

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

(Other instructions on reverse side)

Fee

5. Lease Designation and Serial No.

None

6. If Indian, Allottee or Tribe Name

None

7. Unit Agreement Name

None

8. Farm or Lease Name

Well #3

9. Well No.

~~FL~~
Mexican Hat

10. Field and Pool, or Wildcat

Sec. 6 T42S R19E S.L.M.

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

San Juan Utah

12. County or Parrish 13. State

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

J & L Oil Company

3. Address of Operator

P.O. Box 307 Mexican Hat, UT 84531

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

At surface

1690 ft from South Line and 570 ft from West Line

At proposed prod. zone

Same

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

1 1/2 miles NW

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

(Also to nearest drlg. line, if any)

56 ft

16. No. of acres in lease

60

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.

"156.3"

19. Proposed depth

450'

20. Rotary or cable tools

Rotary

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

4230 Ft

22. Approx. date work will start*

Before Oct. 1, 1985

23. PROPOSED CASING AND CEMENTING PROGRAM

Size of Hole	Size of Casing	Weight per Foot	Setting Depth	Quantity of Cement
7"	5 1/2"	21 pd	100 Ft	17 sacks neat

Drill hole with Spud Mud to set 7" surface casing. Drill 5 1/2" hole with mud to est. depth - Goodridge - 450' more or less.

A Notification of Intent to Drill has been directed to each working interest in the drilling unit. An operating agreement is attached.

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

DATE: 10/18/85
BY: John R. Daga

WELL SPACING: Circle No. 156-3

RECEIVED

SEP 03 1985

DIVISION OF OIL
GAS & MINING

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

24.

Signed Jerald S. Baum

Title Operator

Date August 19, 1985

(This space for Federal or State office use)

Permit No. 43-037-31207

Approval Date

Approved by

Title

Date

Conditions of approval, if any:

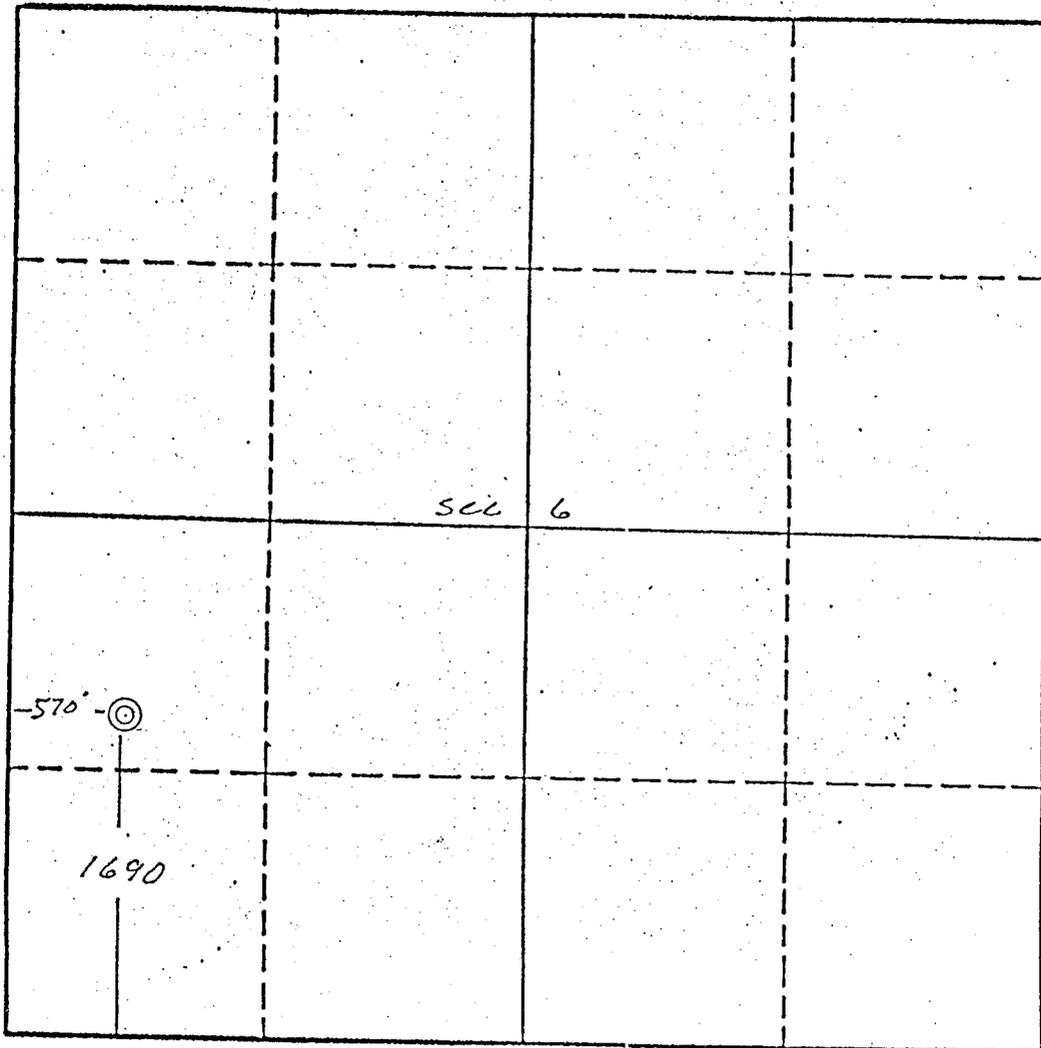
Company J and L Oil Company

Well Name & No. J and L No. 3

Location 1690' F/SL 570' F/WL

Sec. 6, T. 42 S., R. 19 E., S. L. M., County San Juan, Utah

Ground Elevation 4240



Scale, 1 inch = 1,000 feet

Surveyed July 28, 1985

This is to certify that the above plat was prepared from field notes of actual surveys made by me or under my supervision and that the same are true and correct to the best of my knowledge and belief.

Seal:



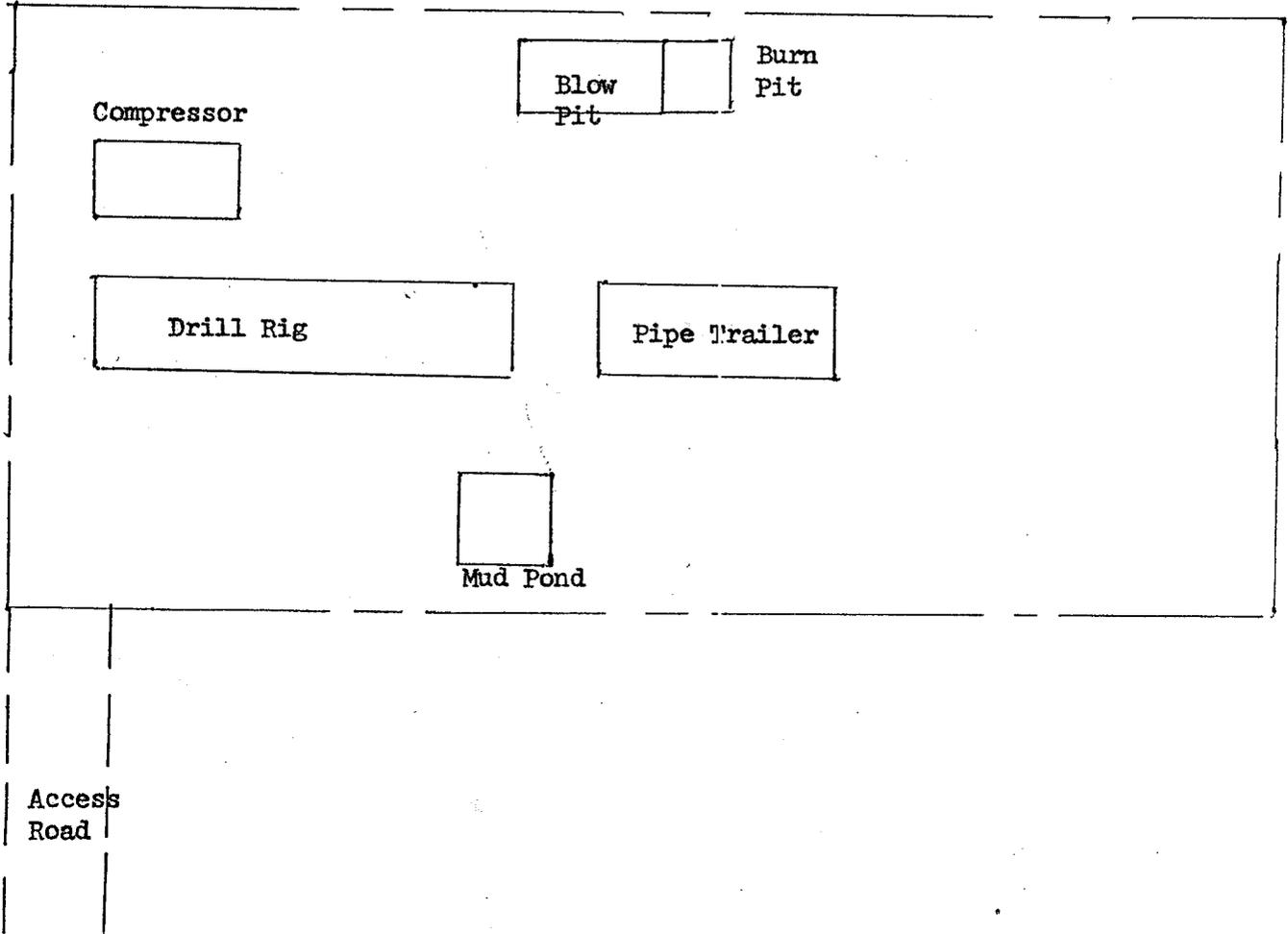
Edgar L. Risenhoover
 Edgar L. Risenhoover,
 Registered Land Surveyor
 New Mexico Reg. No. 5979

Non-resident certification as
 authorized by Utah State Law
 58-22-21(b)

EXHIBIT I

J & L Oil Co.
Well #3

1. Important geologic markers is the Goodridge sand which stands 30' above the wash where the well will be drilled.
2. Estimated depths at which the top and the bottom of anticipated, water, oil, gas, etc. is unknown as there has not been any other wells drilled in this location. All precautions will be taken to protect any resource of this type which is encountered.
3. This is known as a low pressure area. Adequate blowout prevention equipment will be used.
4. The type and characteristics of the proposed circulating medium or mediums to be employed in drilling, the quantities and types of mud and weighting material to be maintained is unknown until the drilling commences.
5. A sample will be taken every 5 feet.
6. It is anticipated that there will be no bottomhole, or abnormal pressures or temperatures or other hazards encountered.
7. Approved source of water: Approval for use per Ms. Dorothy Bolton, Utah Div. of Water Rights and San Juan Spec. Service Dist. #1.
Fresh water for surface hole, drilling and cement will be hauled from the town of Mexican Hat.
8. Cultural Resource clearance is not required as this is fee land.
9. Planned Access Roads - Roads already in existence.
10. Surface area of proposed location is rocky with very little vegetation - some Shadscale. Little dirt work is necessary to restore the area to it's original condition.
11. Source of Construction Materials - None required
12. Handling of Waste Materials:
 - Liquid waste to be retained in earthen pit.
 - Burnable waste, if any, to be placed in earthen pit and burned at appropriate times.
 - Non-burnable waste to be placed near burn pit and hauled off on completion
13. Well layout - See Exhibit II



August 12, 1985

Utah State Natural Resources
355 W. North Temple
3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

Subject: J & L Oil Company

Gentlemen:

J & L Oil Company, Mexican Hat, Utah, has requested and received authorization from the undersigned to use culinary water from the township of Mexican Hat, Utah, for the purpose of drilling oil wells.

Very truly yours,

SAN JUAN SPECIAL SERVICE DIST. #1

Luther P. Risenhoover

Luther Risenhoover, President

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

DESIGNATION OF OPERATOR

The undersigned producer, operator, transporter, refiner, gasoline of initial purchaser who is conducting oil and/or gas operations in the State of Utah, does, pursuant to the Rules and Regulations and Rules of Practice and Procedure of the Division of Oil, Gas and Mining of the State of Utah, hereby appoint J & L Oil Company, whose address is P.O. Box 307, Mexican Hat, UT 84531, (~~his, her or~~ its) designated operator to accept and to be served with notices from said Board, or from other persons authorized under the Oil and Gas Conservation Act of the State of Utah.

The undersigned further agrees to immediately report in writing, all changes of address of the operator, and any termination of the operator's authority, and in the latter case, the designation of a new operator shall be immediately made. This designation of operator, however, shall remain in full force and effect until and unless a new designation of operator is filed in accordance with said statute and said regulations.

Effective date of designation August 12, 1985

Company San Juan Minerals, Exp. Co. Address RT 1 Box 52, Blythe Calif 92225
By Jack Williams Title Pres.
(signature)

OPERATOR

G & L Oil Company

DATE

9-3-85

WELL NAME

*J & L
Mexico Flat #3*

SEC

NWSW 6

T

42S

R

19E

COUNTY

San Juan

43-637-31207

API NUMBER

Free

TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR
OIL SHALE

PROCESSING COMMENTS:

Unlimited spacing

Water &

APPROVAL LETTER:

SPACING:

A-3

UNIT

c-3-a

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

c-3-b

c-3-c

STIPULATIONS:

SAN JUAN MINERALS EXPLORATION COMPANY

ROUTE 1, BOX 52

BLYTHE, CALIFORNIA 92225

RECEIVED

OCT 15 1985

To: Oil, Gas and Mining
State of Utah

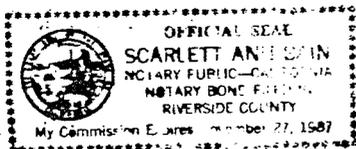
DIVISION OF OIL
GAS & MINING

J & L Oil, Mexican Hat, UT has permission to use San Juan Minerals Exploration's drilling bond. This applies to the wells currently in the process of being drilled on leases owned by San Juan Minerals Exploration Co.



Jack Williams, President
San Juan Minerals Exploration Co.

On this 8th day of October, 1985 Jack Williams, personally appeared before me and duly acknowledged and executed the above.


Notary Public

11-27-87
Commission Expires



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

Norman H. Bangertler, 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

October 18, 1985

J & L Oil Company
P. O. Box 307
Mexican Hat, Utah 84531

Gentlemen:

Re: Well No. J & L #3 - NW SW Sec. 6, T. 42S, R. 19E
1690' FSL, 570' FWL - San Juan County, Utah

Approval to drill the above-referenced oil well is hereby granted in accordance with the Order of Cause No. 156-3 dated April 15, 1980.

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.
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 43-037-31207.

Sincerely,

R. J. Firth
Associate Director, Oil & Gas

as
Enclosures

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS, AND MINING 102339

SUBMIT TRIPLICATE
(Other instructions on reverse side)

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
J & L Oil Company

3. ADDRESS OF OPERATOR
P.O. Box 307 Mexican Hat, UT 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.)
At surface
1690 ft from South Line and 570 ft from West Line

14. PERMIT NO. 43-037-31207

15. ELEVATIONS (Show whether OF, ST, GR, etc.)
4230 ft

5. LEASE DESIGNATION AND SERIAL NO.
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
None

8. FARM OR LEASE NAME
None

9. WELL NO.
J & L #3

10. FIELD AND POOL, OR WILDCAT
Mexican Hat

11. SEC., T., R., M., OR BLK. AND SUBST OR AREA
Sec 6 T42S R19E SLM

12. COUNTY OR PARISH 13. STATE
San Juan Utah

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 type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input checked="" 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.)

Application for an extension to drill due to low oil prices and the high cost of drilling which makes it uneconomically feasible to drill at this time.

RECEIVED
OCT 16 1986
DIVISION OF
OIL, GAS & MINING

18. I hereby certify that the foregoing is true and correct
SIGNED Jerrold S. Baum TITLE Operator DATE 14. Oct 1986

(This space for Federal or State office use)

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

ONE year extension
UNTIL 10-18-87

DATE: 10-22-86
John R. Bays

*See Instructions on Reverse Side

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. Fee
2. NAME OF OPERATOR J & L Oil Company		6. IF INDIAN, ALLOTTEE OR TRIBE NAME None
3. ADDRESS OF OPERATOR P.O. Box 307 Mexican Hat, UT 84531		7. UNIT AGREEMENT NAME None
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements. See also space 17 below.) At surface 1690 ft from South Line and 570 ft from West Line		8. FARM OR LEASE NAME None
14. PERMIT NO. 43-037-31207	15. ELEVATIONS (Show whether of, by, or, etc.) 4230 ft	9. WELL NO. J & L #3
		10. FIELD AND POOL, OR WILDCAT Mexican Hat
		11. SEC., T., R., M., OR BLK. AND SURVEY OR AREA Sec 6 T42S R19E S1M
		12. COUNTY OR PARISH San Juan
		13. STATE Utah

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 type="checkbox"/>	(Other) <input type="checkbox"/>	(Other) <input checked="" 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.)

Dec. 23 1986 - Spudding Report - Completed drilling and installing 8" 200 psi PVC surface pipe thru red blow sand to a depth of 65'.
10:00 am
Drilled by: Sutherland Bros, Inc. Monticello, UT Rig No. 5

RECEIVED
DEC 29 1986

DIVISION OF
OIL, GAS & MINING

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

SIGNED Jerald L. Baum TITLE Operator DATE Dec 24, 1986

(This space for Federal or State office use)

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

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

012913

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
J & L Oil Company

3. ADDRESS OF OPERATOR
P.O. Box 307 Mexican Hat, UT 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.
See also space 17 below.)
At surface
1690 ft from South Line and 570 ft from West Line

14. PERMIT NO. 43-037-31207

15. ELEVATIONS (Show whether OF, RT, OR, etc.)
4230 ft

5. LEASE DESIGNATION AND SERIAL NO.
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
None

8. FARM OR LEASE NAME
None

9. WELL NO.
J & L #3

10. FIELD AND POOL, OR WILDCAT
Mexican Hat

11. SEC., T., R., M., OR BLM. AND SURVEY OR AREA
Sec 6 T42S R19E SLM

12. COUNTY OR PARISH
San Juan

13. STATE
Utah

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"/>
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"/>	

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"/>	

(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.)

