

UTAH OIL AND GAS CONSERVATION COMMISSION

REMARKS: WELL LOG ELECTRIC LOGS FILE **X** WATER SANDS LOCATION INSPECTED SUB. REPORT/abd

Operator name change - 10-28-85

DATE FILED **9-19-84**
 LAND: FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-12426** INDIAN

DRILLING APPROVED: **10-1-84 - OIL**

SPUDDED IN:
 COMPLETED: PUT TO PRODUCING:

INITIAL PRODUCTION:

GRAVITY A.P.I.

GOR

PRODUCING ZONES:

TOTAL DEPTH:

WELL ELEVATION:

DATE ABANDONED:

FIELD:

UNIT:

COUNTY: **SAN JUAN**

WELL NO **NAVAJO FEDERAL #10-1**

API #43-037-31073

LOCATION

2140' FNL FT. FROM (N) (S) LINE. **500' FWL**

FT. FROM (E) (W) LINE. **SW NW**

1/4 - 1/4 SEC **10**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
				39S	25E	10	MERIDIAN Oil, Inc. MILESTONE PETROLEUM

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN OR PLUG BACK

CONFIDENTIAL

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
Milestone Petroleum Inc

3. ADDRESS OF OPERATOR
PO Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
At surface 2140'N, 500;W
At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
6 miles East of Hatch Trading Post, Utah

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 500'

16. NO. OF ACRES IN LEASE 1280

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. 1400'

19. PROPOSED DEPTH 5845'

20. ROTARY OR CABLE TOOLS Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.) 4892'GL

22. APPROX. DATE WORK WILL START* Nov. 1, 1984

5. LEASE DESIGNATION AND SERIAL NO. U-12426
6. IF INDIAN, ALLOTTEE OR TRIBE NAME Navajo Federal
8. FARM OR LEASE NAME
9. WELL NO. 10-1
10. FIELD AND POOL, OR WILDCAT Wildcat
11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 10, T-39-S, R-25-E
12. COUNTY OR PARISH San Juan
13. STATE Utah

23. 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"	48.0#	80'	111 cu.ft.circ.to surface
11"	8 5/8"	24#&32#	3500'	1364 cu.ft.circ. to surface
7 7/8"	5 1/2"	15.5#	5845'	531 cu.ft.fill to surf.csg.

The Upper Ismay and/or the Desert Creek will be selectively perforated and tested in this well.

A 3000 psi WP and 6000 psi test double gate preventer equipped with blind and pipe rams will be used for blow out prevention on this well.

RECEIVED

SEP 19 1984

DIVISION OF OIL
GAS & MINING

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 10/1/84
BY: [Signature]

CONFIDENTIAL

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 [Signature] TITLE Drilling Clerk DATE September 13, 1984

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions On Reverse Side

COMPANY MILESTONE PETROLEUM, INCORPORATED

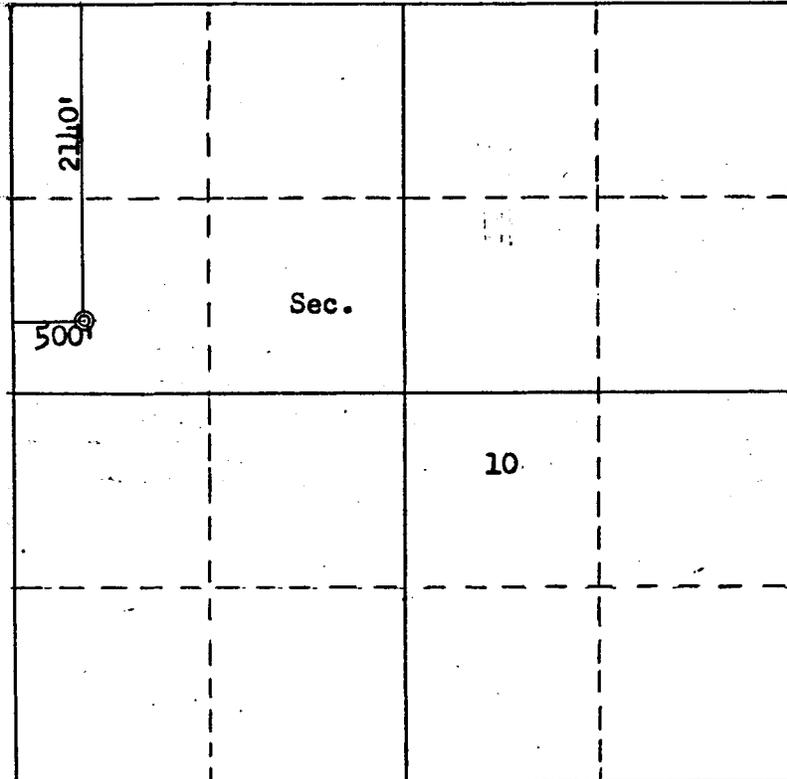
LEASE NAVAJO-FEDERAL WELL NO. 10-1

SEC. 10, T 39S, R 25E
San Juan County, Utah

LOCATION 2140'FNL 500'FWL

ELEVATION 4892 ungraded ground

CONFIDENTIAL



SCALE—4 INCHES EQUALS 1 MILE

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

SEALS

Fred S. Kerr, Jr.
Registered Land Surveyor
#3950
FRED S. KERR, JR.

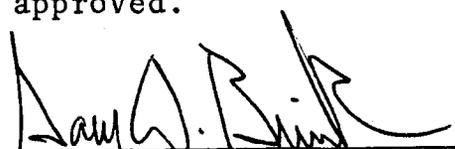
SURVEYED August 10 1984

Multi-Point Surface Use Plan
Navajo Federal #10-1

CONFIDENTIAL

1. Existing Road - Please refer to Map No. 1 which shows the existing roads. New roads which will be required have been marked on this map. All existing and new roads will be properly maintained during the duration of this project.
2. Planned Access Roads - Please refer to Map No. 1. The grade of the access roads will be consistent with that of the local terrain. The road surface will not exceed twenty feet (20') in width. Upon completion of the project, the access road will be adequately drained to control soil erosion. Drainage facilities may include ditches, water bars, culverts or any other measure deemed necessary by trained Company personnel to insure proper drainage. Gates and/or cattleguards will be installed, if necessary.
3. Location of Existing Wells - Please refer to Map No. 2.
4. Location of Tank Batteries, Production Facilities, and Production Gathering and Service Lines - Please refer to Maps No. 1 and No. 2. Map No. 2 shows the existing gas gathering lines. Map No. 1 shows the existing roads and new proposed access roads. All known production facilities are shown on these two maps.
5. Location and Type of Water Supply - Water for the proposed project will be obtained from an artesian water well located in the SESW Section 28, T-38-S,R-25-E, Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer and permission from the land owner or surface management agent.
6. Source of Construction Materials - No additional materials will be required to build either the access road or the proposed location.
7. Methods of Handling Waste Materials - All garbage and trash materials will be put into a burn pit shown on the attached Location Plat No. 1. When clean-up operations are begun on the proposed project, the burn pit with its refuse will be buried to a depth of at least three feet (3'). A latrine, the location of which is also shown on Plat No. 1, will be provided for human waste.

7. cont'd. If large amounts of liquids are left in the reserve pit after completion of the project, the pit will be fenced until the liquids have had adequate time to dry. The location clean-up will not take place until such time as the reserve pit can be properly covered over to prevent run-off from carrying any of these materials into the watershed. No earthen pit will be located on natural drainage; all earthen pits will be so constructed as to prevent leakage from occurring.
8. Ancillary Facilities - No camps or air strips will be associated with this project.
9. Wellsite Layout - Please refer to the attached Plat No. 1.
10. Plans for Restoration of the Surface - After completion of the proposed project, the location will be cleaned and leveled. The location will be left in such a condition that will enable reseeding operations to be carried out. Seed mixture as designated by the responsible government agency will be used. The reseeding operations will be performed during the time period set forth by the regulatory body. The location production equipment will be painted as designated by the responsible government agency.
11. Other Information - Terrain is canyon bottom with snake brush, rabbit brush, native grass and sage growing. Sheep, deer, cattle, rabbits and goats are occasionally seen on the proposed project site.
12. Operators Representative - D. C. Walker, Post Office Box 4289, Farmington, New Mexico 87499
13. Certification - I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which presently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Milestone Petroleum Inc and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved.



Project Drilling Engineer

I. Location: 2140'N, 500'W, Section 10, T-39-S, 25-E, San Juan County, Utah

Field: Wildcat

Elevation: 4892'GL

II. Geology:

A. Formation Tops:	Surface	Morrison	Hermosa	4520'
	Entrada	682'	Upper Ismay	5490'
	Navajo	870'	Upper Desert Creek	5720'
	Chinle	1534'	Akah	5820'
	Cutler	2636'	Total Depth	5845'
	DeChelly	3195'		

B. Logging Program: Dual Lateralog - MSFL, GR-Sonic, GR-FDC-CNL, and dipmeter at total depth.

C. Samples: none

D. Coring: none

E. Drillstem testing: 2 tests are anticipated below the Upper Ismay formation.

F. H₂S protection: no hydrogen sulfine has been found, reported or known to exist at these depths in this area.

III. Drilling:

A. Mud Program: a water base mud system from surface to total depth. Maximum anticipated mud weight is 10#/gallon.

IV. Materials:

A. Casing Program:	<u>Hole Size</u>	<u>Depth</u>	<u>Csg.Size</u>	<u>Wt.&Grade</u>
	17 1/2"	80'	13 3/8"	48.0# H-40
	11"	3500'	8 5/8"	24#&32#K-55
	7 7/8"	5845'	5 1/2"	15.5# K-55

B. Float Equipment: 13 3/8" conductor - Texas Pattern guide shoe on bottom.
8 5/8" surface casing - guide shoe, float collar and bow type centralizers. Run float collar two joints above shoe.
5 1/2" production casing - guide shoe, float collar, centralizers, and reciprocating wall cleaners.

C. Tubing: 5845' of 2 7/8", 6.5#, K-55 tubing.

D. Wellhead Equipment: 3000# working pressure xmas tree assembly. Wellhead representative to set all slips and cut off casing.

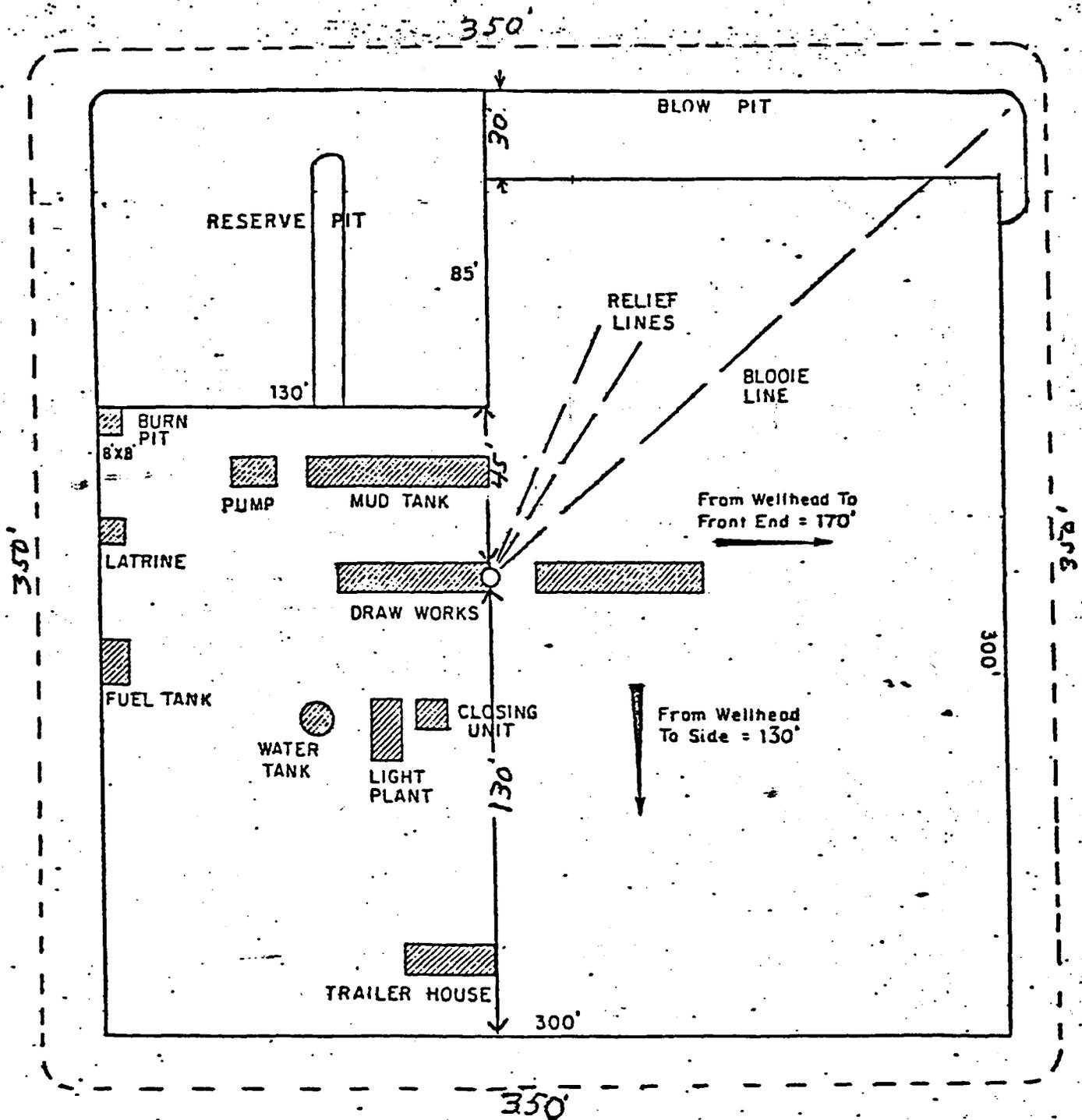
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V. Cementing:

13 3/8" conductor - use 94 sks. Class "B" cement with 1/4# flocele/sk. and 3% calcium chloride (111 cu.ft. of slurry, 100% excess to circulate surface). WOC 12 hours. Test casing to 600#/30 minutes.

8 5/8" surface casing - use 660 sks. 65/35 Class "B" Poz with 6% gel and 2% calcium chloride (8.3 gallons water per sack) followed by 250 sks. Class "B" with 2% calcium chloride (1364 cu.ft. slurry, 50% excess to circulate to surface). WOC 12 hrs. Test casing to 1000#/30 minutes.

5 1/2" production casing - use 235 sks. 65/35 Class "B" Poz with 6% gel (8.3 gallons water/sk) followed by 100 sks. Class "H" with 10% salt, 10% cal-seal per sack and 0.6% Halad-9 (531 cu.ft. of slurry, 30% excess to fill to base of surface casing). Run temperature survey at 8 hours. WOC 18 hours.

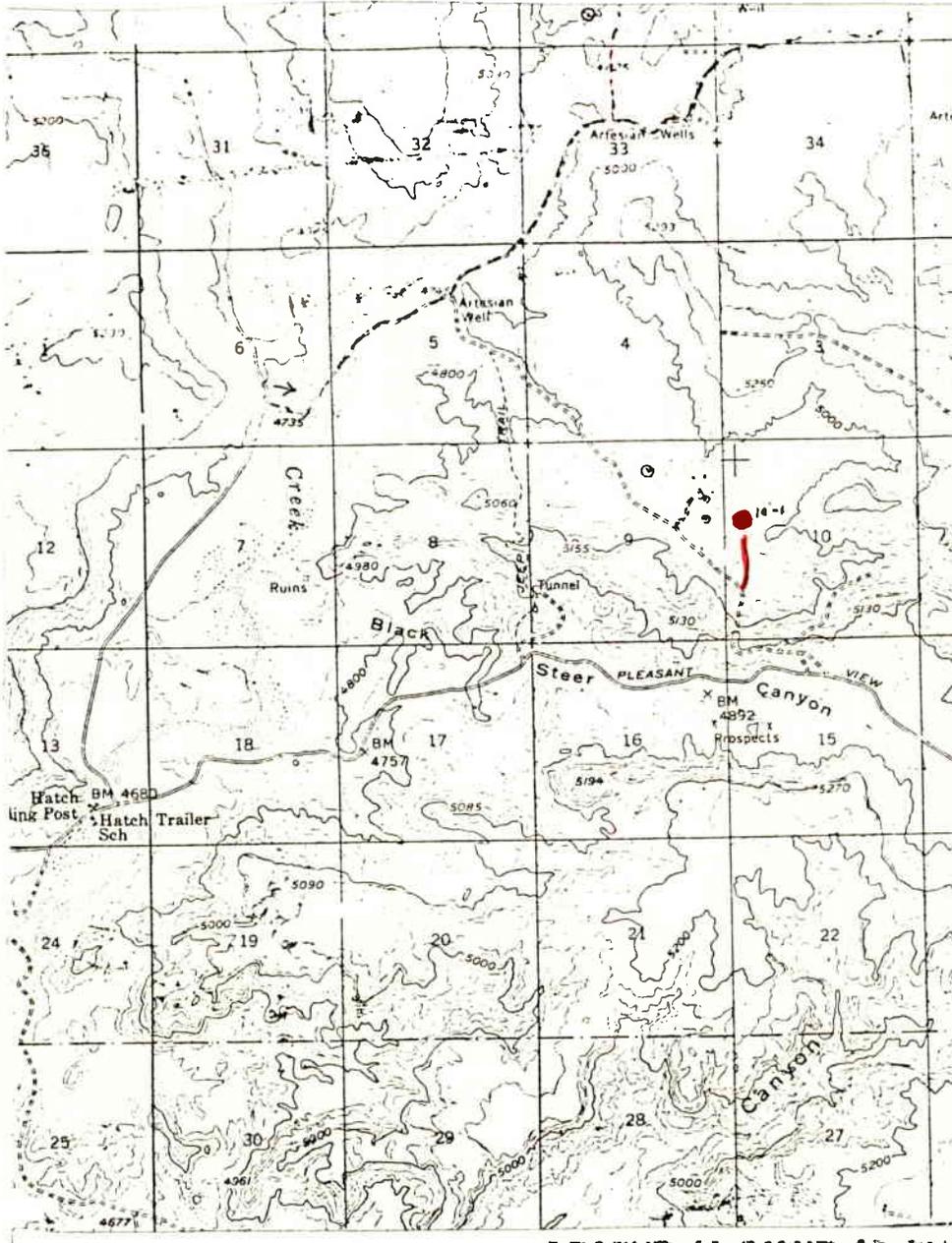


	ENG. REC.	DATE
	DRAWN	J.L.H. 8-16-78
	CHECKED	
	CHECKED	
	PROJ. APP.	


