11352	FEDERAL	S	GW
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COWBOY 1	14	39S	22E	43-037-30012	2530	FEDERAL	S	OW
COWBOY 4	14	39S	22E	43-037-30037	2530	FEDERAL	PA	OW
COWBOY 5	14	39S	22E	43-037-30062	2530	FEDERAL	P	OW
COWBOY 7	23	39S	22E	43-037-30325	2530	FEDERAL	P	OW

RECAPTURE PCKT ST 7	02	40S	22E	43-037-30701	2790	STATE	P	OW
RECAPTURE POCKET 1	03	40S	22E	43-037-30625	2780	FEDERAL	S	OW
RECAPTURE POCKET 5	10	40S	22E	43-037-30689	2785	FEDERAL	P	OW
GOVT NORWOOD 1	15	40S	22E	43-037-15611	985	FEDERAL	P	OW
1-25A KGS FEDERAL	25	40S	22E	43-037-30906	10025	FEDERAL	S	OW

OPERATOR CHANGE WORKSHEET

ROUTING

1. GLH
2. CDW <input checked="" type="checkbox"/>
3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective: **1-9-03**

FROM: (Old Operator):	TO: (New Operator):
SEELEY OIL COMPANY	SEELEY OIL COMPANY LLC
Address: P O BOX 9015	Address: P O BOX 9015
SALT LAKE CITY, UT 84109	SALT LAKE CITY, UT 84109
Phone: 1-(801)-467-6419	Phone: 1-(801)-467-6419
Account No. N2880	Account No. N2355

CA No.

Unit:

WELL(S)

NAME	SEC TWN RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
FEDERAL 6-14	06-15S-13E	43-015-30187	99998	FEDERAL	OW	LA
BONNIE FEDERAL 11-14	14-37S-23E	43-037-31290	10694	FEDERAL	OW	P
BONNIE FEDERAL 33-14	14-37S-23E	43-037-31316	10757	FEDERAL	GW	PA
BONNIE FEDERAL 43-14	14-37S-23E	43-037-31364	10757	FEDERAL	OW	P
BONNIE FEDERAL 22-14	14-37S-23E	43-037-31367	10694	FEDERAL	GW	P
COWBOY 1	14-39S-22E	43-037-30012	2530	FEDERAL	OW	S
COWBOY 4	14-39S-22E	43-037-30037	2530	FEDERAL	OW	PA
COWBOY 5	14-39S-22E	43-037-30062	2530	FEDERAL	OW	P
COWBOY 7	23-39S-22E	43-037-30325	2530	FEDERAL	OW	P
RECAPTURE POCKET STATE 7	02-40S-22E	43-037-30701	2790	STATE	OW	P
RECAPTURE POCKET 1	03-40S-22E	43-037-30625	2780	FEDERAL	OW	S
RECAPTURE POCKET 5	10-40S-22E	43-037-30689	2785	FEDERAL	OW	P
GOV'T NORWOOD 1	15-40S-22E	43-037-15611	985	FEDERAL	OW	P
1-25A KGS FEDERAL (CA-000232)	25-40S-22E	43-037-30906	10025	FEDERAL	OW	S

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

1. (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 03/03/2003
2. (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 03/03/2003
3. The new company has been checked through the **Department of Commerce, Division of Corporations Database** on: 03/03/2003
4. Is the new operator registered in the State of Utah: YES Business Number: 5260313-0160
5. If **NO**, the operator was contacted on: _____

6. (R649-9-2)Waste Management Plan has been received on: IN PLACE

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: 01/14/2003

8. **Federal and Indian Units:**

The BLM or BIA has approved the successor of unit operator for wells listed on: N/A

9. **Federal and Indian Communization Agreements ("CA"):**

The BLM or BIA has approved the operator for all wells listed within a CA on: N/A

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

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 03/04/2003
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 03/04/2003
3. Bond information entered in RBDMS on: N/A
4. Fee wells attached to bond in RBDMS on: N/A

STATE WELL(S) BOND VERIFICATION:

1. State well(s) covered by Bond Number: 1063820156428

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UT 0692

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: N/A

FEE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number N/A
2. The **FORMER** operator has requested a release of liability from their bond on: N/A
The Division sent response by letter on: N/A

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: N/A

COMMENTS:
