

UTAH OIL AND GAS CONSERVATION COMMISSION

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

DATE FILED **3-26-86**

LAND FEE & PATENTED STATE LEASE NO PUBLIC LEASE NO **U-11886** INDIAN

DRILLING APPROVED **4-1-87 (Exception Location)**

SPUDDED IN:

COMPLETED: PUT TO PRODUCING

INITIAL PRODUCTION:

GRAVITY API

GOR

PRODUCING ZONES

TOTAL DEPTH

WELL ELEVATION:

DATE ABANDONED: **O/A 11-7-88**

FIELD: **WILDCAT**

UNIT: **CAZADOR**

COUNTY: **SAN JUAN**

WELL NO: **CAZADOR UNIT 2-1** API #43-037-31312

LOCATION: **1420' FNL FT. FROM (N) (S) LINE, 2120' FEL FT. FROM (E) (W) LINE SW NE 1.4 - 1.4 SEC 13**

TWP	RGE	SEC	OPERATOR	TWP	RGE	SEC	OPERATOR
38S	24E	13	YATES PETROLEUM CORP.				

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1A. TYPE OF WORK  
DRILL  DEEPEN  PLUG BACK

B. TYPE OF WELL  
OIL WELL  GAS WELL  OTHER TIGHT HOLE  SING ZONE  MULTIPLE

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)  
At surface 1420' FNL & 2120' FEL (Unorthodox location)  
At proposed prod. zone STATE OF UTAH HAS BEEN NOTIFIED  
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 7 miles north of Hatch Trading Post

10. DISTANCE FROM PROPOSED\* LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drlg. unit line, if any)  
18. DISTANCE FROM PROPOSED LOCATION\* TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT.

16. NO. OF ACRES IN LEASE  
760

17. NO. OF ACRES ASSIGNED TO THIS WELL  
80

19. PROPOSED DEPTH  
5700'

20. ROTARY OR CABLE TOOLS  
Rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)  
4873' GR

22. APPROX. DATE WORK WILL START\*  
ASAP

5. LEASE DESIGNATION AND SERIAL NO.  
U-11886

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Cazador Unit

WELL NO.  
2-1

10. FIELD AND POOL, OR WILDCAT  
Wildcat

11. SEC., T. R., M., OR BLK. AND SURVEY OR AREA  
Section 13-T38S-R24E

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

RECEIVED  
MAR 26 1987

DIVISION OF OIL, GAS & MINING

23. PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
17-1/2"	13-3/8"	48# H-40	Approx. 100'	50 sacks
12-1/4"	8-5/8"	24# J-55	" * 1800'	800 sacks
7-7/8"	5-1/2"	15.5# J-55	TD	400 sacks

\*approximately 100' into Chinle

We propose to drill and test the Akah and intermediate formations. Approximately 1800' of intermediate casing will be set and cement circulated to shut off gravel and cavings. If commercial, production casing will be run and cemented with adequate cover, perforated and stimulated as needed for production.

MUD PROGRAM: Fresh water to 5500'; fresh water gel to TD

BOP PROGRAM: BOP's will be nipped up when intermediate casing is set.

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 Cy Cowan TITLE Regulatory Agent DATE March 17, 1987

(This space for Federal or State office use)

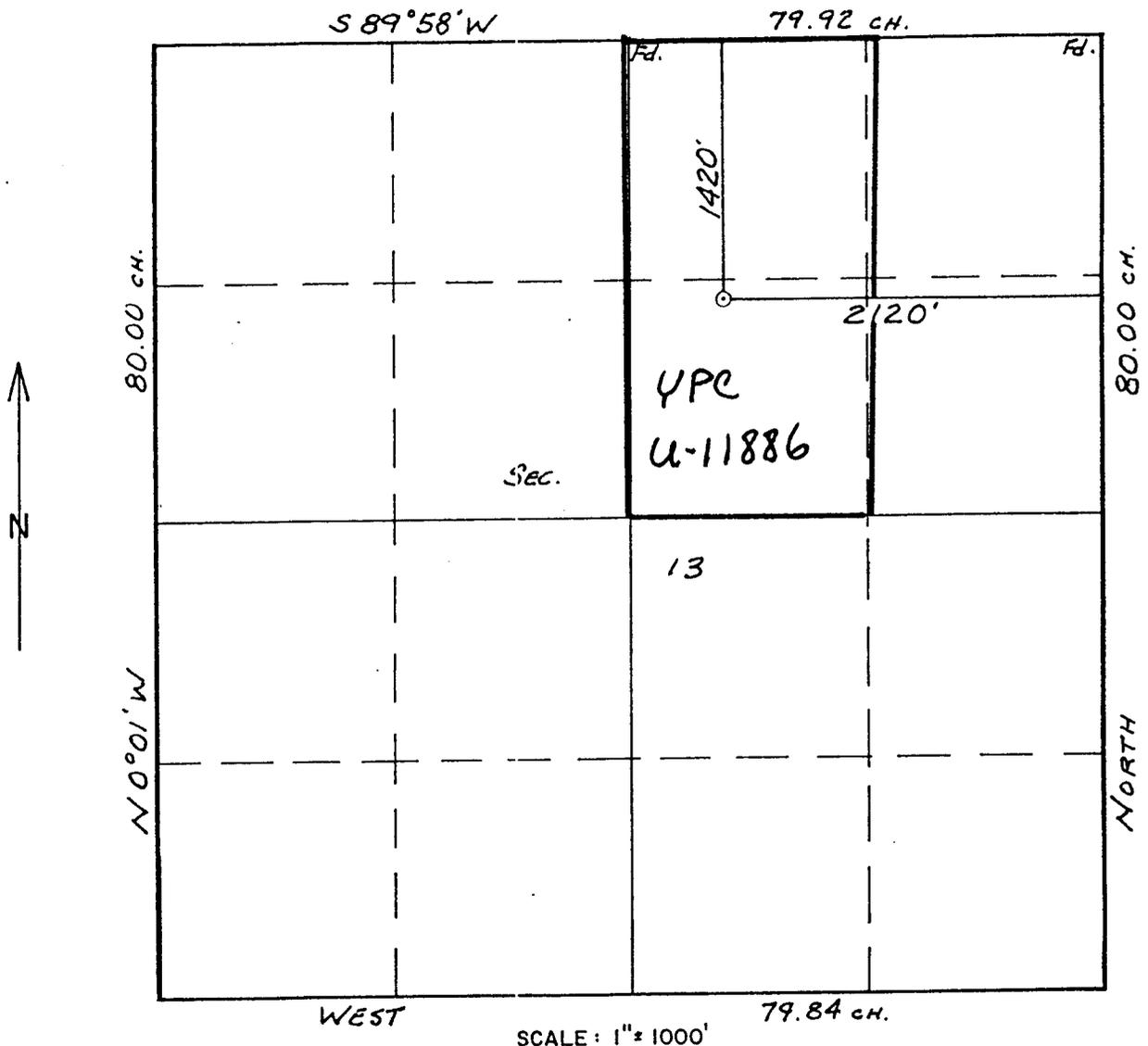
PERMIT NO. 43037-31312 APPROVAL DATE APPROVED BY THE STATE