Jan 22, 1987 - Well was drilled to a total depth of 435'. Apparently on a fracture zone - problems with loose shale. Good oil show at 397' to 425'. Plans are to case the well and see if it will produce.

RECEIVED
JAN 28 1987

DIVISION OF
OIL, GAS & MINING

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

SIGNED Jerald S. Baum TITLE Operator DATE 1-22-87

(This space for Federal or State office use)

APPROVED BY _____ TITLE _____ DATE _____

CONDITIONS OF APPROVAL, IF ANY:

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

SUBMIT IN DUPLICATE*
(See other instructions
on reverse side)

022004

56 64 01

12

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

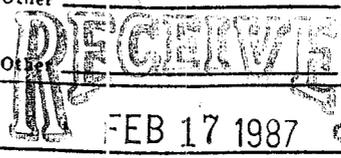
1a. TYPE OF WELL: OIL WELL GAS WELL DRY Other _____

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

2. NAME OF OPERATOR
J & L Oil Company

3. ADDRESS OF OPERATOR
P.O. Box 307 Mexican Hat UT 84531

4. LOCATION OF WELL (Report location clearly and in accordance with any State Ordinance)
At surface 1690 Ft from So Line & 570 Ft from West Line
At top prod. interval reported below
At total depth



5. LEASE DESIGNATION AND SERIAL NO.
Fee

6. IF INDIAN, ALLOTTEE OR TRIBE NAME
None

7. UNIT AGREEMENT NAME
None

8. FARM OR LEASE NAME
None

9. WELL NO.
J & L #3

10. FIELD AND POOL, OR WILDCAT
Mexican Hat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA
Sec 6 T42S R19E S1M

14. PERMIT NO. 43-037-31207 DATE ISSUED 10-18-85

12. COUNTY OR PARISH San Juan 13. STATE Utah

15. DATE SPUDED 12-23-86 16. DATE T.D. REACHED 1-9-87 17. DATE COMPL. (Ready to prod.) 2-7-87

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)* 4230' 19. ELEV. CASINGHEAD 4230'

20. TOTAL DEPTH, MD & TVD 435' 21. PLUG. BACK T.D., MD & TVD

22. IF MULTIPLE COMPL., HOW MANY* 23. INTERVALS DRILLED BY → ROTARY TOOLS XX CABLE TOOLS

24. PRODUCING INTERVAL(S), OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)
Bottom - 395 - 420' GDRSD

25. WAS DIRECTIONAL SURVEY MADE Yes

26. TYPE ELECTRIC AND OTHER LOGS RUN 27. WAS WELL CORRED. No

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

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
4 1/2"		320'	5 1/2"	320'	0

29. LINER RECORD

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

30. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 1/2"	430'	

31. PERFORATION RECORD (Interval, size and number)
No

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

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED
No	

33. PRODUCTION

DATE FIRST PRODUCTION 2-7-87 PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump) Pumping - Jensen 16 WELL STATUS (Producing or shut-in) Producing

DATE OF TEST	HOURS TESTED	CHOKE SIZE	PROD'N FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
2-7-87	24		→	7	-	-	-

FLOW. TUBING PRESS.	CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)
		→	7			

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

35. LIST OF ATTACHMENTS
Geologists Report

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

SIGNED Jerrold G. Baum TITLE Operator DATE 2-9-87

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



SEC. 6 TWP. 42S RGE. 19E LOCATION SWNW5W; 1690 FSL 570 FWL

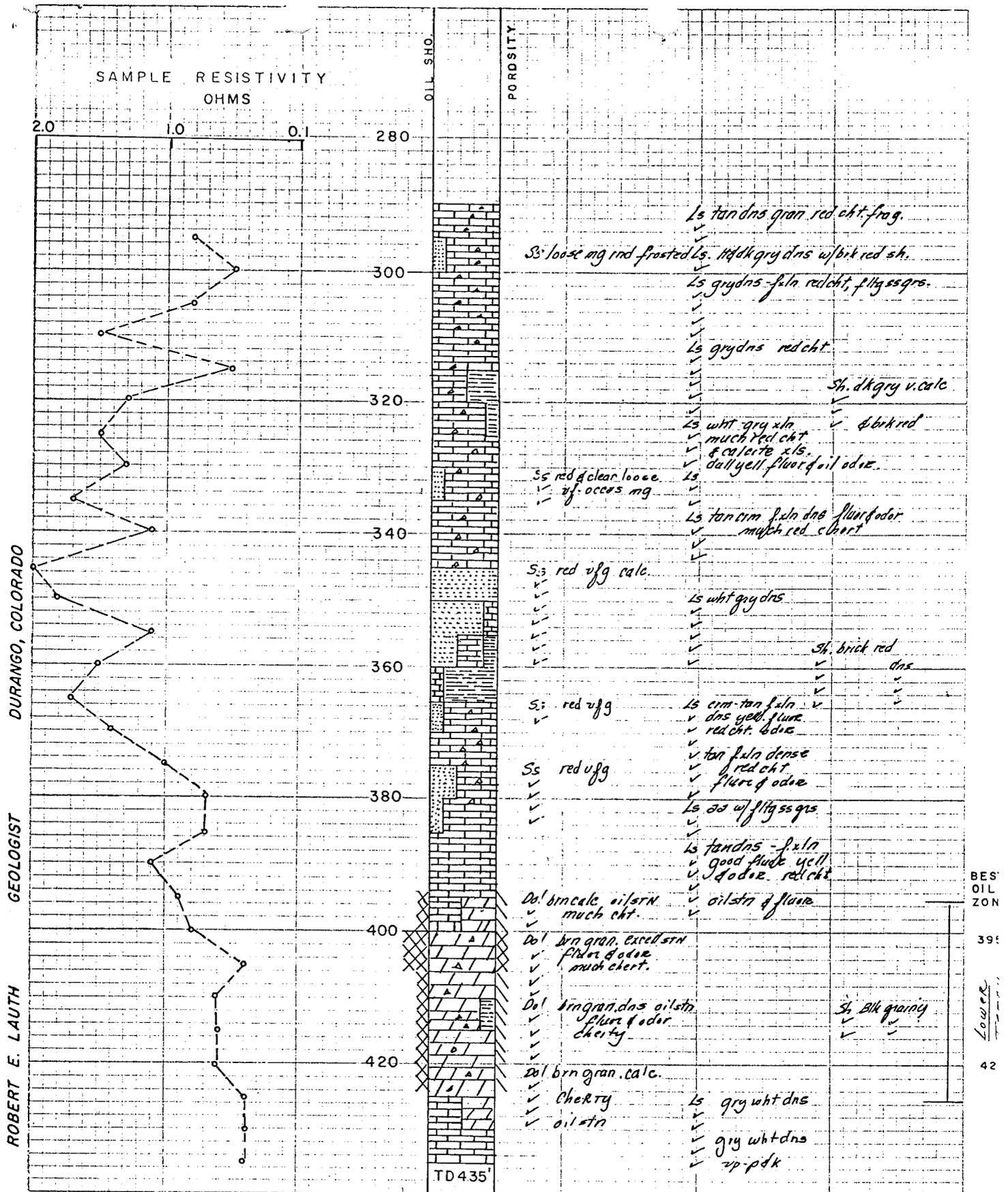
FARM NO. 3 1/2 L oil ELEVATION 4230 Gd;

OWNER J&L Oil Company STATE UTAH COUNTY San Juan

SAMPLES FROM 290' TO 435' EXAMINED BY R.E. LAUTH DATE 1-9-87

RECORD OF SAMPLE DESCRIPTION
DURANGO, COLORADO
GEOLOGICAL CONSULTANT
ROBERT E. LAUTH

FROM	TO	DRLG. TIME Min per ft.	LITHOLOGIC DESCRIPTION, FORMATION AND REMARKS
			Pres. 0.0ms.
290	95	10.8	100 Ls tan dns granular redcht frag. spotty yell. fluor.
95	300	10.6	10 Ss loose mg ind frusted. 90 Ls lt & dk grey dns. w/ brk red sh.
300	05	10.8	100 Ls grey dns. f.xln. redcht. flty ss gra & brk red sh.
05	10	11.5	100 Ls grey-whit xln. to dns shaly spotty yell fluor.
10	15	10.6	100 Ls lt grey dns. shaly no sh.
15	20	11.3	50 Ls grey dns. redcht. 50 Sh dk grey u. calc.
20	25	11.5	90 Ls grey-whit dns-xln n/s 10 Sh aa & brk red.
25	30	11.3	100 Ls wht-grey xln. much redcht calcite xls - dull yell fluor & odor.
30	35	11.7	20 Ss red & clear loose w/ occas mg soft aa no fluor.
35	40	11.1	100 Ls tan crm-f.xln dns - fluor & odor. much redcht.
40	45	12.0	100 Ls aa w/ fluor & odor.
45	50	11.8	100 Ss red vfg calc. n/s
50	55	11.1	80 Ss red aa n/s 20 Ls wht dns.
55	60	11.5	40 Ss aa 20 Ls wht grey dns 40 Sh brk red increase fluor.
60	65	11.7	10 Ls grey dns 90 Sh brk red dns - fluor.
65	70	11.4	10 Ss red vfg 90 Ls crm tan f.xln - dns - yell fluor & odor. red chert.
70	75	11.0	100 Ls tan f.xln dns - fluor & odor redcht.
75	80	10.7	40 Ss red vfg 60 Ls aa fluor & odor.
80	85	10.7	10 Ss aa 90 Ls aa redcht & flty sd gas fluor & odor.
85	90	11.1	100 Ls tan dns - f.xln good fluor yell & odor. red chert.
x 90	95	10.9	100 Ls aa oilstr & fluor.
x 95	400	10.8	50 Ls tan dns f.xln good dol str & odor - 50 Dol brn calc oilstr. much chert.
x 400	05	10.4	100 Dol brn granular excell oil str fluor & odor
x 05	10	10.6	100 Dol brn granular & crm dns calc str - much chrt.
x 10	15	10.6	100 Dol aa much chrt. furni
x 15	20	10.6	80 Dol brn gran. dns oilstr & fluor. chrt. 20 Sh Blk grainy
x 20	25	10.4	100 Dol brn granular calc cherty oilstr.
25	30	10.4	50 Dol aa dns w/ redcht 50 Ls grey wht dns.
30	435'	10.4	100 Ls wht dns - f.xln cherty - up-pdk



Calculation Sheet

DATE Jan. 13, 1987 TITLE J & L Oil Company AREA North Mexican Hat

MADE BY REL NWSW Sec. 6 T42S, R19E COUNTY San Juan

PAGE 2 OF 3 SCALE 5" = 100 feet STATE Utah

Elev Grd est 4230'

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL <input checked="" type="checkbox"/> GAS <input type="checkbox"/> OTHER:	5. Lease Designation and Serial Number: FEE
2. Name of Operator: J & L OIL COMPANY	6. If Indian, Allocated or Tribe Name: GOODRIDGE TRUST
3. Address and Telephone Number: P.O. BOX 310398 MEXICAN HAT, UTAH 84531	7. Unit Agreement Name: NA
4. Location of Well Footages: 1690 FSL 0570 FWL	8. Well Name and Number: J & L #3
OO, Sec., T., R., M.: NW SW SEC. 6, T. 42 S., R. 19 E.	9. API Well Number: 43-037-31207
	10. Field and Pool, or Wildcat: MEXICAN HAT
	County: SAN JUAN
	State: UTAH

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

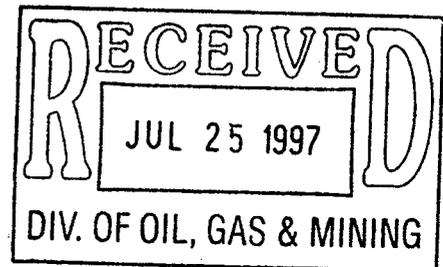
NOTICE OF INTENT (Submit in Duplicate)	SUBSEQUENT REPORT (Submit Original Form Only)
<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input type="checkbox"/> Multiple Completion <input type="checkbox"/> Other _____	<input type="checkbox"/> Abandon <input type="checkbox"/> Repair Casing <input type="checkbox"/> Change of Plans <input type="checkbox"/> Convert to Injection <input type="checkbox"/> Fracture Treat or Acidize <input checked="" type="checkbox"/> Other <u>SOLD FOR SALVAGE OF EQUIPMENT</u>
<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Recomplete <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off	<input type="checkbox"/> New Construction <input type="checkbox"/> Pull or Alter Casing <input type="checkbox"/> Reperforate <input type="checkbox"/> Vent or Flare <input type="checkbox"/> Water Shut-Off
Approximate date work will start _____	Date of work completion _____
	Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form. * Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THIS WELL AND ALL ASSOCIATED EQUIPMENT HAS BEEN SOLD TO:

CLINT HOWELL
~~QUALITY DRILLING~~ *San Juan Minerals*
 P.O. BOX 310218
 MEXICAN HAT, UTAH 84531

SEE THE ATTACHED AGREEMENT



13. Name & Signature: Louise Leber Title: _____ Date: 7-23-97

(This space for State use only)

Form 8

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

6. Lease Designation and Serial Number FEE LAND
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement
9. Well Name and Number J&L #3
10. API Well Number 43-037-31027 ^{3/207}
11. Field and Pool, or Wildcat MEXICAN HAT

SUNDRY NOTICES AND REPORTS ON WELLS
Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT for such proposals.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)
2. Name of Operator SAN JUAN MINERALS EX.
3. Address of Operator P.O. BOX 310367 MEXICAN HAT UT. 84531
4. Telephone Number 801-683-2298
5. Location of Well Footage 1690' FS/L 570' FW/L QQ, Sec. T., R., M. : NW-SW Sec. 6 T.42S. R. 19 E. County : State : UTAH SAN JUAN

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

NOTICE OF INTENT
(Submit in Duplicate)

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

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

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

Date of Work Completion _____

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

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THIS WELL WAS DRILLED AND ABANDONED

I HAVE NO FUTHER INFORMATION ON THIS WELL

SAN JUAN MINERALS WILL COVER THIS WELL WITH THEIR BOND
RELEASING J & L OIL OF ANY FURTHER LIABILITY ON SAID WELL

PLEASE SEND ANY FUTHER CORRESPONDENCE TO
SAN JUAN MINERALS EXPLORATION
P.O. BOX 310367
MEXICAN HAT, UTAH 84531
ph. (801) 683-2298

THANK YOU

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

Name & Signature CLINT HOWELL *Clint Howell* Title OPERATOR Date 6/23/97

(State Use Only)



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor
Ted Stewart
Executive Director
James W. Carter
Division Director

1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

August 25, 1997

Mr. Clint Howell
San Juan Minerals Exploration
P.O. Box 310367
Mexican Hat, Utah 84531

Re: Notification of Sale or Transfer of Fee Lease Interest

Dear Mr. Howell:

The division has received notification of a change of operator from J&L Oil Company to San Juan Minerals Exploration for the following wells which are located on fee leases:

<u>Well Name</u>	<u>Location</u>	<u>API Number</u>
J&L 3	6-42S-19E	43-037-31207

Utah Administrative Rule R649-2-10 states:

The owner of a lease shall provide notification to any person with an interest in such lease, when all or part of that interest in the lease is sold or transferred.

This letter is written to advise San Juan Minerals Exploration of its responsibility to notify all individuals with an interest in these leases (royalty interest and working interest) of the change of operator. Please provide written documentation of this notification to:

Utah Royalty Owners Association
Box 1292
Roosevelt, Utah 84066

Page 2
San Juan Minerals Exploration
Sale or Transfer of Fee Lease
August 25, 1997

Your assistance in this matter is appreciated.

Sincerely,

A handwritten signature in cursive script that reads "Don Staley". The signature is written in black ink and is positioned below the word "Sincerely,".

Don Staley
Administrative Manager
Oil and Gas

cc: J&L Oil Company
Utah Royalty Owners Association
J.R. Baza
Operator File

ENTITY REVIEW

- Yes 1. (r649-8-7) Entity assignments have been reviewed for all wells listed above. Were entity changes made? (yes/no) no If entity assignments were changed, attach copies of Form 6, Entity Action Form.
- N/A 2. Trust Lands, Sovereign Lands, Tax Commission, etc., have been notified through normal procedures of entity changes.

BOND VERIFICATION - (FEE WELLS ONLY) Surety #490E867-A (\$50,000) Travelers Indemnity Co.

- Yes 1. (r649-3-1) The NEW operator of any fee lease well listed above has furnished a proper bond.
2. A copy of this form has been placed in the new and former operator's bond files. ** Upon Compl. of routing.*
- Yes 3. The FORMER operator has requested a release of liability from their bond (yes/no) N/A, as of today's date . If yes, division response was made to this request by letter dated .

LEASE INTEREST OWNER NOTIFICATION OF RESPONSIBILITY

- N/A 1. Copies of documents have been sent on to at Trust Lands for changes involving State leases, in order to remind that agency of their responsibility to review for proper bonding.
- Yes 2. (r649-2-10) The ^{New} former operator of any fee lease wells listed above has been contacted and informed by letter dated 8/25 1997, of their responsibility to notify all interest owners of this change.

