

UTAH OIL AND GAS CONSERVATION COMMISSION

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

Operator change from N7185 - eff. 7-22-87

DATE FILED 7-29-85
 LAND: FEE & PATENTED _____ STATE LEASE NO. _____ PUBLIC LEASE NO. U-22899 INDIAN _____

DRILLING APPROVED: 8-5-85 - OIL (Cause No. 156-4)

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

INITIAL PRODUCTION: _____
 GRAVITY A.P.I. _____

GOR: _____
 PRODUCING ZONES: _____

TOTAL DEPTH: _____
 WELL ELEVATION: 4282' GR
 DATE ABANDONED: LAID 7-22-87

FIELD: MEXICAN HAT
 UNIT: _____

COUNTY: SAN JUAN
 WELL NO. MEXICAN HAT FEDERAL 5 API #43-037-31180

LOCATION 290' FSL FT. FROM (N) (S) LINE. 2303' FWL FT. FROM (E) (W) LINE. SE SW 1/4 - 1/4 SEC. 32

TWP.	RGE.	SEC.	OPERATOR	TWP.	RGE.	SEC.	OPERATOR
41S	19E	32	APA DEVELOPMENT, INC HOWELL OIL				

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

SUBMIT IN TRIPPLICATE*
(Other instructions on reverse side)

Federal Lease #U-22899
5. Lease Designation and Serial No.

14

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. Type of Work
DRILL [X] DEEPEN [] PLUG BACK []

b. Type of Well
Oil Well [X] Gas Well [] Other []
Single Zone [] Multiple Zone []

2. Name of Operator
APA DEVELOPMENT, INC.

3. Address of Operator
P.O. Box 215, Cortez, Colorado 81321

4. Location of Well (Report location clearly and in accordance with any State requirements*)
At surface 290' FSL and 2303' FWL
At proposed prod. zone Same

RECEIVED
JUL 29 1985

DIVISION OF OIL
GAS & MINING

6. If Indian, Allottee or Tribe Name

7. Unit Agreement Name

8. Farm or Lease Name
Mexican Hat Federal

9. Well No.
#5

10. Field and Pool, or Wildcat

Mexican Hat

11. Sec., T., R., M., or Blk. and Survey or Area
Sec. 32-T41S-R19E

14. Distance in miles and direction from nearest town or post office*
2-5/8 miles NE
12. County or Parrish San Juan
13. State Utah

15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. line, if any)
290'
16. No. of acres in lease 600.64
17. No. of acres assigned to this well Unlimited

18. Distance from proposed location* to nearest well, drilling, completed, or applied for, on this lease, ft.
300'
19. Proposed depth 1600
20. Rotary or cable tools Rotary

21. Elevations (Show whether DF, RT, GR, etc.)
4282 ungraded GR
22. Approx. date work will start* Upon approval

23. PROPOSED CASING AND CEMENTING PROGRAM

Table with 5 columns: Size of Hole, Size of Casing, Weight per Foot, Setting Depth, Quantity of Cement. Rows include Surface 9" and 6-1/4" casing details.

Drill hole with spud mud to set 7" surface casing; drill 6-1/4" hole with air to TD. Set 1200' 4-1/2" casing; cement to surface. Estimated depth - Goodridge 200' plus Ismay at approximately 700' Desert Creek at approximately 1000'

We will drill to the Goodridge; if well is productive in Goodridge formation, we will complete it there. If not, we will go on to the Ismay and Desert Creek.

This is known as a low pressure area. Adequate blow prevention equipment will be used.

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: Secretary Date: 7-22-85

(This space for Federal or State office use)

Permit No. APPROVED BY THE STATE OF UTAH DIVISION OF OIL, GAS, AND MINING Approval Date

Approved by: [Signature] Title: Date:

Conditions of approval, if any:

DATE: 8/5/85 BY: [Signature]

WELL SPACING: See Instructions On Reverse Side

COMPANY SAN JUAN MINERALS CO.

G. R. DICKERSON, OPERATOR
LEASE LOUISE FEDERAL WELL NO. 5

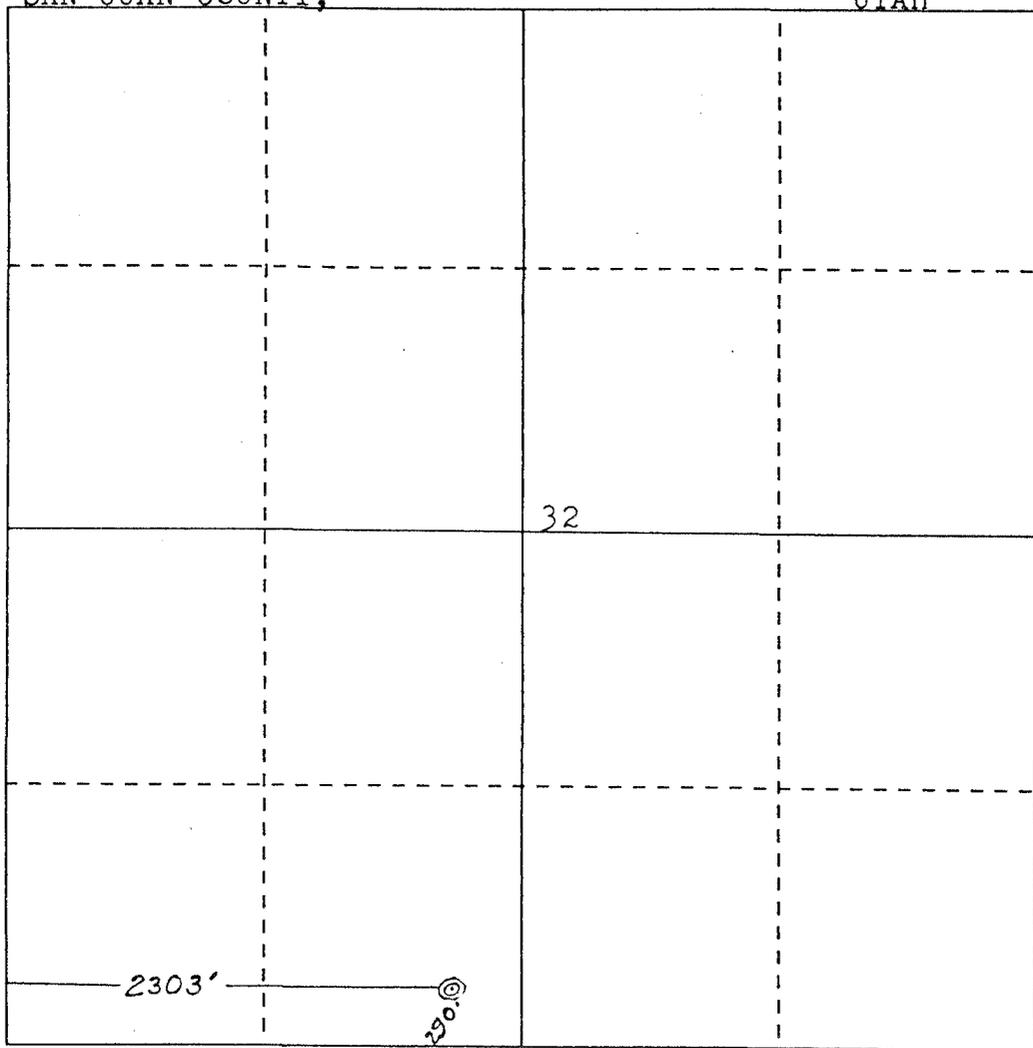
SEC. 32 T. 41 SOUTH R. 19 EAST, S.L.M.,

LOCATION 290 FEET FROM THE SOUTH LINE AND
2303 FEET FROM THE WEST LINE

ELEVATION 4282 UNGRADED GROUND

SAN JUAN COUNTY,

UTAH



SCALE - 1 INCH EQUALS 1000 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES 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:

James P. Lee
Registered Land Surveyor.

JAMES P. LEESE
UTAH REG. #1472

SURVEYED August 31, 19 84

November 21, 1983

DEVELOPMENT PLAN FOR SURFACE USE:

San Juan Minerals
Sec. 32, 41S, 19E
San Juan County Utah
Lease # U-22899

1. Existing roads - See Exhibit No. 1 Topography Map.

The San Juan County Road Department (801) 587-2231, ext. 43, will be contacted before county roads are used.

Improvement to existing access will be necessary and will be limited to a total disturbed width of 16 feet.

2. Planned Access Roads - Roads already in existence. New construction will be limited to a total disturbed width of 16 feet. The road will be built to Class III Standards.

3. Location of Existing Wells: Nearest Well approximately ³⁰⁰~~2000~~ ft. away. See Map.

4. Location of Production - This is a proposed oil well test. A small gas jack will be installed and flow line will be laid after completion - tanks to be placed on lease after consultation with B.L.M. and U.S.G.S.

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. See Map No. 1.

All above-ground production facilities will be painted a neutral color to be approved by the BLM (Largo Red)

5. Location and tupe of Water Supply - This is to be an air foam drilled hole. Fresh water for surface hole and cement will be hauled from the town of Mexican Hat.

Use of water for this operation will be approved by obtaining a temporary use permit from the Utah State Engineer (801) 637-1303 and by receiving permission from the land owner or surface managing agency to use the land containing the water source.

6. Source of Construction Materials - None Required.

7. Handling of Waste Materials:

- (a) Liquid waste to be retained in earthen pit.
- (b) Burnable waste, if any, to be placed in earthen pit and burned at appropriate times.

- (c) Non-burnable waste to be placed near burn pit and hauled off on completion.
- (d) Latrine facilities to be furnished by contractor and waste hole filled upon completion.
- (e) A trash barrel will be used.
- (f) The reserve pit will not be lined. At least half of the capacity will be in cut.
- (g) 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.

8. Ancillary Facilities - None required.

9. Well Layout - See Exhibit No. 2.

The top 6 inches of soil material will be removed from the location and stockpiled separate from the trees on the uphill side. Topsoil along the access will be reserved in place.

10. Plans for restoration of surface - upon completion of drilling, fill and grade down to conform as nearly as possible to topography as per BLM specification.

Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be hauled to the Mexican Hat dump.

The operator or his contractor will contact the BLM office in Monticello, Utah, (801) 587-2201, 48 hours before starting reclamation work that involved earth moving equipment and upon completion of restoration measures.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry.

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.

The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12 inches deep with the contour.

Water bars will be built as follows to control erosion.

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

Seed will be broadcast between October 1 and February 28 with the following prescription. A harrow of similar implement will be dragged over the area to assure seed cover.

- 2 lbs/acre Indian ricegrass (Oryzaopsis hymenoides)
- 1 lb/acre Curley grass (Hilaria jamesii)
- 2 lbs/acre Shadscale (Atriplex confertifolia)
- 1 lb/acre Wild sunflower (Helianthus annuus)

The access will be blocked to prevent vehicular access.

11. Other information - Surface area of proposed location is rocky with very little vegetation - some Shadscale. Little dirt work is necessary.

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. BLM will be present during all construction.

The operator will give the dirt contractor a copy of the Surface Use Plan and any additional BLM stipulations before any work.

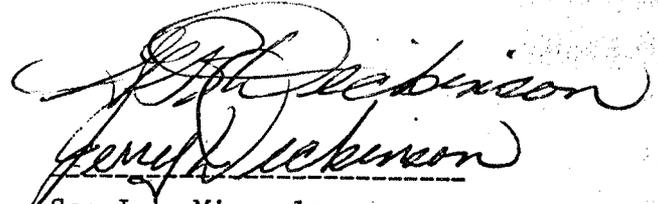
All employees working in the area will be informed by the operator that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will only be done if damage occurs.

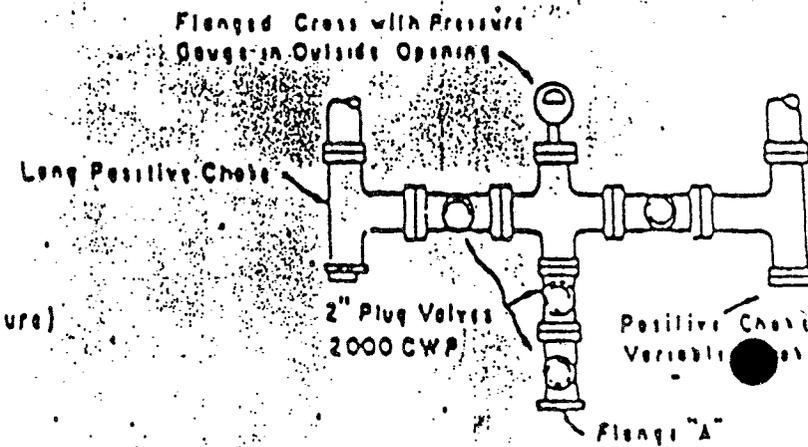
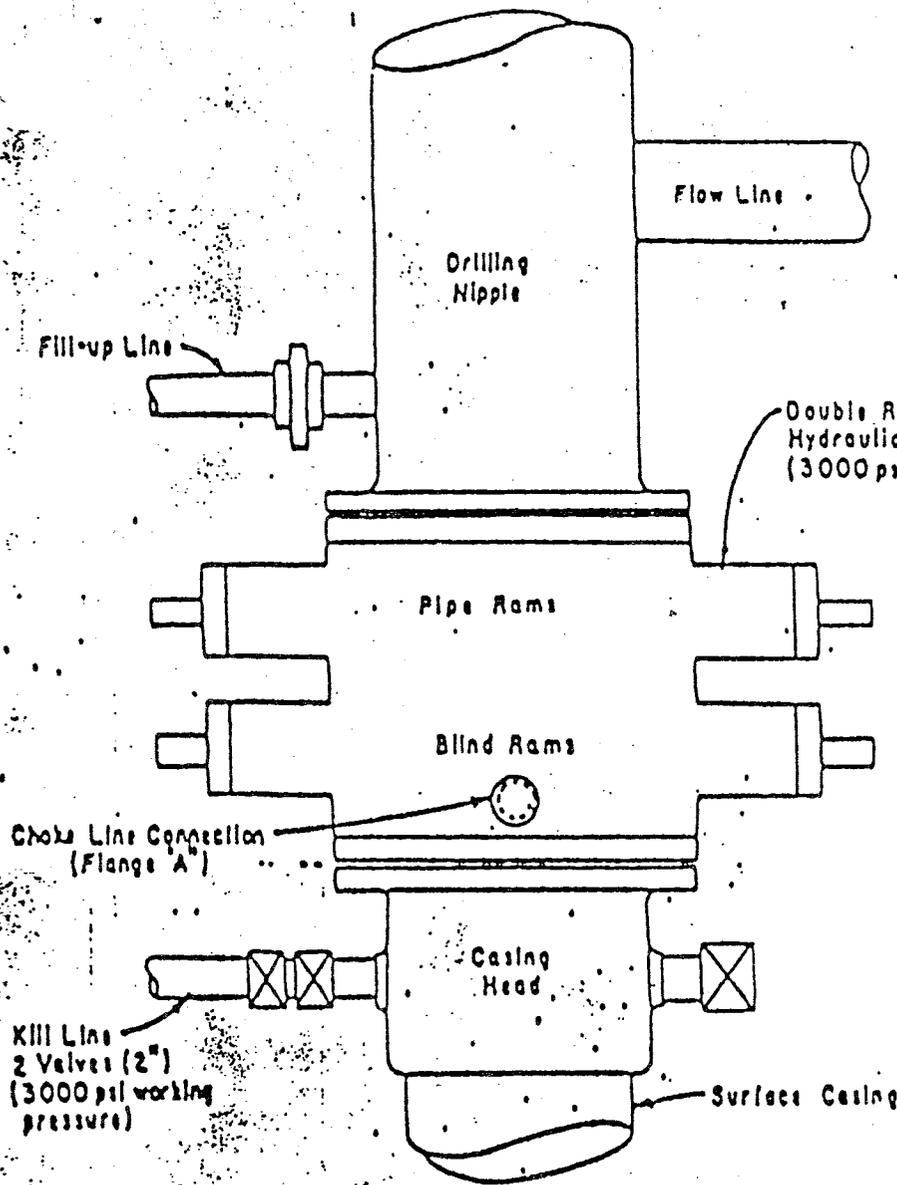
Surface disturbance and vehicular travel will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

12. San Juan Minerals, Box 422, Mexican Hat, Utah - 84531 - (801)683-2226.

13. Certification:

I hereby certify that I 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 a competent contractor. Dirt work and other contract work will be in conformity with this plan and the terms and conditions under which it is approved.


San Juan Minerals
by Jerry Dickinson

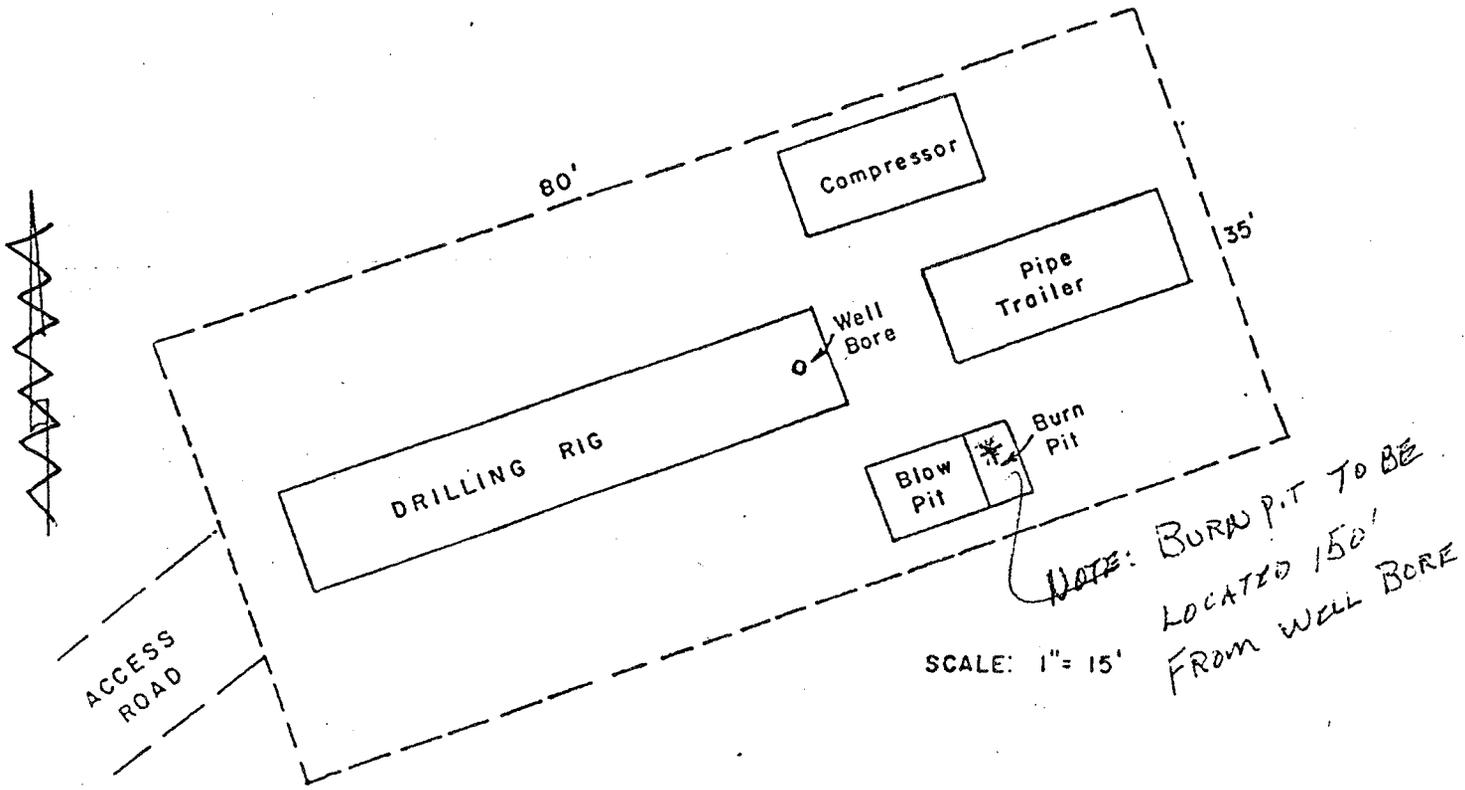


PLAN VIEW-CHOKE MANIFOLD

WOC

Diagram

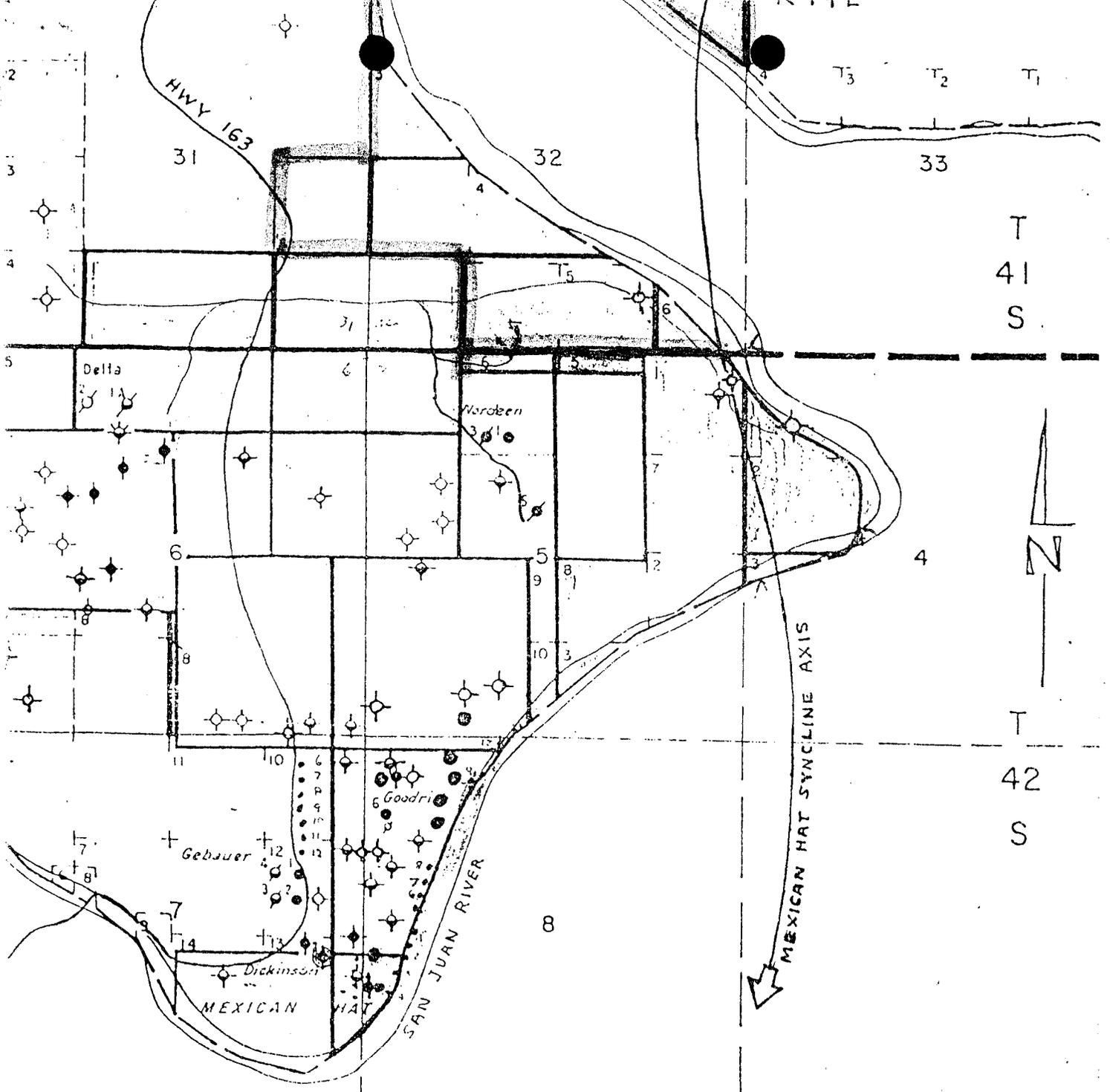
← NORTH



SAN JUAN MINERALS EXPLORATION CO

10 Point Check List

1. Halicaito
2. Goodridge 200' - Desert Creek 1000'
3. Water at 80' Oil at 200' plus
4. Plan to set 7 5/8" APIJ-55 and 4 1/2" APIJ-55 - 7 5/8" weighs 20# per foot & 4 1/2", 15# per foot - new.
5. Attached is Schematic Diagram. Will pressure test 7 5/8" casing with mud pump to 500 PSI and on the ~~8~~ 1/2" casing will circulate cement to surface - plan 1 test.
6. Drill with air.
7. Standard 1500' Drilling Rig
8. If we have a good oil show we will log & test the well.
9. No abnormal pressures anticipated.
10. December 21, 1983, 2 months.



LEASEHOLD MAP

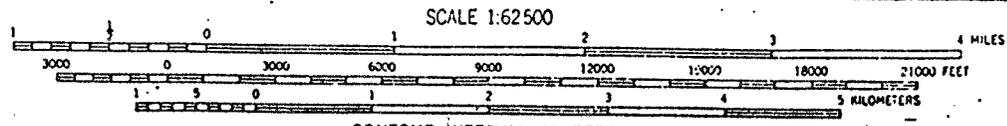
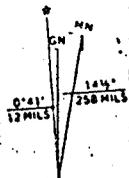
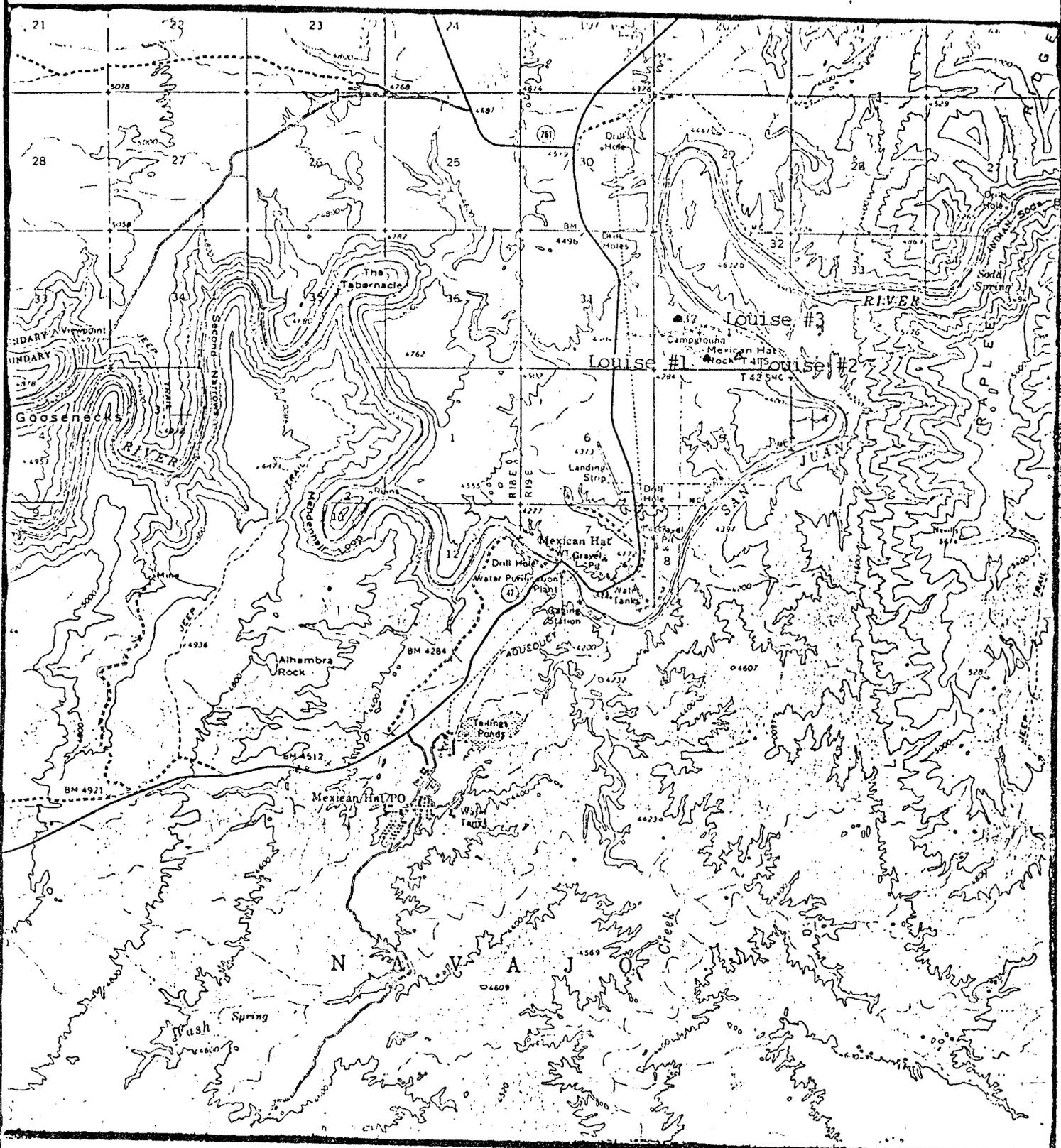
Existing Trails in Blue

-  BLM FEDERAL U-22899 (EXPIRES DEC. 31, 1983) S.J.M.E
-  NORDEEN LEASEHOLD (FEE MINERAL)
-  GOODRIDGE LEASEHOLD (FEE MINERAL)
-  BLM FEDERAL U-16444 (Expired OCT. 30, '82)
-  BLM FEDERAL U-7303 (held by production)
-  BLM FEDERAL U-23761 (expires, Nov. 30, '83)
-  BLM FEDERAL U-23761-A (expires NOV. 30, '83)

MEXICAN HAT AREA

SAN JUAN COUNTY, UTAH Scale 1"=2000'

-  Producing oil well
-  Dry hole
-  Abandoned Hole w/ OIL SHOWS
-  Discovery well
-  Abandoned well/poor completion
-  Poor completion w/oil s
-  Abandoned incomplete h
-  Exhausted producer
-  Abandoned well
-  Wesgre Corporation Figure 4 (197-



CONTOUR INTERVAL 40 FEET
CONTOUR INTERVAL ON RIVER SURFACE 20 FEET
DATUM IS MEAN SEA LEVEL

Figure 1. Locations of Louise #1,2,and 3

COMPLETE ARCHAEOLOGICAL



SERVICE ASSOCIATES

7 North Park Street

Cortez, Colorado 81321

(303)565-9229

Mr. Chas Cartwright, Area Archaeologist
Bureau of Land Management
San Juan Resource Area
P.O. Box 7
Monticello, Utah 84535

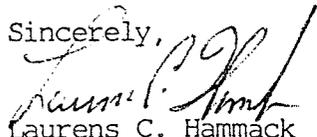
September 24, 1984

Dear Chas,

Enclosed is a copy of the Cultural Resource Inventory on Eight Proposed Well Sites for San Juan Minerals Exploration Company in Mexican Hat, Utah. I completed the survey last Tuesday, September 18th. As was expected, not even a flake was found. Jerry Dickenson had me look at one additional well along the river which has already been approved by the BLM. When he supplies the location plat I will send off a report on this one also. Archaeological clearance is recommended for all wells as described in this report.

Please give me a call if you have any questions on this.

Sincerely,


Laurens C. Hammack
CASA

cc. San Juan Minerals ✓
BLM, State Office
SHPO
Antiquities Section

Cultural Resource Inventory
Eight Proposed Well Sites
for
San Juan Minerals Exploration Company
Mexican Hat, San Juan County, Utah

by
Laurens C. Hammack
Complete Archaeological Service Associates
7 North Park
Cortez, Colorado 81321

Prepared for
Jerry Dickenson
P.O. Box 422
Mexican Hat, Utah 84531

Submitted to
Bureau of Land Management
San Juan Resource Area
Monticello, Utah 84535

Antiquities Section
Division of State History
300 Rio Grande, Suite 210
Salt Lake City, Utah 84101

FLPMA Permit # 84-UT-54621
Utah State Permit #U-84-10
(Survey Permit # U-84-10-91b)

September 24, 1984

Management Summary

On September 18, 1984, Laurens C. Hammack of Complete Archaeological Service Associates (CASA) conducted a cultural resource inventory on eight proposed well locations northeast of Mexican Hat, Utah. This survey was requested by San Juan Minerals Exploration Company, Mexican Hat, Utah.

An on-foot examination of the staked well locations revealed no prehistoric or historic remains with the areas of possible disturbance. Access is by a series of previously surveyed trail roads. Archaeological clearance of these eight well sites is recommended.

Introduction

A cultural resource inventory was conducted by CASA on eight proposed oil well locations within the Mexican Hat Oil Field, San Juan County, Utah. Three wells in this lease had been previously surveyed (Hammack, 11/11/83) with these new locations (Louise Federal #'s 4-11), the second stage in a continuing drilling program. This survey was requested by Jerry Dickinson, San Juan Minerals Exploration Company, Mexican Hat, Utah.

The field work was undertaken on September 18, 1984 by Laurens C. Hammack of CASA, accompanied by Hugh Dickinson who located each proposed well site. This inventory and the report were completed to meet the requirements of applicable historic preservation laws and Executive Order 11593. All work was done under the provisions of FLPMA Permit # 84-UT-54621 and Utah State Permit # 84-U-10(91b) issued to Complete Archaeological Service Associates. The San Juan Resource Area office of the Bureau of Land Management, Monticello, Utah was notified by letter and phone prior to undertaking this investigation.

Location

The proposed wells are all located within the southeast quarter, southwest quarter of Section 32, T 41 S, R 19 E. Two additional locations within the northeast quarter, northwest quarter of Section 5, T 42 S, R 19 E. are on private lands. All locations, regardless of ownership were surveyed. A description of the well locations and brief environmental setting is provided on the following pages. Location plats for each well are also attached.

Survey Methodology

Each well was staked with a single lathe and survey stake with the well number inscribed on the stake. The locations were all within close proximity to one another, being all located within a single 10 acre parcel. Each location was walked in a series of parallel transects spaced between 10 and 15 meters apart. Due to the close spacing of the wells transects often overlapped. Access roads were all existing trails that had been subjected to previous inventory and were only cursorily examined. Main access to the well field is by an existing gravel road to Mexican Hat Campground.

Survey Results

No cultural resources were located within any of the eight well sites examined. This survey confirms the results of four previous investigations within the immediate vicinity which document the lack of prehistoric and historic use of the area. The immediate vicinity is currently utilized for "recreational purposes" as evidenced by the large quantities of broken bottles, pull-tabs, and vehicle tracks.

Recommendations

Cultural Resource Clearance is recommended for the eight wells described. Cultural Resource Clearance is also recommended for any further drilling activity within the SE $\frac{1}{4}$ of the SW $\frac{1}{4}$ of Section 32, T 41 S, R 19 E, and NE $\frac{1}{4}$ of the NW $\frac{1}{4}$ Section 5, T 42 S, R 19 E. San Juan County, Utah.

Well Descriptions

Well Name: Louise Federal #'s 4 thru 11

Legal Descriptions: #4--SW $\frac{1}{4}$, SE $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 32, T 41 S, R 19 E
#5--SE $\frac{1}{4}$, SE $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 32, T 41 S, R 19 E
#6--NW $\frac{1}{4}$, NE $\frac{1}{4}$, NE $\frac{1}{4}$, NW $\frac{1}{4}$, Section 5, T 42 S, R 19 E
#7--NE $\frac{1}{4}$, NW $\frac{1}{4}$, NE $\frac{1}{4}$, NW $\frac{1}{4}$, Section 5, T 42 S, R 19 E
#8--SE $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 32, T 41 S, R 19 E
#9--NW $\frac{1}{4}$, SE $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 32, T 41 S, R 19 E
10--NE $\frac{1}{4}$, SW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 32, T 41 S, R 19 E
11--SE $\frac{1}{4}$, NW $\frac{1}{4}$, SE $\frac{1}{4}$, SW $\frac{1}{4}$, Section 32, T 41 S, R 19 E

UTM: Zone 12, E 602300/N 414475(center of 10 acre parcel)

Elevations: #4--4283 feet
#5--4282 feet
#6--4277 feet
#7--4245 feet
#8--4252 feet
#9--4250 feet
10--4248 feet
11--4255 feet

Ownership: Well #4,5,8,9,10,11 (BLM)
Well #6,7 (Private)

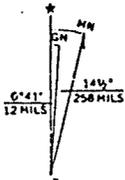
Map Reference: USGS Mexican Hat, Utah 15 min. 1963

Area Surveyed: 10 acre parcel which includes all wells plus additional 15 acres surrounding parcel

Setting: Proposed wells are situated in an area of eroded sandstone rock around the base(south) of Mexican Hat Rock approximately $\frac{1}{2}$ mile west of the San Juan River. Area supports little soil with resultant sparse vegetation of small bushes and grasses. Mormon Tea, snakeweed, four-wing salt bush and salt sage are the major types present. Area heavily disturbed by ORV activity and extensive partying as evidenced by abundance of "litter". All wells easily accessible by existing roads.

Cultural Resources: No historic or prehistoric cultural resources were located during the intensive survey of these eight well locations.

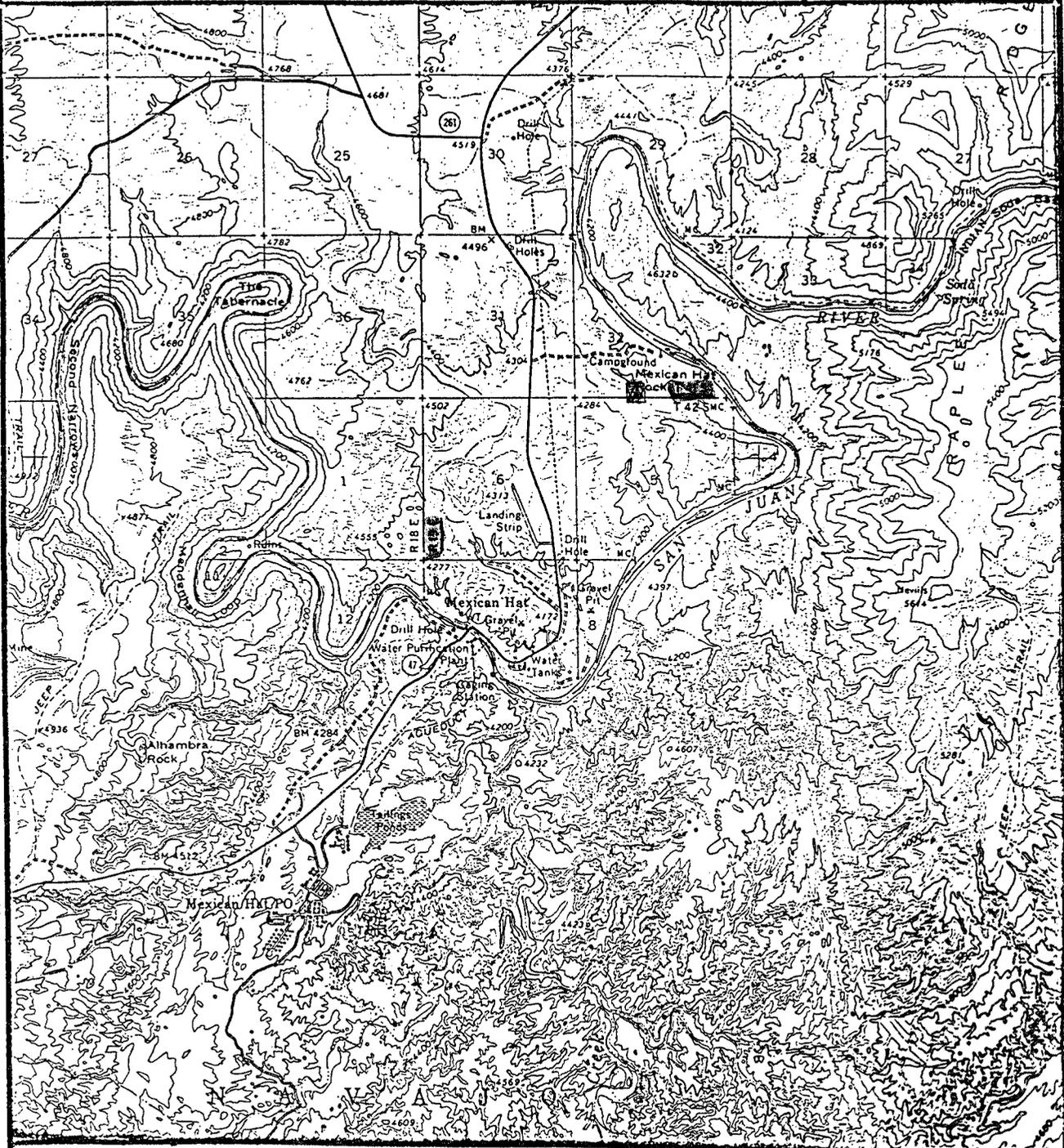
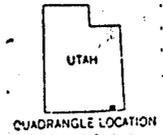
Recommendations: Cultural Resource Clearance is recommended for these eight wells and any future drilling activity within the $\frac{1}{4}$, $\frac{1}{4}$ sections as described.



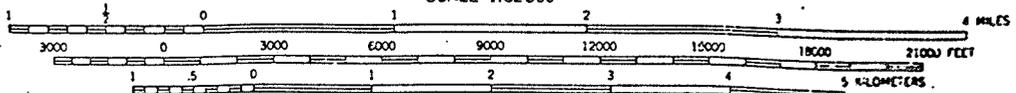
MEXICAN HAT, UTAH
N3700—W10945/15

1963

AMS 4058 III—SERIES V797



SCALE 1:62500



CONTOUR INTERVAL 40 FEET
CONTOUR INTERVAL ON RIVER SURFACE 20 FEET
DATUM IS MEAN SEA LEVEL

Figure 1. Project Area

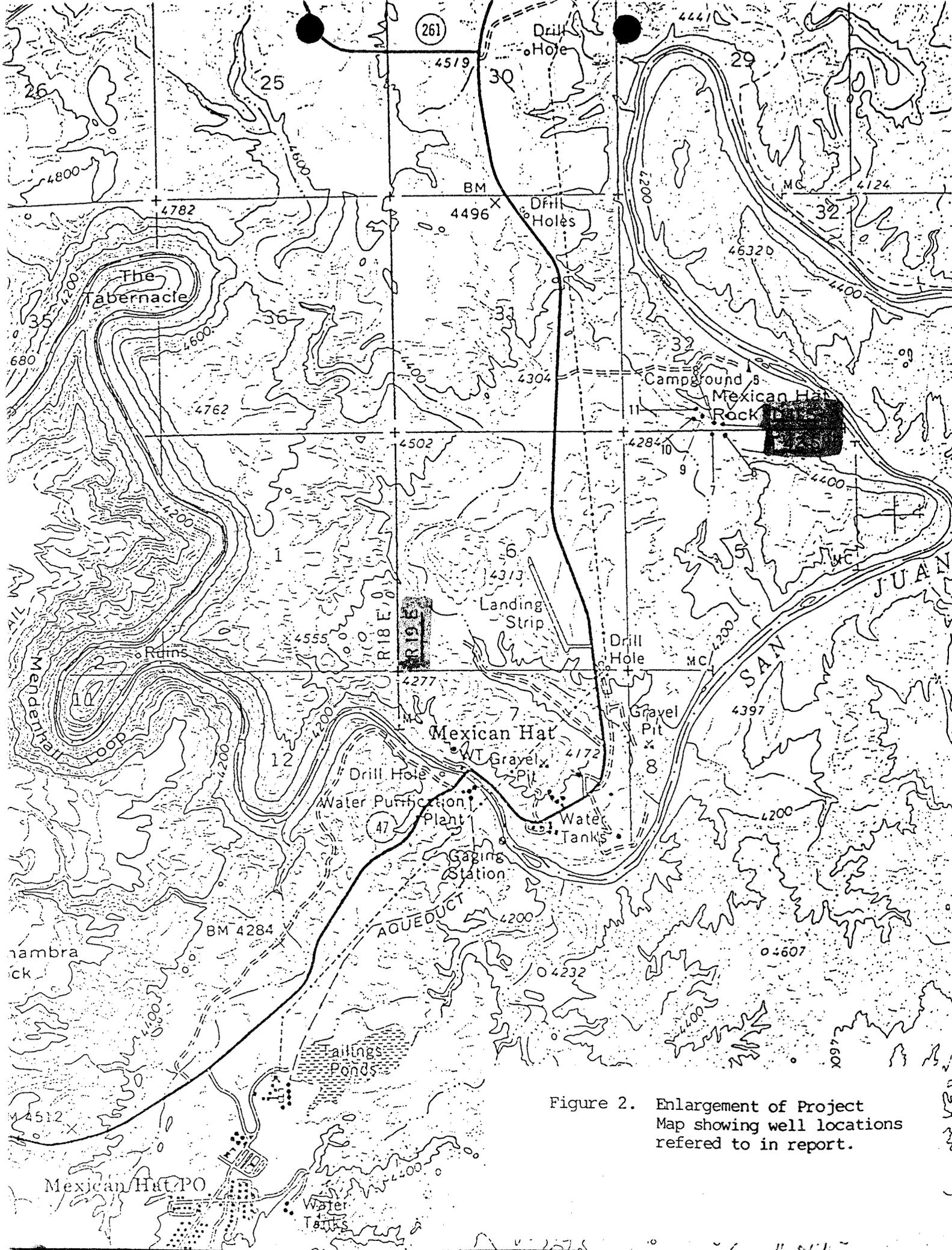


Figure 2. Enlargement of Project Map showing well locations referred to in report.

OPERATOR APA Development Inc DATE 7-31-85

WELL NAME Meyers Hat Fed. #5

SEC SE SW 32 T 41S R 19E COUNTY San Juan

43-037-31180
API NUMBER

Fed.
TYPE OF LEASE

CHECK OFF:

- PLAT
- BOND
- NEAREST WELL
- LEASE
- FIELD.
- POTASH OR OIL SHALE

PROCESSING COMMENTS:

Case 156-4 - Unvested spacing
Need water permit

APPROVAL LETTER:

SPACING: A-3 _____ UNIT c-3-a 156-4 3/26/80
 CAUSE NO. & DATE

c-3-b c-3-c

STIPULATIONS:

1- Water

2- Will be completed in the Goodridge formation.



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

August 5, 1985

APA Development, Inc.
P. O. Box 215
Cortez, Colorado 81321

Gentlemen:

Re: Well No. Mexican Hat Federal 5 - SE SW Sec. 32, T. 41S, R. 19E
290' FSL, 2303' FWL - San Juan County, Utah

Approval to drill the above-referenced oil well is hereby granted in accordance with the Order of Cause No. 156-4 dated March 26, 1980 subject to the following stipulations:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water.
2. Well will be completed in the Goodridge formation as stated in Cause No. 156-4.

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

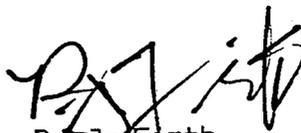
1. Spudding notification to the Division within 24 hours after drilling operations commence.
2. Submittal to the Division of completed Form OGC-8-X, Report of Water Encountered During Drilling.
3. Prompt notification to the Division should you determine that it is necessary to plug and abandon this well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (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
APA Development, Inc.
Well No. Mexican Hat Federal 5
August 5, 1985

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 43-037-31180.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

as
Enclosures
cc: Branch of Fluid Minerals

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

DISTRICT LAND OFFICE:
SERIAL No.: U-22899

RECEIVED

AUG 12 1985

and hereby designates

NAME: APA Development, Inc.
ADDRESS: P.O. Box 215, Cortez, Colorado 81321

DIVISION OF OIL
GAS & MINING

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the supervisor or his representative may serve written or oral instructions in securing compliance with the Operating Regulations with respect to (describe acreage to which this designation is applicable):

Section 31: NE/4 SE/4
Section 32: Lots 4, 5, and 6; and
NE/4 NE/4 and SE/4 SW/4

Township 41 South, Range 19 East, S.L.M.;
San Juan County, State of Utah
Containing approximately 149.51 acres,
more or less.

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the supervisor of any change in the designated operator.

SAN JUAN MINERALS EXPLORATION COMPANY, INC.,
a Utah corporation,

By Jack Williams
(Signature of lessee)

Jack Williams, President
Route 1 - Box 52
Blythe, California 92225

7-30-85
(Date)

(Address)

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
 APA Development, Inc.

3. ADDRESS OF OPERATOR
 P.O. Box 215, Cortez, Colorado 81321

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.*)
 At surface 290' FSL and 2303' FWL
 At proposed prod. zone same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*
 2-5/8 miles NE

15. DISTANCE FROM PROPOSED* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any) 290'

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. 300'

21. ELEVATIONS (Show whether DF, RT, GR, etc.)
 4282 ungraded GR

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
Surface 9"	7"	22# - J55	100'	15 sks. (17.55 cf) neat
6-1/4"	4-1/2"	9.5# - J55	1200'	102 sks (119.73 cf) neat

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 *Richard J. Gorman* TITLE Secretary DATE 7-22-85

(This space for Federal or State office use)

PERMIT NO. _____ APPROVAL DATE _____

APPROVED BY Kenneth V. Rhea TITLE Acting DISTRICT MANAGER DATE 24 SEP 1985

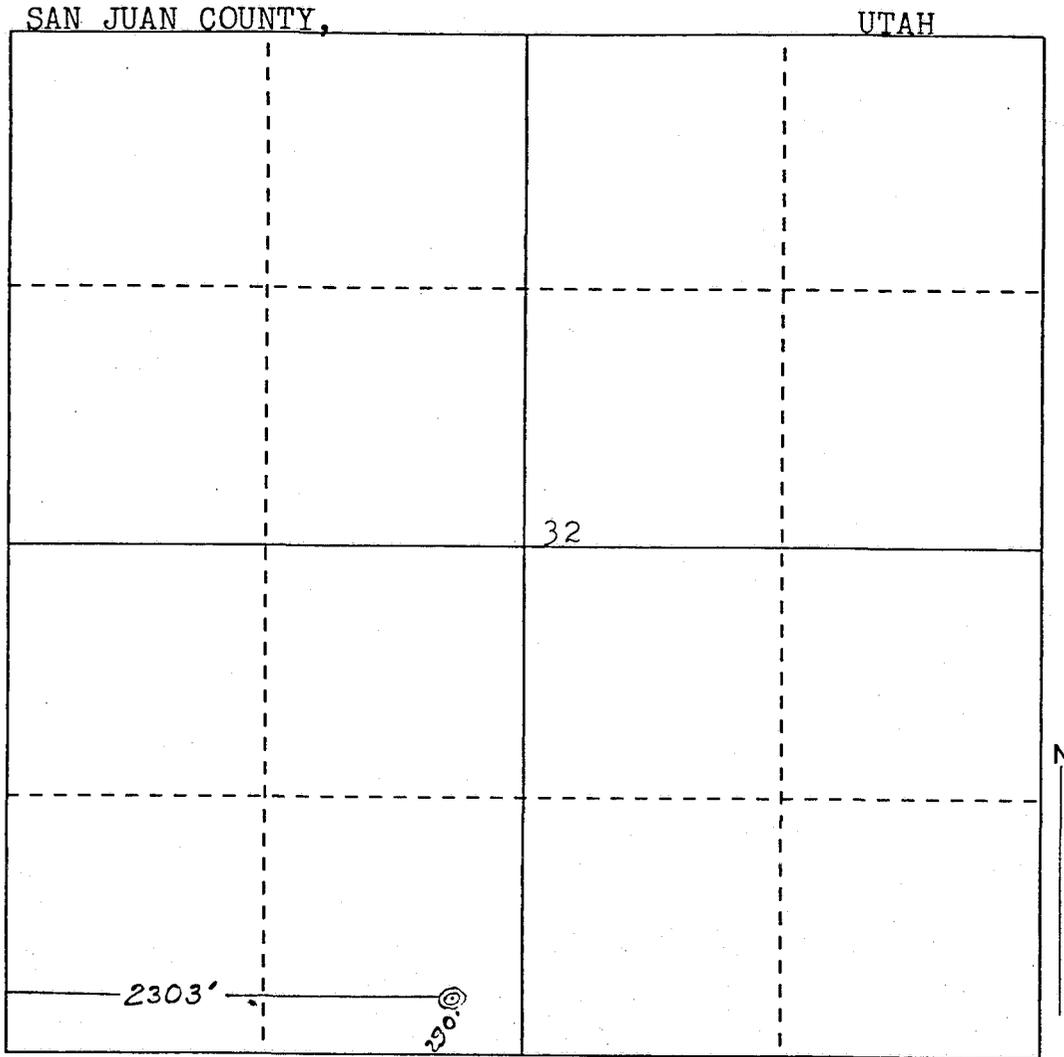
CONDITIONS OF APPROVAL, IF ANY:

CONDITIONS OF APPROVAL ATTACHED

*See Instructions On Reverse Side

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

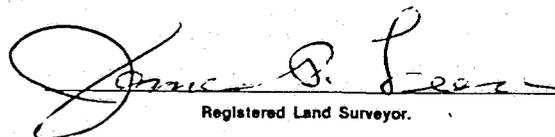
COMPANY SAN JUAN MINERALS CO.
G. R. DICKERSON, OPERATOR
 LEASE LOUISE FEDERAL WELL NO. 5
 SEC. 32 T. 41 SOUTH R. 19 EAST, S.L.M.,
 LOCATION 290 FEET FROM THE SOUTH LINE AND
2303 FEET FROM THE WEST LINE
 ELEVATION 4282 UNGRADED GROUND



SCALE - 1 INCH EQUALS 1000 FEET

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES 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:


 Registered Land Surveyor.

JAMES P. LEESE
 UTAH REG. #1472

SURVEYED August 31, 19 84

APA Development, Inc.
Well No. Mexican Hat Federal 5
Sec. 32, T. 41 S., R. 19 E.
San Juan County, Utah
Lease U-22899

CONDITIONS OF APPROVAL

A. DRILLING PROGRAM

1. Surface casing must protect any fresh water encountered. Cement must be circulated to surface on surface casing.
2. If the well is drilled beyond the Goodridge formation, a B.O.P.E. system, as shown in the submitted application, will be used.
3. Upon installation, the B.O.P.'s will be pressure tested. The pipe rams will be closed every day and the blinds on every trip to insure good working order.
4. Items 4 & 5 on the 10 point checklist will be changed to read 7" 22# where it now reads 7-5/8" 22#, and will read 4-1/2" 9.5# where it now reads 4-1/2" 15#. Both strings of casing will be tested.
5. All lease operations will be conducted in full compliance with applicable regulations (43 CFR 3100), Onshore Oil and Gas Order 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions and the approved plan will be made available to the field representative to insure compliance.
6. 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 the District Office. If operations are to be suspended, prior approval of the District Office will be obtained and notification given before resumption of operations.
7. The spud date will be reported orally to the Area Office within a minimum of 24 hours prior to spudding. Written notification in the form of a Sundry Notice (Form 3160-5) will be submitted to the District Office within 24 hours after spudding. If the spudding occurs on a weekend or holiday, the written report will be submitted on the following regular work day.
8. In accordance with Onshore Order No. 1 this well will be reported on Form 3160-6, "Monthly Report of Operations", starting with the month in which operations commence and continued each month until the well is plugged and abandoned. This report will be sent to the District Office, P.O. Box 970, Moab, Utah 84532.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported to the Office in accordance with requirements of NTL-3A.

9. If a replacement rig is needed for completion operations, A Sundry Notice (Form 3160-5) to that effect will be filed for prior approval from the District Office, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergency situations verbal approval to bring on a replacement rig will be approved through the District Office.
10. Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted to the District Office not later than thirty (30) days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Moab District Manager.
11. If the well is to be completed for production the Area Office is to be contacted in order to set up a pre-production conference. When the well is placed in a producing status the District Office is to be notified by telegram or other written communication within five working days.
12. Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.
13. No well abandonment operations will be commenced without the prior approval of the District Office. In the case of newly-drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the District Office. A Subsequent Report of Abandonment (Form 3160-5) will be sent to the District Office within 30 days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the Area Office, or the appropriate surface managing agency. Upon completion of approved plugging, a dry hole marker will be erected in accordance with 43 CFR 3162.6. The top of the marker will be closed or capped. The following minimum information will be permanently placed on the marker; "Fed" or "Ind", as applicable, "Lease number", "Well number", location of well by 1/41/4 section, township, and range.

14. Your contact with the District Office is:

Greg Noble, Petroleum Engineer

Office Phone: 801-259-6111

Home Phone: 801-259-8811

Address:

82 East Dogwood, P. O. Box 970
Moab, Utah 84532

B. THIRTEEN POINT SURFACE USE PLAN

1. Location of Tank Batteries and Production Facilities:

If a tank battery is constructed on this lease, it will be surrounded by a dike of sufficient capacity to contain 1 1/2 times the storage capacity of the battery.

All loading lines will be placed inside the berm surrounding the tank battery.

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.

All off-lease storage, off-lease measurements, or commingling on-lease or off-lease will have prior written approval from the District Manager.

2. Other Information:

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.

"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.

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.

Your contact with the San Juan Resource Area office is:
Rich McClure - Office Phone: (801) 587-2201
Home Phone: (801) 587-2874

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

DESIGNATION OF OPERATOR

The undersigned is, on the records of the Bureau of Land Management, holder of lease

STATE OFFICE: UTAH
SERIAL NO.: U-22899

RECEIVED

and hereby designates

DEC 13 1985

NAME: Howell Oil Co.
ADDRESS: 00 N. Main, Blanding, Utah 84511

DIVISION OF OIL
GAS & MINING

as his operator and local agent, with full authority to act in his behalf in complying with the terms of the lease and regulations applicable thereto and on whom the authorized officer may serve written or oral instructions in securing compliance with the Operating Regulations (43 CFR 3160) with respect to (describe acreage to which this designation is applicable):

Lots 3,4,5 and 6 Sec 32, 41S, 19E
S.E. quarter of South west quarter #4, #9, #11, #12, #13, #14, #15, #16, #17, #18, #19, #20
N.E. quarter of N.E. quarter all in sec 32
41S, 19E

Containing 149.51 acres more or less

Mexican Hat Fed. 5

It is understood that this designation of operator does not relieve the lessee of responsibility for compliance with the terms of the lease and the Operating Regulations. It is also understood that this designation of operator does not constitute an assignment of any interest in the lease.

In case of default on the part of the designated operator, the lessee will make full and prompt compliance with all regulations, lease terms, or orders of the Secretary of the Interior or his representative.

The lessee agrees promptly to notify the authorized officer of any change in the designated operator.

Jack Williams for San Juan Minerals Exp. Co.
(Signature of lessee)

12-11-85
(Date)

P.O. Box 57 Blythe Calif
(Address) 92223

This form does not constitute an information collection as defined by 44 U.S.C. 3502 and thereto does not require OMB approval.

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 checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. Federal Lease #U-22899
2. NAME OF OPERATOR APA Development, Inc.		6. IF INDIAN, ALLOTTEE OR TRIBE NAME
3. ADDRESS OF OPERATOR P.O. Box 215, Cortez, Colorado 81321		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 290 FSL & 2303 FWL Same		8. FARM OR LEASE NAME Mexican Hat Federal
14. PERMIT NO. 43-037-31180		9. WELL NO. #5
15. ELEVATIONS (Show whether DF, RT, GR, etc.) 4282 Ungraded GR		10. FIELD AND POOL, OR WILDCAT Mexican Hat
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec. 32-T41S-R19E
		12. COUNTY OR PARISH San Juan
		13. STATE UT

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) Change of Operator (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.)*

As of 11-14-85, Operator is: Howell Oil Company
60 North Main
Blanding, Utah 84511

RECEIVED
MAR 10 1986

DIVISION OF
OIL, GAS & MINING

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

SIGNED *Richard J. ...* TITLE Secretary DATE 3/5/86

(This space for Federal or State office use)

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

AMBRA OIL AND GAS COMPANY

Well No. TXO 14-4
Lease U-44440
Sec. 14, T. 20 S., R. 23 E.
Grand County, Utah
API #43-019-31219

RECEIVED
JUN 22 1987

DIVISION OF
OIL, GAS & MINING

Location was built but no well was drilled. Checking with resource area **070804**
for final release of location.

HOWELL OIL COMPANY

Well No. Gebauer-Groom 30
Lease U-7303
Sec. 7, T. 42 S., R. 19 E.
San Juan County, Utah
API #43-037-31234

In the process of rescinding Application for Permit to Drill.

Well No. Hicks 2
Lease U-7303-D
Sec. 5, T. 42 S., R. 19 E.
San Juan County, Utah
API # 43-037-31250

The well was spudded March 9, 1987. Inspection and Enforcement will be requesting Well Completion Information on this well.

Well No. Mexican Hat Federal 5
Lease U-22899
Sec. 32, T. 41 S., R. 19 E.
San Juan County, Utah
API #43-037-31180

In the process of rescinding Application for Permit to Drill.

MERIDIAN OIL INC.

Well No. Navajo 31-5
Lease U-57895
Sec. 5, T. 39 S., R. 25 E.
San Juan County, Utah
API #43-037-31257

We are holding this application for approval contingent upon submission of surface use stipulations from the Navajo Indian Tribe at Window Rock, AZ.

Well No. Navajo Federal 22-4
Lease U-52333
Sec. 4, T. 39 S., R. 25 E.
San Juan County, Utah
API #43-037-31260

Location was built but well was never drilled. Release of location due 2/28/89.

RECEIVED

JUL 21 1987

DIVISION OF
OIL, GAS & MINING

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

3162 (U-065)
(U-22899)

JUL 20 1987

Howell Oil Company
58 North Main Street
Blanding, Utah 84511

Re: Rescinding Application for
Permit to Drill
Well No. Mexican Hat Fed 5
(APA Development, Inc.)
Sec. 32, T. 41 S., R. 19 E.
San Juan County, Utah
Lease U-22899

Gentlemen:

The Application for Permit to Drill the referenced well was approved on September 24, 1985. 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 this location at a future date, a new application for permit to drill must be submitted.

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

Sincerely yours,

/s/ Kenneth V. Rhea

District Manager

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

ACTING

bcc:
U-942, Utah State Office

CFreudiger/cf 7/17/87



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

072806

July 22, 1987

Howell Oil Company
60 North Main
Blanding, Utah 84511

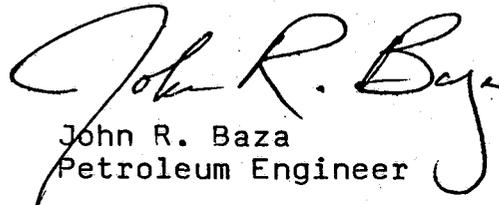
Gentlemen:

RE: Well No. Mexican Hat Federal #5, Sec. 32, T. 41S, R. 19E,
San Juan County, Utah, API NO. 43-037-31180

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
0327T-90