 El Paso Natural Gas Company
 TYPICAL LOCATION PLAT.

Milestone Petroleum
 Navajo Federal #10-1
 NW Section 10, T-39-S, R-25-E
 San Juan County, Utah

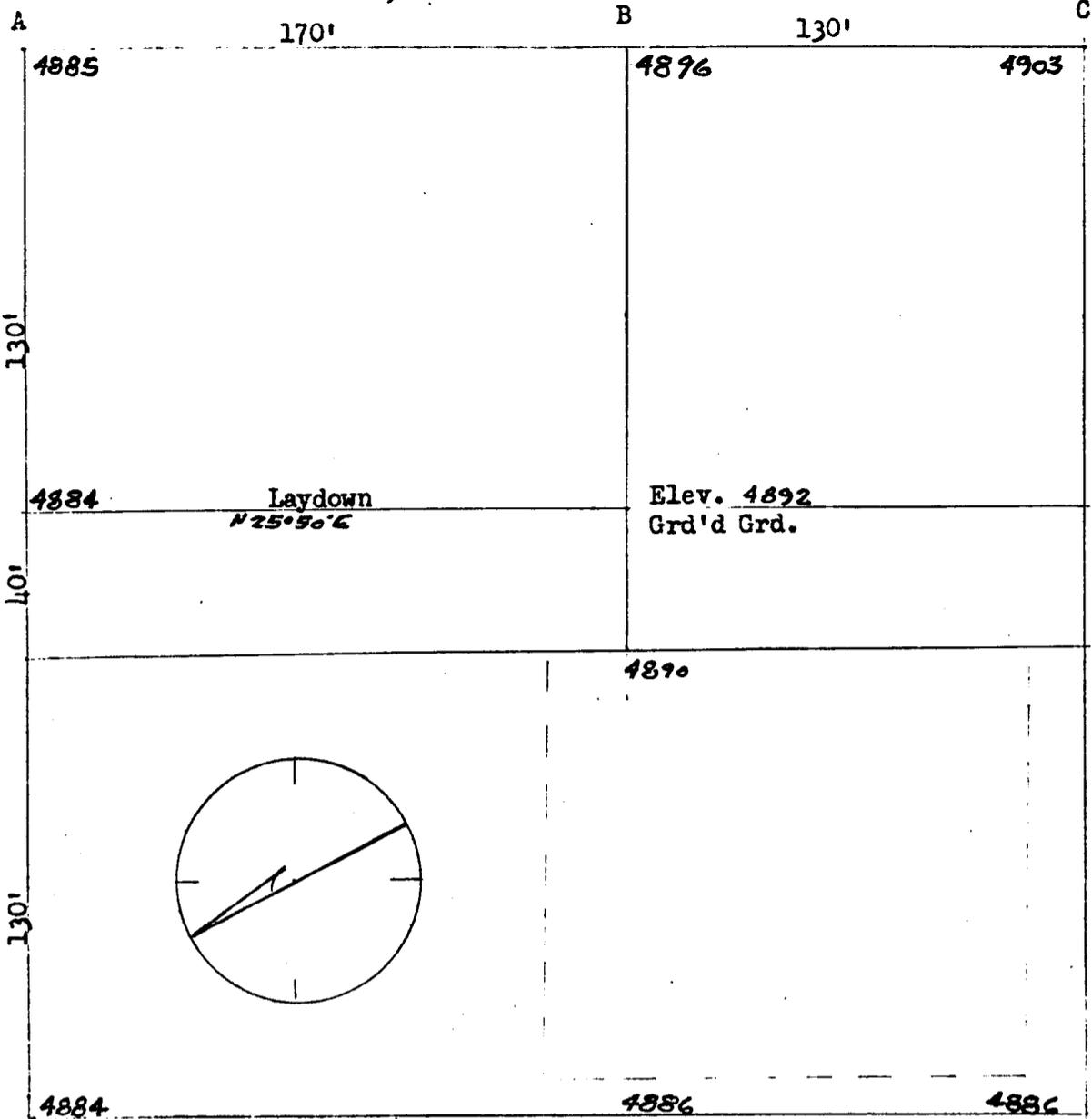
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LEGEND OF RIGHT-OF-WAYS

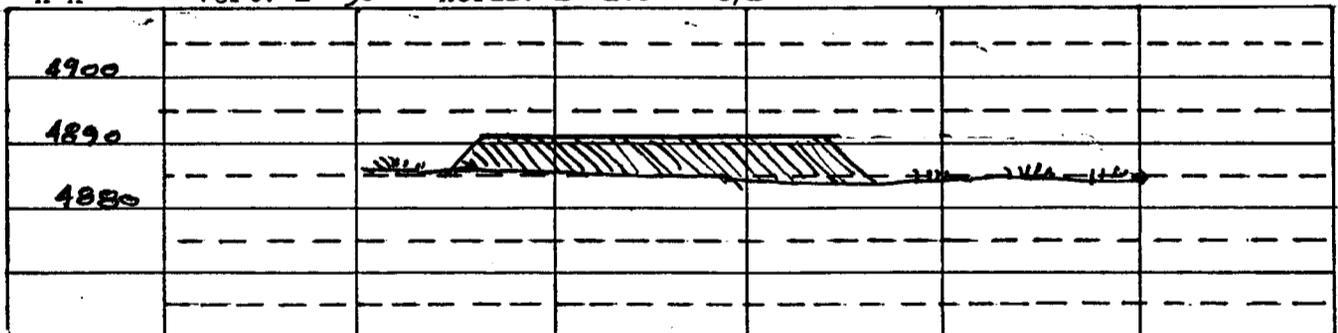
- EXISTING ROADS 
- EXISTING PIPELINES 
- EXISTING ROAD & PIPELINE 
- PROPOSED ROADS 
- PROPOSED PIPELINES 
- PROPOSED ROAD & PIPELINE 

Profile Map for
 MILESTONE PETROLEUM, INC. #10-1 NAVAJO-FEDERAL
 2140' FNL 500' FWL Sec. 10-T39S-R25E
 SAN JUAN COUNTY, UTAH