FILMING

- Yes 1. All attachments to this form have been microfilmed. Today's date: 8-28-97.

FILING

1. Copies of all attachments to this form have been filed in each well file.
2. The original of this form, and the original attachments are now being filed in the Operator Change file.

COMMENTS

970806. DoGM - Bond Incr. not necessary "Shallow wells", per Admin.

STATE OF UTAH
DIVISION OF OIL, GAS AND MINING

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

1. Type of Well: OIL GAS OTHER:

2. Name of Operator:
J & L OIL COMPANY

3. Address and Telephone Number:
P.O. BOX 310398 MEXICAN HAT, UTAH 84531

4. Location of Well 1690 FSL 0570 FWL
Footages:
OO, Sec., T., R., M.: NW SW SEC. 6, T. 42 S., R. 19 E.

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allottee or Tribe Name:

GOODRIDGE TRUST

7. Unit Agreement Name:

NA

8. Well Name and Number:

J & L #3

9. API Well Number:

43-037-31207

10. Field and Pool, or Wildcat:

MEXICAN HAT

County: SAN JUAN

State: UTAH

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

NOTICE OF INTENT
(Submit in Duplicate)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Recomplete |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Multiple Completion | <input type="checkbox"/> Water Shut-Off |
| <input type="checkbox"/> Other _____ | |

Approximate date work will start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

- | | |
|--|---|
| <input type="checkbox"/> Abandon | <input type="checkbox"/> New Construction |
| <input type="checkbox"/> Repair Casing | <input type="checkbox"/> Pull or Alter Casing |
| <input type="checkbox"/> Change of Plans | <input type="checkbox"/> Reperforate |
| <input type="checkbox"/> Convert to Injection | <input type="checkbox"/> Vent or Flare |
| <input type="checkbox"/> Fracture Treat or Acidize | <input type="checkbox"/> Water Shut-Off |
| <input checked="" type="checkbox"/> Other <u>SOLD FOR SALVAGE OF EQUIPMENT</u> | |

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THIS WELL AND ALL ASSOCIATED EQUIPMENT HAS BEEN SOLD TO:

CLINT HOWELL
QUALITY DRILLING
P.O. BOX 310218
MEXICAN HAT, UTAH 84531

SEE THE ATTACHED AGREEMENT

13.

Name & Signature: _____ Title: _____ Date: _____

(This space for State use only)

Form 9

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

6. Lease Designation and Serial Number FEE LAND
7. Indian Allottee or Tribe Name
8. Unit or Communitization Agreement
9. Well Name and Number J&L #3
10. API Well Number 43-037-31027 31207
11. Field and Pool, or Wildcat MEXICAN HAT

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells.
Use APPLICATION FOR PERMIT - for such proposals.

1. Type of Well <input checked="" type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input type="checkbox"/> Other (specify)
2. Name of Operator SAN JUAN MINERALS EX.
3. Address of Operator P.O. BOX 310367 MEXICAN HAT UT. 84531
4. Telephone Number 801-683-2298
5. Location of Well Footage 1690' FS/L 570' FW/L QQ, Sec, T., R., M. : NW-SW Sec. 6 T.42S. R. 19 E. County : _____ State : UTAH SAN JUAN

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

NOTICE OF INTENT
(Submit in Duplicate)

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

Approximate Date Work Will Start _____

SUBSEQUENT REPORT
(Submit Original Form Only)

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

Date of Work Completion _____

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

13. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

THIS WELL WAS DRILLED AND ABANDONED
I HAVE NO FUTHER INFORMATION ON THIS WELL.

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

Name & Signature **CLINT HOWELL** *Clint Howell* Title **OPERATOR** Date **6/23/97**

(State Use Only)

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, deepen existing wells, or to reenter plugged and abandoned wells. Use APPLICATION FOR PERMIT TO DRILL OR DEEPEN form for such proposals.

5. Lease Designation and Serial Number:

FEE

6. If Indian, Allocated or Tribe Name:

7. Unit Agreement Name:

8. Well Name and Number:

J4L # 3

9. API Well Number:

43-037-31207

10. Field and Pool, or Wildcat:

MEXICAN HAT

1. Type of Well: OIL GAS OTHER:

2. Name of Operator: SAN JUAN MINERALS EXPLORATION

3. Address and Telephone Number: P.O. Box 310367
MEXICAN HAT, UT. 84531 435-683-2298

4. Location of Well
Footages: 1690' F/SL 570' F/WL.

County: SAN JUAN

State: UTAH

QQ, Sec., T., R., M.: NW-SW Sec. 6 T. 42 S., R. 19 E.

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

NOTICE OF INTENT
(Submit in Duplicate)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Multiple Completion
- Other _____
- New Construction
- Pull or Alter Casing
- Recomplete
- Reperforate
- Vent or Flare
- Water Shut-Off

SUBSEQUENT REPORT
(Submit Original Form Only)

- Abandon
- Repair Casing
- Change of Plans
- Convert to Injection
- Fracture Treat or Acidize
- Other _____
- New Construction
- Pull or Alter Casing
- Reperforate
- Vent or Flare
- Water Shut-Off

Date of work completion _____

Report results of Multiple Completions and Recompletions to different reservoirs on WELL COMPLETION OR RECOMPLETION REPORT AND LOG form.

* Must be accompanied by a cement verification report.

Approximate date work will start 08-01-99

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS (Clearly state all pertinent details, and give pertinent dates. If well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)

Hole size 5 1/2" Total depth 435'

Casing 4 1/2" 320' depth set.

Propose to set Bottom Plug 50' cement 7 SACKS

Fill Hole with Abandonment Gel + 100' cement to SURFACE 7 SACKS

COPY SENT TO OPERATOR
DATE: 6-22-99
BY: CRP

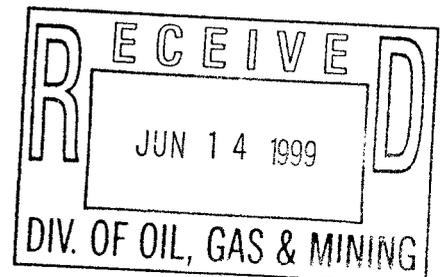
13. Name & Signature: Clint Howell Clint Howell Title: MANAGER Date: 5-27-99

(This space for State use only)

APPROVED*

The Utah Division of Oil, Gas and Mining
Robert J. Krueger, PE, Petroleum Engineer

* Set state dry hole marker per attached Rule



(104)

(See Instructions on Reverse Side)

Date: 6-21-99

7. Unless otherwise approved by the division, all abandoned wells shall be marked with a permanent monument showing the well number, location, and name of the lease. The monument shall consist of a portion of pipe not less than four inches in diameter and not less than ten feet in length, of which four feet shall be above the ground level and the remainder shall be securely embedded in cement. The top of the pipe must be permanently sealed.

8. If any casing is to be pulled after a well has been abandoned, a notice of intent to pull casing must be filed with the division and its approval obtained before the work is commenced. The notice shall include full details of the contemplated work. If a log of the well has not already been filed with the division, the notice shall be accompanied by a copy of the log showing all casing seats as well as all water strata and oil and gas shows. Where the well has been abandoned and liability has been terminated with respect to the bond previously furnished under R649-3-1, a \$10,000 plugging bond shall be filed with the division by the applicant.

R649-3-25. Underground Disposal Of Drilling Fluids.

1. Operators shall be permitted to inject and dispose of reserve pit drilling fluids downhole in a well upon submitting an application for such operations to the division and obtaining its approval. Injection of reserve pit fluids shall be considered by the division on a case-by-case basis.

2. Each proposed injection procedure will be reviewed by the division for conformance to the requirements and standards for permitting disposal wells under R649-5-2 to assure protection of fresh-water resources.

3. The subsurface disposal interval shall be verified by temperature log, or suitable alternative, during the disposal operation.

4. The division shall designate other conditions for disposal, as necessary, in order to ensure safe, efficient fluid disposal.

R649-3-26. Seismic Exploration.

1. Form 1, Application for Permit to Conduct Seismic Exploration shall be submitted to the division by the seismic contractor at least seven days prior to commencing any type of seismic exploration operations. In cases of emergency, approval may be obtained either verbally or by telegraphic communication.

R649-3-24. Plugging And Abandonment Of Wells.

1. Before operations are commenced to plug and abandon any well the owner or operator shall submit a notice of intent to plug and abandon to the division for its approval. The notice shall be submitted on Form DOGM-5, Sundry Notice and Report on Wells. A legible copy of a similar report and form filed with the appropriate federal agency may be used in lieu of the forms prescribed by the board. In cases of emergency the operator may obtain verbal or telegraphic approval to plug and abandon. Within five days after receiving verbal or telegraphic approval, the operator shall submit a written notice of intent to plug and abandon on Form 9.