APPROVED BY \_\_\_\_\_ TITLE OF UTAH DIVISION OF OIL, GAS, AND MINING

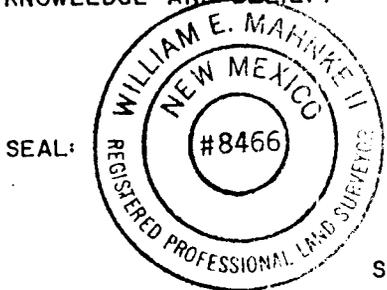
CONDITIONS OF APPROVAL, IF ANY: DATE: 4-1-87 BY: John R. Bay

\*See Instructions On Reverse Side WELL SPACING: 302.1

COMPANY YATES PETROLEUM CORPORATION  
 LEASE CAZADOR UNIT WELL NO. 2-1  
 SEC. 13, T. 38 S, R. 24 E  
 COUNTY San Juan STATE Utah  
 LOCATION 1420'FNL & 2120'FEL  
 ELEVATION 4873



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.



  
 WILLIAM E. MAHNKE II  
 NEW MEXICO P.L.S. N° 8466

SURVEYED Mar. 5, 19 87



105 SOUTH FOURTH STREET  
ARTESIA, NEW MEXICO 88210  
TELEPHONE (505) 748-1471

S. P. YATES  
PRESIDENT  
JOHN A. YATES  
VICE PRESIDENT  
B. W. HARPER  
SEC. - TREAS.

March 17, 1987

State of Utah  
Division of Oil, Gas & Mining  
355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, UT 84180-1203

ATTENTION: Ms. Arlene Sollis

**RECEIVED**  
MAR 26 1987

**DIVISION OF  
OIL, GAS & MINING**

RE: Exception to the locations for:  
Yates Petroleum Corporation  
Cazador Unit #2-1  
1420' FNL & 2120' FEL of  
Section 13-T38S-R24E  
and  
Cazador Unit #3-1  
2050' FSL & 1390' FWL of  
Section 1-T38S-R24E  
San Juan County, Utah

Dear Ms. Sollis:

Yates Petroleum Corporation hereby requests an exception to Rule 302 of the Oil and Gas Conservation's general rules and regulations orders. Yates Petroleum Corporation hereby is requesting that the unorthodox locations for the Cazador Unit #2-1 and Cazador Unit #3-1 be favorably approved by the State of Utah, Division of Oil, Gas and Mining.

The reason for moving the location unorthodox is due to geological reasons. Our interpretation of material and information determined that this location was best for wildcat drilling activities.

We control the surrounding acreage within a 460 foot radius. A copy of a lease map is enclosed showing the outline of the lease.

If you have any questions regarding this matter, please contact Yates' geologist, Mr. Steve Speer at 505-748-1471.

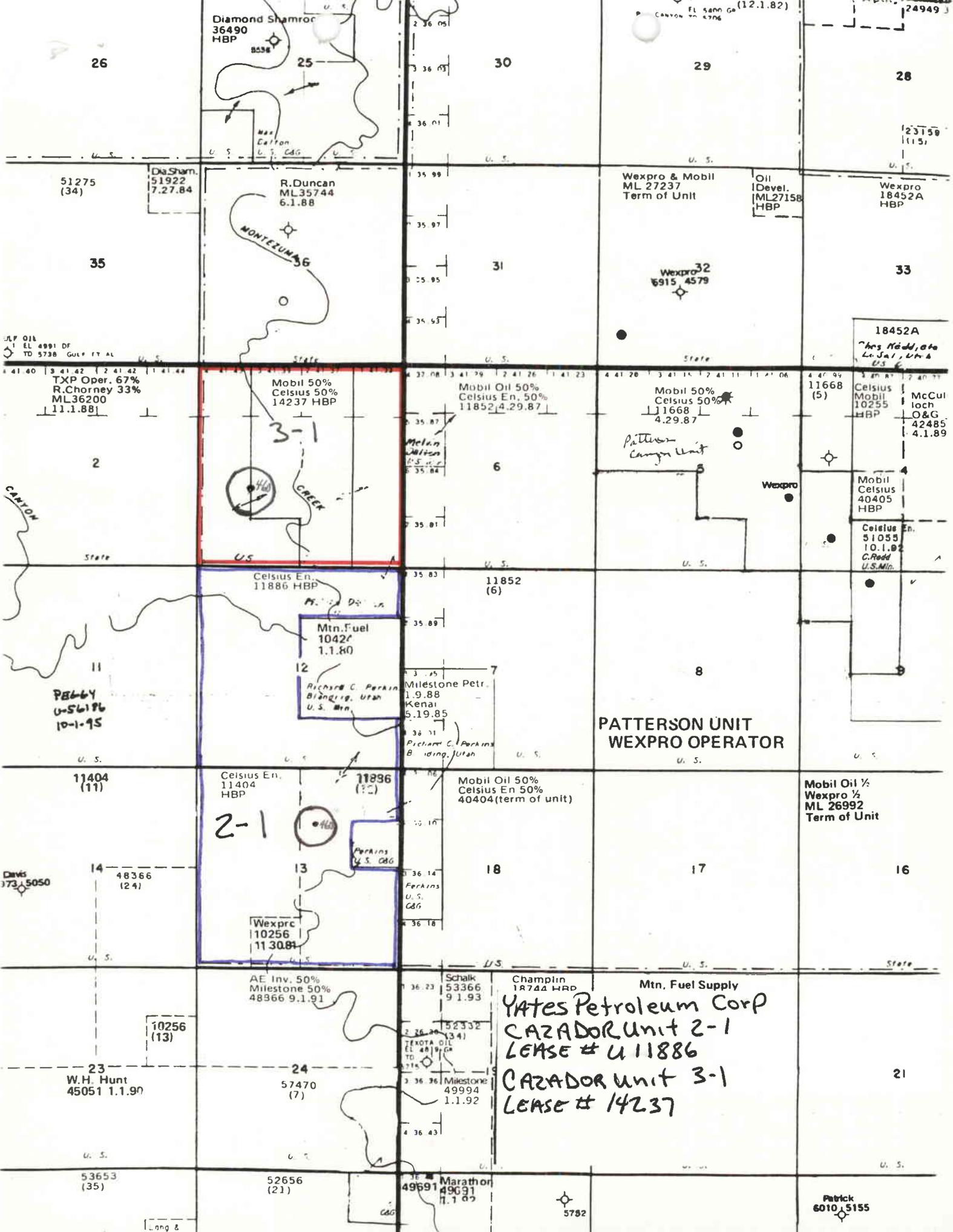
Thank you for your cooperation in this matter.

Sincerely yours,

*Cy Cowan*  
Cy Cowan  
Regulatory Agent

*Plz Send approval  
to Sands motel  
Cortey. ATW  
Jim  
Krogman*

CC:rj



Diamond Shamrock  
36490  
HBP

FL 5400 GA (12.1.82)  
CANTON TX 4706

24949 J

26

25

30

29

28

51275  
(34)

Die Sham.  
51922  
7.27.84

R. Duncan  
ML35744  
6.1.88

Wexpro & Mobil  
ML 27237  
Term of Unit

Oil  
Devel.  
ML27158  
HBP

Wexpro  
18452A  
HBP

35

31

33

Wexpro 32  
6915, 4579

18452A  
Mrs. Kadd, et al  
L. J. J. U. S. G.

J.P. OIL  
EL 4991 DF  
TD 5738 GULF TX AL

TXP Oper. 67%  
R. Chorney 33%  
ML36200  
11.1.88

Mobil 50%  
Celsius 50%  
14237 HBP

Mobil Oil 50%  
Celsius En. 50%  
11852 4.29.87

Mobil 50%  
Celsius 50%  
11668  
4.29.87

11668  
(5)  
Celsius  
Mobil  
10255  
HBP

McCul  
loch  
O&G  
42485  
4.1.89

2

6

8

Mobil  
Celsius  
40405  
HBP

Celsius En.  
51053  
10.1.82  
C. Ridd  
U.S. Min.

CANYON



Celsius En.  
11886 HBP

11852  
(6)

Mtn. Fuel  
10426  
1.1.80

Milestone Petr.  
1.9.88  
Kenai  
5.19.85

PELBY  
U-56186  
10-1-95

11404  
(11)

Celsius En.  
11404  
HBP

11836  
(12)

Mobil Oil 50%  
Celsius En 50%  
40404 (term of unit)

PATTERSON UNIT  
WEXPRO OPERATOR

Mobil Oil 1/2  
Wexpro 1/2  
ML 26992  
Term of Unit

Davis  
373, 5050

14

2-1

13

Perkins  
U.S. O&G

18

17

16

Wexpro  
10256  
11.30.84

Perkins  
U.S. O&G

AE Inv. 50%  
Milestone 50%  
48566 9.1.91

Schalk  
53366  
9.1.93

Champlin  
1A744 HBP

Mtn. Fuel Supply

YATES Petroleum Corp  
CAZADOR Unit 2-1  
LEASE # U 11886  
CAZADOR Unit 3-1  
LEASE # 14237

10256  
(13)

52332  
(34)

W.H. Hunt  
45051 1.1.90

57470  
(7)

Milestone  
49994  
1.1.92

21

53653  
(35)

52656  
(21)

Marathon  
49691  
11.1.87

Patrick  
6010, 5155

Lang &

5782

YATES PETROLEUM CORPORATION  
 Cazador Unit #2-1  
 1420' FNL and 2120' FEL of  
 Section 13-T38S-R24E  
 San Juan County, Utah

In conjunction with Form 9-331C, Application for Permit to Drill subject well, Yates Petroleum Corporation submits the following ten items of pertinent information with BLM requirements.

1. The geologic surface formation is the Morrison formation.

2. The estimated tops of geologic markers are as follows:

Morrison	Surface	Upper Ismay	5300'
Entrada	450'	Lower Ismay	5480'
Navajo	650'	Upper Desert Creek	5560'
Chinle	1570'	Lower Desert Creek	5630'
Cutler	2365'	Akah	5670'
Honaker Trail	4230'	TD	5700'
Paradox	5160'		

3. The estimated depths at which anticipated water, oil or gas formations are expected to be encountered are:

Water: Approximately 930'

Oil or Gas: Upper Ismay 5300'; Lower Ismay 5480'; Desert Creek 5630'

4. Proposed Cementing Program:

Surface Casing: There will be one stage of cement. Cemented with 800 sacks of Class "C" 2% CaCl<sub>2</sub> (600 cubic feet of cement) circulated. Casing shoe will be set at 1800' with float equipment set at approximately 1760'.

Intermediate Casing: There will be one stage or as warranted of cement. Cemented with enough Class "C" to equal 220 cubic feet or approximately 300 sacks to reach estimated top at 5000'. Float collar will be set at approximately 40' above TD with casing shoe set at TD.

NOTE: SAN JUAN RESOURCE AREA WILL BE NOTIFIED ONE (1) DAY PRIOR TO RUNNING CASING STRINGS AND CEMENT.

5. Pressure Control Equipment: BOP's will be installed. NOTE: San Juan Resource Area will be notified one (1) day prior to pressure testing.

6. Mud Program: Fresh water to 5500'; fresh water gel & starch from 5500-TD with a MW 8.5-9.8, Vis 35-45 & FL 10-15 cc's.

7. Auxiliary Equipment: Kelly cock, pit level indicators and flow sensor equipment; sub with full-opening valve on floor, drill pipe connectors.
8. Testing, Logging & Coring Program:  

Samples: 10' samples out from under surface casing to TD  
DST's: Two (2) possible  
Coring: None  
Logging: CIL & CNL/LDT from TD to casing. Possible dipmeter and sonic.
9. No abnormal pressures or temperatures are anticipated.
10. Anticipated starting date: As soon as possible after approval.

MOAB DISTRICT

CONDITIONS OF APPROVAL FOR PERMIT TO DRILL

Company YATES PETROLEUM CORPORATION Well Name CAZADOR UNIT #2-1

Location Sec. 13 , T. 38 S., R. 24 E. Lease No. U-11886

1420 F N L, 2120 F E L

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Order No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

A. DRILLING PROGRAM

1. Surface Formation and Estimated Formation Tops: \_\_\_\_\_

\_\_\_\_\_

2. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones Are Expected to be Encountered:

Formation      Zone

Expected oil zones: \_\_\_\_\_  
Expected gas zones: \_\_\_\_\_  
Expected water zones: \_\_\_\_\_  
Expected mineral zones: \_\_\_\_\_

All fresh water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth, cased, and cemented. All oil and gas shows will be tested to determine commercial potential.

3. Pressure Control Equipment: \_\_\_\_\_

\_\_\_\_\_

BOP systems will be consistent with API RP 53. Pressure tests will be conducted before drilling out from under all casing strings which are set and cemented in place. Blowout preventor controls will be installed prior to drilling the surface casing plug and will remain in use until the well is completed or abandoned. Preventers will be inspected and operated at least daily to ensure good mechanical working order, and this inspection recorded on the daily drilling report. Preventers will be pressure tested before drilling casing cement plugs. The San Juan Resource Area (~~will~~ will not) be notified 1 day before pressure testing.

4. Casing Program and Auxiliary Equipment: \_\_\_\_\_

Anticipated cements tops will be reported as to depth, not the expected number of sacks. The San Juan Resource Area (~~will~~ ~~will~~) be notified 1 day before running casing strings and cement.

5. Mud Program and Circulating Medium: \_\_\_\_\_

6. Coring, Logging and Testing Program: \_\_\_\_\_

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 not later than 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 analysis, 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. If requested, samples (cuttings, fluids, and/or gases) will be submitted to the District Manager.

7. Abnormal Conditions, Bottom Hole Pressures and Potential Hazards: \_\_\_\_\_

8. Anticipated Starting Dates and Notifications of Operations

The operator will contact the San Juan Resource Area at 801-587-2141, 48 hours before beginning any dirt work.

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 Manager. If operations are to be suspended, prior approval of the District Manager will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the San Juan Area Manager, a minimum of 24 hours before spudding. A Sundry Notice (Form 3160-5) will be sent w/in 24 hours after spudding, reporting the spud date and time. The Sundry will be sent to the District Manager. If the spudding is on a weekend or holiday, the Sundry will be submitted on the following regular work day.

In accordance with Onshore Oil and Gas Order No. 1, this well will be reported on Form 9-329 "Monthly Report of Operations," starting with the month in which operations begin and continue each month until the well is physically plugged and abandoned. This report will be sent to the BLM 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 Resource Area in accordance with requirements of NTL-3A.

If a replacement rig is planned for completion operations, a Sundry Notice (Form 3160-5) to that effect will be filed, for prior approval of the District Manager. All conditions of this approved plan are applicable during all operations conducted with the replacement rig. In emergencies, verbal approval can be given by the District Petroleum Engineer.

If the well is successfully completed for production, then the District Manager will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than 5 business days following the date on which the well is placed on production.

No well abandonment operations will begin without the prior approval of the District Manager. In the case of newly drilled dry holes or failures, and in emergencies, oral approval will be obtained from the District Petroleum Engineer. A "Subsequent Report of Abandonment" (Form 3160-5), will be filed with the District Manager, 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 San Juan Area Manager, or the appropriate surface manager.

Approval to vent/flare gas during initial well evaluation will be obtained from the District Office. This preliminary approval will not exceed 30 days or 50 MCF gas. Approval to vent/flare beyond this initial test period will require District Office approval pursuant to guidelines in NTL-4A.

Upon completion of approved plugging, a regulation marker will be erected in accordance with 43 CFR 3162.6. The following information will be permanently beaded-on with a welding torch: Fed, Well number, location by 1/4 1/4 section, township and range, Lease number.

A first production conference will be scheduled within 15 days after receipt of the first production notice. The San Juan Area Manager will schedule the conference.

Other: \_\_\_\_\_

The following may be inspected and/or witnessed:

1. The cementing and testing of surface casing, testing BOP's.
2. (Dry Hole) Setting and testing of surface casing shoe plug.
3. (Depleted Producer) The setting and testing of plugs across producing horizon and if applicable the surface casing shoe plug and/or annulus (casing to formation) squeeze jobs.

Notify the San Juan Resource area (Mike Wade) one day or on dry hole as soon as possible prior to the above at (801) 587-2141 (Home) (801) 587-2026 or if unable to reach Mike, call Moab District office Greg Noble at (801) 259-6111 (Home) (801) 259-8811.

#### B. THIRTEEN POINT SURFACE USE PLAN

##### 1. Existing Roads:

- a. Location of proposed well in relation to town or other reference point: Approximately 7 miles north of Hatch

Trading Post

- b. Proposed route to location: Refer to Exhibit A

- c. Plans for improvement and/or maintenance of existing roads: County maintained road. Existing and new access

road will be maintained in good or better condition.

The maximum total disturbed width will be 25 feet.

d. An encroachment permit will be obtained from the San Juan County Road Dept., (801) 587-2231, ext. 43.

e. Other: \_\_\_\_\_

2. Planned Access Roads:

a. The maximum total disturbed width will be 25 feet for 1000 feet/miles. width

b. Maximum grade: 10% or less

c. Turnouts: As needed

d. Location (centerline): Flagged

e. Drainage: As needed

f. Surface Materials: If access is utilized during wet winter weather, road surfacing may be required to prevent road maintenance problems.

g. Other: If well, is drilled during wet weather conditions, surfacing material may be required.

Each fence which is crossed by the road will be braced as shown in Enclosure number 1, and tied off before cutting to prevent slackening of the wire. A gate or cattleguard which must be approved by BLM, will be installed.

~~If road construction cuts through natural topography which serves as a livestock barrier, a fence shall be constructed as shown in Enclosure 1.~~

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

The access road will be water barred or brought to Class III Road Standards within 60 days of dismantling of the drill rig. If this time frame cannot be met, the San Juan Area Manager will be notified so that temporary drainage control can be installed along the access road.

The Class III Road Standards which ensure drainage control over the entire road through the use of natural, rolling topography; ditch turnouts; drainage dips; outsloping; crowning; low water crossings; and culverts will be determined at the appropriate field inspection.

3. Location of Existing Wells: See one-mile radius map. Exhibit E is enclosed.

4. Location of Tank Batteries and Production Facilities:

All permanent (on site for 6 months or longer) above ground facilities (including pump jacks) will be painted a flat,

nonreflective, earthtone color to match the standard environmental colors, as determined by the Rocky Mountain 5-State Interagency Committee. All facilities will be painted within 6 months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The color will be NEUTRAL.

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

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place before any deliveries. Tests for meter accuracy will be conducted monthly for the first 3 months on new meter installations and at least quarterly thereafter. The San Juan Area Manager will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the San Juan Area Manager. All meter measurement facilities will conform with the API standards for liquid hydrocarbons and the AGA standard for natural gas measurement.

5. Location and Type of Water Supply:

All water needed for drilling purposes will be obtained from:

Private source

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 management agency to use the land containing the water source.

6. Source of Construction Material:

Pad Construction material will be obtained from: NATIVE

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The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3. Construction material (~~will/will not~~) be located on lease.

7. Methods of Handling Waste Disposal:

The reserve pit (~~will~~/will not) be lined with commercial bentonite sufficient to prevent seepage. At least half of the capacity will be in cut.

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.

A trash pit will be constructed near the mud tanks and dug at least six feet into solid undisturbed material. It will be totally enclosed with a fine wire mesh before the rig moves in. The road and pad will be kept litter free.

A burning permit is required for burning trash between May 1 and October 31. This can be acquired by notifying the San Juan County Sheriff at (801) 587-2237.

Produced waste water will be confined to a (lined/unlined) pit for a period not to exceed 90 days after initial production. During the 90 day period an application for approval of a permanent disposal method and location, along with the required water analysis, will be submitted for the District Manager's approval pursuant to Onshore Oil and Gas Order No. 3 (NTL-2B).

8. Ancillary Facilities:

Camp facilities (~~will~~/will not) be required. They will be located: N/A

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9. Well Site Layout:

The reserve pit will be located: West

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

Access to the well pad will be from: North

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10. Reclamation:

- a. Immediately on completion of drilling, all trash and debris will be collected from the location and surrounding area. All trash and debris will be disposed of in the trash pit and will then be compacted and buried under a minimum of two feet of compacted soil.
- b. The operator/holder or his contractor will contact the San Juan Resource Area office in Monticello, Utah, (801) 587-2141, 48 hours before starting reclamation work that involves earthmoving equipment and upon completion of restoration measures.
- c. Before any dirt work to restore the location takes place, the reserve pit must be completely dry.
- d. All disturbed areas will be recontoured to blend as nearly as possible with the natural topography. This includes removing all berms and refilling all cuts.
- e. The stockpiled topsoil will be spread evenly over the disturbed area. All disturbed areas will be ripped 12" inches deep with the contour.
- f. Water bars will be built as follows to control erosion.

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

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

_____	lbs/acre Indian ricegrass ( <u>Oryzopsis hymenoides</u> )
<u>2</u>	lbs/acre Galleta ( <u>Hilaria jamesii</u> )
<u>5</u>	lbs/acre crested wheatgrass ( <u>Agropyron desertorum</u> )
_____	lbs/acre Western wheatgrass ( <u>Agropyron smithii</u> )
_____	lbs/acre Alkali sacaton ( <u>Sporobolus airoides</u> )
_____	lbs/acre Sand dropseed ( <u>Sporobolus cryptandrus</u> )
<u>2</u>	lbs/acre Fourwing saltbush ( <u>Atriplex canescens</u> )
_____	lbs/acre Shadscale ( <u>Atriplex confertifolia</u> )
_____	lbs/acre Green ephedra ( <u>Ephedra viridis</u> )
_____	lbs/acre Cliffrose ( <u>Cowania mexicana</u> )
_____	lbs/acre Desert bitterbrush ( <u>Purshia glandulosa</u> )
_____	lbs/acre Winterfat ( <u>Eurotia lanata</u> )
_____	lbs/acre Globemallow ( <u>Sphaeralcea ambigua</u> )
_____	lbs/acre Wild sunflower ( <u>Helianthus annuus</u> )
_____	lbs/acre

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

11. Surface Ownership: Federal

Mineral Ownership: Federal

12. 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.

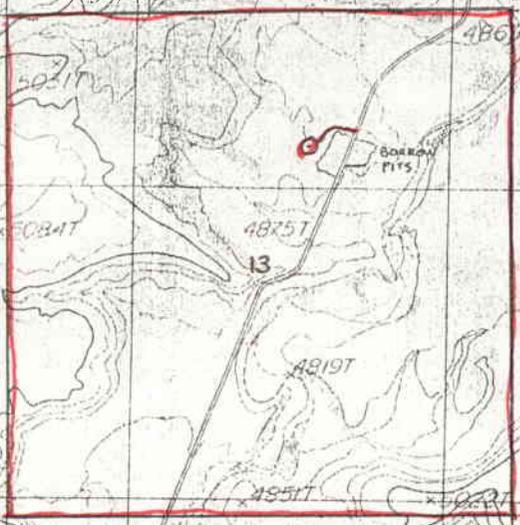
"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3164.

The dirt contractor will be provided with an approved copy of the surface use plan.

If subsurface cultural materials are exposed during construction, work in that spot will stop immediately and the San Juan Resource Area Office will be contacted. All people who are in the area will be informed by the operator/holder that they are subject to prosecution for disturbing archaeological sites or picking up artifacts. Salvage or excavation of identified archaeological sites will be done by a BLM approved archaeologist only if damage occurs.

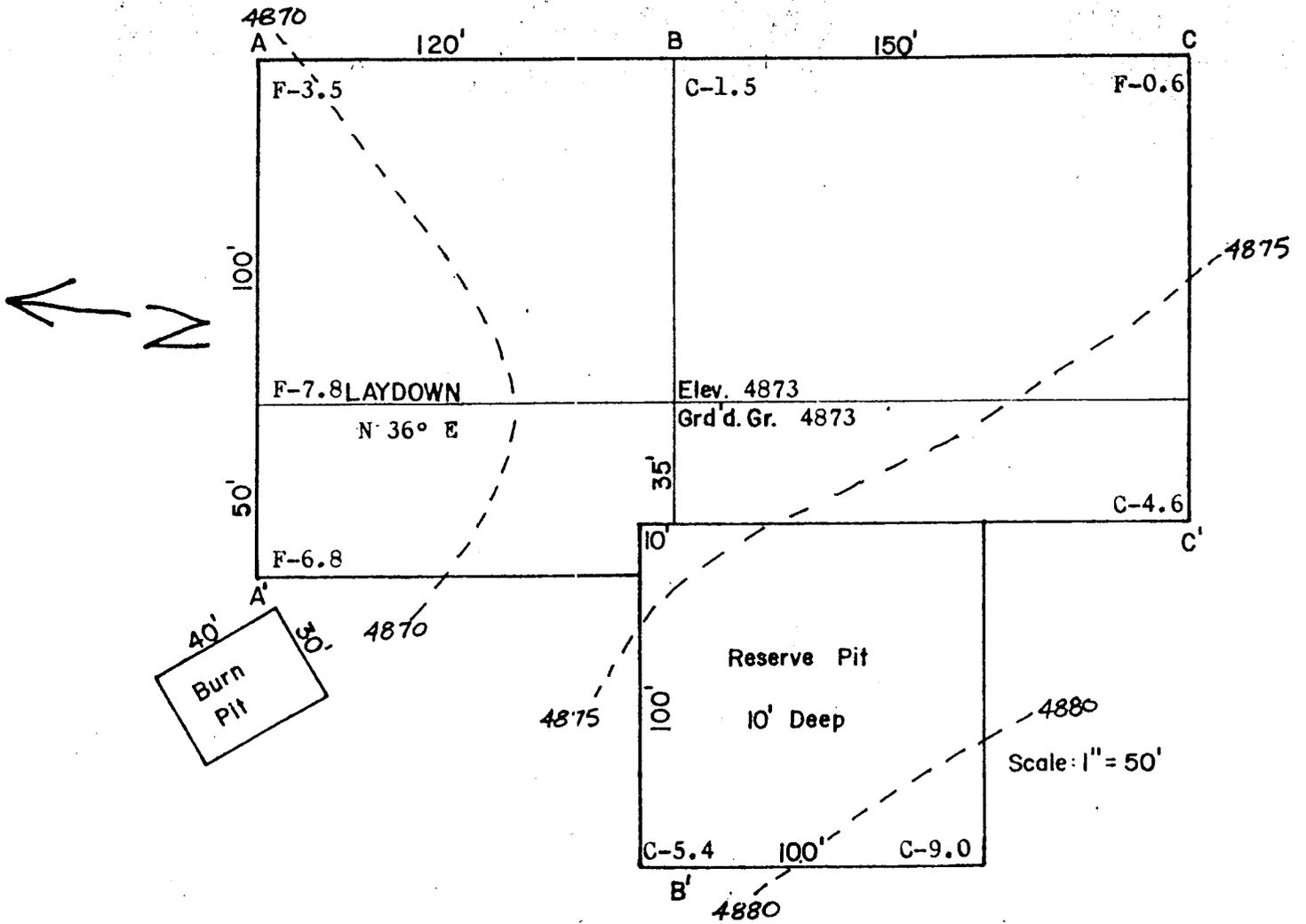
This permit will be valid for a period of one year from the date of approval. After permit termination a new application will be filed for approval for any future operations.