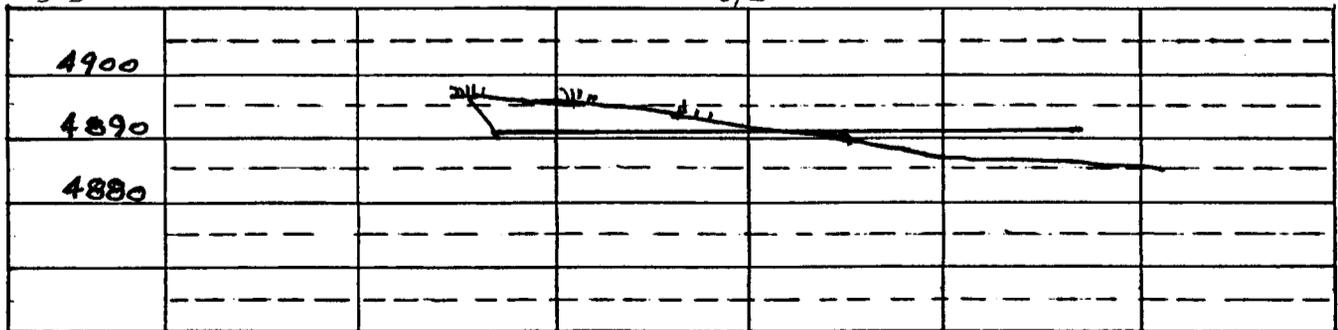


Scale: 1"=50'

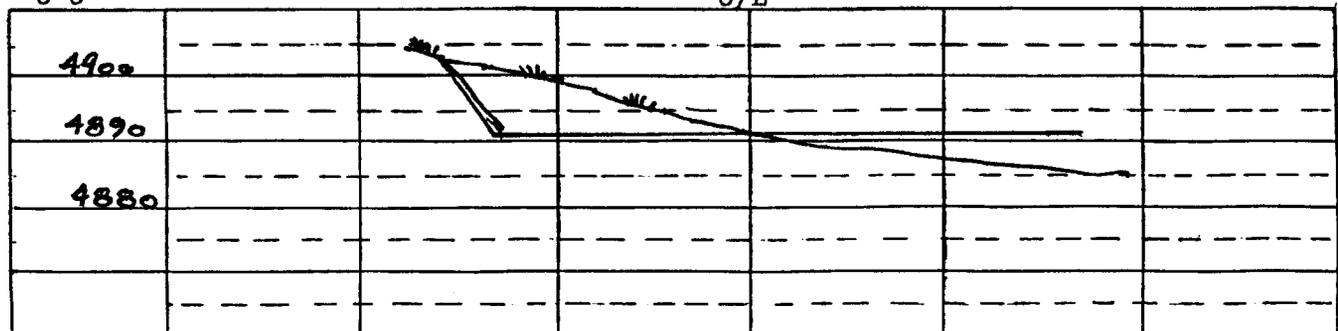
A-A' Vert: 1"=30' Horiz: 1"=100' C/L



B-B' C/L



C-C' C/L



CONFIDENTIAL

OPERATOR Milestone Petroleum DATE 9-26-84

WELL NAME Navajo Snd. #10-1

SECSW NW10 T 39S R 25E COUNTY San Juan

43-037-31073
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:

No other wells within 1000'
Need water permit

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a _____ CAUSE NO. & DATE

c-3-b c-3-c

SPECIAL LANGUAGE:

1 - 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

CHECK DISTANCE TO NEAREST WELL.

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

IF POTASH DESIGNATED AREA, SPECIAL LANGUAGE ON APPROVAL LETTER

IF IN OIL SHALE DESIGNATED AREA, SPECIAL APPROVAL LANGUAGE.

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STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

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

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

October 1, 1984

Milestone Petroleum, Inc.
P.O. Box 4289
Farmington, New Mexico 87499

Gentlemen:

Re: Well No. Navajo Federal 10-1 - SW NW Sec. 10, T. 39S, R. 25E
2140 FNL, 500 FWL - San Juan County, Utah

Approval to drill the above referenced oil well is hereby granted in accordance with Rule C-3 (b), General Rules and Regulations and Rules of Practice and Procedure, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.

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

1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 533-5771, (Home) 298-7695 or R. J. Firth, Associate Director, (Home) 571-6068.
4. Compliance with the requirements and regulations of Rule C-27, Associated Gas Flaring, General Rules and Regulations, Oil and Gas Conservation.

Page 2
Milestone Petroleum, Inc.
Well No. Navajo Federal 10-1
October 1, 1984

5. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-037-31073.

Sincerely,

A handwritten signature in cursive script that reads "John R. Baza". Below the signature are the initials "JB".

John R. Baza
Petroleum Engineer

gl
Enclosures
cc: Branch of Fluid Minerals

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN TRIP
(Other instructions on reverse side)

Form approved.
Budget Bureau No. 1004-0135
Expires August 31, 1985

CONFIDENTIAL

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.)

OIL WELL GAS WELL OTHER

1. LEASE DESIGNATION AND SERIAL NO. U-12426

2. NAME OF OPERATOR Milestone Petroleum, Inc.

3. ADDRESS OF OPERATOR PO Box 4289, Farmington, NM 87499

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface 2140'N, 500'W

5. IF INDIAN, ALLOTTEE OR TRIBE NAME Navajo Federal

6. UNIT AGREEMENT NAME

7. FARM OR LEASE NAME Navajo Federal

8. WELL NO. 10-1

9. FIELD AND POOL, OR WILDCAT Wildcat

10. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec.10, T-39-S, R-25-E

11. COUNTY OR PARISH San Juan

12. STATE Utah

13. ELEVATIONS (Show whether DF, RT, OR, etc.) 4892'GL

14. PERMIT NO.

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"/>	PULL 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 type="checkbox"/>	(Other) <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.)

Enclosed are copies of the anticipated production facilities and BOP schematic for the Navajo Federal 10-1. Please attach these to our Application for Permit to Drill for this well.