2. Both verbal and written notice of intent to plug and abandon a well shall contain the following information.

2.1. The location of the well described by section, township, range, and county.

2.2. The status of the well, whether drilling, producing, injecting or inactive.

2.3. A description of the well bore configuration indicating depth, casing strings, cement tops if known, and hole size.

2.4. The tops of known geologic markers or formations.

2.5. The plugging program approved by the appropriate federal agency if the well is located on federal or Indian land.

2.6. An indication of when plugging operations will commence.

3. A dry or abandoned well must be plugged so that oil, gas, water, or other substance will not migrate through the well bore from one formation to another. Unless a different method and procedure is approved by the division, the method and procedure for plugging the well shall be as follows:

3.1. The bottom of the hole shall be filled to, or a bridge shall be placed at, the top of each producing formation open to the well bore, and a cement plug not less than 100 feet in length shall be placed immediately above each producing formation open to the well bore.

3.2. A solid cement plug shall be placed from 50 feet below a fresh water zone to 50 feet above the fresh water zone, or a 100 foot cement plug shall be centered across the base of the fresh water zone and a 100 foot plug shall be centered across the top of the fresh water zone.

3.3. At least ten sacks of cement shall be placed at the surface in a manner completely plugging the entire hole. If more



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

February 20, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 4941

Clint Howell
San Juan Minerals Exploration
P.O. Box 310367
Mexican Hat, Utah 84531

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

Dear Mr. Howell:

San Juan Minerals Exploration, as of February 2004, has sixteen (16) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

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

Page 2
February 20, 2004
Clint Howell

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

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

If the required information is not received within 30 days of the date of this notice, further actions may be initiated. If you have any questions concerning this matter, please contact me at (801) 533-5281.

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File

	Well Name	API	Lease Type	Years Inactive
1	Nordeen 80.6	43-037-30585	Fee	1 Year 5 months
2	Nordeen 80.7	43-037-30584	Fee	1 Year 5 months
3	J&L 3-X	43-037-31669	Fee	6 Years 5 Months
4	Goodridge 91-2	43-037-31605	Fee	7 Years 4 Months
5	Goodridge 91-12	43-037-31637	Fee	7 Years 5 Months
6	Goodridge 91-16	43-037-31634	Fee	7 Years 5 Months
7	Goodridge 1	43-037-31647	Fee	7 Years 6 Months
8	Goodridge 91-7	43-037-31613	Fee	7 Years 6 Months
9	Goodridge 81-3	43-037-30960	Fee	8 Years 3 Months
10	Goodridge 91-4	43-037-31614	Fee	8 Years 3 Months
11	J&L 3	43-037-31207	Fee	10 Years 7 Months
12	Crossing No 28	43-037-31445	Fee	10 Years 9 Months
13	Crossing No 212	43-037-31446	Fee	10 Years 9 Months
14	Goodridge 92-3	43-037-31652	Fee	10 Years 9 Months
15	Nordeen 3	43-037-30149	Fee	10 Years 9 Months
16	Nordeen 5	43-037-20722	Fee	10 Years 9 Months

Attachment A



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

February 20, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 4941

Clint Howell
San Juan Minerals Exploration
P.O. Box 310367
Mexican Hat, Utah 84531

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

Dear Mr. Howell:

San Juan Minerals Exploration, as of February 2004, has sixteen (16) Fee Lease Wells (see attachment A) that are currently in non-compliance for extended shut-in or temporary abandonment status. Wells SI/TA beyond twelve (12) consecutive months requires filing a Sundry Notice (R649-3-36-1). Wells with five (5) years non-activity or non-productivity shall be plugged, unless the Division grants approval for extended shut-in time upon a showing of good cause by the operator (649-3-36-1.3.3). For extended SI/TA consideration the operator shall provide the Utah Division of Oil, Gas & Mining with the following:

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

Page 2
February 20, 2004
Clint Howell

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

jc
cc: John Baza
Well File

	Well Name	API	Lease Type	Years Inactive
1	Nordeen 80.6	43-037-30585	Fee	1 Year 5 months
2	Nordeen 80.7	43-037-30584	Fee	1 Year 5 months
3	J&L 3-X	43-037-31669	Fee	6 Years 5 Months
4	Goodridge 91-2	43-037-31605	Fee	7 Years 4 Months
5	Goodridge 91-12	43-037-31637	Fee	7 Years 5 Months
6	Goodridge 91-16	43-037-31634	Fee	7 Years 5 Months
7	Goodridge 1	43-037-31647	Fee	7 Years 6 Months
8	Goodridge 91-7	43-037-31613	Fee	7 Years 6 Months
9	Goodridge 81-3	43-037-30960	Fee	8 Years 3 Months
10	Goodridge 91-4	43-037-31614	Fee	8 Years 3 Months
11	J&L 3	43-037-31207	Fee	10 Years 7 Months
12	Crossing No 28	43-037-31445	Fee	10 Years 9 Months
13	Crossing No 212	43-037-31446	Fee	10 Years 9 Months
14	Goodridge 92-3	43-037-31652	Fee	10 Years 9 Months
15	Nordeen 3	43-037-30149	Fee	10 Years 9 Months
16	Nordeen 5	43-037-20722	Fee	10 Years 9 Months

Attachment A



State of Utah

Department of
Natural Resources

Division of
Oil, Gas & Mining

ROBERT L. MORGAN
Executive Director

LOWELL P. BRAXTON
Division Director

MICHAEL O. LEAVITT
Governor

OLENE S. WALKER
Lieutenant Governor

March 19, 2004

CERTIFIED MAIL NO. 7002 0510 0003 8602 6440

Mr. Clint Howell
San Juan Minerals Exploration, Inc.
Hwy 163 / Riverview Drive
P.O. Box 310367
Mexican Hat, Utah 84531

Re: Extended Shut-in and Temporary Abandoned Well Requirements for Fee or State Leases dated February 20, 2004.

Dear Mr. Howell,

The Division of Oil, Gas and Mining (DOGM) is in receipt of your letter dated March 16, 2004 in regards to the sixteen (16) shut-in wells operated by San Juan Minerals Exploration, Inc. (San Juan). DOGM accepts San Juan's plan of action to plug and abandon seven (7) of the wells and recomplete nine (9) of the wells during calendar year 2004. Based upon the plan of action and other information provided, DOGM approves the sixteen wells for extended shut-in until January 1, 2005. Please submit re-completion and plugging procedures with notice of intent sundries upon finalization.

For reference, Attachment A lists the wells subject to the request. If you have any questions or need additional assistance in regards to the above matters please contact me at (801) 538-5281.

Sincerely,

Dustin Doucet
Petroleum Engineer

	Well Name	API	Lease Type	Years Inactive
1	Nordeen 80.6	43-037-30585	Fee	1 Year 5 months
2	Nordeen 80.7	43-037-30584	Fee	1 Year 5 months
3	J&L 3-X	43-037-31669	Fee	6 Years 5 Months
4	Goodridge 91-2	43-037-31605	Fee	7 Years 4 Months
5	Goodridge 91-12	43-037-31637	Fee	7 Years 5 Months
6	Goodridge 91-16	43-037-31634	Fee	7 Years 5 Months
7	Goodridge 1	43-037-31647	Fee	7 Years 6 Months
8	Goodridge 91-7	43-037-31613	Fee	7 Years 6 Months
9	Goodridge 81-3	43-037-30960	Fee	8 Years 3 Months
10	Goodridge 91-4	43-037-31614	Fee	8 Years 3 Months
11	J&L 3	43-037-31207	Fee	10 Years 7 Months
12	Crossing No 28	43-037-31445	Fee	10 Years 9 Months
13	Crossing No 212	43-037-31446	Fee	10 Years 9 Months
14	Goodridge 92-3	43-037-31652	Fee	10 Years 9 Months
15	Nordeen 3	43-037-30149	Fee	10 Years 9 Months
16	Nordeen 5	43-037-20722	Fee	10 Years 9 Months

Attachment A

SAN JUAN MINERALS EXPLORATION INC.

Hwy 163 / Riverview Dr.
P.O. Box 310367
Mexican Hat, Utah 84831

Ph. 435-683-2263
Fax: 435-683-3398
E-mail: chlsj@yahoo.com

Dustin K Doucet
State of Utah
Division of Oil Gas and Mining
1894 West North Temple Suite 1210
P.O. Box 145801
Salt Lake City, UT. 84114-5801

2004-03-16

RECEIVED

MAR 19 2004

DIV. OF OIL, GAS & MINING

RE: Letter, February 20, 2004
Extended Shut-in and Temporary Abandoned Wells.