Vicinity Map for  
YATES PETROLEUM CORPORATION  
#2-1 CAZADOR UNIT  
1420'FNL & 2120'FEL  
Sec. 13, T38S, R24E  
San Juan County, Utah  
Exhibit A

#2-1 CAZADOR UNIT  
 1420' FNL & 2120' FEL  
 Sec. 13, T38S, R24E  
 San Juan County, Utah  
 Exhibit B

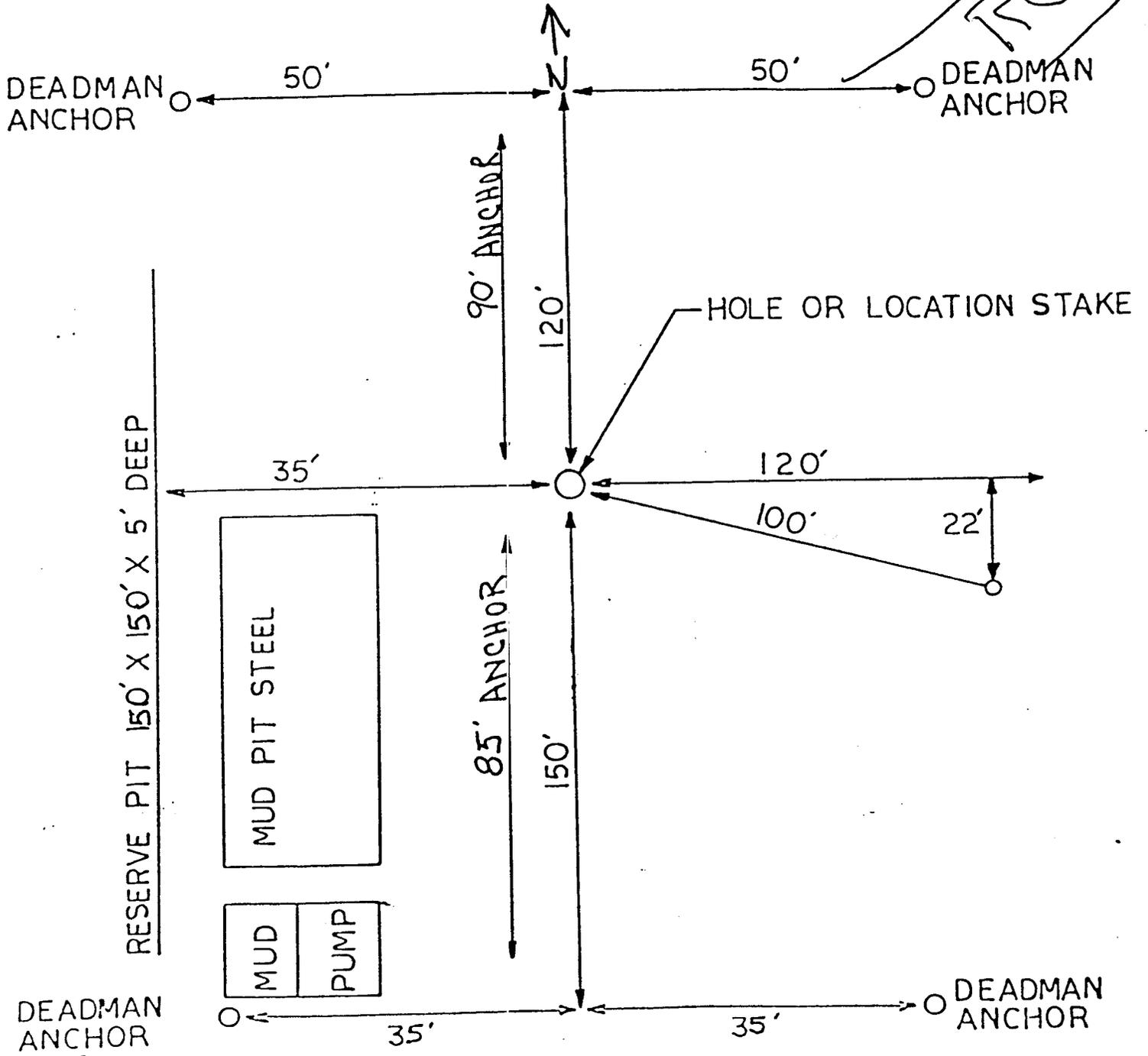


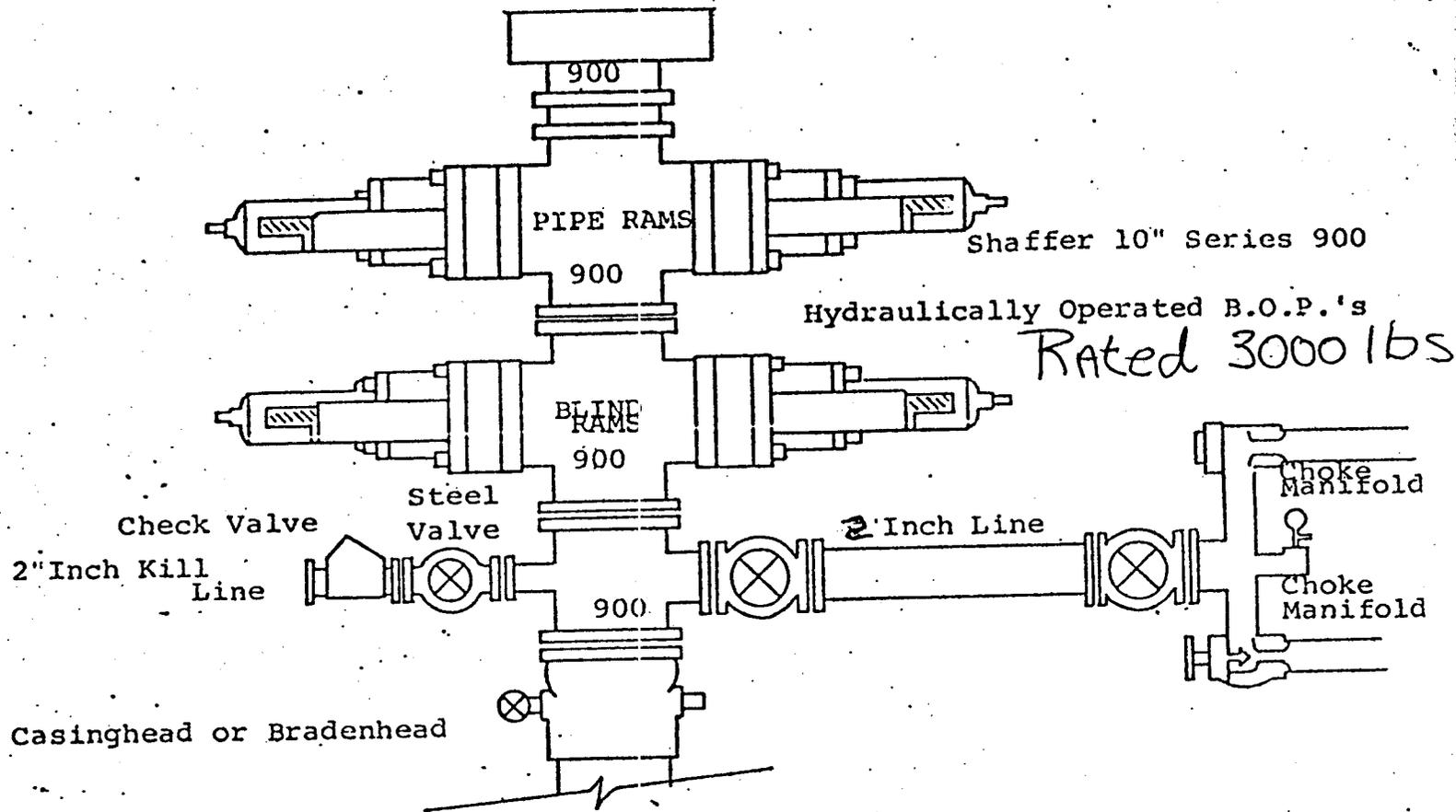
A-A'	Vert.: 1" = 30'	Horiz.: 1" = 100'	C/L			
4880	-----	-----	-----	-----	-----	-----
4870	-----	-----		-----	-----	-----
	-----	-----		-----	-----	-----
B-B'						
4880	-----	-----	-----	-----	-----	-----
4870	-----	-----		-----	-----	-----
	-----	-----		-----	-----	-----
C-C'						
4880	-----	-----	-----	-----	-----	-----
4870	-----	-----		-----	-----	-----
	-----	-----		-----	-----	-----

Exhibit C

COLEMAN DRILLING CO.

FRONT OF RIG NO. 3





THE FOLLOWING CONSTITUTE MINIMUM BLOWOUT PREVENTER REQUIREMENTS

1. All preventers to be hydraulically operated with secondary manual controls installed prior to drilling out from under casing.
2. Choke outlet to be a minimum of 2" diameter.
3. Kill line to be of all steel construction of 2" minimum diameter.
4. All connections from operating manifolds to preventers to be all steel hole or tube a minimum of one inch in diameter.
5. The available closing pressure shall be at least 15% in excess of that required with sufficient volume to operate the B.O.P.'s.
6. All connections to and from preventer to have a pressure rating equivalent to that of the B.O.P.'s.
7. Inside blowout preventer to be available on rig floor.
8. Operating controls located a safe distance from the rig floor.
9. Hole must be kept filled on trips below intermediate casing. Operator not responsible for blowouts resulting from not keeping hole full.
10. D. P. float must be installed and used below zone of first gas intrusion.

375

385

31

1 mile RADIUS

CAZADOR unit  
2-1

13

Exhibit  
E

24E 25E

# CONFIDENTIAL

040303

OPERATOR Yates Petroleum Corp. DATE 3-3-87

WELL NAME Colgado 2-1

SEC SW NE 13 T 38S R 24E COUNTY San Juan

43-037-31312  
API NUMBER

Fed.  
TYPE OF LEASE

CHECK OFF:

PLAT

BOND

NEAREST WELL

LEASE

FIELD

POTASH OR GIL SHALE

PROCESSING COMMENTS:

Unit not approved - BLM approving on lease basis  
No other well in Sec. 13.  
Med. water permit

APPROVAL LETTER:

SPACING:  203 \_\_\_\_\_ UNIT \_\_\_\_\_

302

\_\_\_\_\_ CAUSE NO. & DATE \_\_\_\_\_

302.1

STIPULATIONS:

1 - Water



STATE OF UTAH  
NATURAL RESOURCES  
Oil, Gas & Mining

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

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

April 1, 1987

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, New Mexico 88210

Gentlemen:

Re: Cazador 2-1 - SW NE Sec. 13, T. 38S, R. 24E  
1420' FNL, 2120' FEL - San Juan County, Utah

Approval to drill the referenced well is hereby granted in accordance with Rule 302.1, Oil and Gas Conservation General Rules, 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 as required by Chapter 3, Title 73, Utah Code Annotated.

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 311.3, Associated Gas Flaring, Oil and Gas Conservation General Rules.

Page 2  
Yates Petroleum Corporation  
Cazador 2-1  
April 1, 1987

5. Prior to commencement of the proposed drilling operations, plans for toilet facilities and the disposal of sanitary waste at the drill site shall be submitted to the local health department having jurisdiction. Any such drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of all local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 533-6163.
6. 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 43-037-31312.

Sincerely,



R. J. Firth  
Associate Director, Oil & Gas

as  
Enclosures  
cc: Branch of Fluid Minerals  
D. R. Nielson  
8159T

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO.  
U-11886

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

7. UNIT AGREEMENT NAME

8. FARM OR LEASE NAME  
Cazador Unit

9. WELL NO.  
2-1

10. FIELD AND POOL, OR WILDCAT  
Wildcat

11. SEC., T., E., M., OR BLK. AND SURVEY OR AREA  
Section 13-T38S-R24E

12. COUNTY OR PARISH  
San Juan

13. STATE  
Utah

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  TIGHT HOLE  SINGLE ZONE  MULTIPLE ZONE

2. NAME OF OPERATOR  
Yates Petroleum Corporation

3. ADDRESS OF OPERATOR  
105 South Fourth Street - Artesia, NM 88210

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)  
At surface  
1420' FNL & 2120' FEL (Unorthodox location)  
At proposed prod. zone STATE OF UTAH HAS BEEN NOTIFIED  
Same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE\*  
Approximately 7 miles north of Hatch Trading Post

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

16. NO. OF ACRES IN LEASE  
760

17. NO. OF ACRES ASSIGNED TO THIS WELL  
80

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

19. PROPOSED DEPTH  
5700'

20. ROTARY OR CABLE TOOLS  
Rotary

**CONFIDENTIAL**  
APR 9 1987  
DIVISION OF OIL, GAS & MINING  
C. G. M.

**CONFIDENTIAL**  
C.G.M.

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 Cy Cover TITLE Regulatory Agent DATE March 17, 1987

(This space for Federal or State office use)

PERMIT NO. \_\_\_\_\_ APPROVAL DATE \_\_\_\_\_

APPROVED BY /s/ GENE NODINE TITLE DISTRICT MANAGER DATE MAR 30 1987

CONDITIONS OF APPROVAL, IF ANY:

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

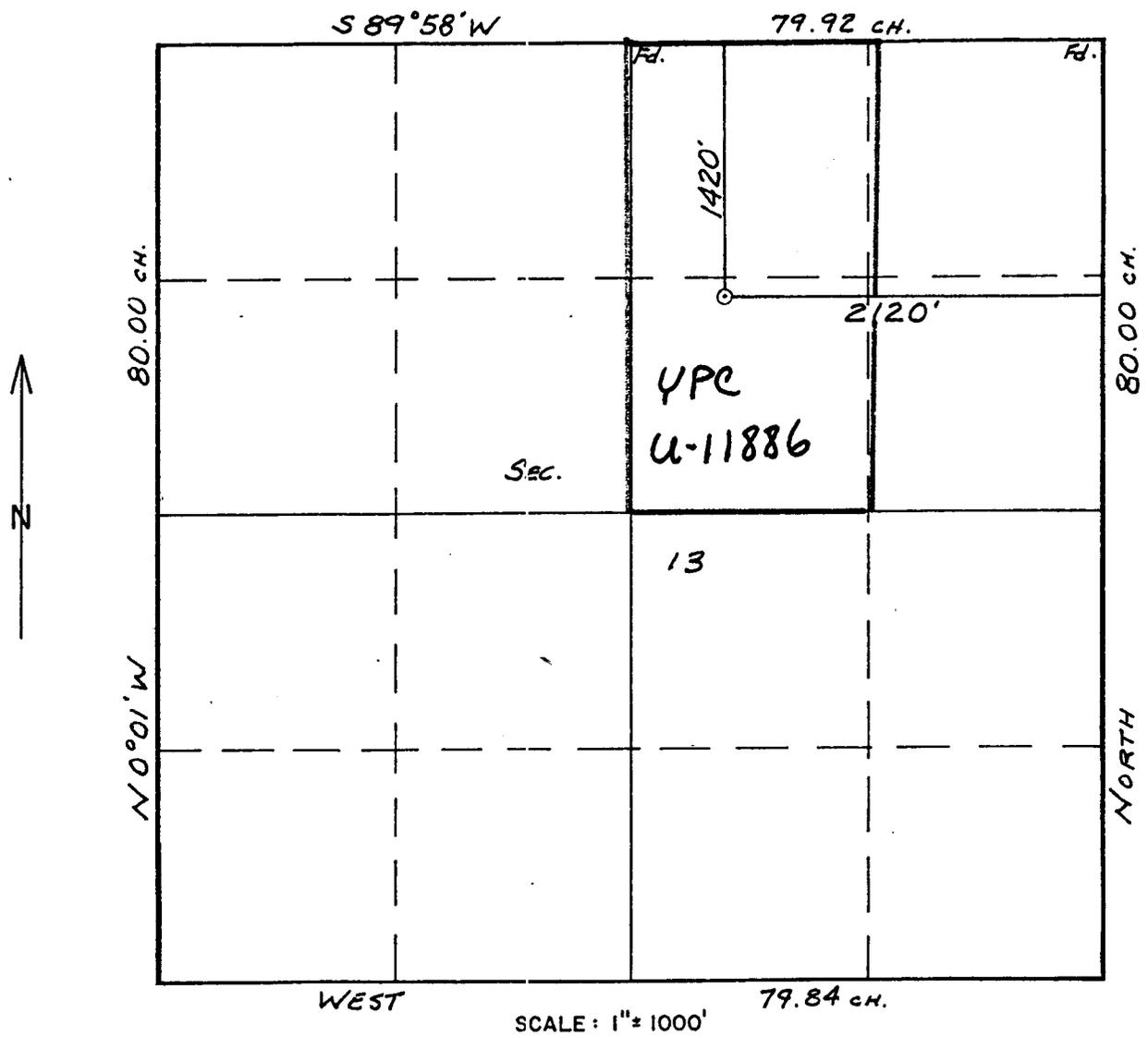
CONDITIONS OF APPROVAL ATTACHED

\*See Instructions On Reverse Side

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

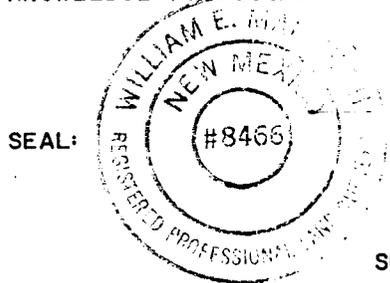
DOGMA

COMPANY YATES PETROLEUM CORPORATION  
 LEASE CAZADOR UNIT WELL NO. 2-1  
 SEC. 13, T. 38 S, R. 24 E  
 COUNTY San Juan STATE Utah  
 LOCATION 1420'FNL & 2120'FEL  
 ELEVATION 4873



SCALE: 1" = 1000'

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.



  
 WILLIAM E. MAHNKE II  
 NEW MEXICO P.L.S. Nº 8466

SURVEYED Mar. 5, 19 87

Yates Petroleum Corporation  
Well No. Cazador Unit 2-1  
Sec. 13, T. 38 S., R. 24 E.  
San Juan County, Utah  
Lease U-11886

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

A. DRILLING PROGRAM

1. B.O.P.E. will be tested to 2000 psi prior to drilling out from the 8 5/8" csg.

3162 (U-065)  
(U-11886)

2A9 CMA JIO	
FLR	NSD
HJQ	BRU
SJS	DEC

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

OCT 25 1988

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

**RECEIVED**

OCT 28 1988

DIVISION OF  
OIL, GAS & MINING

Re: Rescinding Application for  
Permit to Drill  
Well No. Cazador Unit 2-1  
Sec. 13, T. 38 S., R. 24 E.  
San Juan County, Utah  
Lease U-11886  
43-037-31312

Gentlemen:

The Application for Permit to Drill the above well was approved March 30, 1987. Since that date, no known activity has transpired at the approved location.

This permit was valid for a period of one year from the date of approval. In view of the foregoing, we are rescinding your Application for Permit to Drill. After permit termination, a new application will be filed for approval of any further operations at this location.

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

Sincerely yours,

/s/ Kenneth V. Rhea

District Manager

ACTING

cc: San Juan Resource Area

State of Utah, Division of Oil, Gas and Mining ✓  
Salt Lake City, Utah 84180-1203

bcc: USO, U-942

CFreudiger/cf 10/25/88



# State of Utah

DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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

355 West North Temple  
3 Triad Center, Suite 350  
Salt Lake City, Utah 84180-1203  
801-538-5340

November 7, 1988

Yates Petroleum Corporation  
105 South Fourth Street  
Artesia, NM 88210

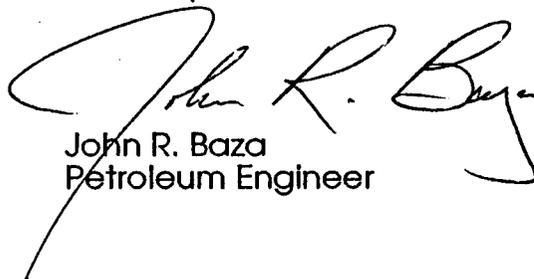
Gentlemen:

Re: Cazador Unit 2-1, Sec. 13, T.38S, R.24E, San Juan County, Utah  
API NO. 43-037-31312

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

tc  
cc: D. R. Nielson  
R. J. Firth  
BLM-Moab  
**Well file**  
WE16/75