RECEIVED

OCT 3 1984

DIVISION OF OIL
GAS & MINING

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

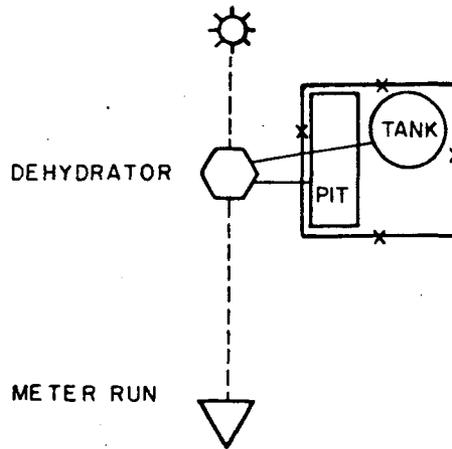
SIGNED Deppa Bradford TITLE Drilling Clerk DATE October 1, 1984

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

*See Instructions on Reverse Side



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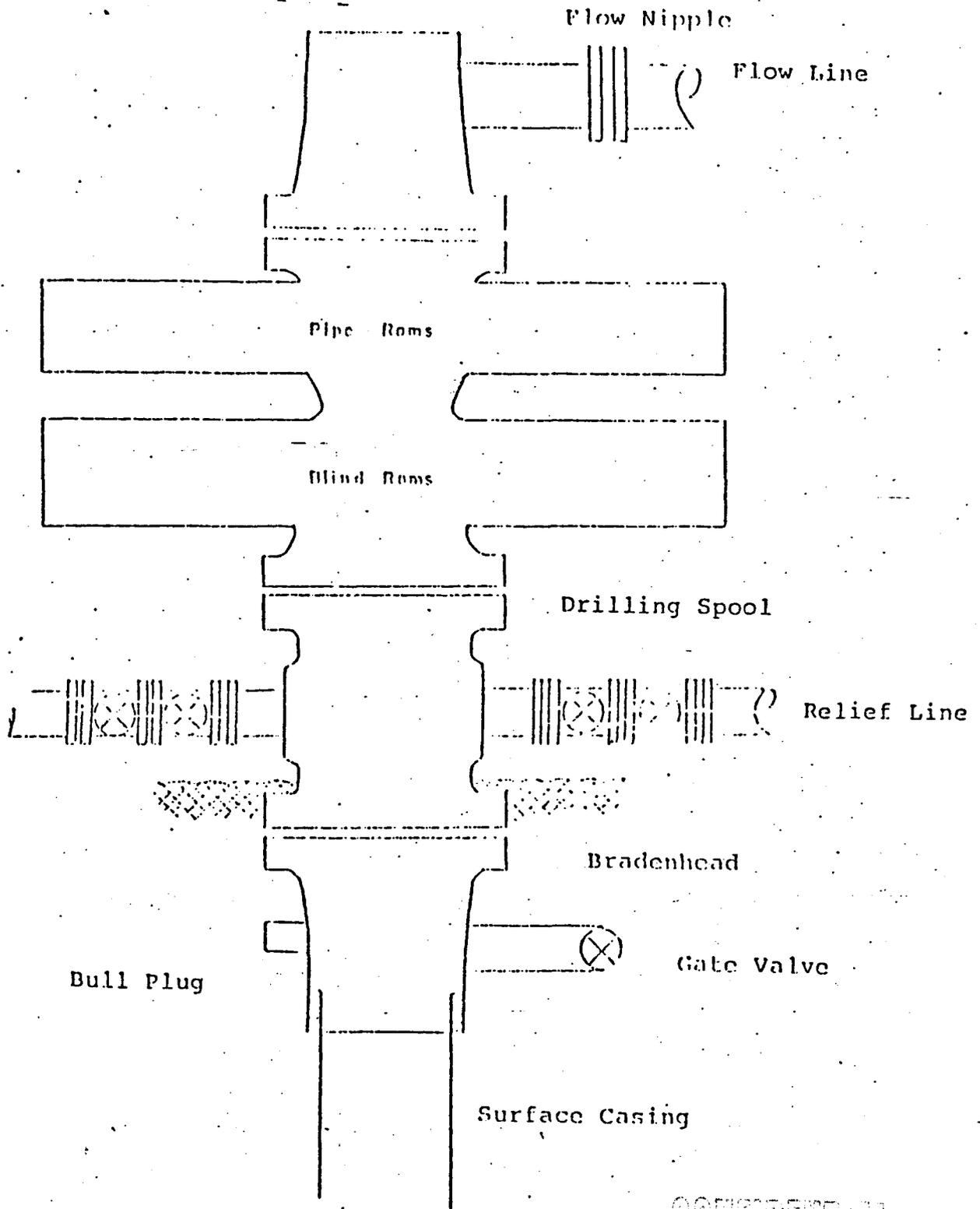


Anticipated Production Facilities

					ENG. REC.	DATE
					DRAWN	
					CHECKED	
					CHECKED	
					PROJ. APP.	
PRT.	SEP.	DATE	TO	W.O.	DESIGN	
PRINT RECORD					W.O.	

SCALE:	DWG. NO.	REV.
--------	----------	------

Typical B.O.P. Installation
Well



CONFIDENTIAL

Series 900 Double Gate BOP, rated
at 3000 psi Working Pressure
When gas drilling operations begin a Shaffer type
50 or equivalent rotating head is installed on top of
the flow nipple and the flow line is converted into
a blowie line.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

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

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At proposed prod. zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
6 miles East of Hatch Trading Post, Utah

16. NO. OF ACRES IN LEASE
1280

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.
1400'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
4892'GL

5. LEASE DESIGNATION AND SERIAL NO.

U-12426

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

Black Steer Canyon

8. FARM OR LEASE NAME

Navajo Federal

9. WELL NO.

10-1

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA

Sec.10,T-39-S,R-25-E

12. COUNTY OR PARISH 13. STATE

San Juan Utah

17. NO. OF ACRES ASSIGNED TO THIS WELL

80

20. ROTARY OR CABLE TOOLS

Rotary

22. APPROX. DATE WORK WILL START*

Nov. 1, 1984

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
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24. SIGNED [Signature] TITLE Drilling Clerk DATE September 13, 1984

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Kenneth V. Rhea TITLE Acting DISTRICT MANAGER DATE 09 OCT 1984

CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

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

*See Instructions On Reverse Side

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

COMPANY MILSTONE PETROLEUM, INCORPORATED

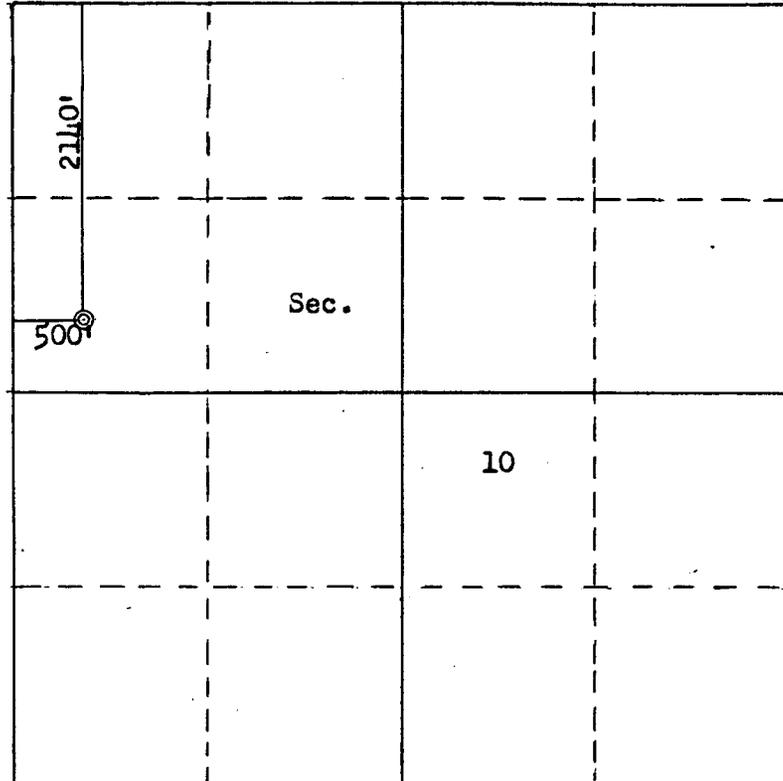
LEASE NAVAJO-FEDERAL WELL NO. 10-1

SEC. 10, T 39S, R 25E
San Juan County, Utah

LOCATION 2140'FNL 500'FWL

ELEVATION 4892 ungraded ground

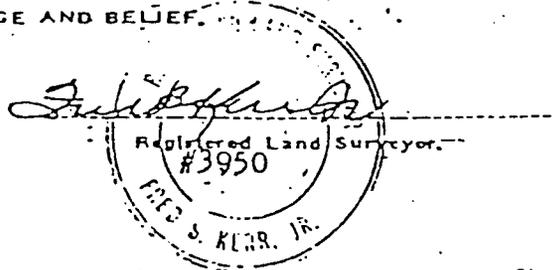
CONFIDENTIAL



SCALE—4 INCHES EQUALS 1 MILE

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

SEAL:



SURVEYED August 10 1984

Milestone Petroleum Inc.
Well No. Navajo Federal 10-1
SWNW Sec. 10, T. 39 S., R. 25 E.
San Juan County, Utah
Lease U-12426

Supplemental Stipulations:

1. The maximum total disturbed width will be 25 feet on existing roads used for access.
2. An encroachment permit will be obtained from the San Juan County Road Department, (801) 587-2231, ext. 43.
3. Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance by the San Juan Area Manager.
4. The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road. The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.
5. All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat, nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be sandstone.
6. If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1½ times the storage capacity of the battery.
7. All loading lines will be placed inside the berm surrounding the tank battery.
8. All site security guidelines identified in 43 CFR 3162.7 regulations will be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed.
9. All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the District Manager.

10. Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.
11. The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.
12. At least half of the capacity of the reserve pit will be in cut.
13. Three sides of the reserve pit will be fenced with four strands of barbed wire before drilling starts. The fourth side will be fenced as soon as the drilling is completed. The fence will be kept in good repair while the pit is drying.
14. A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.
15. A burning permit is required for burning trash between May 1 and October 31. This can be acquired by contacting the State Fire Warden, John Baker, at (801) 587-2705.
16. Produced waste water will be confined to an unlined pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).
17. The top 10 inches of soil material will be removed from the location and stockpiled separate from the trees on the east side. Topsoil along the access will be reserved in place.
18. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit.
19. The operator/holder of his contractor will contact the San Juan Resource Area office in Monticello, Utah, (801) 587-2201, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
20. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
21. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.

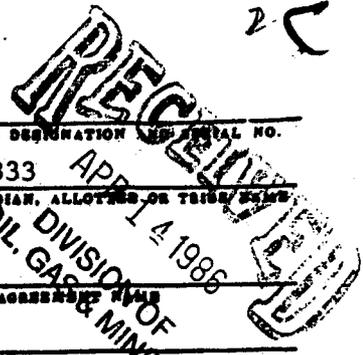
22. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.
23. Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow or similar implement will be dragged over the area to assure seed cover.

- 2 lbs/acre Curlygrass (Hilaria jamesii)
- 1 lbs/acre Alkali sacaton (Sporobolus airoides)
- 2 lbs/acre Shadscale (Atriplex confertifolia)

24. 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.
25. There will be no change from the proposed drilling and/or workover program without prior approval from the District Manager. Safe drilling and operating practices must be used. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.2.
26. "Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.
27. The dirt contractor will be provided with an approved copy of the surface use plan.
28. If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.
29. This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.
30. Your contact with the District Office is: Robert (Bob) Graff
Office Phone: 801-259-6111 ext. 216
Home Phone: 801-259-6088
Moab, Utah 84532

Resource Area Manager's address and contacts are: San Juan Resource Area
Address: 480 South First West, P.O. Box 7, Monticello, Utah 84535
Your contact is: Rich McClure
Office Phone: 801-587-2201
Home Phone: 801-587-2874

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 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"/> OPERATOR NAME CHANGE		5. LEASE DESIGNATION AND SERIAL NO. U-52333
2. NAME OF OPERATOR MERIDIAN OIL INC.		6. IF INDIAN ALLOTTEE OR TRIBE NAME --
3. ADDRESS OF OPERATOR P. O. Box 1855, Billings, MT 59103		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 Navajo-Federal
14. PERMIT NO.		9. WELL NO. See Below
15. ELEVATIONS (Show whether SP, ST, OR, etc.)		10. FIELD AND POOL, OR WILDCAT Kiva
16. CHECK APPROPRIATE BOX TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		11. SEC., T., R., M., OR B.L.E. AND SUBST. OR AREA See Below
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.)*		12. COUNTY OR PARISH San Juan
18. I hereby certify that the foregoing is true and correct		13. STATE Utah

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

TEST WATER SHUT-OFF
FRACTURE TREAT
SHOOT OR ACIDIZE
REPAIR WELL
(Other)

PULL OR ALTER CASING
MULTIPLE COMPLETE
ABANDON*
CHANGE PLANS

WATER SHUT-OFF
FRACTURE TREATMENT
SHOOTING OR ACIDISING
(Other)

REPAIRING WELL
ALTERING CASING
ABANDONMENT*

OPERATOR NAME CHANGE

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

Operator Name change from Milestone Petroleum Inc. to Meridian Oil Inc.