Dear Mr. Doucet:

As per Our Discussion ,
Plan of action as follows,

Proposed Work to be Completed in 2004

#1	Nordeen 80.6	43-037-30585	Workover-Reproduce	
2	Nordeen 80.7	43-037-30584	Workover-Reproduce	
3	J&L 3-X	43-037-31669	Plug & Abandon	
4	Goodridge 91-2	43-037-31605	Workover -Reproduce	Possibly plug & abandon
5	Goodridge 91-12	43-037-31637	Workover-Reproduce	Possibly plug & abandon
6	Goodridge 91-16	43-037-31634	Workover-Reproduce	Possibly plug & abandon
7	Goodridge 1	43-037-31647	Workover-Reproduce	Possibly plug & abandon
8	Goodridge 91-7	43-037-31613	Workover-Reproduce	Possibly plug & abandon
9	Goodridge 81-3	43-037-30960	Workover-Reproduce	Possibly plug & abandon
10	Goodridge 91-4	43-037-31614	Workover-Reproduce	Possibly plug & abandon
11	J & L 3	43-037-31207	Plug & Abandon	
12	Crossing No 28	43-037-31445	Plug & Abandon	
13	Crossing No 212	43-037-31446	Plug & Abandon	
14	Goodridge 92-3	43-037-31652	Plug & Abandon	
15	Nordeen 3	43-037-30149	Plug & Abandon	
16	Nordeen 5	43-037-20722	Plug & Abandon	

Sincerely,


Clint Howell

Manager

San Juan Minerals Exploration Inc.

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

FORM 9

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 <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER:
2. NAME OF OPERATOR: San Juan Minerals Exploration Inc. <i>N0810</i>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: Hwy 163 P.O. Box 310367 Mexican Hat Ut 84531		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN:		8. WELL NAME and NUMBER: see attached list
PHONE NUMBER: (435) 683-2298		9. API NUMBER:
10. FIELD AND POOL, OR WILDCAT: Mexican Hat		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>change 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.

San Juan Minerals Exploration Inc. is transferring operation of its oil wells in San Juan County at Mexican Hat, (see attached List) To: Wesgra Corporation P.O. Box 310367 Mexican Hat Ut. 84531. Wesgra Corporation Is Bonded By Letter of credit # 7230. Would like to make this change effective as of April 30 2006

Wesgra Corporation:
by: Clint Howell President *N1060*
Clint Howell
April /20/ 2006

NAME (PLEASE PRINT) <u>Clint Howell</u>	TITLE <u>President</u>
SIGNATURE <i>Clint Howell</i>	DATE <u>4/20/2006</u>

(This space for State use only)

APPROVED 513 106
Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See instructions on Reverse Side)

RECEIVED
APR 24 2006

DIV. OF OIL, GAS & MINING

San Juan Minerals (N0810) to Wesgra Corporation (N1060)

well name	api	qtr_qtr	sec	twsp	rng	well	stat	l_num
GEBAUER FEDERAL 2	4303730190	SENE	07	420S	190E	OW	S	UTU-7303
SUTHERLAND FEDERAL 97-4	4303731784	NESW	05	420S	190E	OW	S	UTU-7303D
NORDEEN 1	4303720721	NENW	05	420S	190E	OW	S	FEE
NORDEEN 5	4303720722	SWNW	05	420S	190E	OW	P	FEE
NORDEEN 3	4303730149	NENW	05	420S	190E	OW	P	FEE
WILM RNCH GDRDGE 12	4303730432	NWNW	08	420S	190E	OW	P	FEE
GOODRIDGE 74	4303730526	NWNW	08	420S	190E	OW	S	FEE
GOODRIDGE 75	4303730527	NWNW	08	420S	190E	OW	S	FEE
GOODRIDGE 80.2	4303730561	NWNW	08	420S	190E	OW	P	FEE
GOODRIDGE 80.3	4303730562	NWNW	08	420S	190E	OW	P	FEE
GOODRIDGE 80.4	4303730563	NWNW	08	420S	190E	OW	P	FEE
GOODRIDGE 80.1	4303730570	NWNW	08	420S	190E	OW	S	FEE
NORDEEN 80.7	4303730584	SESW	05	420S	190E	OW	P	FEE
NORDEEN 80.6	4303730585	SESW	05	420S	190E	OW	S	FEE
GOODRIDGE 80.5	4303730680	NWNW	08	420S	190E	OW	P	FEE
NORDEEN 81-4	4303730957	SWSW	05	420S	190E	OW	S	FEE
NORDEEN 81-5	4303730958	SWSW	05	420S	190E	OW	S	FEE
GOODRIDGE 81-3	4303730960	SENE	07	420S	190E	OW	S	FEE
J & L 3	4303731207	NWSW	06	420S	190E	OW	TA	FEE
NORDEEN 86-6	4303731254	SENW	05	420S	190E	OW	S	FEE
GOODRIDGE 91-2	4303731605	SENE	07	420S	190E	OW	S	FEE
GOODRIDGE 91-7	4303731613	SWNW	08	420S	190E	OW	S	FEE
GOODRIDGE 91-16	4303731634	NENE	07	420S	190E	OW	S	FEE
GOODRIDGE 91-12	4303731637	NENE	07	420S	190E	OW	S	FEE
GOODRIDGE 1	4303731647	SENE	07	420S	190E	OW	S	FEE
J&L 3-X	4303731669	NESW	06	420S	190E	OW	S	FEE
DICKENSON/HOWARD 1	4303731845	NWSW	05	420S	190E	OW	NEW	FEE
UTAH 1	4303730101	NWSW	07	420S	190E	OW	PA	FEE
NELWYN A NORDEEN 2	4303730104	SENW	05	420S	190E	OW	PA	FEE
NELWYN NORDEEN 3	4303730108	SENW	05	420S	190E	OW	PA	FEE
NORDEEN 1A	4303730128	NENW	06	420S	190E	OW	PA	FEE
NORDEEN 2-A	4303730161	NENW	06	420S	190E	OW	PA	FEE
NORDEEN 7	4303730194	NENW	05	420S	190E	OW	PA	FEE
NORDEEN 11	4303730480	SWSW	05	420S	190E	D	PA	FEE
NORDEEN 80.13	4303730581	SESW	05	420S	190E	D	PA	FEE
GOODRIDGE 81-1	4303730961	SWNW	08	420S	190E	OW	PA	FEE
GOODRIDGE 71	4303730968	NWNW	08	420S	190E	D	PA	FEE
NORDEEN 86-4	4303731253	SENW	05	420S	190E	D	PA	FEE
NORDEEN 86-8	4303731255	SWNE	05	420S	190E	OW	PA	FEE
NORDEEN 86-10	4303731256	SENW	05	420S	190E	OW	PA	FEE
CROSSING NO 2 8	4303731445	SWSE	07	420S	190E	OW	PA	FEE
CROSSING NO 2 12	4303731446	SWSE	07	420S	190E	OW	PA	FEE
GOODRIDGE 91-10	4303731609	NENE	07	420S	190E	OW	PA	FEE
GOODRIDGE 91-5	4303731611	SENE	07	420S	190E	D	PA	FEE
GOODRIDGE 91-4	4303731614	SENE	07	420S	190E	OW	PA	FEE
GOODRIDGE 2	4303731640	NWNW	08	420S	190E	OW	PA	FEE
GOODRIDGE 92-3	4303731652	NWNE	07	420S	190E	OW	PA	FEE

OPERATOR CHANGE WORKSHEET

ROUTING

- | |
|--------|
| 1. DJJ |
| 2. CDW |

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:

4/30/2006

FROM: (Old Operator): N0810-San Juan Minerals Exploration Inc. Hwy 163 PO Box 310367 Mexican Hat, UT 84531 Phone: 1-(435) 683-2298	TO: (New Operator): N1060-Wesgra Corporation PO Box 310367 Mexican Hat, UT 84531 Phone: 1-(435) 683-2298
---	--

CA No.