WELL NUMBER	DESCRIPTION	API NUMBER
4-1	SESW Sec. 4-39S-25E	43-037-31112
4-2	SWSE Sec. 4-39S-25E	43-037-31161
4-3	NESW Sec. 4-39S-25E	43-037-31176
4-4	NWSW Sec. 4-39S-25E	43-037-31179
9-1	NWNE Sec. 9-39S-25E	43-037-31001
9-2	NENE Sec. 9-39S-25E	43-037-31059
10-1	SWNW Sec. 10-39S-25E	43-037-31073
30-1	NESW Sec. 30-38S-25E	43-037-31099
30-2	SENW Sec. 30-38S-25E	43-037-31100

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

SIGNED [Signature]

TITLE Sr. Operations Technician

DATE 4/9/86

(This space for Federal or State office use)

APPROVED BY _____
CONDITIONS OF APPROVAL, IF ANY:

TITLE _____

DATE _____

3162 (U-065)
(U-12426)

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

MAR 10 1986

A. Orvis
3/10/86
MS
3/10/86

Meridian Oil Inc.
175 North 27th Street
P.O. Box 1855
Billings, MT 59103-1855

Re: Rescinding Application for
Permit to Drill
Well No. Navajo Federal 10-1
Sec. 10, T. 39 S., R. 25 E.
San Juan County, Utah
Lease U-12426

Gentlemen:

The Application for Permit to Drill the referenced well was approved on October 9, 1984. Since that date, no known activity has transpired at the approved location.

Applications for permit to drill are effective for a period of one year. In view of the foregoing, this office is rescinding the approval of the referenced application.

Should you intend to drill at this location at a future date, a new application for permit to drill must be submitted.

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

Sincerely,
/S/ GENE NODINE

District Manager

cc:
State of Utah, Division of Oil, Gas and Mining
San Juan Resource Area

bcc:
U-942, Utah State Office

CFreudiger/cf 3/10/86

RM

CFreudiger 3/10/86



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
Dianne R. Nielson, Ph.D., Division Director

355 W. North Temple • 3 Triad Center • Suite 350 • Salt Lake City, UT 84180-1203 • 801-538-5340

April 18, 1986

Meridian Oil, Inc.
175 North 27th Street
P.O. Box 1855
Billings, Montana 59103-1855

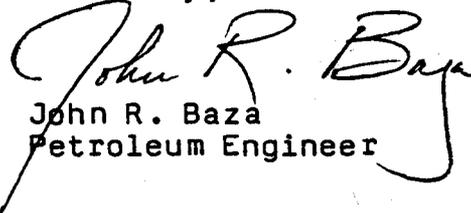
Gentlemen:

RE: Well No. Navajo Federal #10-1, Sec.10, T.39S, R.25E,
San Juan County, Utah, API NO. 43-037-31073

In concert with action taken by the U.S. Bureau of Land Management, approval to drill the above referenced well is hereby rescinded. A new Application for Permit to Drill must be filed with this office for approval, prior to future drilling of the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division of Oil, Gas and Mining immediately.

Sincerely,


John R. Baza
Petroleum Engineer

sb
cc: BLM-Moab
D. R. Nielson
R. J. Firth
Well file
0278T-39

Carl Frendigan

(259-8151)

Pat De Groot

MOAB DISTRICT OFFICE

Cimarron Petroleum Corporation
Well No. Cimarron Petro Corp. #1
Sec.5, T.22S, R.24E,
Grand County, Utah
API NO. 43-019-30987
U-20047-B

Being checked for final release SJRA
4/2/86

G.R. Dickinson
Well No. Williams Federal #6
Sec.5, T.42S, R.19E,
San Juan County, Utah
API NO. 43-037-31146

U-7303-D Rescinded 4/8/86

Rescinded 3-10-86 per
Carol of Moab BEM

4-17-86

G.R. Dickinson
Well No. Williams Federal #7
Sec.5, T.42S, R.19E,
San Juan County, Utah
API NO. 43-037-31147

U-7303-D Rescinded 4/8/86

F-L Energy Corporation
Well No. Federal Buttes 1-6
Sec.6, T.20S, R.25E,
Grand County, Utah
API NO. 43-019-31102
U-41092

SRA rec'd 3/11/86

Clint Howell
Well No. Gebauer - Groom #6
Sec.7, T.42S, R.19E,
San Juan County, Utah
API NO. 43-037-30838
U-7303

S.N. noted 2/19/86

Well should be completed by 4/1/86.

Milestone Petroleum, Inc.
Well No. Navajo Federal 10-1
Sec.10, T.39S, R.25E,
San Juan County, Utah
API NO. 43-037-31073
U-12426?

Rescinded 3/10/86

Southland Royalty Company
Well No. Straight Canyon Federal 22-1
Sec.22, T.18S, R.6E,
Emery County, Utah
API NO. 43-015-30214

U-15193

Returned application

Unapproved 3/22/85

Page Two
Moab District Office

TXO Production Corporation
Well No. Cedar Ridge Canyon Federal #1
Sec.19, T.13S, R.17E,
Carbon County, Utah
API NO. 43-007-30104
U-48746

*Returned application
unapproved 4/10/85*

Wintershall Oil and Gas Corporation
Well No. Little Nancy Unit 34-14
Sec.34, T.37S, R.25E
San Juan County, Utah
API NO. 43-037-31119

Rescinded APD 9/1/86

U-04822