Unit:

WELL(S)

NAME	SEC	TWN	RNG	API NO	ENTITY NO	LEASE TYPE	WELL TYPE	WELL STATUS
SUTHERLAND FEDERAL 97-4	05	420S	190E	4303731784	9080	Federal	OW	S
NORDEEN 1	05	420S	190E	4303720721	490	Fee	OW	S
NORDEEN 5	05	420S	190E	4303720722	490	Fee	OW	P
NORDEEN 3	05	420S	190E	4303730149	490	Fee	OW	P
NORDEEN 80.7	05	420S	190E	4303730584	490	Fee	OW	P
NORDEEN 80.6	05	420S	190E	4303730585	490	Fee	OW	S
NORDEEN 81-4	05	420S	190E	4303730957	490	Fee	OW	S
NORDEEN 81-5	05	420S	190E	4303730958	490	Fee	OW	S
NORDEEN 86-6	05	420S	190E	4303731254	490	Fee	OW	S
J & L 3	06	420S	190E	4303731207	10691	Fee	OW	TA
GEBAUER FEDERAL 2	07	420S	190E	4303730190	9080	Federal	OW	S
GOODRIDGE 81-3	07	420S	190E	4303730960	11206	Fee	OW	S
WILM RNCH GDRDGE 12	08	420S	190E	4303730432	495	Fee	OW	P
GOODRIDGE 74	08	420S	190E	4303730526	495	Fee	OW	S
GOODRIDGE 75	08	420S	190E	4303730527	495	Fee	OW	S
GOODRIDGE 80.2	08	420S	190E	4303730561	495	Fee	OW	P
GOODRIDGE 80.3	08	420S	190E	4303730562	495	Fee	OW	P
GOODRIDGE 80.4	08	420S	190E	4303730563	495	Fee	OW	P
GOODRIDGE 80.1	08	420S	190E	4303730570	495	Fee	OW	S
GOODRIDGE 80.5	08	420S	190E	4303730680	490	Fee	OW	P

OPERATOR CHANGES DOCUMENTATION

Enter date after each listed item is completed

- (R649-8-10) Sundry or legal documentation was received from the **FORMER** operator on: 4/24/2006
- (R649-8-10) Sundry or legal documentation was received from the **NEW** operator on: 4/24/2006
- The new company was checked on the **Department of Commerce, Division of Corporations Database** on: 4/26/2006
- Is the new operator registered in the State of Utah: YES Business Number: 670418-0142
- If **NO**, the operator was contacted on:
- a. (R649-9-2)Waste Management Plan has been received on: requested 4/26
- b. Inspections of LA PA state/fee well sites complete on: moving PA fee wells to new company
- c. Reports current for Production/Disposition & Sundries on: 5/1/2006

UTAH DIVISION OF OIL, GAS AND MINING
NOTICE OF REPORTING PROBLEMS

Operator: Wesgra Corporation Account: N1060 Today's Date: 09/16/2008

Problems:

- Late Report(s)
- Inaccurate Report(s)
- Incomplete Report(s)
- Other: No Subsequent Report

Failure to submit reports in a timely, accurate, and complete manner may result in the issuance of a Notice of Violation by the Division of Oil, Gas and Mining, and may result in the Division pursuing enforcement action as outlined in Rule R649-10, Administrative Procedures, and Section 40-6-11 of the Utah Code.

To avoid compliance action, these reporting problems should be resolved within 7 days.

Send reports to:

Utah Division of Oil, Gas and Mining
 1594 West North Temple, Suite 1210
 P.O. Box 145801
 Salt Lake City, Utah 84114-5801

Fax to:

(801) 359-3940

43 037 31207
JUL 3
A25 19E 6

Type of Report	Month(s) of Problem Report		
<input type="checkbox"/> Production – Form 10 <input type="checkbox"/> Disposition – Form 11 <input type="checkbox"/> Gas Plant – Form 13 <input type="checkbox"/> Enhanced Recovery – UIC Form 2 <input type="checkbox"/> Injection – UIC Form 3 <input type="checkbox"/> Other _____			
Type of Report	Well Name(s)	API Number(s)	Drilling Commenced
<input type="checkbox"/> Spud Notice – Form 9 <input type="checkbox"/> Drilling Reports – Form 9 <input type="checkbox"/> Well Completion Report – Form 8 <input checked="" type="checkbox"/> Other <u>Subsequent Sundry</u>	<input checked="" type="checkbox"/> List Attached		

Description of Problem:

Operator has submitted sundry of intents on the following wells that have been approved by DOGM. Per Rule 649-3-23, a subsequent report shall be submitted on Form 9, Sundry Notice, within 30 days after completion. The report should show workover results, well status, work completion date, new perforation depths, etc.

If you have questions or concerns regarding this matter, please contact Rachel Medina at (801) 538-5260 .

cc: Compliance File
 RAM
 Well File
 CHD



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil Gas and Mining

JOHN R. BAZA
Division Director

September 29, 2008

CERTIFIED MAIL NO.: 7004 2510 0004 1824 6398

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

43 037 31207
J 3 L 3
425 19E 6

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

Dear Mr. Howell:

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

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



Page 2
September 29, 2008
Mr. Howell

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

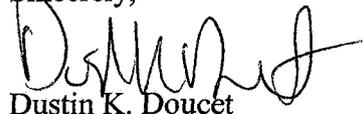
1. Reasons for SI/TA of the well (R649-3-36-1.1).
2. The length of time the well is expected to be SI/TA (R649-3-36-1.2), and
3. An explanation and supporting data if necessary, for showing the well has integrity, meaning that the casing, cement, equipment condition, static fluid level, pressure, existence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

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

JP/js
Enclosure

cc: Compliance File
Well File

Attachment A

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

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

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS		5. LEASE DESIGNATION AND SERIAL NUMBER: FEE
		6. IF INDIAN, APOOTTEE 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 in drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		7. UNIT or CA AGREEMENT NAME
		8. WELL NAME and NUMBER: J & L # 3
1. TYPE OF WELL OIL WELL <input checked="" type="checkbox"/> GAS WELL <input type="checkbox"/> OTHER _____		9. API NUMBER: 4303731207
2. NAME OF OPERATOR: San Juan Minerals / Wesgra corporation		10. FIELD AND POOL, OR WILDCAT: Mexican Hat
3. ADDRESS OF OPERATOR: P.O. Box Mexican Hat Ut 84531		PHONE NUMBER (435) 683-2263
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1690' FSL 570' FWL		COUNTY San Juan
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN. NWSW 6 42S 19E S		STATE UTAH

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

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 11/15/2008	<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"/> SIDE TRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input checked="" type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> WELD OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input type="checkbox"/> OTHER: _____
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12 DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.
Propose to fill From TD to surface with cement slurry

COPY SENT TO OPERATOR
Date: 11.25.2008
Initials: KS

NAME (PLEASE PRINT) Clint Howell	TITLE Manager
SIGNATURE <i>Clint Howell</i>	DATE 10/27/2008

(This space for State use only)

APPROVED BY THE STATE
OF UTAH DIVISION OF
OIL, GAS, AND MINING
DATE: 11/19/08 (See Instructions on Reverse Side)
BY: [Signature]
* Contact Bart Kettle @ 435-820-0862
prior to commencing work.

RECEIVED
NOV 04 2008
DIV. OF OIL, GAS & MINING

(5/2000)

Wellbore Diagram

API Well No: 43-037-31207-00-00

Permit No:

Well Name/No: J & L 3

Company Name: WESGRA CORPORATION

Location: Sec: 6 T: 42S R: 19E Spot: NWSW

Coordinates: X: 600334 Y: 4113242

Field Name: MEXICAN HAT

County Name: SAN JUAN

String Information

String	Bottom (ft sub)	Diameter (inches)	Weight (lb/ft)	Length (ft)	Capacity (bbl/c)
HOLI	435	5.5			
SURF	320	4.5	11.6		11.459
5 1/2" hole (108)					5.0092

Cement Information

String	BOC (ft sub)	TOC (ft sub)	Class	Sacks
SURF	320	0	UK	

Plug #1

$0.4 \times 115' \times (11.5) \times 5.0092 = 209K$ Perforation Information

$4 \frac{1}{2}'' \times 320' \times (11.5) \times (11.459) = 255K$

455K reqd. ✓

Surface: 4.5 in. @ 320 ft.

Formation Information

Formation	Depth
GDRSD	395

Hole: 5.5 in. @ 435 ft.

Coedridge
395

TD:

435 TVD:

PBTD:



JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

March 3, 2009

CERTIFIED MAIL NO.: 7004 1160 0003 0190 2549

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

43 037 31207
J9L 3
42S 19E 6

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

Dear Mr. Howell:

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

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

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

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

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



Page 2
Wesgra Corporation
March 3, 2009

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

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

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

Sincerely,



Dustin K. Doucet
Petroleum Engineer

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

N:\O&G Reviewed Docs\ChronFile\PetroleumEngineer\SITA

ATTACHMENT A

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

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

FORM 9

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.

5. LEASE DESIGNATION AND SERIAL NUMBER:
FEE

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:
J & L # 3

9. API NUMBER:
4303731207

10. FIELD AND POOL, OR WILDCAT:
Mexcan Hat

1. TYPE OF WELL
OIL WELL **GAS WELL** **OTHER** _____

2. NAME OF OPERATOR:
San Juan Minerals / Wesgra Corporation

3. ADDRESS OF OPERATOR:
P.O. Box 310367 CITY **Mexican Hat** STATE **Ut** ZIP **84531** PHONE NUMBER: **(435) 683-2263**

4. LOCATION OF WELL

FOOTAGES AT SURFACE: **1690 ESL 570 FWL**

QTRQTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: **NWSW 6 42S 19E S**

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
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	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
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	<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.

Plugged As instructed:
 Cleaned Out Rocks And Sand as Far as possible .
 Filled With Cement Slurry Est 40'+
 5 bags cement
 Witnessed By Bart Kettle Division of Oil Gas And Minerals
 Plugged 08 / 14 / 2009

NAME (PLEASE PRINT) Clint Howell TITLE Manager

SIGNATURE *Clint Howell* DATE 9/12/2009

(This space for State use only)

RECEIVED
SEP 14 2009